The Affordable Care Act and You

Presented by:
Blue Cross and Blue Shield of Kansas
Agenda

• Health insurance basics
• What does the Affordable Care Act mean for you?
• Shopping on the Marketplace
• Kansans serving Kansans for 71 years
Health Insurance Basics

• What is health insurance?
  – Pre-paid medical care
  – What are deductibles, coinsurance, copays?

• Why have health insurance?
  – Improves access to care
  – Financial security
  – Health care is expensive
Health Insurance Basics

Source: 2012 Claims Data, Blue Cross and Blue Shield of Kansas
Meet Bob and Ann
What does the Affordable Care Act mean for Bob and Ann?

They can **not** be turned down for health insurance, regardless of their conditions

- Guaranteed issue during open enrollment
- Premiums based on age, location, family size and tobacco use; **not** health conditions
- Benefits for conditions included
Meet the Hernandez family
What does the Affordable Care Act mean for the Hernandez family?

- They most likely will receive help paying for their premiums
- Advance premium tax credits
  - Available right away
  - Amount of tax credit varies by income
  - Who qualifies for a tax credit?
  - How do you get a tax credit?
What does the Affordable Care Act mean for the Hernandez family?

<table>
<thead>
<tr>
<th>Family Size</th>
<th>100%</th>
<th>133%</th>
<th>175%</th>
<th>200%</th>
<th>250%</th>
<th>300%</th>
<th>400%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$11,490</td>
<td>$15,282</td>
<td>$20,108</td>
<td>$22,980</td>
<td>$28,725</td>
<td>$34,470</td>
<td>$45,960</td>
</tr>
<tr>
<td>2</td>
<td>$15,510</td>
<td>$20,628</td>
<td>$27,143</td>
<td>$31,020</td>
<td>$38,775</td>
<td>$46,530</td>
<td>$62,040</td>
</tr>
<tr>
<td>3</td>
<td>$19,530</td>
<td>$25,975</td>
<td>$34,178</td>
<td>$39,060</td>
<td>$48,825</td>
<td>$58,590</td>
<td>$78,120</td>
</tr>
<tr>
<td>4</td>
<td>$23,550</td>
<td>$31,322</td>
<td>$41,213</td>
<td>$47,100</td>
<td>$58,750</td>
<td>$70,650</td>
<td>$94,200</td>
</tr>
<tr>
<td>5</td>
<td>$27,570</td>
<td>$36,668</td>
<td>$48,248</td>
<td>$55,140</td>
<td>$68,925</td>
<td>$82,710</td>
<td>$110,280</td>
</tr>
<tr>
<td>6</td>
<td>$31,590</td>
<td>$42,015</td>
<td>$55,283</td>
<td>$63,180</td>
<td>$78,975</td>
<td>$94,770</td>
<td>$126,360</td>
</tr>
<tr>
<td>7</td>
<td>$35,610</td>
<td>$47,361</td>
<td>$62,318</td>
<td>$71,220</td>
<td>$89,025</td>
<td>$106,830</td>
<td>$142,440</td>
</tr>
<tr>
<td>8</td>
<td>$39,630</td>
<td>$52,708</td>
<td>$69,353</td>
<td>$79,260</td>
<td>$99,075</td>
<td>$118,890</td>
<td>$158,520</td>
</tr>
</tbody>
</table>

Source: Federal Register, publication date: Jan. 24, 2013.
What does the Affordable Care Act mean for the Hernandez family?

Cost-sharing lowers out-of-pocket costs, too

- Helps qualified Kansans pay for:
  - Deductibles
  - Copays
  - Coinsurance

- Who qualifies for cost-sharing assistance?
- How do you get cost-sharing help?
Meet James
Most Kansans will be required to have health insurance in 2014, or pay a tax penalty

- To meet requirements, coverage can be through
  - An employer
  - Purchased on one’s own
  - Have coverage through KanCare
- Some Kansans will be exempt from this mandate
- Penalties based on income and increase over time
What does the Affordable Care Act mean for James?

![Bar chart showing tax penalty for 2014, 2015, and 2016. The penalty is $0 in 2014, $300 in 2015, and $600 in 2016.]

- 2014: $0
- 2015: $300
- 2016: $600

GoBlue
BlueCross BlueShield of Kansas
Meet Emily
What does the Affordable Care Act mean for Emily?

She will pay a higher premium because she smokes

- How premiums are set is changing in individual and small group markets
- Premiums based on four factors:
  - Age
  - Location
  - Family size
  - Tobacco use
Meet Sam
What does the Affordable Care Act mean for Sam?

Most likely, no changes in 2014

– Expect employers will continue to offer benefits
– Check with your employer
– Shop on the Marketplace
Meet Elliott and Lauren, owners of L&E Booksellers
What does the Affordable Care Act mean for Elliott and Lauren?

They are not obligated to offer insurance because they have fewer than 50 employees.
Meet Robin and Gary, co-owners of ACME Corp.
What does the Affordable Care Act mean for Robin and Gary?

Employer shared responsibilities for 2014

– Applies to employers with more than 50 full-time employees:
  • Those working 30 or more hours a week

– Must offer a plan that:
  • Has 60 percent minimum value
  • Is affordable – 9.5 percent of employee's income
  • Is available to employees, dependents to age 26 only

– Employees not eligible for tax credit if employer meets criteria
What does the Affordable Care Act mean for Robin and Gary?

Employer shared responsibilities for 2015

- Employers face penalties for not being in compliance
- Penalties are not tax deductible
Shopping on the Marketplace

The Health Insurance Marketplace is coming soon

A new way to get affordable coverage launches October 1.

Answer a few questions to learn if you qualify for lower costs.

START NOW

GET IMPORTANT NEWS & UPDATES

Email Address

SIGN UP

What is the Health Insurance Marketplace?
What is the Marketplace in my state?
What if I have job-based insurance?
How can I get coverage at lower costs?
What is the Health Insurance Marketplace?

– Online website -- research, compare, buy
– The Marketplace will be open Oct. 1, 2013, until March 31, 2014
– Coverage begins Jan. 1, 2014, or after
Shopping on the Marketplace

What is the Health Insurance Marketplace?

- After March 31, 2014, Kansans will need a "triggering event" to purchase insurance
- Enroll in KanCare at any time
- Next open enrollment: Oct. 15 to Dec. 7, 2014
Benefit plans include essential health benefits

- Ambulatory patient services
- Emergency services
- Hospitalization
- Maternity and newborn care
- Mental health and substance abuse disorders
Shopping on the Marketplace

Benefit plans include essential health benefits

– Prescription drugs
– Rehabilitative and habilitative services and devices
– Laboratory services
– Preventive and wellness services, and chronic disease management
– Pediatric services
Benefit plans also include preventive services for men, women and children of all ages

- Services with no cost-sharing
- Variety of services
  - Health and cancer screenings
  - Immunizations and vaccinations
  - Well-woman visits and contraception
- Learn more at [www.healthcare.gov](http://www.healthcare.gov)
Variety of comprehensive plans

– Consumers will be able to choose from a tiered set of plans
  • Platinum, Gold, Silver and Bronze levels
  • Summary of Benefits and Coverage for side-by-side comparisons

– Catastrophic plan for young adults ages 21 to 30
  • Lower premium, higher out-of-pocket costs
  • No tax credits
Shopping on the Marketplace

Preferences and tax credits

- The cost for a premium will be based on:
  - Age
  - Location
  - Family size
  - Tobacco use

- Tax credits only available through Marketplace
Shopping on the Marketplace

Prepare now for shopping in the Marketplace

- Find out if you are already eligible for KanCare
- Will your employer offer you coverage for 2014?
- Start gathering basic information about your household income
Shopping on the Marketplace

Help with shopping, application process

– Trained navigators and application counselors available to help, in person or on the phone
  • What is a navigator?
  • What is an application counselor?

– Contact an insurance company
What if Elliott & Lauren want to shop for insurance?
What does the Affordable Care Act mean for Elliott and Lauren?

• **If they want to purchase coverage, consider:**
  – Essential health benefits, preventive services in plans
  – New rating rules base premiums on:
    • Age
    • Location
    • Family size
    • Tobacco use

• **Small Business Health Options Program (SHOP)**
What does the Affordable Care Act mean for Elliott and Lauren?

Small Business Health Options Program (SHOP)

- Online website
  - Research, compare, buy
  - Federally-facilitated exchange
  - Opens for business Oct. 1, 2013
- Tax credits only through SHOP
- Employer choice in 2014; employee choice in 2015
Kansans serving Kansans

- Kansans serving Kansans since 1942
- Products at all tiers in the Marketplace
- Large provider network
- World Class customer service
- Healthy Options programs for disease, wellness management
- Web tools for convenience
Resources

- Blue Cross and Blue Shield of Kansas
  www.bcbsks.com
- U.S. Department of Health and Human Services
  www.healthcare.gov/marketplace
- Kansas Insurance Department
  www.kansasinsurance.org
- America's Health Insurance Plans (AHIP)
  www.timeforaffordability.com
- Internal Revenue Service
  www.irs.gov
Questions?