

# Access Provisions in the Affordable Care Act

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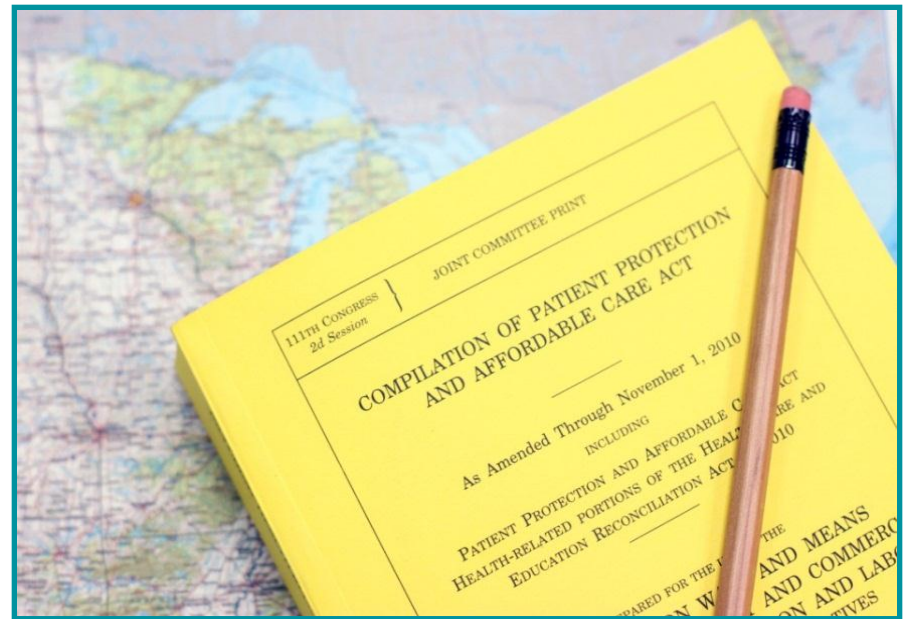
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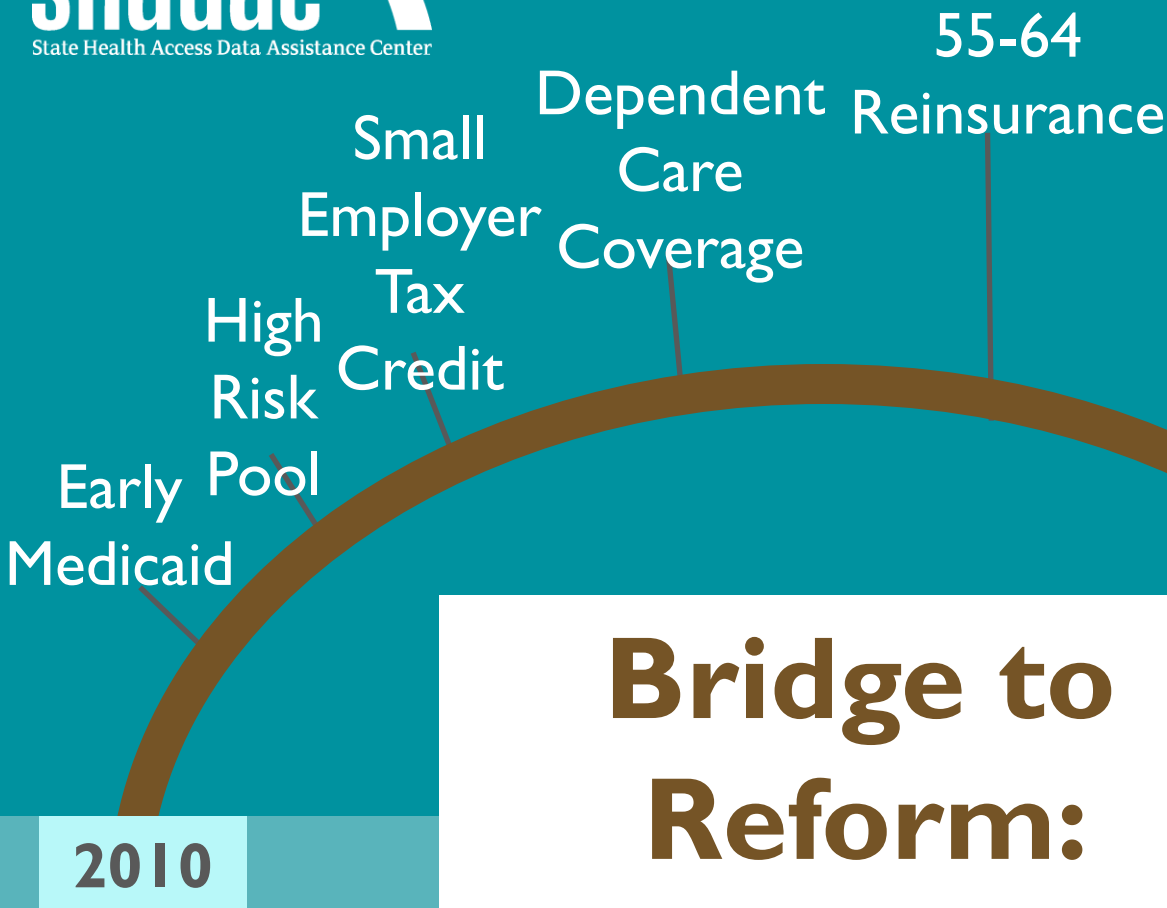
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# Overview

1. Focus on the ACA Access Expansion
2. Medicaid Expansion
3. Health Insurance Exchange
4. Who will gain coverage
5. What's next



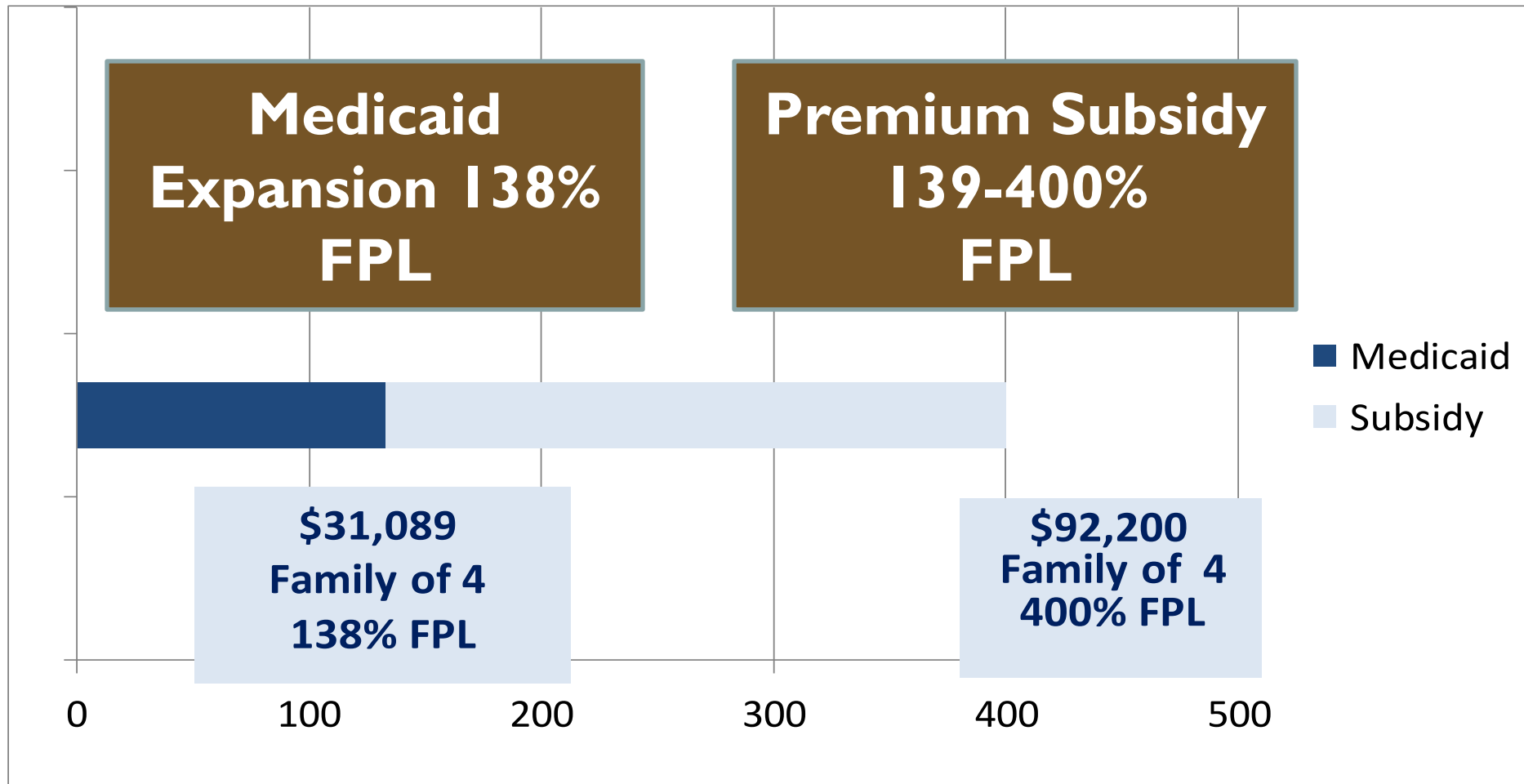
2014



# Bridge to Reform: Expanding Coverage

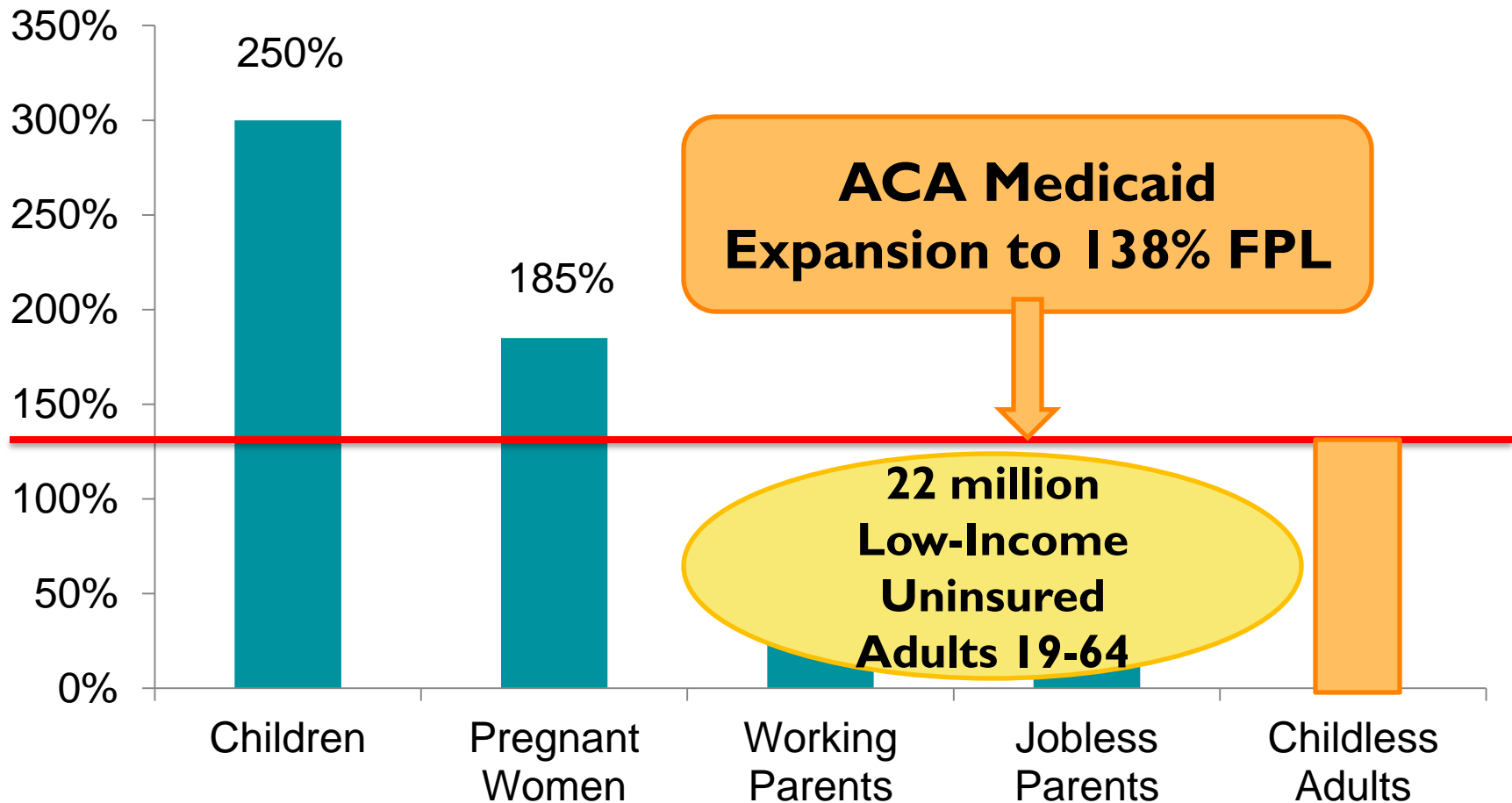
- ✓ Exchange
- ✓ Mandate
- ✓ No pre-existing condition exclusions
- ✓ No rating on gender or health
- ✓ No annual limits

# Coverage Expansion Categories



**2012 Federal Poverty Guideline for a family of four = \$23,050**

# ACA Access Expansion Categories



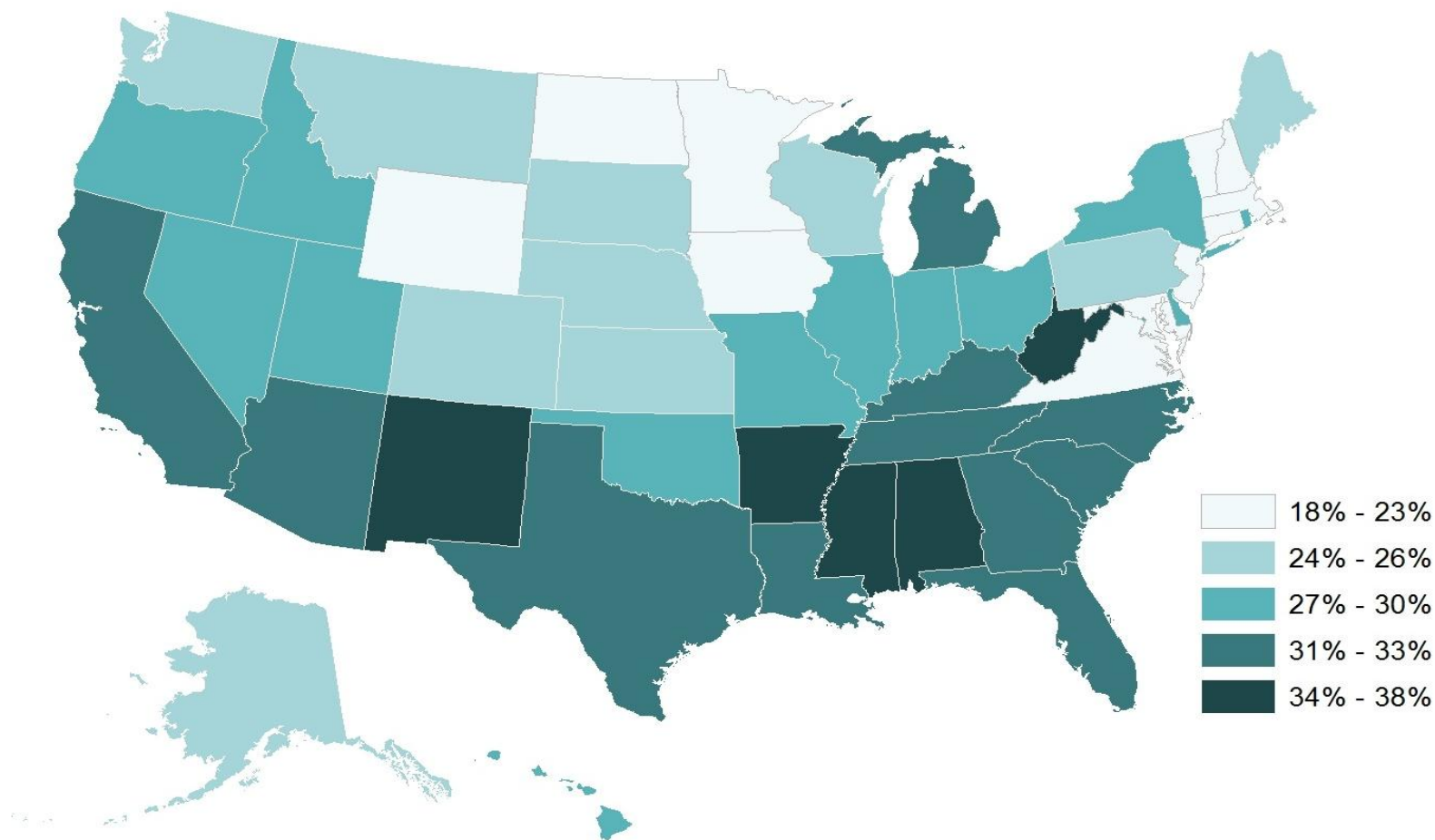
Source: Based on the results of a national survey conducted by the Kaiser Commission on Medicaid and the Uninsured and the Georgetown University Center for Children and Families, 2012.

# Medicaid Expansion-Income Eligibility

- Eligibility based on income only
  - No asset test
  - No categorical requirements (e.g., *pregnant, parent or disabled*)
- Income based on Modified Adjusted Gross Income (MAGI) -- Based on IRS Tax Definition

## Variation Across States

## Percent of non-elderly adults eligible\* for the 2014 Medicaid expansion



- Eligibility based only on health insurance unit income at or below 138% of poverty.

Source: American Community Survey (ACS), 2010

# Enrollment in the Medicaid Expansion will Vary By State

The following are differences across states that will affect enrollment:

- Medicaid expansion is now optional for state
- Current Medicaid enrollment and eligibility
- Current Levels of Private Coverage
- Levels of outreach and enrollment activities
- Attitudes toward government programs



# Covering the Cost of Expansion

- Percent of costs covered by Federal Medicaid expansion purchasing in the exchange:

Year	Percent of Costs
2014-2016	100%
2017	95%
2018	94%
2019	93%
2020+	90%

# Individual Mandate - 2014

- Individuals are required to maintain minimum essential coverage for themselves and their dependents.
- Those who do not meet the mandate will be required to pay a penalty for each month of noncompliance:

***Average annual penalty  
starts at \$674 for average  
US citizen***

# Exchange Basics

- What is an Exchange under the ACA?
  - A web-based marketplace
  - Organizes information health insurance coverage options
  - Provides comparison across plans with respect to premiums, cost-sharing, coverage and quality ratings
  - Consumers can select and enroll in coverage through the Exchange

# Target Population for Exchange



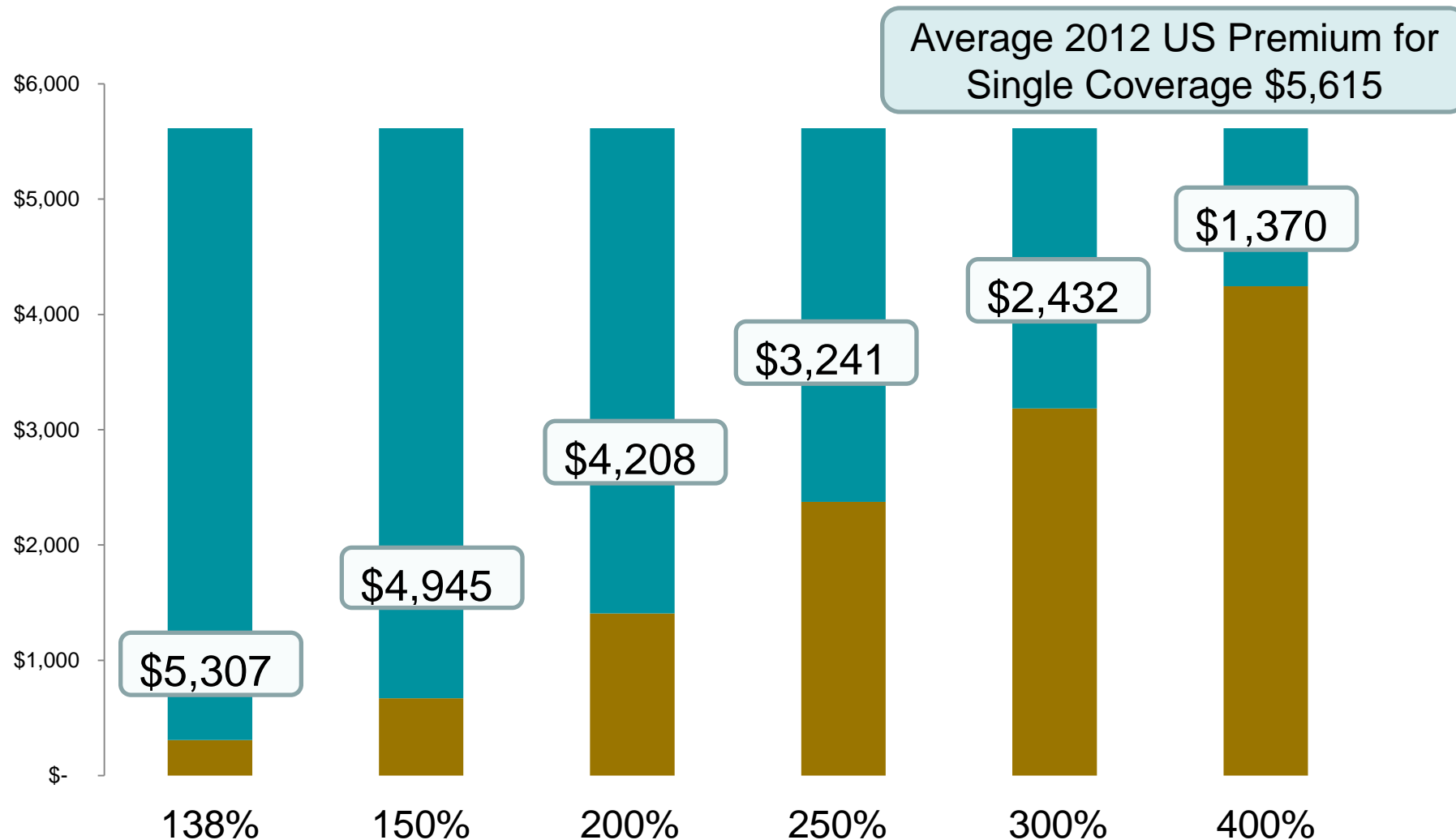
- Those who purchase in coverage in the individual and small group market
  - <50 employees
- Don't have same leverage as large employers when purchasing coverage
- Apx 12% of MN population gets coverage in these market now

# Exemptions to the Individual Mandate

- Financial hardship
- Religious objections
- American Indians and Alaska Natives
- Incarcerated individuals
- Those for whom the lowest cost plan option exceeds 8% of income, and
- Those whose income is below the tax filing threshold

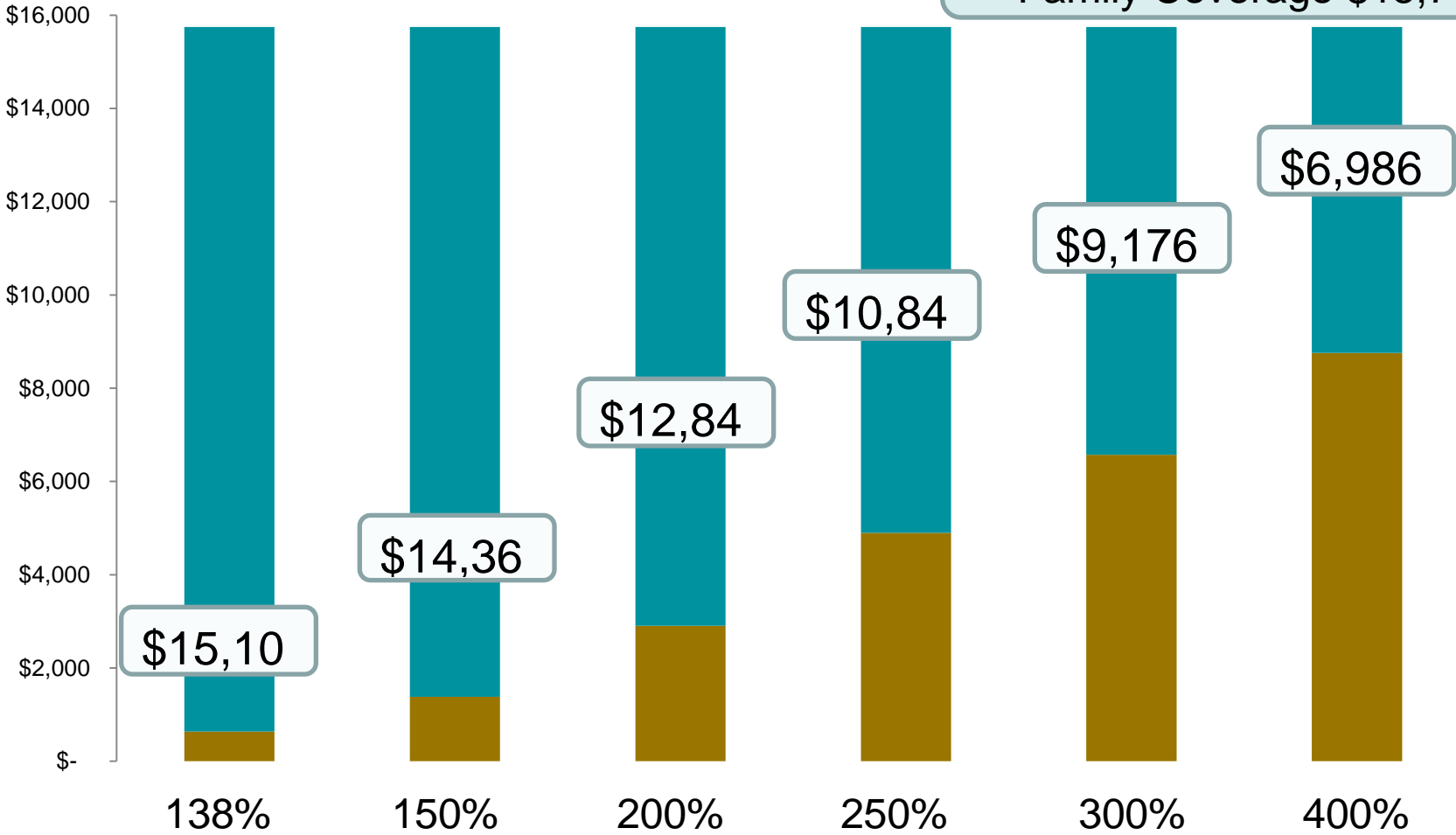
And the Undocumented

# Subsidy Amount for Individual by FPL



# Subsidy Amount for Family of Four by FPL

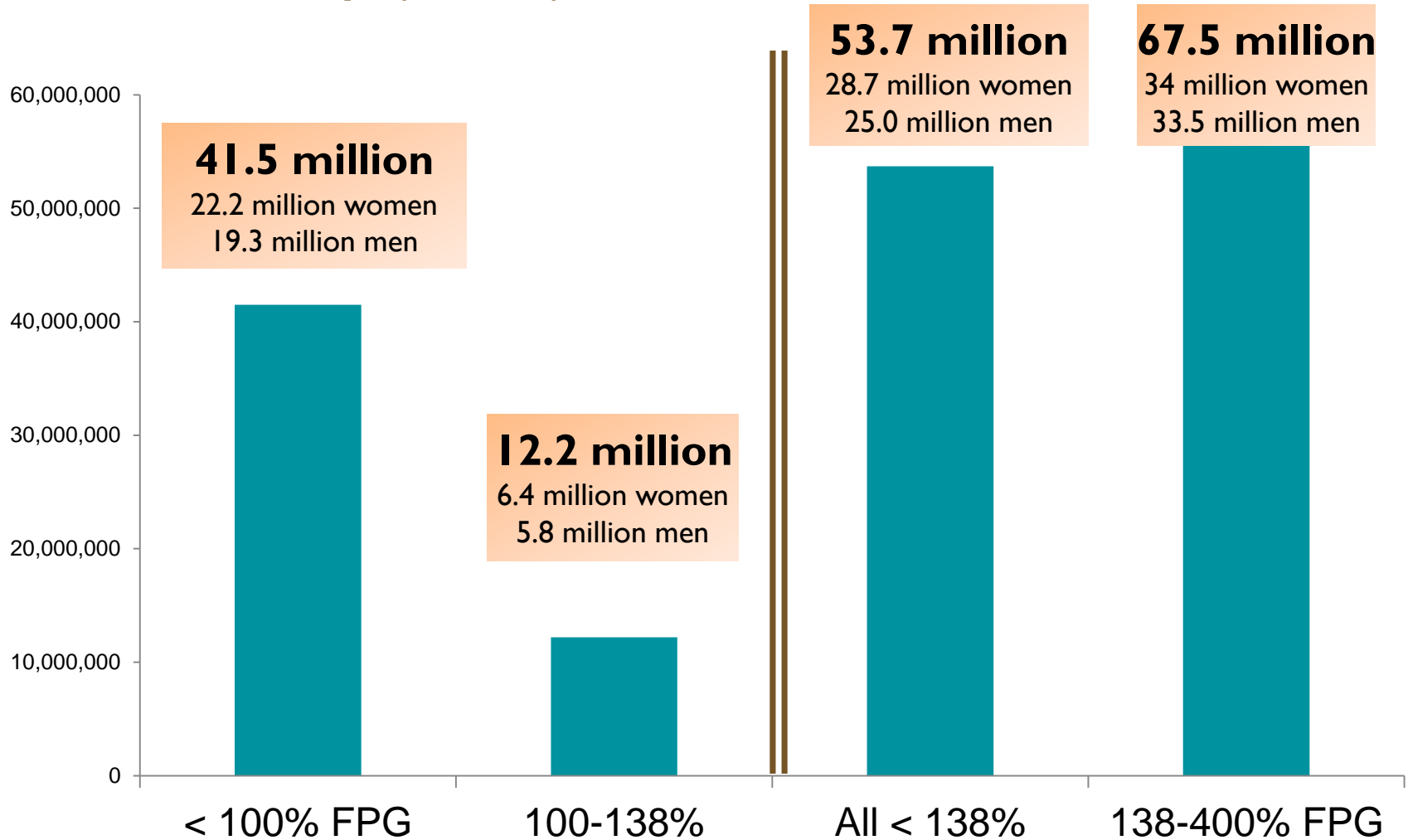
Average 2012 US Premium for Family Coverage \$15,745



Source: Employer Health Benefits 2012 Annual Survey

# Who are we talking about?

## Non-Elderly (19-65) Low- and Middle-Income Adults





# Women vs. Men

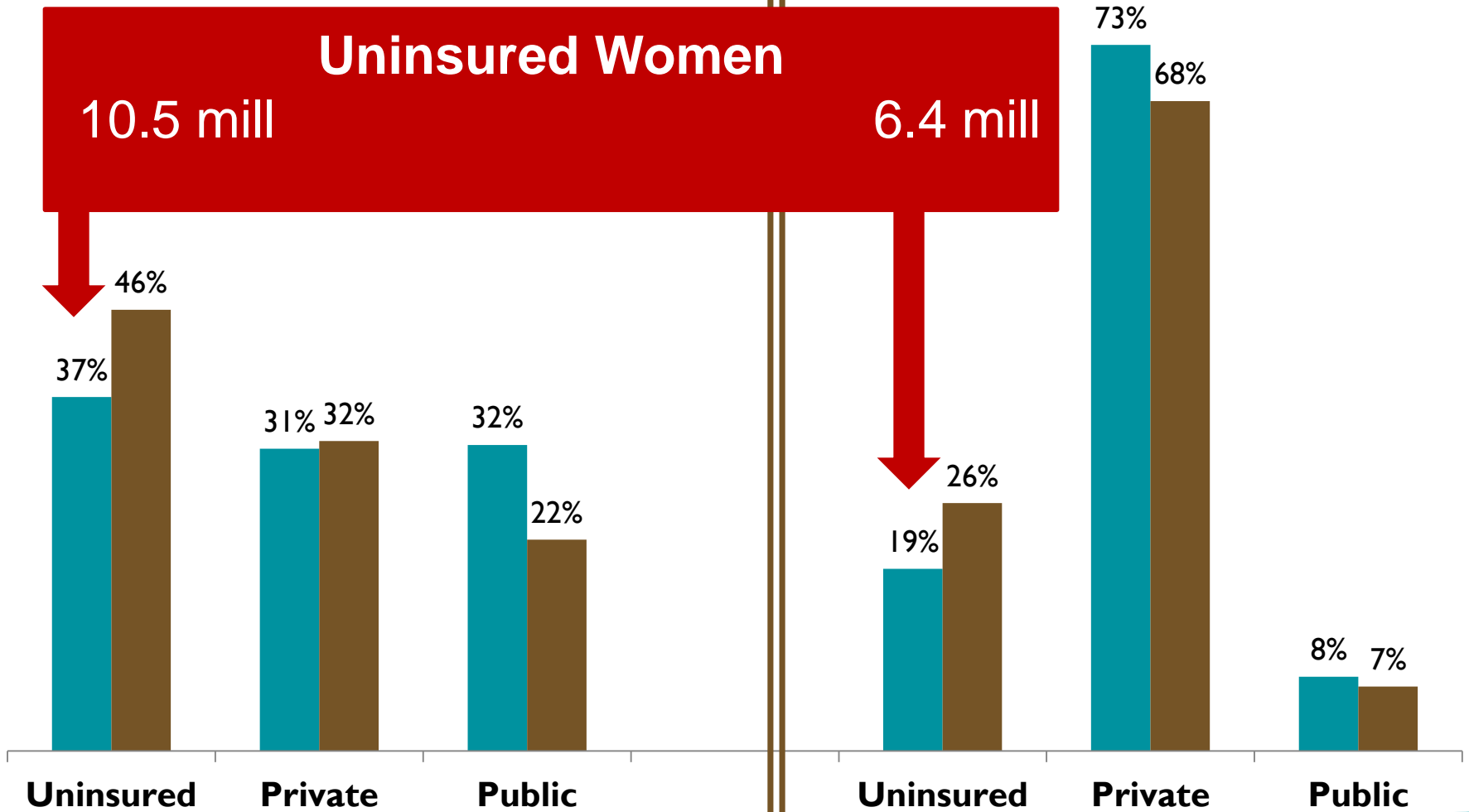
0-138% FPG

138-400% FPG

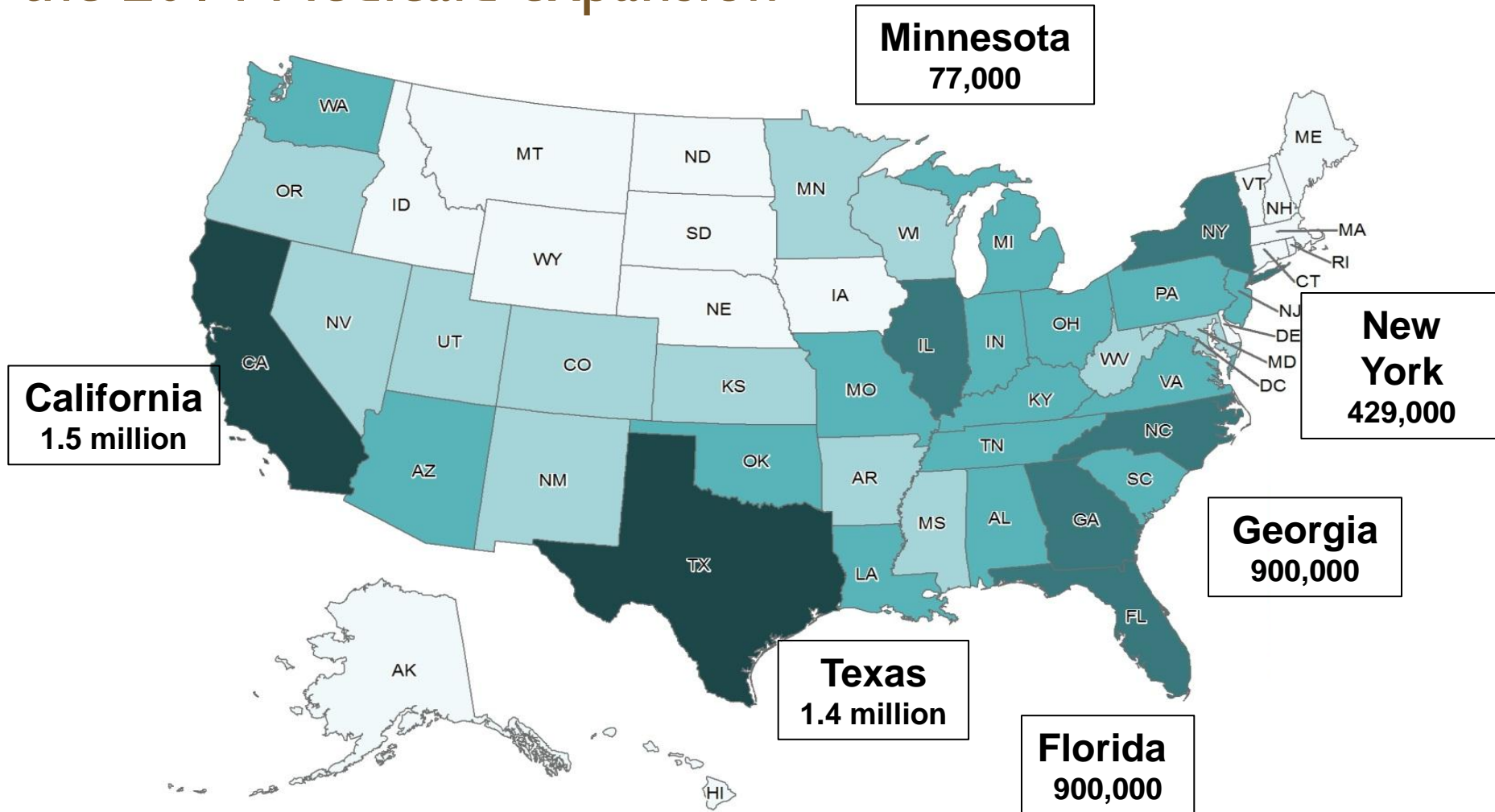
## Uninsured Women

10.5 mill

6.4 mill

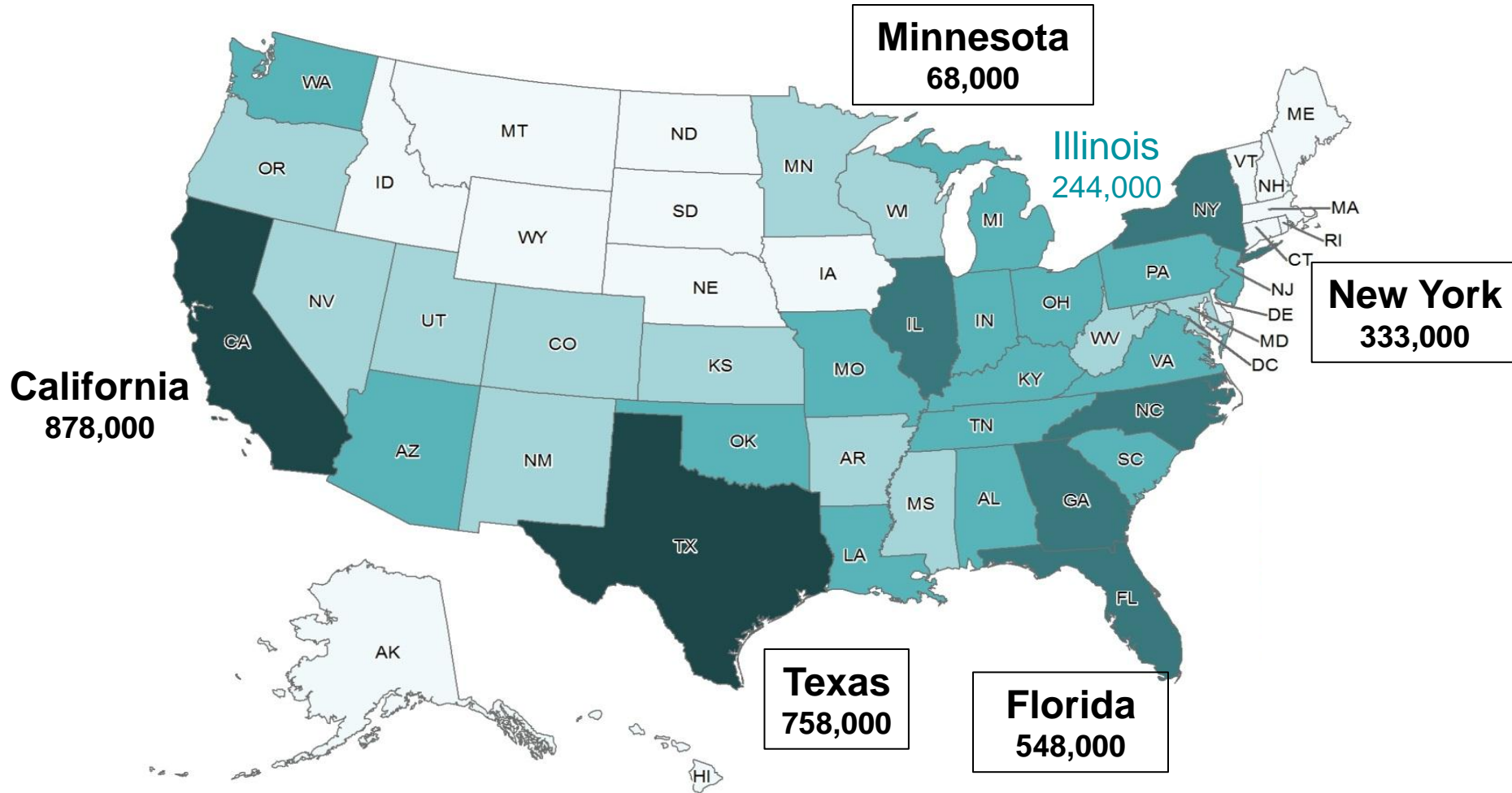


# 10.5 million uninsured, non-elderly women eligible\* for the 2014 Medicaid expansion



• Eligibility based only on health insurance unit income at or below 138% of poverty.  
Source: American Community Survey (ACS), 2010

# 6.4 million uninsured, non-elderly women eligible\* for the 2014 Premium Subsidies in Exchange



• Eligibility based only on health insurance unit income between 138 % and 400% of poverty.  
Source: American Community Survey (ACS), 2010

# *US World News and Report 2012*

- Reviewed nearly 6,000 health insurance plans marketed to individuals and families across US
- Out of 285 plans in Minnesota, no coverage for
  - Labor and delivery in 195 (apx 70%),
  - Mental health services in 170, and
  - Specialty drugs in 80
- The median deductible in Minnesota - \$5,000, five times as high as in Massachusetts

# Essential Benefits in the ACA

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

# Summary Points

- Access expansion of the ACA is targeted to a ***very small*** segment of the population
  - Those with low incomes
  - Those without employer-sponsored insurance
  - Small employers
- Concern for current products both in costs and benefits covered
- ACA –no pre-existing condition limitations, required coverage of maternity and child birth

# Resources

- SHADAC Data Center
- <http://www.shadac.org/datacenter>
- SHADAC Policy Brief, *Predicting the Effects of the Affordable Care Act: A Comparative Analysis of Health Policy Microsimulation Models*
- <http://bit.ly/shadac12>
- Sign up for SHADAC newsletter
- <http://www.shadac.org/content/stay-updated>
- State Health Access Data Assistance Center. 2012. “Defining “Family” for Studies of Health Insurance Coverage.” Issue Brief #27. Minneapolis, MN: University of Minnesota. <http://www.shadac.org/publications/defining-family-studies-health-insurance-coverage>



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