



“A One City Insured Community Meeting”
September 20, 2011

HEALTH CARE REFORM & THE HEALTH INSURANCE EXCHANGE

THE FACTS ABOUT HEALTH CARE REFORM

- Patient Protection and Affordable Care Act
 - Also known as the Affordable Care Act or “ACA”

ACA

Consumer
Protections

Affordable

Coverage

Accessible

WHO WILL ACA IMPACT?

- ❑ Small business owners
- ❑ Single parents
- ❑ Married parents
- ❑ Seniors
- ❑ Uninsured
- ❑ Underinsured
- ❑ Those insured through their jobs
- ❑ Those with pre-existing conditions (diabetes, high blood pressure, cancer, etc.)

WHAT KIND OF CHANGES CAN SENIORS EXPECT?

- ❑ Co-pays for preventative care will be eliminated. This includes;
 - ❑ Vaccines
 - ❑ Cancer Screenings
 - ❑ Wellness visits

- ❑ Part-D participants (Medicare prescription drug program) will get rebates when they enter the “donut hole.”
 - ❑ \$250 rebate for the cost of prescription drugs
 - ❑ Total elimination of the donut hole by 2019

WHEN DOES HEALTH REFORM BEGIN?

- ❑ Some changes started in 2010
- ❑ Others are being phased in over time
- ❑ All major health reform changes will be in effect beginning in 2014

CONSUMER PROTECTIONS

- ❑ By 2014, almost everyone will have health insurance
- ❑ You cannot be denied health insurance because you have a pre-existing condition, e.g. diabetes, cancer
 - In place now for children
 - Begins in 2014 for adults
- ❑ Insurance companies cannot put a “lifetime limit” on your health insurance coverage
 - Begins in 2014
- ❑ You cannot be charged more for insurance because you are sick, have a history of being sick or because you are a female

AFFORDABLE

- ❑ Many people will be eligible for subsidies (financial assistance) for buying health insurance
 - For example, a family of 3 with income less than \$73,240 a year will be eligible for a subsidy
- ❑ Some people will have limits in co-pays and total cost-sharing
- ❑ Some prevention services will not require a co-pay at all
- ❑ Employers with less than 25 workers can get a tax credit for offering health insurance
 - Available now

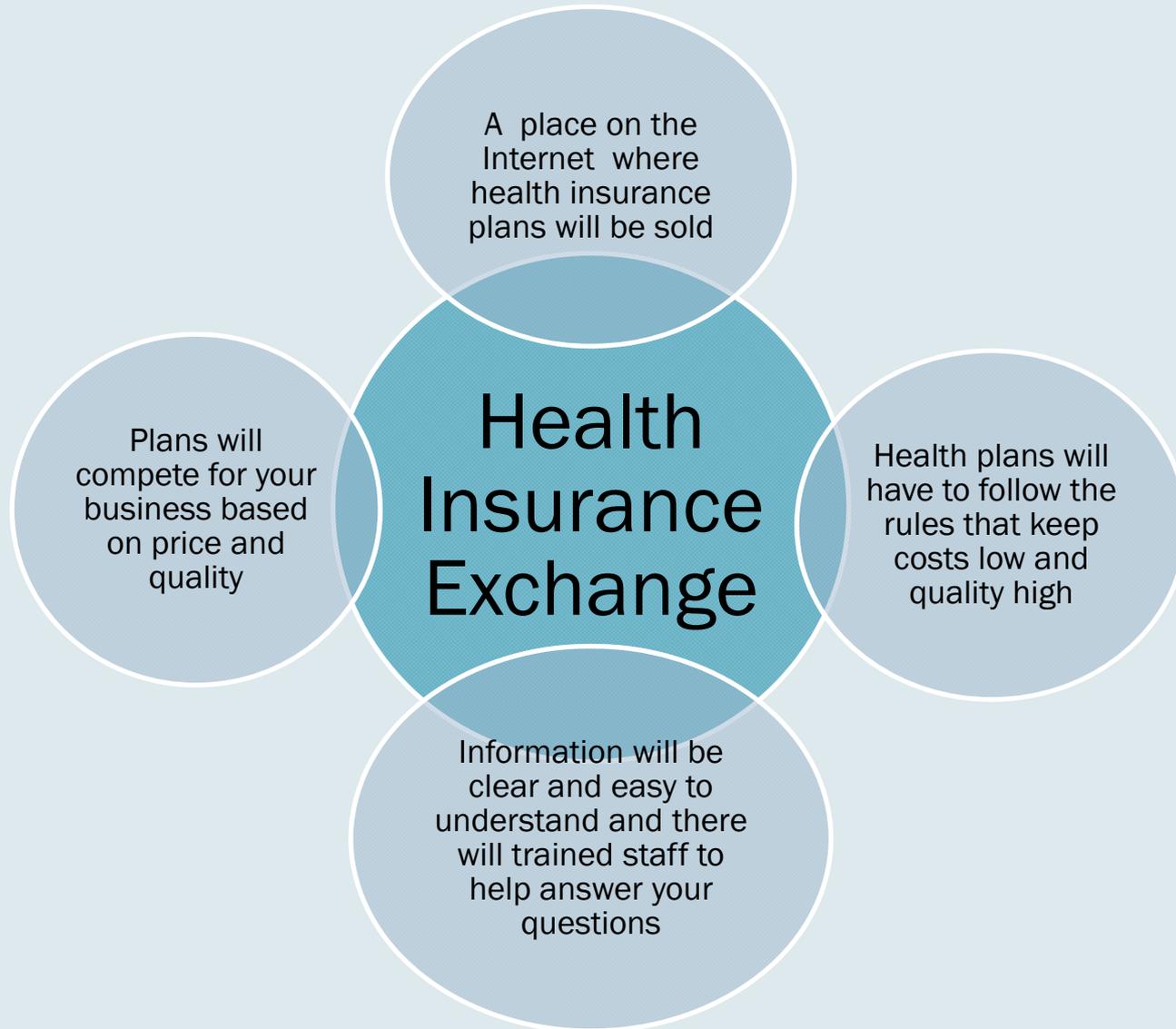
CONTINUITY OF COVERAGE

- ❑ If you become very sick, insurance companies will still cover your health costs
- ❑ There will be “essential benefits” in all health plans in the Exchange
- ❑ The Exchange is to help people move between Medicaid and private insurance as needed

ACCESSIBLE

- ❑ The District HIX will be open for enrollment on October 1, 2011 and fully operational by January 1, 2014
- ❑ One application for Medicaid and other programs

WHAT IS A HEALTH INSURANCE EXCHANGE (HIX)?



PREVENTION SERVICES WITH NO CO-PAYS

For everyone insured, including those on Medicare, some prevention services will not require any co-payments

Screenings	Immunizations	Children and/or Adolescent Services or Screenings
Type 2 Diabetes	Hepatitis A	Depression; Alcohol & Drug Use
HIV	Hepatitis B	Immunizations
Alcohol Misuse	Herpes Zoster	Developmental screening
Blood Pressure; Cholesterol	Influenza	Obesity
Colorectal Cancer	Measles, Mumps, Rubella	Vision and Oral Health
Breast & Cervical Cancer	Meningococcal	HIV
STDs	Tetanus, Diphtheria Pertussis	Autism

MEDICAID

- ❑ ACA makes changes to the Medicaid program too
- ❑ Requires every state and the District to expand Medicaid to people with incomes up to 133% FPL

Income up to \$14,400 for 1 person
Income up to \$24,352 for a family of 3

DC has already expanded
Medicaid to more people

MEDICAID

- ❑ Increase payment for primary care services
- ❑ Create program to increase opportunities for and payment for community-based long-term services (i.e. personal care, homemaker)
- ❑ Create greater access to services for persons with mental health conditions and/or substance abuse disorders

EASIER TO APPLY FOR MEDICAID

- ❑ In 2014, people will be able to apply using a simple application through the HIX
- ❑ Your income will be determined by what you filed on your tax return
- ❑ Less paperwork for you
- ❑ Faster decisions regarding your eligibility

MEDICARE

“Donut hole” is the period when Medicare temporarily quits paying for prescription drugs and you have to pay the entire amount alone

Rebate of \$250 in 2010 for those in Medicare who spent money in the “donut hole”

In 2011, those who pay for their medicines in the “donut hole” will receive a 50% discount on brand name drugs

In 2011, you will pay less for generic drugs in the “donut hole” period

By 2020, people on Medicare will only have to pay 25% of the costs of their prescription drugs during the donut hole period instead the 100% that they paid when the law was passed

MEDICARE

- ❑ Reduce the amount a person pays for catastrophic coverage
- ❑ Expand coverage to individuals with certain conditions who have been exposed to environmental health hazards
- ❑ Provide a bonus to primary care physicians and general surgeons practicing in underserved areas

Questions?

WWW.HEALTHREFORM.DC.GOV



APPENDIX

SUBSIDIES FOR INDIVIDUALS

If your income is less than 400% federal poverty level (FPL) then you will be able to get a subsidy if you buy your health insurance through the HIX

Family Size	Maximum Income
1	\$43,320
2	\$58,280
3	\$73,240
4	\$88,200

INDIVIDUAL MANDATE

- ❑ Almost everyone will be required to have health insurance
- ❑ To do that, health insurance must be affordable
 - Changing Medicaid eligibility so everyone under 133% FPL, despite health or family situation, is automatically eligible for Medicaid
 - Putting limits on what insurance companies can charge and not allowing them to deny people insurance coverage if they have health problems

EXCEPTIONS TO INDIVIDUAL MANDATE

ACA requires almost everyone to be insured beginning in 2014 but there are a few exceptions

Undocumented immigrants

People who have been uninsured less than 3 months

Religious objections

Incarcerated individuals

American Indians

People with income below the tax filing threshold
\$9,350 for singles and \$18,700 for couples (2009)

People who would have to pay more than 8% of their income to buy the most inexpensive health insurance plan

PENALTIES FOR THOSE WHO DO NOT BECOME INSURED

- ❑ Penalties start small in 2014 but become larger each year
- ❑ Penalty will be either a flat fee or a percentage of the household's income, whichever is greater

2014	\$95 or 1% of taxable income
2015	\$325 or 2% of taxable income
2016	\$695 or 2.5% of taxable income
After 2016	Increased annually by the “cost-of-living adjustment” set by the federal government

TAX CREDITS FOR SMALL BUSINESSES

- ❑ ACA does not require that employers offer health insurance to their employees
- ❑ Tax Credits– ACA offers tax credits in some cases

Businesses with less than 25 employees may receive a tax credit if they provide health insurance to their workers

Tax credit available now

- ❑ Penalties for businesses

In 2014, the law will penalize some businesses for not offering health insurance or not making it affordable for their employees

ONE HIX OR TWO FOR THE DISTRICT?

- ❑ Individuals and Small Businesses will use the HIX
- ❑ The District can have 1 HIX for both Individuals & Small Businesses OR 2 separate HIX

American Health Benefit Exchange

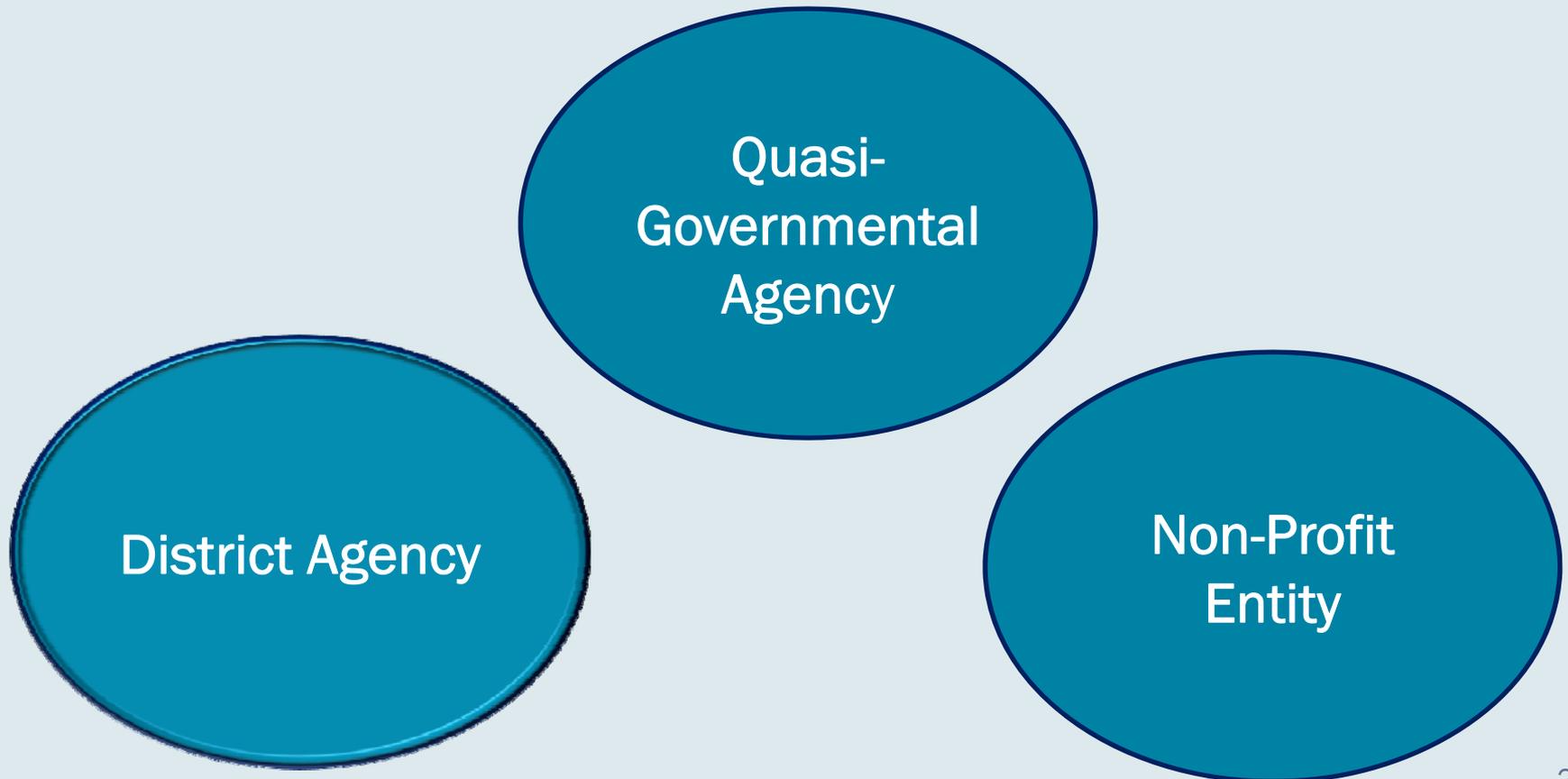
- Assists residents in buying health insurance

Small Business Health Options Program

- Assists small businesses in enrolling their employees in qualified health plans

GOVERNANCE OF THE HIX

The District has three choices of who will operate the HIX



MODELS OF HIX

Active Purchaser

- Negotiate with plans and separately contract with insurers for HIX products
- This model could increase quality of plans but limit the number of plans offered on the HIX

Passive Clearinghouse

- Exchanges can be passive clearing houses where all qualified health carriers can sell their products
- This model could maximize the number of plans and choices offered on the HIX but it could be difficult for residents to understand and clearly identify the plan best for them and quality may not be as controlled

Hybrid Model

- Exchanges can be hybrid of the active and passive models
- Instituting some requirements related to quality while somewhat limiting the plans that offer on the HIX

CERTIFICATION OF HEALTH PLANS

- ❑ The DC HIX will collect rate and benefit information, and enforce rules regarding “transparency of coverage.”
- ❑ Establish timeframe for accreditation of qualified health plans.
- ❑ Establish provider network adequacy standards.

FUNDING

- ❑ Federal grant funding to plan and establish the HIX is available through 2014
- ❑ HIX must be self-sufficient by 2015
- ❑ How will DC fund its HIX?

FUNDING – 2015 AND BEYOND

License fee
for
Navigators

High risk
pool funding
sources

Qualifying
health plan
fee

Healthcare/
wellness
advertisers
on HIX

Fee for
small
businesses

State sales
tax



Fee for
individuals
(HIX users)

WHEN WILL THE HIX START?

- ❑ By January 2013, the District must demonstrate to the federal government that the DC HIX will be completed and operating no later than January 2014
- ❑ The District's HIX will be open for enrollment on October 1, 2013 and fully operational by January 1, 2014