

A primer on ACA

The Affordable Care Act Symposium **June 7, 2013**

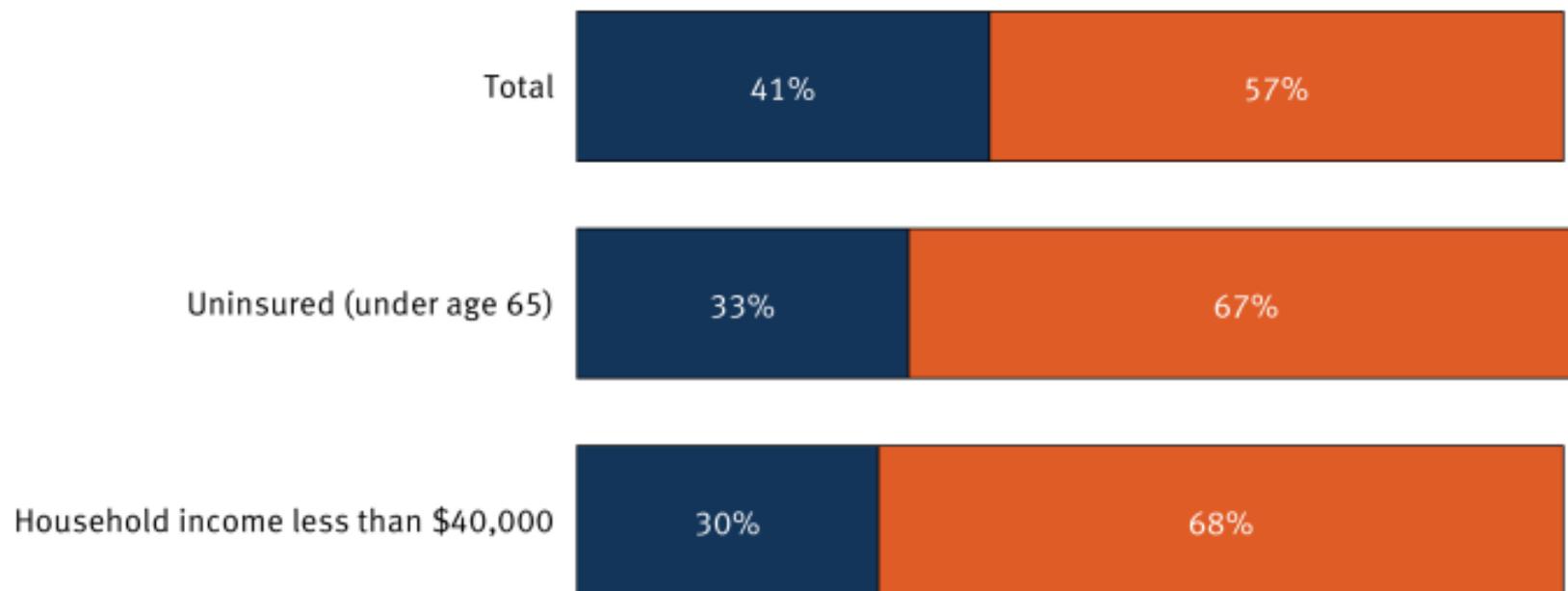


Public Health Department

Majority Say They Don't Understand How ACA Will Impact Them, Including Two-Thirds of Uninsured and Low-Income

Do you feel you have enough information about the health reform law to understand how it will impact you personally, or not?

■ Yes, have enough information ■ No, do not have enough information



NOTE: Don't know/Refused answers not shown.

SOURCE: Kaiser Family Foundation Health Tracking Poll (conducted March 5-10, 2013)

The New Health Care Law



In March 2010, Congress passed and the President signed into law the Affordable Care Act, known as Obamacare.



- Last year Kara was diagnosed with breast cancer.
- After three months of treatment, she returned to work to learn her employer had to drop her coverage.

Under ACA:

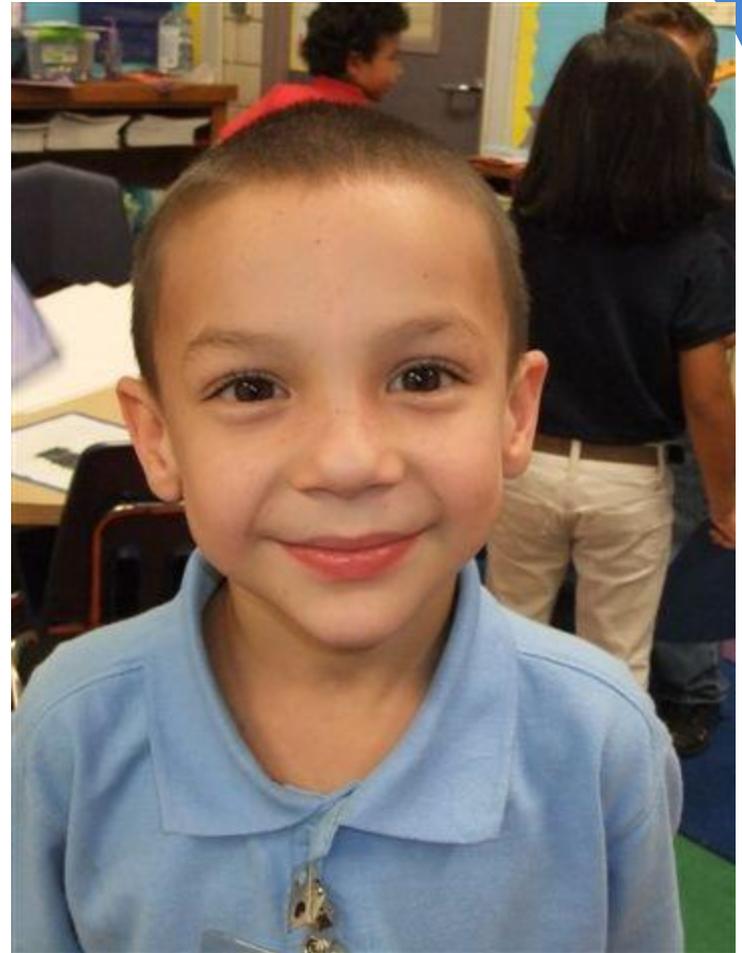
- *Insurers can't deny coverage for pre-existing conditions*
- *You can't lose your coverage when you get sick and need it most*
- *No lifetime limits on coverage*
- *Small businesses now get tax credits to help pay for coverage*

The ACA

- Pre-existing conditions...
- Transitional program until 2014
- Offers insurance to adults denied due to pre-existing conditions
- To qualify:
 - US citizen or national legally residing in U.S.
 - Uninsured for at least the last six months
 - Have a pre-existing condition or been denied coverage



- Maddy, was born with hemophilia.
- Her family had great insurance, but the insurance company raised the price of their group coverage to compensate for the costs of Maddy's treatments.



The Affordable Care Act:

- *Bans lifetime and annual limits*
- *Bans pre-existing conditions*

Another reason for ACA



- Both of Karen's parents had type 2 diabetes.
- A few years ago, her doctor discovered that she was “pre-diabetic.”

Under the ACA

- *New insurance plans cover preventive services*
- *Illegal for health insurance companies to take away coverage because illness*
- *Women across the country no longer need a referral for OB-GYN visits*
- *Medicare will fully cover annual check-ups and most preventive services and treatments for seniors*

More Medicare improvements

- Closes the “donut hole” in Medicare Rx drug coverage
- Reins in Medicare Advantage plans while protecting plan members
- Puts Medicare on more solid financial footing
- No cuts to benefits or changes guaranteed by Medicare



- David was covered for a year before the insurance company went back in his record and cancelled his plan retroactively.
- They claimed David didn't disclose all his medical history on his original form.



The Affordable Care Act:

- Illegal to take away your coverage
- Tough and fair rules to protect you from insurance abuses
- New appeals process



- Rebecca & Alicia are graduating from college.
- This meant they are no longer covered by the student health plan.

Under the Affordable Care Act:

- *Young adults under 26 can now stay on their parents' health plan*
- *Regardless of residence or marital status*

- Robert is a small business owner.
- He has always provided healthcare coverage for his employees.
- But every year Robert worries about the 15-20% hike in premiums.



The Affordable Care Act:

- *Provides small business*
- *Tax credits*
- *Focuses on prevention and wise investments*
- *Makes our health care system fairer*



- Paul drives a van delivering flowers for the local florist.
- During rush hour one day, he was struck by an oncoming driver in a large pickup truck. The nearest hospital wasn't in his network.

Under the ACA, new health plans:

- *Can't require prior approval before seeking emergency room services outside your network*
- *Can't charge higher copayments or co-insurance for out-of-network emergency room services.*

Themes in ACA

1. Expanding coverage
2. Making coverage work
3. Prevention & wellness
4. Organized systems of care
5. Expanding access to care

Preventive services for adults: 15

1. Abdominal Aortic Aneurysm one-time screening for male smokers
2. Alcohol Misuse screening and counseling
3. Aspirin use
4. Blood Pressure screening
5. Cholesterol screening
6. Colorectal Cancer screening
7. Depression screening
8. Type 2 Diabetes screening
9. Diet counseling
10. HIV screening
11. Immunization vaccines
12. Obesity screening and counseling
13. Sexually Transmitted Infection (STI) counseling
14. Tobacco Use screening
15. Syphilis screening

Preventive services for women: 22

1. Anemia screening on a routine basis for pregnant women
2. Bacteriuria urinary tract or other infection screening for pregnant women
3. BRCA counseling about genetic testing for women at higher risk
4. Breast Cancer Mammography screenings
5. Breast Cancer Chemoprevention counseling for women at higher risk
6. Breastfeeding comprehensive support and counseling from trained providers, as well as access to breastfeeding supplies*
7. Cervical Cancer screening for sexually active women
8. Chlamydia Infection screening
9. Contraception ,methods, sterilization procedures, and patient education and counseling,
10. Domestic and interpersonal violence screening and counseling for all women*

Preventive services for women: 22

11. Folic Acid supplements for women who may become pregnant
12. Gestational diabetes screening *
13. Gonorrhea screening
14. Hepatitis B screening for pregnant women at their first prenatal visit
15. Human Immunodeficiency Virus (HIV) screening and counseling for sexually active women*
16. Human Papillomavirus (HPV) DNA Test*
17. Osteoporosis screening
18. Rh Incompatibility screening
19. Tobacco Use screening and interventions for all women, and expanded counseling for pregnant tobacco users
20. Sexually Transmitted Infections (STI) counseling for sexually active women*
21. Syphilis screening for all pregnant women or other women at increased risk
22. Well-woman visits to obtain recommended preventive services*

(*) must be covered with no cost-sharing in plan years starting on or after August 1, 2012.

Preventive services for children: 26

1. Alcohol and Drug Use assessments for adolescents
2. Autism screening for children at 18 and 24 months
3. Behavioral assessments for children of all ages at regular intervals
4. Blood Pressure screening for children of all ages at regular intervals
5. Cervical Dysplasia screening for sexually active females
6. Congenital Hypothyroidism screening for newborns
7. Depression screening for adolescents
8. Developmental screening for children under age 3, and surveillance throughout childhood
9. Dyslipidemia screening for children at higher risk of lipid disorders
10. Fluoride Chemoprevention supplements for children without fluoride in their water source
11. Gonorrhea preventive medication for the eyes of all newborns
12. Hearing screening for all newborns
13. Height, Weight and Body Mass Index measurements for children at regular intervals
14. Hematocrit or Hemoglobin screening for children
15. Sickle cell screening for newborns

Preventive services for children: 26

16. HIV screening for adolescents at higher risk
17. Immunization
18. Iron supplements for children ages 6 to 12 months at risk for anemia
19. Lead screening for children at risk of exposure
20. Medical History for all children throughout development
21. Obesity screening and counseling
22. Oral Health risk assessment for young children
23. Phenylketonuria (PKU) screening for in newborns
24. STI prevention counseling & screening for adolescents at higher risk
25. Tuberculin testing for children at higher risk of tuberculosis
26. Vision screening for all children

2010-2013

**Media
campaign
ACA to target
groups**

**Awareness of
ACA up 24%
among
CA Latinos**

**CA
Policymakers
move ahead
on ACA**

**More than 1
million
Californians
newly
enrolled
under ACA**

Big Changes in 2014:

- Expands eligibility for programs like Medi-Cal to include lower-income adults without children and creates a new place to purchase and receive subsidized health insurance called Covered California.
- A family of 4 making up to \$92,200 per year will be eligible for subsidies to help pay for their health coverage through Medi-Cal or the Exchange.
- The Health Benefits Exchange will also be available to small business with 50 or less employees and by 2017, to businesses with less than 100 employees.
- No person can be denied insurance due to their medical condition.

Changes in 2014 for Californians with Insurance

Source of Coverage	Coverage Options 	New Costs and Benefits 
<p>Employer Plan</p> 	<ul style="list-style-type: none"> • Stay in employer plan. If your employer continues to offer coverage, you can keep it. • Shop for coverage through the health benefit exchange. Small businesses and people whose employer offers only minimal benefits, or who must pay more than 9.5% of their income in premiums, can look for better options in the exchange. 	<p>Lifetime dollar limits on insurance payouts are eliminated.</p> <p>Medicare taxes will increase for individuals with annual incomes above \$200,000, or families earning more than \$250,000.</p> <p>Annual contributions to Flexible Spending Accounts will be capped at \$2,500, and can no longer be used for over-the-counter drugs.</p> <p>Employer-provided insurance valued at \$10,200 or higher (\$27,500 for families) will be subject to federal tax.</p>
<p>Individual Policy</p> 	<ul style="list-style-type: none"> • Keep current plan. If your insurer continues to offer the same coverage, you can renew it. However, new policies must comply with federal minimum coverage standards; older plans that don't meet this test cannot enroll new customers. • Shop for coverage through the health benefit exchange. Individuals with incomes below \$43,320 can qualify for federal tax credits to help offset premium costs. 	<p>Lifetime dollar limits on insurance payouts are eliminated. Caps on out-of-pocket costs apply.</p> <p>Medicare taxes will increase for individuals with annual incomes above \$200,000, or families earning more than \$250,000.</p>
<p>Medicare</p> 	<ul style="list-style-type: none"> • Basic benefits and eligibility. No change. All Californians who qualify under today's rules will continue to do so. • Medicare Advantage. Medicare Advantage plans will eliminate cost-sharing for many preventive services. • Access to services. Physicians who treat Medicare patients in rural areas, inner cities, and other underserved areas will be paid a 10% bonus, which may make it easier for beneficiaries to obtain care. 	<p>Free annual check-ups and wellness programs, including screening tests.</p> <p>Gaps in drug coverage phased out.</p> <p>Monthly premium payments for drug coverage will increase for individuals with incomes above \$85,000 and couples earning more than \$170,000.</p>

Changes in 2014 for Californians with No Insurance

Annual Income		Coverage Options	Cost
Individual 	Family of Four 		
Up to \$14,856	Up to \$30,657	Eligible for Medi-Cal. Low-income Californians who are U.S. citizens, as well as most legal immigrants, can enroll in Medi-Cal, the state's Medicaid program.	Small copayments for selected services. A provider may not refuse care if a patient cannot pay for the cost of a visit.
Up to \$44,680	Up to \$92,200	Eligible to buy subsidized private coverage through a new health insurance exchange market. Participating insurers must offer a package of "essential" benefits that covers at least 60% of average health expenses.	Buyer's share of premium may not exceed 2% of annual income at the low end of the earning scale to 9.5% at the top. Yearly limits on out-of-pocket costs also apply.
\$44,681 and above	\$92,201 and above	Required to buy private coverage. Consumers in this income category are ineligible for subsidy.	Subject to market rates. Individuals who remain uninsured will be liable for penalties of up to 2.5% of their income unless they qualify for certain exemptions.

Remaining Uninsured after ACA, Under 65, 2019

Region/County	Baseline Without ACA	Base Scenario		Enhanced Scenario	
		Uninsured	Percent of State Total	Uninsured	Percent of State Total
Northern California and Sierra Counties	200,000	120,000	3.0%	90,000	3.0%
Greater Bay Area	770,000	560,000	14.2%	450,000	14.9%
Santa Clara	180,000	140,000	3.6%	110,000	3.6%
Alameda	160,000	110,000	2.8%	90,000	3.0%
Sacramento Area	230,000	150,000	3.8%	110,000	3.6%
San Joaquin Valley	620,000	410,000	10.4%	300,000	9.9%
Fresno	150,000	100,000	2.5%	70,000	2.3%
Central Coast	320,000	220,000	5.6%	170,000	5.6%
Ventura	100,000	70,000	1.8%	60,000	2.0%
Los Angeles	1,840,000	1,270,000	32.2%	970,000	32.0%
Other Southern California	1,820,000	1,210,000	30.7%	930,000	30.7%
Orange	530,000	370,000	9.4%	290,000	9.6%
San Diego	410,000	280,000	7.1%	220,000	7.3%
San Bernardino	430,000	270,000	6.9%	210,000	6.9%
Riverside	420,000	270,000	6.9%	200,000	6.6%

Who are the uninsured?

- There are 7 million uninsured in California. Nearly 2/3 of these are Latinos
- Over half of the uninsured speak Spanish at home (both alone and in addition to English)
- 13 Counties have over 90% of the currently uninsured

Who are the uninsured?

Ethnicity	Percentage of CA Population	Percentage of CA Uninsured Population
Latino	38.1	61
White, Non-Latino	39.7	24
API	13.6	9
African-American	6.6	5
Native American & Other	2	1

Covered California™

- Marketplace *where legal residents of California* who do not have health insurance from their employer or another government program can purchase health insurance
- New standard benefits for easy comparison
- Tax credits or cost-sharing subsidies from the federal government to lower your health care costs
- Available to small businesses
 - 50 or less FTEs
 - 25 or less FTEs: potential tax credits
 - More than 100 FTEs: October 2015



Uninsured Not Eligible for the Health Law Medicaid Expansion

- Immigration status
 - Legal permanent residents, in most circumstances, are ineligible for Medi-Cal benefits for the first five years during which they reside legally in the U.S.A.
 - unauthorized immigrants are excluded from Medi-Cal coverage

Covered California's™ Primary Targets

- 5.3 million Californians
 - 2.6 million qualify for Covered California subsidies
 - 2.7 million benefit from guaranteed coverage and cannot be denied
- Additional 1.4 million may be newly eligible for Medi-Cal

Covered California™

- Madera County: Region 11
- Available insurance companies:
 - Anthem (PPO, HMO)
 - Blue Shield (PPO)
 - Kaiser Permanente (HMO)

Statewide Average Premium Rates (for Silver Plans across all 19 Rating Regions)

Lowest Silver Plan	2nd lowest Silver Plan	3rd lowest Silver Plan	Average of the 3 plans
\$304	\$325	\$335	\$321

Covered California™

- Coverage levels:

Metal Tier	Paid by health plan	Paid by consumer
Bronze	60%	40%
Silver	70%	30%
Gold	80%	20%
Platinum	90%	10%

- Coverage costs:

Statewide Average Premium Rates (for Silver Plans across all 19 Rating Regions)			
Lowest Silver Plan	2nd lowest Silver Plan	3rd lowest Silver Plan	Average of the 3 plans
\$304	\$325	\$335	\$321

Covered California™ and Subsidies

- A “sliding scale” subsidy will be provided based on income for individuals and families earning between 138 and 400 percent of the federal poverty level. The size of the subsidy depends on both the income and family size of eligible individuals.
- The table below illustrates the tax credit subsidy for a family of four at several income levels.*

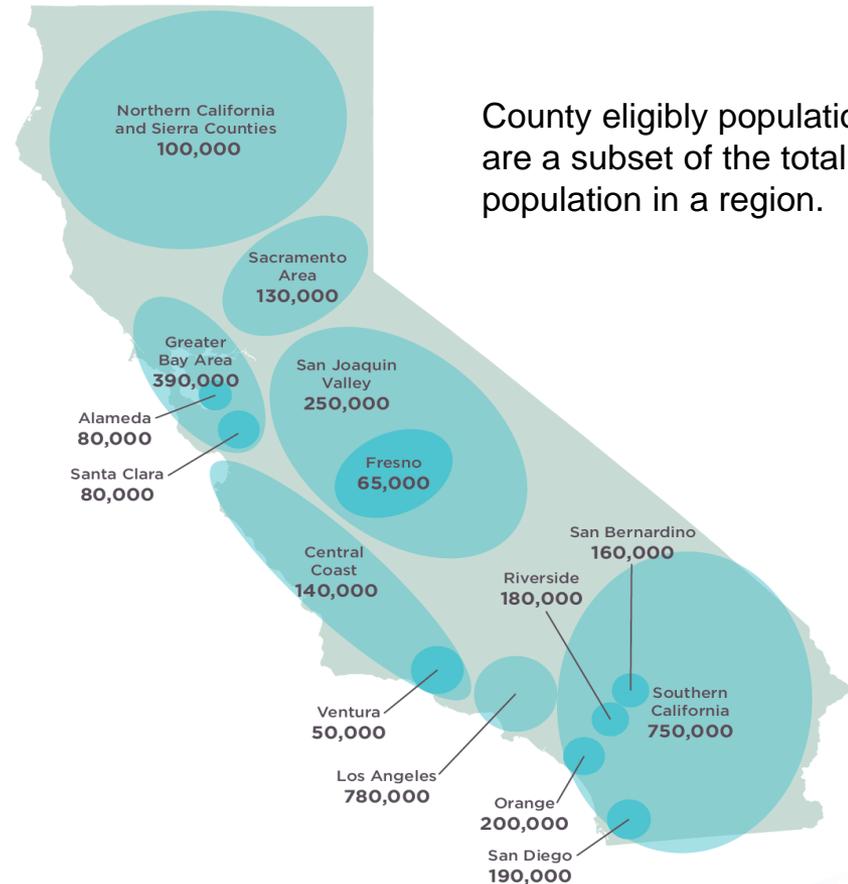
Percent of FPL	Annual Income	Unsubsidized Annual Premium	Annual Tax Credit	Annual Premium after Tax Credit	Unsubsidized Monthly Premium	Monthly Premium Credit	Monthly Premium after Credit
150%	\$35,137	\$14,245	\$12,840	\$1,405	\$1,187	\$1,070	\$117
200%	\$46,850	\$14,245	\$11,294	\$2,952	\$1,187	\$941	\$246
300%	\$70,275	\$14,245	\$7,569	\$6,676	\$1,187	\$631	\$556
399%	\$93,700	\$14,245	\$5,344	\$8,901	\$1,187	\$445	\$742

* Assumes: 2014 projected income of a 45 year-old policyholder and the family buys a plan that has a 70 percent actuarial value (the policyholder would be responsible for 30 percent of all covered benefits, the health insurer would be responsible for the remaining 70 percent). Does not include cost-sharing which is also available.

Subsidy Eligible Population

California's expanse, diverse geography and mix of rural and urban areas are unique and present outreach challenges.

Exchange Eligible Population by Region



County eligible populations are a subset of the total population in a region.

Source: CalSIM model, Version 1.8

Covered California™ Outreach & Enrollment Efforts

- Target Groups
- Subsidies Available
- Community Mobilization
- In-Person Assistance and Navigators
- Media
- Customer Service Center

Remaining Uninsured & Undocumented

- Still a county responsibility
- Unclear funding sources for safety net providers
- Possibilities:
 - Regional health programs have shown considerable success in providing cost-effective care to California's vulnerable populations.
 - County Medical Services Program (35 counties)
 - Path2Health (a CMSP Low-Income Health Program)

Madera County Public Health Department

- **Protects the health of Madera County by preventing disease and the promoting health equity**
- **Prevention efforts**
 - Community Transformation Grant
 - Maternal Child Adolescent Health programs
 - Women Infant Children Program
 - Community Health Programs
 - Many more...
- **Health equity**
 - Where you live, work, go to school, play affect your health
 - Policies & systems change through local partnerships
- **Funding challenges under ACA and from State**

The to-do list

- Continuing the conversation and the understanding in Madera County.
- Encourage and support enrollment efforts so those currently eligible for public programs like Medi-Cal get enrolled.
- Encourage and support enrollment efforts for those that will be newly-eligible in 2014.
- Support advocacy efforts to maximize health care access and services for the remaining uninsured.



“Everyone gets sick sometimes- yet many of us don’t have health care.”

#Health4All 



Health Happens when we all dream together.

#Health4All 



California's Health Depends On

EVERYONE