

# Affordable Care Act and 2017 Open Enrollment

Wisconsin Office of the Commissioner of  
Insurance (OCI)

# Presentation Outline

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# Affordable Care Act (ACA)

## Overview: Market Reforms

Effective January 1, 2014

- ▶ Health insurers must sell a plan to anyone who applies for comprehensive coverage and resides in their service area
  - No longer can refuse or limit coverage based on health status
- ▶ Individual and small group plans must cover the Essential Health Benefits
- ▶ Consumer out-of-pocket expenses limited
  - 2017 Individual: \$7,150
  - 2017 Family: \$14,300

# Affordable Care Act (ACA)

## Overview: Market Reforms

- ▶ Insurers can only vary premium for a particular plan based on:
  - Whether coverage is for an individual or family;
  - The area of the state the plan is sold;
  - Age; and
  - Tobacco use
- ▶ Plans categorized into metal tiers, based on actuarial value (AV); meaning the average amount of covered health care services the plan is expected to pay
  - Bronze: 60%
  - Silver: 70%
  - Gold: 80%
  - Platinum: 90%

# Affordable Care Act (ACA)

## Overview: Individual Mandate

- ▶ The ACA requires most individuals to have health insurance or pay a penalty
- ▶ The penalty amount is calculated 2 different ways:
  1. As a percentage of household income
    - 2016: 2.5% of taxable income
    - Maximum payment equivalent to the yearly premium for a bronze plan
  2. On a per person basis
    - 2016: \$695.00 per adult/\$347.50 per child under 18
    - Maximum payment: \$2,085
- ▶ **Consumers will pay whichever is higher**

# Affordable Care Act (ACA)

## Overview: Individual Mandate

- ▶ Allowable exemptions include (not limited to):
  - Coverage is unaffordable
    - Employer coverage or a bronze plan costs more than a certain percentage of household income
  - Short coverage gap
    - Individual went without coverage for less than three consecutive months
  - Income is below amount required to file taxes
  - Members of certain religious sects
  - Members of Federally-recognized Indian tribes
  - General hardship
    - Homelessness
    - Eviction
    - Domestic Violence

# Affordable Care Act (ACA)

## Overview: Federal Exchange

- ▶ The Federal Exchange is a Web site for consumers to:
  - Check their eligibility for government assistance programs, including any subsidies available to help pay for private health insurance;
  - Compare health insurance plans based on cost and quality; and
  - Purchase health insurance

# Affordable Care Act (ACA)

## Overview: Federal Exchange

- ▶ According to the federal Department of Health and Human Services (HHS), as of March 2016 in Wisconsin:
  - 224,208 individuals had coverage purchased through the Exchange
  - 85% of those enrolled received the Advanced Premium Tax Credit and 55% received the Cost Sharing Subsidies

# Affordable Care Act (ACA)

## Overview: Federal Subsidies

- ▶ Advanced Premium Tax Credit (APTC)
  - A tax credit consumers can take in advance and use toward their health insurance premiums when plans are purchased on Exchange
  - **ALERT:** When applying for APTC, consumers estimate their expected income for the year. **Consumers should report changes in income throughout the year**
  - If at the end of the year a consumer has taken more premium tax credit than they are due based on their final income, **they will have to pay back the excess**
    - Amount will either be deducted from a consumer's tax refund or, if no refund is due, payment will come directly from the consumer

# Affordable Care Act (ACA)

## Overview: Federal Subsidies

### ▶ APTC Eligibility

- Income between 100% and 400% of the Federal Poverty Level (FPL)
  - \$24,300 – \$97,200 for a family of four in 2016
    - 2017 thresholds not yet available
- Cannot be claimed as a dependent by another person
- Must be ineligible for government–sponsored coverage or affordable employer–sponsored coverage
- Must enroll in a health plan through the federal Exchange

# Affordable Care Act (ACA)

## Overview: Federal Subsidies

- ▶ Cost Sharing Reduction Subsidies (CRS) are available to offset a consumer's out of pocket expenses, such as deductibles and co-pays
- ▶ To qualify for CRS an individual must:
  - Have income between 100% and 250% of the FPL
  - Purchase a silver plan on the Exchange

# 2017 Open Enrollment: **Timeframe**

- ▶ Open enrollment is the annual timeframe during which consumers can purchase individual health insurance plans, either on or off the federal Exchange
- ▶ November 1, 2016 through January 31, 2017
- ▶ Plans must be purchased by December 15, 2016 to have an effective date of January 1, 2017
- ▶ An initial premium payment is due before the insurer is required to pay claims or pharmaceutical expenses

# 2017 Open Enrollment: SEPs

- ▶ Special Enrollment Periods (SEPs) are available for individuals to enroll outside of the open enrollment period
- ▶ Examples:
  - Loss of coverage
  - Life event
    - Birth, marriage, divorce
  - Change in residence
  - No longer eligible for Medicaid
  - Newly obtained citizenship

# 2017 Open Enrollment: Plan Options

- ▶ WI has a very competitive individual health insurance market with 15 insurers offering plans on Exchange in 2017
- ▶ Those same insurers plus 3 additional are offering plans available in the individual market, off Exchange
- ▶ OCI has an interactive map on its Web site, including names and contact information for insurers offering coverage throughout the state
  - <https://oci.wi.gov/Pages/Consumers/FindHealthInsurer.aspx>

# 2017 Open Enrollment: Plan Options

- ▶ When shopping for coverage consumers should ask themselves:
  - Will the plan allow you to see the providers you want?
  - Will the plan cover the prescription drugs you are currently taking?
  - Is there a separate deductible for prescription drugs?
  - What are the benefits that are excluded?
  - What is the total cost to you, including premiums, coinsurance, copayments, deductibles, or other out-of-pocket expenses?
  - If you have a specific health condition, is one type of plan better suited to provide the services you need?

# 2017 Open Enrollment: Plan Options

- ▶ In order to better understand plan options available on and off Exchange consumers may:
  - Work with a local health insurance agent;
  - Contact a navigator or certified application counselor
  - Visit the federal Web site, [www.HealthCare.gov](http://www.HealthCare.gov); or
  - Call 1-800-318-2596 to speak to a federal Exchange representative

# 2017 Open Enrollment:

## Auto Re-enrollment

- ▶ Some insurers offering coverage on Exchange in 2016 will **NOT** be offering coverage on Exchange in 2017 or will have reduced their service areas
- ▶ Consumers with 2016 coverage from one of those insurers will receive a notice from their insurer indicating coverage will not be available in 2017
- ▶ Throughout November and December, the federal Department of Health and Human Services (HHS) will auto re-enroll consumers into a new plan, with a new insurer, without consumer input

# 2017 Open Enrollment: Auto Re-enrollment

- ▶ Consumers **DO NOT** have to accept the health insurance plan HHS auto re-enrolls them into
- ▶ Consumers should be aware the HHS selected plan may not include the consumer's current doctors in its provider network and may have higher out of pocket expenses than the consumer's previous plan
- ▶ Consumers may receive a welcome kit and an invoice from the insurer HHS assigns to them. Consumers are under **NO OBLIGATION** to make a premium payment and start coverage with that insurer

# 2017 Open Enrollment:

## Auto Re-enrollment

- ▶ During open enrollment, HHS intends to send several notices to consumers making them aware of auto re-enrollment and their option to shop for alternate coverage
- ▶ OCI encourages consumers to proactively compare plan options available on and off the federal Exchange to ensure the coverage they purchase meets their needs

# 2017 Open Enrollment:

## Auto Re-enrollment

- ▶ To purchase on Exchange coverage and avoid auto re-enrollment, consumers can go into their HealthCare.gov account and update their 2017 application to reflect their plan choice, rather than the HHS plan choice
- ▶ Plan selections should be complete by December 15 for coverage effective January 1, 2017

# 2017 Open Enrollment:

## Auto Re-enrollment

- ▶ If the December 15 deadline is missed, consumers can select a new plan with coverage effective January 1, 2017 by attesting to the loss of minimum essential coverage through HealthCare.gov and choosing a new plan by December 31
- ▶ To prevent auto re-enrollment without enrolling in a new plan, consumers can log into their HealthCare.gov account between November 1 and December 15 and select their **2016** application—not the 2017 application.
  - On the “My Coverage” page of the **2016** application, there is a box near the bottom that explains how to prevent automatic re-enrollment for 2017

# 2017 Open Enrollment: Auto Re-enrollment

- ▶ In summary, consumers impacted by auto re-enrollment who are interested in coverage for 2017 may:
  - Log into HealthCare.gov to prevent automatic re-enrollment for 2017
    - Consumer then shops for coverage, comparing plans on and off Exchange, and purchases a plan
    - Depending on when the consumer pro-actively opts out, they may avoid receiving an insurer invoice for coverage chosen by HHS and HHS correspondence
  - Log into HealthCare.gov to compare plan options, choose a plan that meets their needs and update their 2017 application to reflect their plan choice, rather than the HHS plan choice
    - If an invoice is received from the HHS chosen insurer, ignore it; do not pay it
  - Do nothing in HealthCare.gov; accept the automatic re-enrollment into the plan HHS chose by submitting a premium payment to effectuate coverage
    - If premium is not paid, there is no enrollment and no coverage

# OCI

- ▶ OCI is a resource on any issue related to the Wisconsin Insurance market
- ▶ For inquiries or complaints, please contact:
  - <https://ociaccess.oci.wi.gov/complaints/public/>
  - 1-800-236-8517