



Securing a Healthier Future for the District of Columbia

The New Health Law & Small Businesses

October 2013

**DC HEALTH
LINK**
Get the facts. Get covered.

Goals of the New Health Law

Affordable Care Act (ACA)

- Protect consumers against unfair insurance industry practices
- Give consumers more insurance options
- Give small business owners more clout



New Rights

Insurance companies can no longer:

- Deny coverage based on pre-existing conditions
- Charge women of child-bearing age higher premiums
- Place annual or lifetime caps on coverage
- Charge higher premiums to small businesses based on their industry (e.g., construction)



New Benefits

Beginning in 2014, all new individual and small business health insurance plans must cover a comprehensive package of “essential health benefits.”

ESSENTIAL HEALTH BENEFITS

- Doctor visits
- Hospital stays
- Emergency room care
- Maternity and newborn care
- Lab tests
- Rehabilitative and habilitative services and devices
- Preventive tests and services
- Prescription drugs
- Mental health care
- Substance use disorder services
- Chronic disease management
- Dental care for children
- Vision care for children

Fair Health Insurance Premiums

In 2014+, small business premiums based on age & family size only

- No medical underwriting
- No rates based on gender
- No surcharge for tobacco users
- No rates based on industry or employer size
- No geographical rating
- Age rates maximum 3:1 ratio

Each employee will have a different premium based on his/her age.

New Responsibilities

For individuals and families:

- Most people have to have health insurance – *private health insurance, Medicare, Medicaid, Tricare, or other* – or pay a penalty – *the greater of \$95 per adult and \$47.50 per child in 2014 or 1% of family income*)
- Financial help will be available to people with low and moderate incomes
- Those who cannot afford insurance even with extra help can apply for an exemption from the penalty



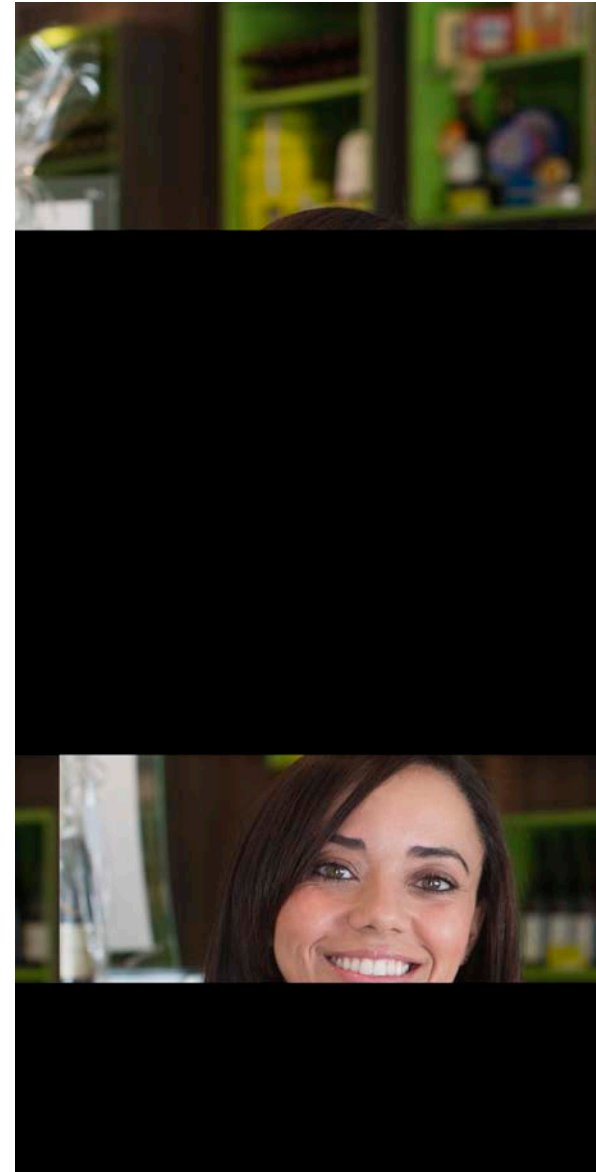
Help for Small Businesses

Tax credits are available if your business has

- Fewer than 25 full-time workers
- Average wages of \$50,000 or less
- Pay at least 50% of the cost of single coverage for each employee
- Purchase coverage through DC Health Link

Tax credits can cover as much as

- 50% of a for-profit employer's contribution
- 35% of a non-profit employer's contribution



What is DC Health Link?

- DCHealthLink.com – An online marketplace is a “one-stop shop” where individuals, families, and small businesses can compare, shop and purchase high-quality, affordable coverage
- A place to access help paying for health insurance or applying for Medicaid



DC Health Link – One Big Marketplace

- Provides small businesses the same **clout in the health insurance market** that large companies already enjoy.
- Small businesses can **access a wide array of health insurance options** for their employees, instead of the limited choice of health plans most employers and employees have in today's market.
- **Transparency in prices and benefits** requires health insurance companies to compete for your business based on price and quality.

Robust Choice of Carriers & Plans

Small Group Plans: 267

Carrier	Number of Plans Offered in 2014
Aetna	14 plans
CareFirst BlueCross BlueShield	54 plans
Kaiser Permanente	22 plans
United Healthcare	177 plans

Individual & Family Plans: 34

Carrier	Number of Plans Offered in 2014
Aetna	9 plans
CareFirst BlueCross BlueShield	15 plans
Kaiser Permanente	10 plans

*More than 300 plans, including: HMOs, POSs, PPOs and HSA- Compatible Products
There are also 2 multi-state small business plans offered through CareFirst BlueCross BlueShield.*

Who Can Shop for Health Insurance on DC Health Link?

- Individuals and families who legally reside in the District, including those who are:
 - Uninsured or underinsured
 - Buy their own insurance today
 - Work part-time & aren't eligible for coverage through their job
- Small businesses with 50 or fewer full-time equivalent (FTE) employees.



Which small businesses can shop in DC Health Link?

In 2014 and 2015, employers with:

- 1-50 full-time equivalent employees (FTEs), on average in the prior calendar year

Beginning in 2016, expands to employers with:

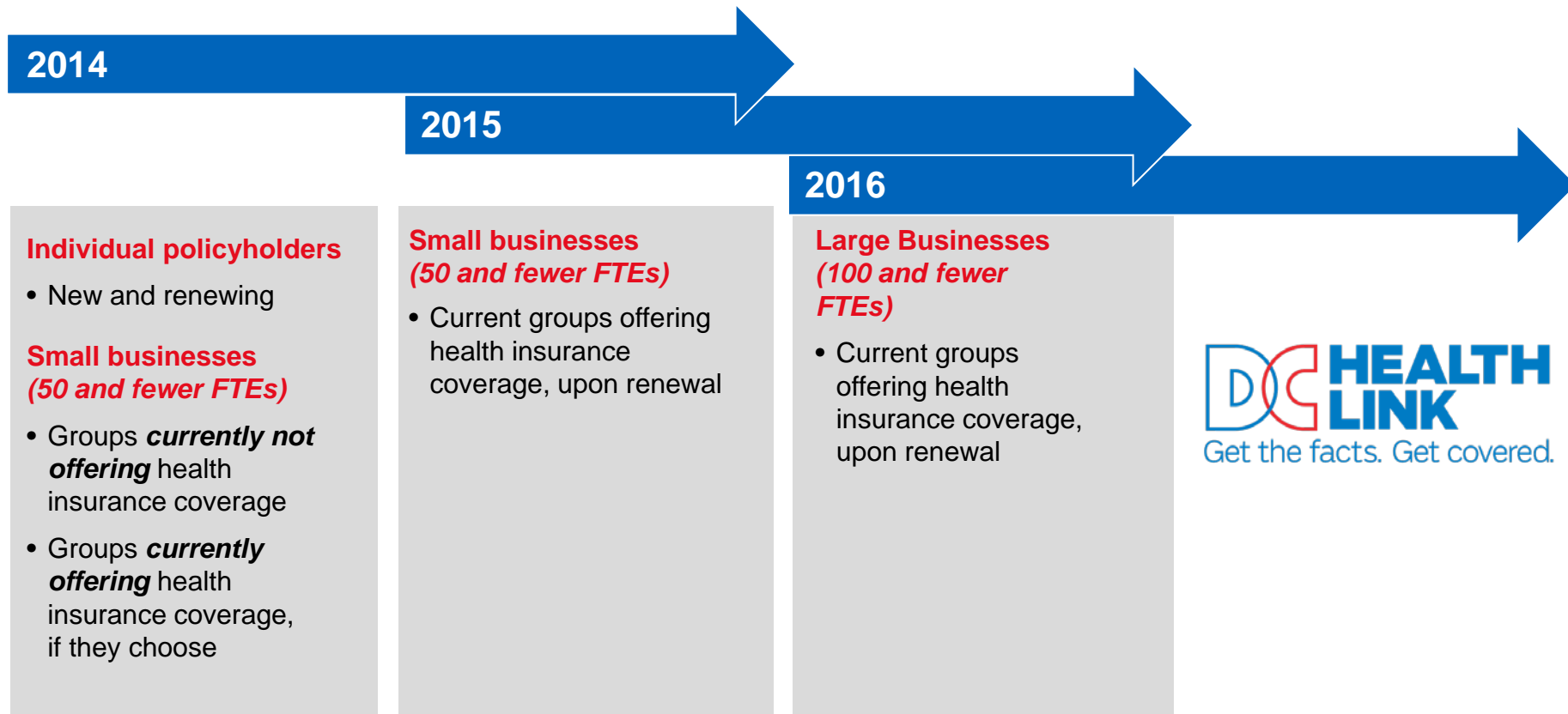
- 1-100 FTEs, on average in the prior calendar year

What about self-employed individuals?

DC Health Link's small business marketplace is for employers with at least one non-owner employee.

If you are self-employed or a sole proprietorship, partnership, or an S- Corporation that only employs owners, then you will be able to shop the numerous plan options in the DC Health Link's individual and family marketplace.

Transition to One Marketplace



Participation

Minimum Employer Contribution

- 50% of single coverage in reference plan

Minimum Level of Participation

- 2/3rds of eligible employees (not including waivers)
 - Employees declining to enroll because of other coverage do not count against participation requirement if their other coverage is:
 - Another employer's health plan (spouse's employer plan), or
 - Governmental health plan (Medicare, Medicaid, TRICARE).



Note: Employers who cannot satisfy minimum participation and/or minimum contribution will be able to enroll during a special annual enrollment period each year for coverage effective January 1st. For 2013 enrollment: Oct.1-Nov.26.

What are “full-time equivalent” employees?

To calculate the number of “full-time equivalent (FTE)” employees:

- Count all employees who worked on average 30 hours per week or more
- Add in all part-time employees as a fraction of hours worked by a full-time employee

Note: Count all employees, not just those who are eligible for health benefits.

For example: SmallCo has 20 full-time employees working 30 hours per week, and four part-time employees working 15 hours per week.

Full-Time Employees:		20
Total Part-Time Hours divided by 30:	$4 \times 15 \div 30 =$	2
Full-Time Equivalent (FTE) Employees:	$20 + 2 =$	22

In this example, the SmallCo has 22 FTE employees.

Easier Comparisons

Plans will be categorized into “metal levels” for easier comparison

- Metal level provides a general idea of what portion of covered healthcare expenses will be paid by the plan, with the remaining portion to be paid by the consumer (not including premiums)
- Plans will have different designs, such as deductibles, copays, and coinsurance

	Plan pays (approximately)...	You pay (approximately)...	Number of Plans offered in 2014
Platinum	90%	10%	48
Gold	80%	20%	112
Silver	70%	30%	89
Bronze	60%	40%	18
	...of covered health expenses	...in deductibles, copays, & coinsurance	

Out-of-Pocket Deductible Limits

The ACA established maximum out-of-pocket limits equal to the limits for HSA-compatible plans, indexed annually.

All out-of-pocket costs, including deductibles, co-pays, and co-insurance, apply towards the out-of-pocket limit.

In 2014, the **out-of-pocket limit is \$6,350 for individuals, and \$12,700 for families.**

In addition, **small business plans can generally have in-network deductibles up to a maximum of \$2,000 individual and \$4,000 family.**

Some Bronze plans may have a higher deductible if needed in order to satisfy the metal level requirements.

What Information Do I Need to Get Started?

- 1. Federal Employer Identification Number (EIN)**
- 2. DC Business Address**
- 3. Number of Full-Time Equivalent Employees (FTEs) in Prior Calendar Year**
- 4. Employee Census** - for each eligible employee
 - **Date of Birth**
 - **Social Security Number (SSN) or Tax Identification Number (TIN)**
 - **Employee Email Address (*for open enrollment notice only*)**
 - **Date of Birth for all Dependents (*optional – for cost estimations only*)**

Five Steps to Offering Coverage through DC Health Link

1 Quoting 2 Eligibility 3 Enrollment 4 Open Enrollment 5 Payment

- ✓ **Provide Company & Employee Information**
- ✓ **Select a Plan Option & Contribution level:**

- ✓ **Select a Broker**
- ✓ **Verify Your Employees and DC Location**

- ✓ **Select Open Enrollment Dates** (Can be as early as 2 months prior to coverage effective date, but no later than 10th of month)
- ✓ **Select Eligibility Rules for new employees**

- ✓ **Employee Open Enrollment** (1st time thru DC Health Link must be minimum of 14 days, otherwise 30 day minimum and close by 10th of month)

- ✓ **Pay 1st Month's Premium** (by 12th of month)
- ✓ **Coverage Takes Effect**

How Long Does It Take?

Employers (and brokers) should note that DC Health Link's initial group set up and employee enrollment timeline will run a minimum of 34 days ("fast-track") and no more than 90 days (longest), with the typical employer taking 45 days.

	Fast Track	Longest Track
Employer: Select Plans & Contributions	Days 1-7	Days 30
Employee: Open Enrollment	Days 14	Days 30
First Premium Payment	Days 1	Days 12
Carrier Administration	Days 18	
Total	34 days (minimum)	90 days (maximum)
Example: Jan 1, 2014 Coverage	Begin by Nov 26, 2013	Begin as early as Oct 1, 2013


Select the Right Choice for Your Business

As an employer, you will be able to choose how many plans to offer to your employees:

- All plans in 1 Metal Level
- All plans from 1 Carrier
- 1 Plan

Must offer coverage to all full-time employees (30 hours per week)

- Can choose to offer coverage to other employees, including part-time employees and retirees

	Aetna	CareFirst	Kaiser Permanente	United HealthCare		
Platinum			1 Carrier	 1 Plan		
Gold						
Silver	1 Metal Tier					
Bronze						

Employer Contributions

Small Business Owners decide the employer contribution:

1. Select one plan to base contributions on, the “reference plan”
2. Select a percentage you will contribute for employees and dependents to enroll in the reference plan
3. Your contribution remains fixed based on the reference plan. Employees enrolling in any other plan will pay the difference in premium to “buy-up” or “buy-down.”

		Reference Plan					Employees Select to “Buy-Up”				
		Carrier A Gold #2 Premium	Employer Pays (80%)			Employee Pays	Carrier A Platinum #4 Premium	Employer Pays (<i>same as Ref Plan</i>)			Employee Pays
Age											
Vince	27	\$275	-	\$220	=	\$55	\$310	-	\$220	=	\$90
Joyce	40	\$365	-	\$292	=	\$73	\$417	-	\$292	=	\$125

Employees may also select to “Buy Down”. If the plan selected has a monthly premium amount that is less than the employer contribution, the employers will pay the lesser premium amount for the employee plan selected and the employee will not have a monthly contribution.

Effective Date of Coverage

Small business owners determine the effective date of coverage for new employees.

Options are:

- Date of Hire
- 1st of Month Following Date of Hire
- 1st of Month Following 30 Days
- 1st of Month Following 60 Days



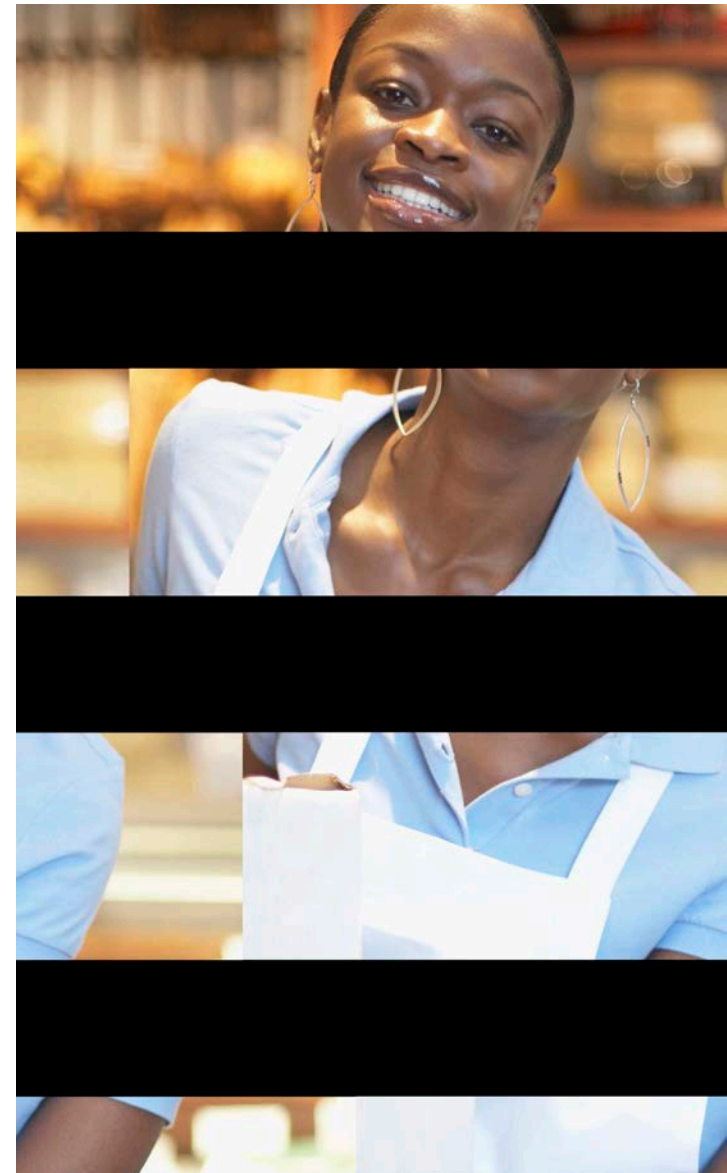
Family Premiums

Family premiums = total of **each family member's** age rate

Calculation: Family premium = employee's rate
+
spouse/partner's rate + each child's rate:

- Up to three children under age 21 are included in the family premium – each additional child under age 21 is covered at no additional premium;
- Rates for all children age 21 - 26 are included in the family premium.

Note: If an employer offers family coverage, a spouse, or other eligible family member may not be eligible to receive financial assistance through the individual market, regardless of plan affordability.



Simple Administration

DC Health Link simplifies the process of offering health benefits to employees.

One monthly invoice for all health plans

- Age rates & employee contributions calculated for you
- Invoice reports all employee payroll deductions you need to make
- View invoice and payment history online anytime

Premiums paid through DC Health Link

- Even if your employees choose different plans, you will only need to issue a single payment
- Flexible payment methods available including electronic checks
- Option to setup automatic monthly payments

Key Dates

- **October 1, 2013 – March 31, 2014**

Open Enrollment Period for individuals and families

- **October 1, 2013 – Continuing**

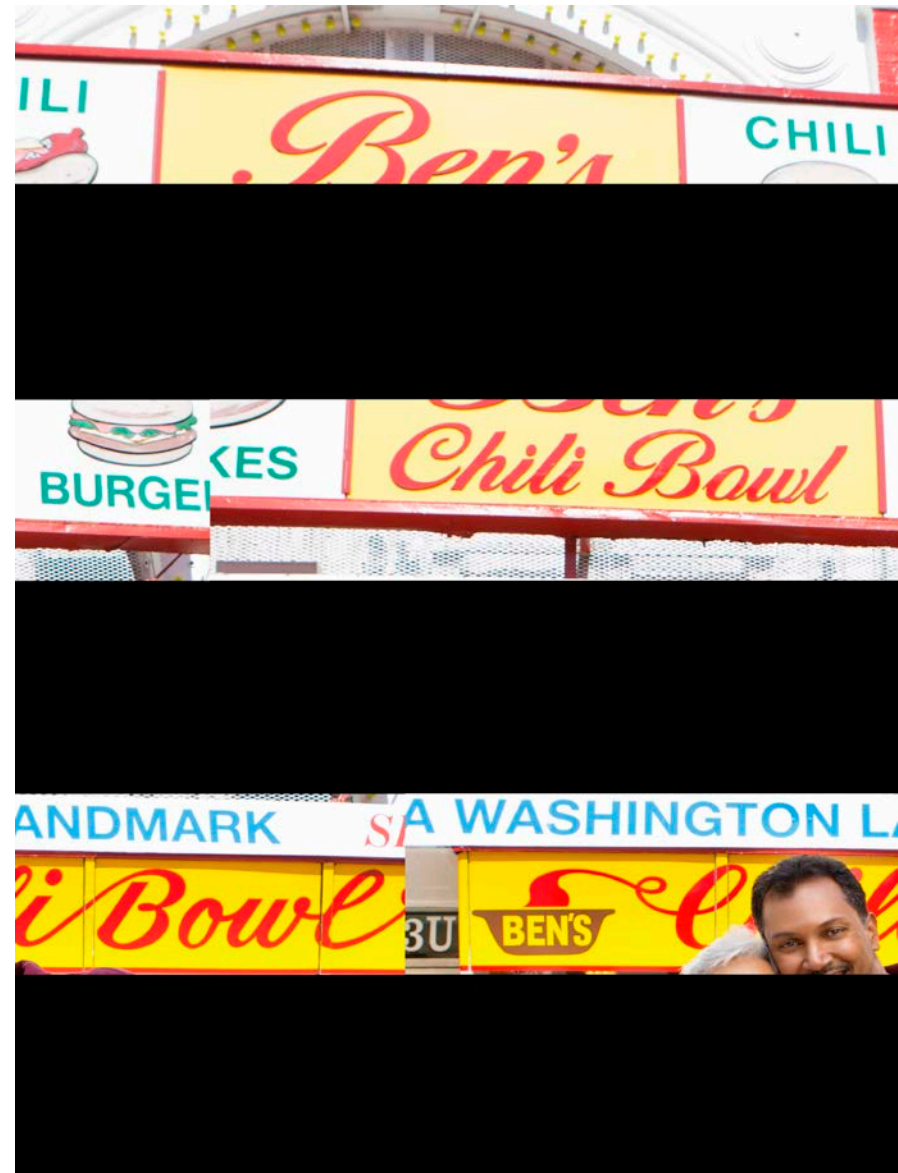
Open Enrollment begins for small businesses and continues throughout the year

- **October 1, 2013 – November 26, 2013**

Special Enrollment Period for small businesses

- **January 1, 2014**

The first day coverage can begin, if plans are selected and paid for by December 15, 2013 (individual) and December 12, 2013 for small business.



Help is Available

DCHealthLink.com

Your online enrollment portal and informational resource

Contact Center

Open from **8:00 a.m. until 12:00 a.m. Monday through Saturday** during open enrollment (Oct. 1, 2013 – March 31, 2014).

1-855-532-5465 (LINK); for TTY/TDD. 711-1855-532-5465 (LINK)

Brokers

Insurance brokers are our partners and will be available to support you. DCHealthLink.com will also be able to connect you with a broker

DC Health Link Assisters

Community-based organizations that have partnered with us to be on the ground and in your community to help you learn about the law, apply and enroll

Contact Information

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Thank you!

To learn more:

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www.DCHealthLink.com

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