



The Health Insurance Marketplace 101



July 2013



The Problem

- Insurance companies could turn away the 129 million Americans with pre-existing conditions
- Premiums had more than doubled over the last decade, while insurance company profits were soaring
- Tens of millions were underinsured, and many who had coverage were afraid of losing it
- 50 million Americans had no insurance at all



The Health Care Law

In March 2010, President Obama signed the Affordable Care Act into law



Affordable Care Act – Coverage Accomplishments

- 3.1 million young adults have gained insurance through their parents' plans
- 6.1 million people with Medicare through 2012 received \$5.7 billion in prescription drug discounts
- 34 million people with Medicare received a free preventive service
- 71 million privately insured people gained improved coverage for preventive services
- 105 million Americans have had lifetime limits removed from their insurance



Affordable Care Act – Cost Savings

- Slowest sustained national health spending growth in 50 years
 - Low growth continuing in 2012 for Medicare and Medicaid
- Rate increases fell from 75% in 2010 to 14% so far in 2013
- \$1 billion returned to consumers last summer
 - Plans now must spend 80% on healthcare
- \$4.2 billion recovered in 2012 from anti-fraud efforts – a record high – for a total of nearly \$15 billion over the last 4 years, double that of the previous 4 years

Introduction to the Marketplace

- The Marketplace (or Exchange)
 - Place for qualified individuals and employers to directly compare private health insurance options
 - Known as Qualified Health Plans (QHPs)
 - Can directly compare on the basis of price, benefits, quality, and other factors

3 Things to Know about the Marketplace...

1. It's an easier way to shop for health coverage
 - Simplifies the search
 - All options in one place
 - A streamlined application and an individual or family can explore every qualified insurance plan in the area
2. Most people will be able to get a break on costs
 - 90% of people who are currently uninsured will qualify for discounted or free health insurance
3. Clear options with apples-to-apples comparisons
 - All health insurance plans in the Marketplace present their price and benefit information in plain language

The Health Insurance Marketplace

- A new way to get health insurance
 - Enrollment starts October 1, 2013
 - Coverage begins as early as January 1, 2014
- About 25 million Americans will have access to quality health coverage
 - Up to 20 million may qualify for help to make it more affordable



Marketplace Establishment

- Each state can choose to
 - Create and run its own Marketplace
 - Partner with the Federal government to run some Marketplace functions
 - Have a Marketplace established and operated by the Federal government

Advantages of the Marketplace

- Helps enhance competition in the health insurance market
- Increases affordability through premium tax credits, cost sharing reductions, or public insurance programs
- Ensures quality through QHPs that must meet basic standards, including quality standards, consumer protections, and access to an adequate range of clinicians
- Makes costs clear by providing information about prices and benefits in simple terms consumers can understand, so they don't have to guess about costs

Essential Health Benefits

Qualified Health Plans cover Essential Health Benefits which include at least these 10 categories

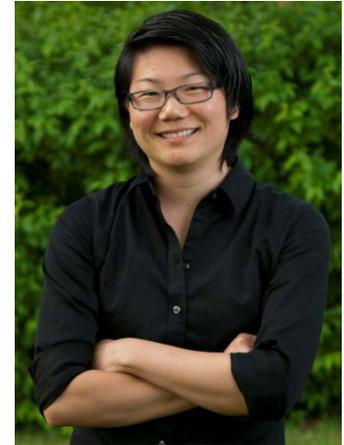
Ambulatory patient services	Prescription drugs
Emergency services	Rehabilitative and habilitative services and devices
Hospitalization	Laboratory services
Maternity and newborn care	Preventive and wellness services and chronic disease management
Mental health and substance use disorder services, including behavioral health treatment	Pediatric services, including oral and vision care (pediatric oral services may be provided by stand-alone plan)

How Qualified Health Plans Can Vary

- Some plans may cover additional benefits
- You may have to see certain providers or use certain hospitals
- The premiums, copays, and coinsurance will be different in different plans
- The quality of care can vary
- Some special types of plans will be structured differently
 - Like high-deductible plans

Catastrophic Plans

- Who is eligible?
 - Young adults under 30 years of age
 - Those who obtain a hardship waiver from the Marketplace
- What is catastrophic coverage?
 - Plans with high deductibles and lower premiums
 - Includes coverage of 3 primary care visits and preventive services with no out-of-pocket costs
 - Protects consumers from high out-of-pocket costs



Small Business Health Options Program (SHOP) - Employees

- The SHOP is a Marketplace for small businesses and their employees (fewer than 100 FTE employees)
 - States may limit participation to those with 50 or fewer employees for the first 2 years
 - Employer will access the SHOP where its principal business office is located
 - Employer must offer coverage to all full-time employees
 - Sole proprietors may buy through the Marketplace rather than the SHOP

Small Business Health Options Program (SHOP) - Employers

- Eligible employers can
 - Define how much they'll contribute toward their employees' coverage
 - Have access to a small business tax credit
 - Benefit from new protections that help them get real value for consumer's premium dollars

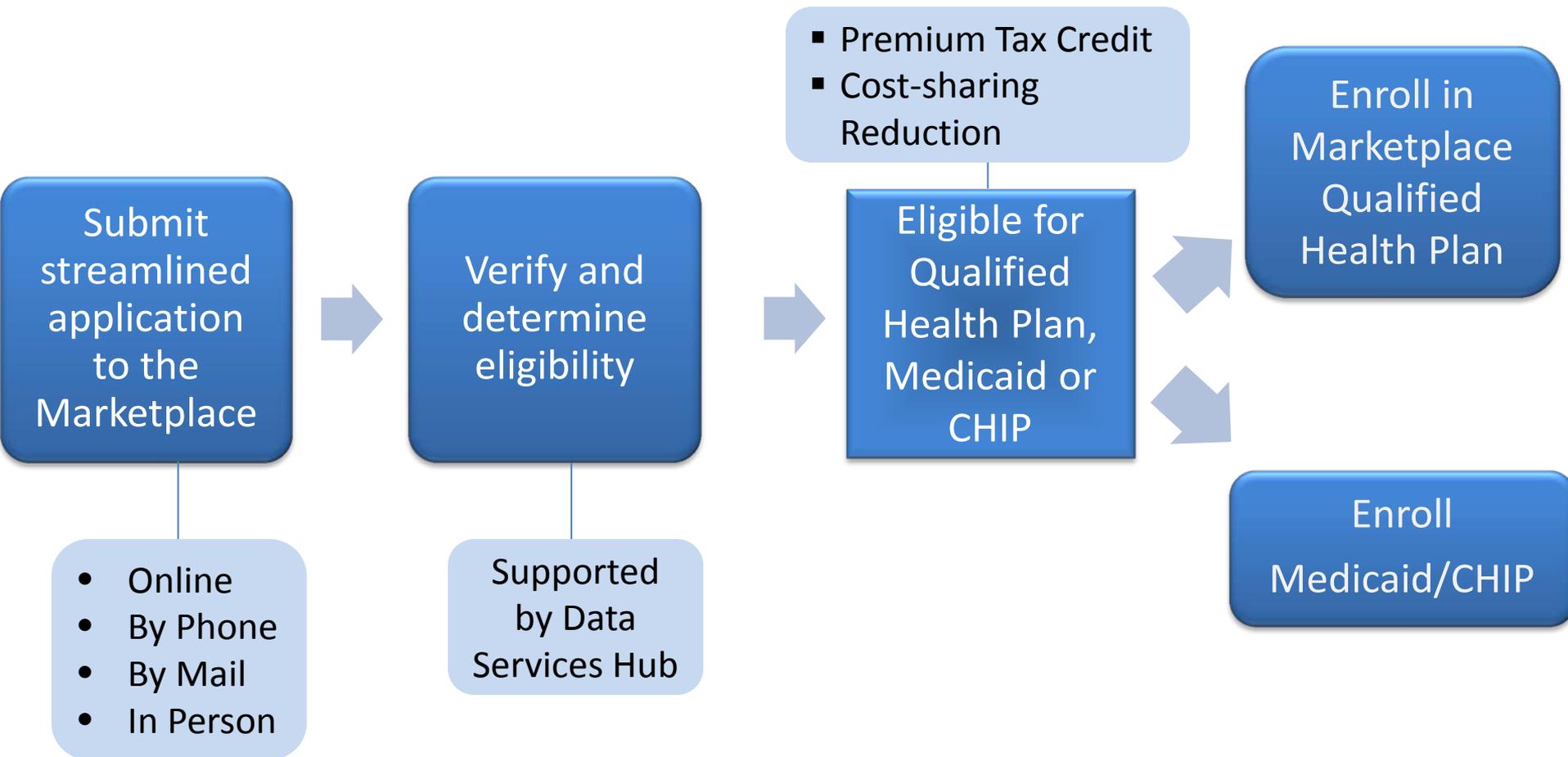
Medicaid Eligibility in 2014

- Creates new opportunities for states to expand Medicaid eligibility to
 - Adults ages 19 – 64 with incomes up to 133% of the Federal Poverty Level (FPL) (\$15,282/year for an individual, \$31,322/year for a family of 4 (2013 amounts))
- Ensures Medicaid coverage for all children
 - With incomes up to 133% of the FPL
- Shifts to simplified way of calculating income to determine Medicaid/CHIP eligibility
 - Known as Modified Adjusted Gross Income (MAGI)-based method

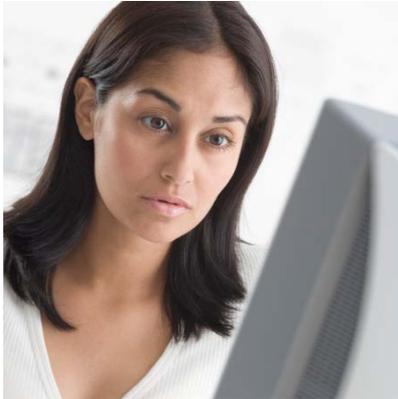
Eligibility and Enrollment in the Individual Marketplace

- The Marketplace initial open enrollment period starts October 1, 2013, and ends March 31, 2014
- Marketplace eligibility requires you to
 - Live in its service area, and
 - Be a U.S. citizen or national, or
 - Be a non-citizen who is lawfully present in the U.S. for the entire period for which enrollment is sought
 - Not be incarcerated
 - Can apply for Marketplace if pending disposition of charge
 - Can apply for Medicaid/CHIP at any time

Application and Eligibility



How to Apply



Online



By Phone

- **Easy**
- **Convenient**
- **Streamlined**



By Mail



In Person

National Marketplace Toll-Free Call Center

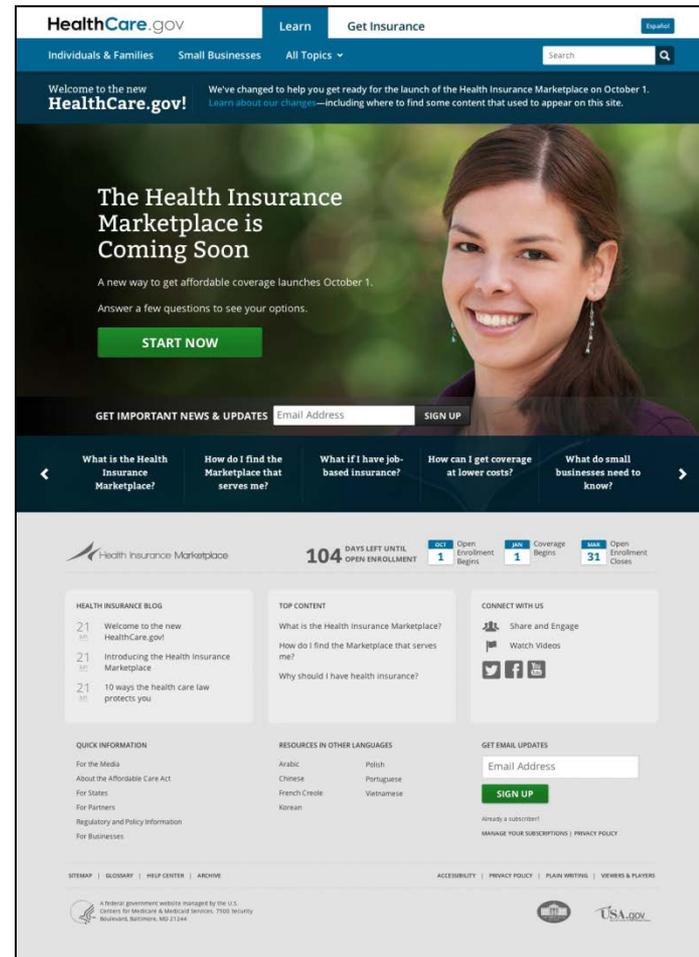
for Federally Facilitated and State-Partnership Marketplaces

- 1-800-318-2596 (TTY 1-855-889-4325)
 - Customer service representatives - 24/7
 - English and Spanish
 - Language line for 150 additional languages
- June – September
 - Provide general information to individuals in the Marketplace and **employees** of SHOP employers
 - SHOP call center for **Employers** – opens in August
- Starting October
 - Help with eligibility, enrollment and referrals



HealthCare.gov

- CuidadoDeSalud.gov for Spanish
- The consumer site for info now, application and plan comparison in Oct
- Social media connections
- Responsive design
- Accessible for those with visual disabilities
- Starting October 1, 2013 you can apply through this site



In Person Assistance

- In person help will be available to help prepare electronic and paper applications to establish eligibility and to enroll in coverage through the Marketplace
 - Navigators
 - Other trained enrollment assisters
 - Local community health centers, libraries, hospitals and other locations in local communities
 - Agents and brokers



A New Way to Lower Premium Costs

- A new refundable or Advanced Premium Tax Credit (APTC) that lowers the cost of Qualified Health Plans
- Eligibility is based on
 - Household income, and family size (at end of year)
 - Income between 100% to 400% of the Federal Poverty Level (FPL) (\$23,550 – \$94,200 for a family of four in 2013)
 - Obtaining qualified health insurance through the Marketplace
 - Ineligibility for government-sponsored coverage, affordable employer-sponsored insurance, or certain other minimum essential coverage
- The Premium Tax Credit is claimed on your income tax return



You May Pay a Fee

- Starting in 2014, most people must have health coverage
 - If you don't have a certain level of health coverage (employer coverage, Medicare, Medicaid, CHIP, TRICARE, certain VA coverage, an individual policy, or a plan in the Marketplace) you may have to pay a fee with your tax return
 - Starting when you file your 2014 Federal tax return in 2015
 - Some people may qualify for an exemption

People with Medicare

Medicare isn't part of the Marketplace

- In most cases it will be to your advantage to sign up for or keep Medicare
 - ❑ You may pay more for coverage in the Marketplace
 - ❑ You may have to pay a penalty for Medicare Parts A, B, and D if you choose to sign up for Medicare later
 - ❑ You won't be eligible for lower costs to help pay your premiums or cost-sharing in the Marketplace
 - ❑ If you're in the Marketplace when you become eligible for Medicare eligible, you lose any tax credit/cost-sharing reduction you may have had

Pre-existing Condition Insurance Plan (PCIP) Transition

- Temporary program covering those with pre-existing conditions
 - PCIP program ends December 31, 2013
- Marketplace coverage can begin January 1, 2014
- PCIP enrollees who want coverage in the Marketplace
 - Need to apply by December 7, 2013, for no break in coverage
 - No automatic transition

A Look Ahead

August 2013

- Expect training to begin for consumer assisters like Navigators, as well as for agents and brokers
- SHOP (Employer) Call Center live

October 1, 2013

Open enrollment in the Health Insurance Marketplace begins

January 1, 2014

- Coverage through Health Insurance Marketplace begins (as early as)
- Discrimination due to pre-existing conditions or gender is prohibited
- Annual Limits on Insurance Coverage will be eliminated
- Advanced Premium Tax Credits will be available
- The Small Business Tax Credit will increase
- More people will be eligible for Medicaid (in some states)

Marketplace.cms.gov

Get the latest resources to help people apply, enroll, and get coverage in 2014

The screenshot shows the homepage of the Health Insurance Marketplace. At the top, there is a navigation bar with links for 'CMS.gov', 'About CMS', 'FAQs', 'Print', and 'Share'. A search bar is located on the right side of the header. Below the header, the main content area features the 'Health Insurance Marketplace' logo and a message: 'Starting this fall, there'll be a new way for people to buy health insurance - the Health Insurance Marketplace. Get the latest resources to help people apply, enroll, and get coverage in 2014.' A prominent blue button labeled 'Get updates >' is centered below this message. Below the main content, there are two dark navigation buttons: 'Get official resources >' and 'Explore research >'. The page is divided into three columns. The left column has a 'Resource spotlight' section with an image of a document and a 'Get presentation >' button. The middle column is titled 'Looking for consumer information?' and includes a 'Get consumer information >' button. The right column is titled 'Have questions?' and includes a 'Get answers >' button. At the bottom, there is a footer with the CMS.gov logo and a social media section titled 'Stay connected with the Marketplace' featuring icons for Twitter, Facebook, and YouTube.

Key Points to Remember

- The Marketplace is a new way to find and buy health insurance
- Qualified individuals and employers can shop for health insurance that fits their budget
- States have flexibility to establish their own Marketplace
- Individuals and families may be eligible for lower costs on their monthly premiums and out-of-pocket costs
- There is assistance available to help you get the best coverage for your needs

Want more information about the Marketplace?

- Stay Connected
 - Sign up to get email and text alerts at HealthCare.gov/subscribe
 - CuidadoDeSalud.gov for Spanish
 - Updates and resources for partner organizations are available at Marketplace.cms.gov
 - [Twitter@HealthCareGov](https://twitter.com/HealthCareGov)
 - Facebook.com/Healthcare.gov