

Making Health Care Reform Work for Montanans

*Webinar for marketplace assistors and
other interested parties*

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What we'll cover today:

- **Insurance Commissioner Duties**
- **2014 Health Insurance Reforms**
- **Health Insurance Rate Review**
- **The Health Insurance Marketplace**
- **Premium Assistance Tax Credits**

Insurance Commissioner Duties

- Investigate consumer complaints against insurance companies, agents, and adjusters
- Provide assistance to consumers on insurance related problems
- Provide community outreach through educational programs
- Conduct market conduct examinations
- Answer your questions before you purchase insurance
- Provide assistance to consumers with appeals of health insurance claims denials

Health Insurance

- In Montana, an estimated **195,000** people are without medical coverage
- The high number of uninsured puts a strain on our healthcare system
- Costs continue to rise and insurance is less affordable to individuals and small businesses



The Exchange



**The Health
Insurance
Marketplace**

Overview of the Marketplace

What is the Marketplace?

- An online market where private insurers compete for consumers' business
- Gives consumers information to compare private insurance on apples-to-apples basis
- There are two markets: **individual** and SHOP
- The **Small Business Health Options Program (SHOP)** will be available for small businesses (less than 50)

Overview of Marketplaces

Benefits for consumers, businesses and industry

- Premium assistance tax credits and cost sharing reductions for consumers will only be available through the marketplace
- Tax credits for small businesses will only be available through the SHOP
- Level playing field encourages competition and efficiency

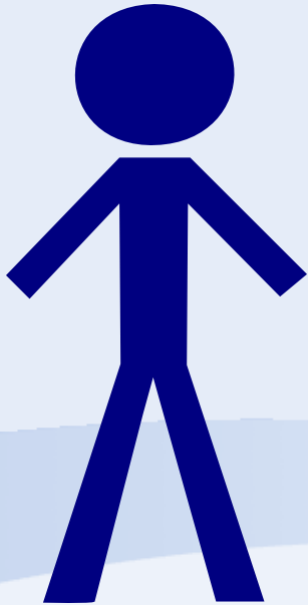
Timeline for Open Enrollment

- **Oct. 1, 2013 – March 31, 2014** – Individuals and families shop for and enroll in plans (known as the open enrollment period)
- **Jan. 1, 2014** – Plans purchased (before December 15) on the Marketplace take effect
- For coverage in 2015, open enrollment will be Oct. 15 – Dec. 7, 2014

Individual Marketplace

First open enrollment begins October 1, 2013 – March 30, 2014

I am likely :



- Employed, but my employer does not offer a health plan;
- Sole proprietor or self-employed;
- Uninsured and new to the insurance market
- Previously insured through high-risk pools or in the individual market;
- Employed by a business that offers a health plan, but my premium is more than 9.5% of my income. I may qualify for a premium tax credit to buy a plan;
- Employer plan fails to offer coverage that meets minimal value.

Individual Marketplace



When I first log onto the Marketplace:

- I will be screened to check if I am eligible for Medicaid or if my dependents are eligible for Healthy Montana Kids (261% FPL).
- there will be a seamless transition to enroll in public programs or private insurance to get coverage.
- my income will be evaluated to see if I am eligible for premium tax credits or cost sharing reductions to purchase private coverage.
- Uniform application
- Streamlined eligibility process.
- No asset or resource tests

Individual and Small Group Marketplace

Now I am ready to shop for insurance in the Marketplace:

Each plan will have a platinum, gold, silver or bronze tier rating.



PLATINUM: 90 % of medical costs paid by plan
10 % of medical costs paid by consumer

GOLD: 80% of medical costs paid by plan
20% of medical costs paid by consumer

SILVER: 70% of medical costs paid by plan
30% of medical costs paid by consumer

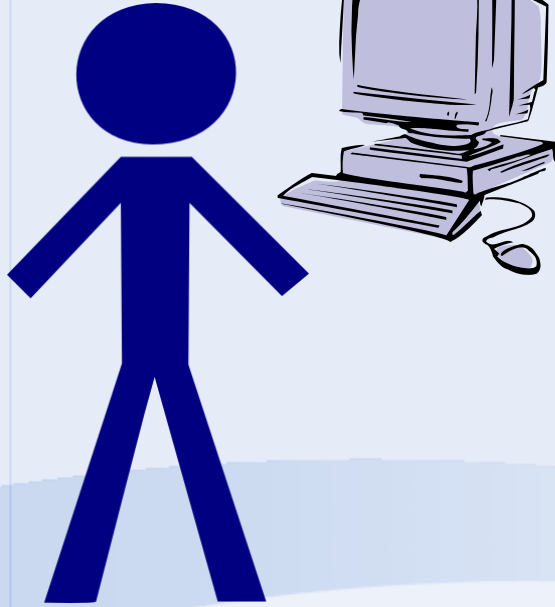
BRONZE: 60% of medical costs paid by plan
40% of medical costs paid by consumer

Actual cost-sharing may vary within tiers

Catastrophic plans are available to those exempt from the mandate (premium is not affordable, even with credits) and those under age 30.

Individual Marketplace

I decide to purchase a plan based on my health needs:



All Plans include:

- a defined package of benefits that includes essential benefits;
- a premium based on my age, number of dependents and whether I smoke, less any premium tax credits that I am eligible to receive;
- a network of healthcare providers;
- cost sharing reductions to assist with out-of-pocket costs like deductible if my income is 250% or below the FPL.

Federal Premium Tax Credits & Cost-Sharing Reductions

- Premium assistance tax credits in the individual market are provided on a sliding scale to people with income between 100% and 400% of the federal poverty level (FPL)
 - “Advanceable credits” are an option
- Those with income between 100% and 250% of FPL will also receive assistance with their cost-sharing (co-pays, deductibles, etc.)
- These are known as cost-sharing reductions

Qualification for Assistance

- If an employee is offered coverage that is affordable and offers minimum value, all members of that family lose eligibility for tax credits if they are eligible for the employer sponsored coverage. This is regardless of the affordability of family coverage.
- An eligible employer-sponsored plan is affordable if the portion of the premium the employee must pay for self-only coverage does not exceed 9.5% of the household Modified Adjusted Gross Income (MAGI).

Federal Poverty Levels

Household Size	100%	150%	200%	250%	300%	400%
1	\$11,490	\$17,235	\$22,980	28,725	\$34,470	\$45,960
2	15,510	23,265	31,020	38,775	46,530	62,040
3	19,530	29,295	39,060	48,825	58,590	78,120
4	23,550	35,325	47,100	58,875	70,650	94,200
5	27,570	41,355	55,140	68,925	82,710	110,280
6	31,590	47,385	63,180	78,975	94,770	126,360
7	35,610	53,415	71,220	89,025	106,830	142,440
8	39,630	59,445	79,260	99,075	118,890	158,520

For families with more than 8 members, add \$4,020 for each additional member

Income Thresholds

Household Size	2012 100% FPL	400% FPL - Max income to qualify for subsidies
1	\$11,170	\$44,680
2	\$15,130	\$60,520
3	\$19,090	\$76,360
4	\$23,050	\$92,200
5	\$27,010	\$108,040
6	\$30,970	\$123,880
7	\$34,930	\$139,720
8	\$38,890	\$155,560

Household Size and Composition

Annual Household Income		Expected Premium Contribution	
% of FPL	Income Amount ¹	% of Income	Dollar Amount ²
< 133% ³	< \$15,282	2%	< \$306
133 - 150%	\$15,282 - \$17,235	3% - 4%	\$459 - \$689
150 - 200%	\$17,235 - \$22,980	4% - 6.3%	\$689 - \$1,448
200 - 250%	\$22,980 - \$28,725	6.3% - 8.05%	\$1,448 - \$2,312
250 - 300%	\$28,725 - \$34,470	8.05% - 9.5%	\$2,312 - \$3,275
300 - 350%	\$34,470 - \$40,215	9.5%	\$3,275 - \$3,820
350 - 400%	\$40,215 - \$45,960	9.5%	\$3,820 - \$4,366
> 400%	> \$45,960	n/a	n/a

Individual Cost-Sharing Subsidies

- The premium cost shown in prior slides is based upon the “Second Lowest Cost Silver Plan” – 70% Actuarial Value
- If the household income is below 250% of Federal Poverty Level the coverage provided is subsidized

Income Level	Actuarial Value
100-150% FPL	94%
150-200% FPL	87%
200-250% FPL	73%

Individual Responsibility Requirement

- Tax Penalty for individuals who do not have healthcare coverage in 2014 – phased in over 3 years
 - 2014 - \$95 per adult and \$47.50 per child (up to \$285 for a family) or 1.0% of family income, whichever is greater
 - 2015 - \$325 per adult and \$162.50 per child (up to \$975 for a family) or 2.0% of family income, whichever is greater
 - 2016 and Beyond - \$695 per adult and \$347.50 per child (up to \$2,085 for a family) or 2.5% of family income, whichever is greater

SHOP Marketplace



In the Marketplace, businesses:

- are small employers with 50 or less employees (100 in 2016)
- can easily compare (on apples-to-apples basis) health coverage for employees and dependents the same as in the individual Exchange;
- have greater choice of products;
- employers may be eligible for a federal tax credit.

Benefits of Reform to Small Business

Beginning in 2014, small businesses can receive tax credits for two years worth up to 50% of an employer's contribution to employee plan (35% for tax exempt small businesses) if they purchase coverage through the **Small Business Health Option Program (SHOP) Marketplace**.

Key Health Insurance Reforms Since March 23, 2010:

Insurance companies have already implemented the immediate market reforms on applicable policies. Consumers are experiencing these new benefits.

Immediate market reforms include:

- No Cost-sharing for Preventive Care and Wellness (except grandfathered plans)
- No Pre-existing Condition Exclusions for kids under age 19 (except grandfathered individual plans)
- Prohibition on Lifetime Limits
- Restricted Annual Limits for Essential Benefits (except grandfathered individual plans)
- Rescissions are limited to cases of fraud or misrepresentation of material fact
- Extends coverage to adult dependents to age 26

2014 Reforms

- No pre-existing condition exclusions
- Guaranteed issue for all major medical health insurance markets
- Rating rules/Adjusted Community Rating
 - No health status rating
 - 3:1 maximum age rating
 - 1.5:1 tobacco use
- Single risk pools in individual and small group markets
- Individual responsibility requirement
- Employer responsibilities
 - Doesn't apply to small employers (<50)
- Risk adjustment, reinsurance, risk corridors to transition market to rating changes

2014 reforms cont.

- EHB categories required. In Montana this adds prescription drugs, full parity for all mental health and chemical dependency.
- All rating reforms in individual and small employer group.
- Maximum cost sharing
- Clinical trials for all life-threatening diseases
 - Adds a definition of routine care

Uniform Explanation of Coverage Documents and Standardized Definitions

- A summary of benefits and coverage explanation must be provided to all potential policyholders and enrollees.
 - The summary must contain the following:
 - Definitions, description of coverage, cost sharing, and exclusions
 - A “coverage facts label” that illustrates coverage under common benefits scenarios
 - A statement indicating that the minimum actuarial value meets the requirements of the individual mandate
 - A contact number for the insurer
- *This information must be provided in prescribed format --the number of pages is restricted.

Levels of Coverage

- Health plans in the individual and small group market will be rated by actuarial value (inside and outside the marketplace)
- Actuarial value is the ratio of medical spending paid by the insurer compared to the amount paid by insured
- Plans with a higher actuarial value have higher monthly premiums, but have a lower cost sharing for the consumer
- **Platinum:** insurer pays 90%, you pay 10%
- **Gold:** insurer pays 80%, you pay 20%
- **Silver:** insurer pays 70%, you pay 30%
- **Bronze:** insurer pays 60%, you pay 40%

Levels of Coverage, cont.

- “Catastrophic” plans, which provide less coverage than a bronze plan, will also be available to individuals that are either under age 30 or exempted from the individual mandate because of an affordability waiver. The maximum out of pocket is the same.
- The “metal tiers” provide an apples-to-apples comparison for Montanans. However, the cost sharing arrangements will vary.

ACA requires EHB to include the 10 named categories and be equal in scope of benefits to that provided under a “typical” employer plan.

- Ambulatory patient services
- Emergency services
- Hospitalization
- Maternity and newborn care
- Mental Health and substance abuse disorder services, including behavioral health treatment
- Prescription drugs
- Rehabilitative and habilitative services and devices
- Laboratory services
- Preventative and wellness services and chronic disease management
- Pediatric services, including oral and vision

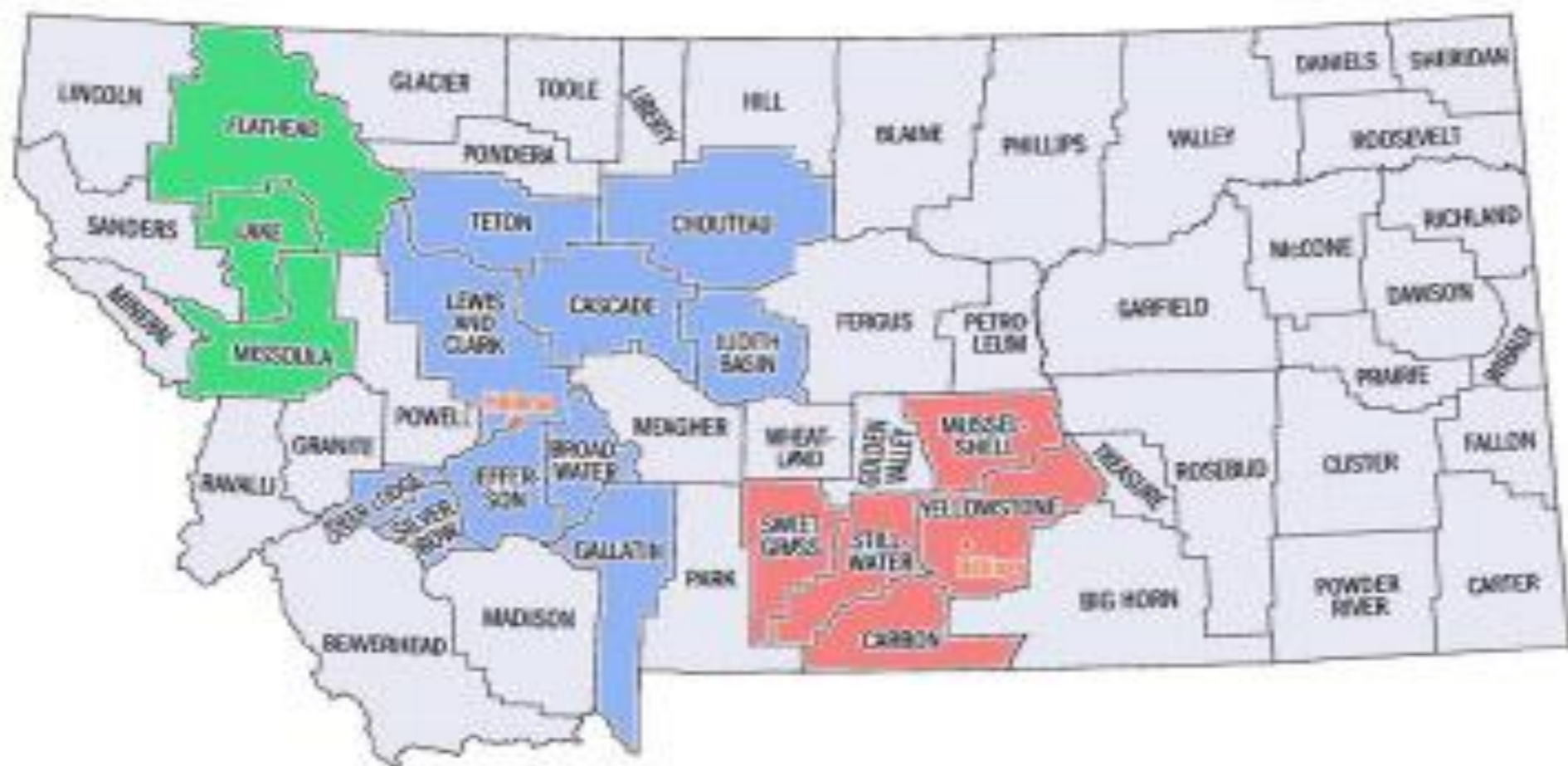
Health Insurance Rate Review

State-based Rate Review

- The CSI introduced a bill to the 2013 legislature to create effective rate review authority for Montana
- House Bill 87 (sponsored by Rep. Welborn) passed and is now law
- For the first time, the Montana insurance commissioner has rate review authority
- Montana has taken back rate review authority from the federal government

State-based Rate Review

- In 2014, adjusted community rating applies to the individual and small employer group markets
- Issuers may not vary rates for individuals or small groups based on health status or claims history
- Issuers must maintain a single risk pool and may vary rates based on:
 - Age (3:1 maximum)
 - Tobacco use (1:5:1 maximum)
 - 4 geographic areas in Montana



Zone 1

Zone 2

Zone 3

Zone 4

Marketplace Premiums

	Metal Tier	Range	Average
Age 25	Bronze	\$156 to \$210	\$175
	Silver	\$190 to \$243	\$210
	Gold	\$210 to \$299	\$245
Age 40	Bronze	\$198 to \$268	\$223
	Silver	\$242 to \$310	\$267
	Gold	\$267 to \$381	\$312
Age 55	Bronze	\$346 to \$467	\$390
	Silver	\$423 to \$540	\$466
	Gold	\$465 to \$664	\$545

Marketplace Premiums

- You can review the actual premiums of plans that will be available on the marketplace. The three participating insurers premiums are posted on the CSI website.
 - [Blue Cross Blue Shield of Montana](#)
 - [Pacific Source Health Plans](#)
 - [The Montana Healthcare CO-OP](#)

Navigators and Agents

Similarities and Differences

- Both navigators and agents help consumers by providing marketplace enrollment assistance
- Navigators operate only within the marketplace
- Unlike agents, navigators cannot be compensated in any way by insurers
- States cannot require that navigators be licensed producers, but they do need state certification and training
- Navigators and CACs may NOT recommend specific insurance products

Navigators and CACs

The ACA allows for two new consumer assistance roles

- Navigators – contracted through grants from HHS, responsible for performing outreach and education, as well as enrollment assistance
- Certified Application Counselors – not paid by exchange or federal grants—only offering enrollment assistance
 - Intended for current employees of medical providers and community groups

Assistor State Registration

- All navigators, CACs, and Certified Exchange Producers (CEPs) must complete federal and Montana-specific training be certified
- CEPs must complete federal and state training to sell products through the marketplace
- CSI has developed state-specific training materials. Navigators must pass a background check and take a test.
- CSI will post a list of all certified navigators, CACs, and agents

Internal Appeals & External Review

Internal Appeals & External Review

The Commissioner's office can:

- Provide information about how to file internal and external appeals, and explain timelines
- Assist with both internal and external appeals from all health benefit plans, including “self-insured” health plans
- CSI is the designated consumer ombudsman

Internal Appeals & External Review

- The ACA provides new rights to all consumers for internal appeals and external appeals of denial of medical claims
- [See our consumer guide on appeals](#)
- External review is review by independent medical professionals outside the insurance company

Consumer Complaints

- All health insurer consumer complaints should be directed to the CSI
- The CSI is the designated consumer ombudsman for Montana health insurance consumers
- CSI staff can assist consumers with appeals of health insurance decisions
- Eligibility appeals should go the marketplace

New 2013 Montana legislation

- Cancer Clinical Trials—SB 55
- Patient-Centered Medical Home Program—SB 84
- Rate Review for Health Insurance—HB 87
- Network Adequacy for PPO's—HB 544
- Navigator/assister/producer training and certification—HB 250

Questions?

Call 1-800-332-6148

Or visit www.csi.mt.gov

www.montanahealthanswers.com