

Affordable Care Act (ACA) Washington State Plan Impacts to Clark County

Vanessa Gaston
Director, Clark County Community Services

Marni Storey
Interim Director, Clark County Public Health

Kathy Meyers
Benefits Manager, Clark County Human Resources

Agenda

I. Overview of how Washington State plans to implement ACA

Presenter - Vanessa Gaston

II. Overview of what ACA will mean for local community residents

Presenter - Marni Storey

III. Overview of the impact of ACA to Clark County Government as an employer

Presenter - Kathy Meyers

Serious changes are underway in Washington and across the Country as Healthcare Reform begins to unfold



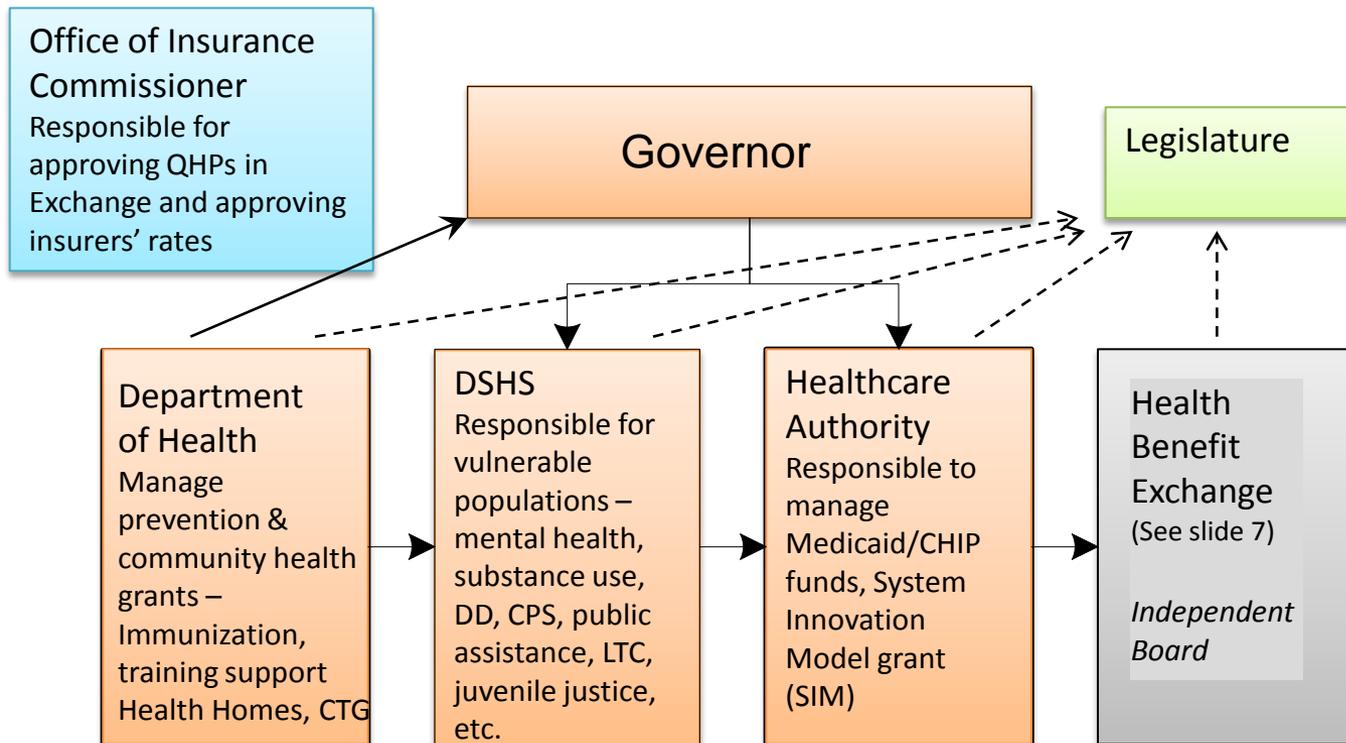
ACA will expand health care coverage in the following ways

- Individual mandate
- Small business tax incentives
- Medicaid expansion
- Premium subsidies
- Large employer mandate

Washington State's Strategies for ACA Implementation

- Created HealthPath Washington Plan
 - Managed Care for Medicaid population (July 2012)
 - Health Homes for high risk population (July 2013)
- Created Health Insurance Exchange in 2011 (SSB 5445)
- Medicaid Expansion (takes effect January 1, 2014, 100% federal funding 2014-2016 and enhanced federal match declines to 90% in 2020 and thereafter)
- Creating a Health Information Exchange (HIE)
- State Innovative Model (SIM) – CMS Planning grant - payment reform and system transformation

Elected Offices and State Agencies involved in planning



Health Insurance Exchange's role in ACA

Exchange is a public-private partnership governed by independent Board. Funded by federal grants through 2014 but must be a self-sustaining organization by 2015.

- Responsible to manage Washington Healthplanfinder:
 - Online marketplace for individuals, families and small businesses to compare and enroll in qualified health plans (QHP).
 - Determine eligibility for Medicaid expansion program and tax credits or less expensive co-pays and deductibles.
 - Enrollment begins October 1, 2013 with coverage beginning January 1, 2014.

QHPs must have these 10 Essential Health Benefits to be in Exchange

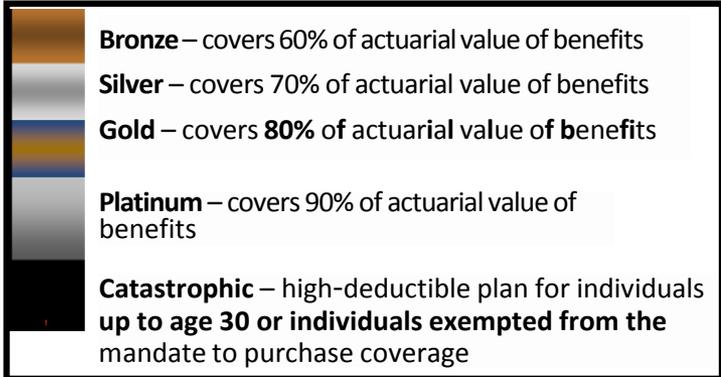
- Ambulatory services
- Emergency services
- Hospitalization
- Maternity and newborn care
- Mental health and substance use disorder services, including behavioral health treatment
- Prescription drugs
- Rehabilitative and habilitative services and devices
- Laboratory services
- Preventive and wellness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

Qualified Health Plans

- **Qualified Health Plans (QHPs) will be available to individuals and small employers in the Exchange**

- **The Exchange will:**

- Set standards for QHPs
- Certify participating plans, and
 - Rank plans from **bronze to platinum** to indicate what level of coverage the plan offers



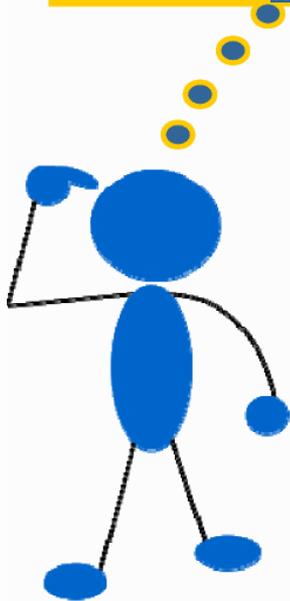
	Bronze – covers 60% of actuarial value of benefits
	Silver – covers 70% of actuarial value of benefits
	Gold – covers 80% of actuarial value of benefits
	Platinum – covers 90% of actuarial value of benefits
	Catastrophic – high-deductible plan for individuals up to age 30 or individuals exempted from the mandate to purchase coverage

- **QHPs must:**

- Provide “Essential Health Benefits” (EHBs)
- Ensure sufficient choice of providers
- Be accountable for performance on clinical quality measures and patient satisfaction
- Implement a quality improvement strategy
- Provide accurate and standardized consumer information
- Be a private health insurance plan

The Exchange: A Doorway to Coverage

Think: [Amazon.com](https://www.amazon.com) or Expedia...
A simple way to shop for health insurance



- 1 Find out your eligibility for Qualified Health Plans
- 2 Find out your eligibility for Medicaid,CHIP and Premium Tax Credits/Cost Sharing Reductions
- 3 Compare your plan options
- 4 Choose a plan and enroll!

Impact to Businesses

Large Employer (over 50 FTEs)

- Required to offer a minimum level of health insurance.
- Automatic enrollment- more than 200 FTEs required to enroll new employees in health plan.
- Notice of coverage options- must give employees notice about the availability of an insurance exchange and right to opt out of automatic enrollment.
- Penalty for not providing insurance-must pay a penalty of \$2000 per employee minus the first 30 employees.
- Penalty for providing insurance that's too expensive-must pay a penalty if any employee obtains a subsidy to help pay for insurance- \$3000 per employee who uses the subsidy or \$750 for every **employee, whichever is less.**

Small Employer (under 50 FTEs)

- Exempt from having to provide health insurance.
- May participate in Small Business Health Options Program (SHOP).
- Tax credits up to 35% available for employers with less than 25 FTEs and average annual wages of \$40,000 or less and pay at least 50% of employees health insurance costs (2010 – 2013)
- Effective 2014, if purchase health insurance thru SHOP can receive 2-yr small business tax credit of up to 50% of the cost of premiums.

Private Market Reforms

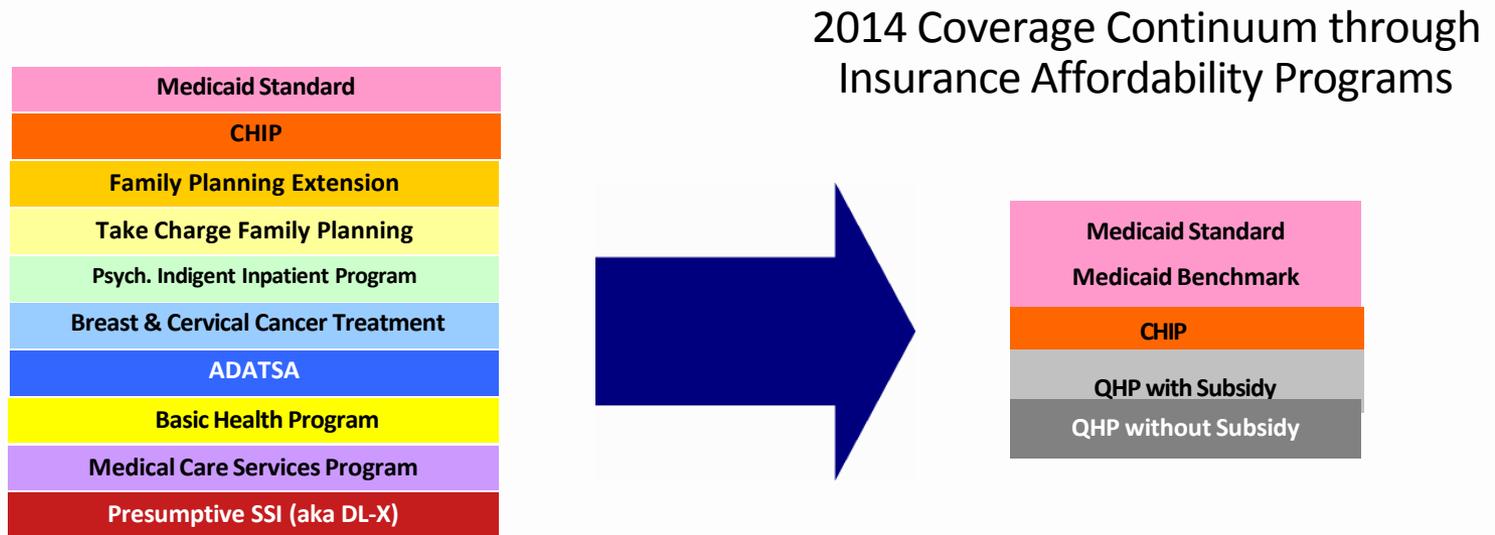


- Elimination of annual/lifetime limits
- Elimination of pre-existing conditions exclusion
- Elimination of rescissions



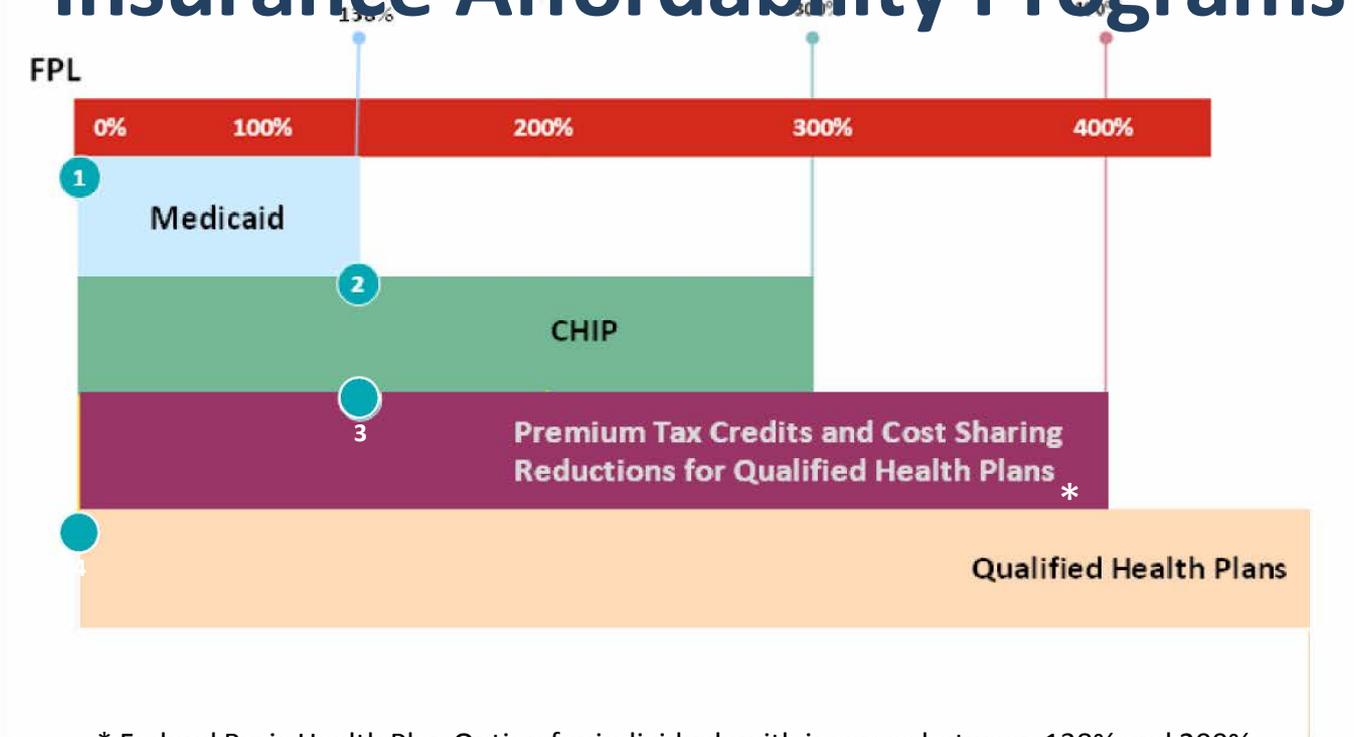
- Expansion of dependent coverage up to age 26
- Coverage of preventive health services with no cost-sharing
- Uniform explanation of coverage documents
- Reporting requirements regarding quality of care
- Process to review unreasonable rate increases by health plans
- New standards related to medical loss ratios and subsequent rebates to plan participants

ACA Opportunity to Streamline Programs



Streamlining considerations – numbers affected, access/continuity of coverage through IAP continuum, administrative complexity, transition timing

2014 ACA Continuum of “Insurance Affordability Programs”



* Federal Basic Health Plan Option for individuals with incomes between 138% and 200% of the FPL will not be available in 2014.

2013 Federal Poverty Levels by Annual Income

Individuals/Families with income up to 138% FPL eligible for Medicaid Expansion

Individuals/Families with income up to 400% FPL eligible for subsidy

Federal Poverty Level (FPL)	Annual Income: Individual	Annual Income: Family of 3
100%	\$11,496	\$19,536
133%	\$15,288	\$25,980
138%	\$15,864	\$26,952
200%	\$22,980	\$39,060
300%	\$34,476	\$58,596
400%	\$45,960	\$78,120

BOCC WORK SESSION SEPTEMBER 4TH 2013

HEALTH REFORM
WHAT IT MEANS FOR CLARK COUNTY RESIDENTS

EXPANSION OF HEALTH CARE COVERAGE

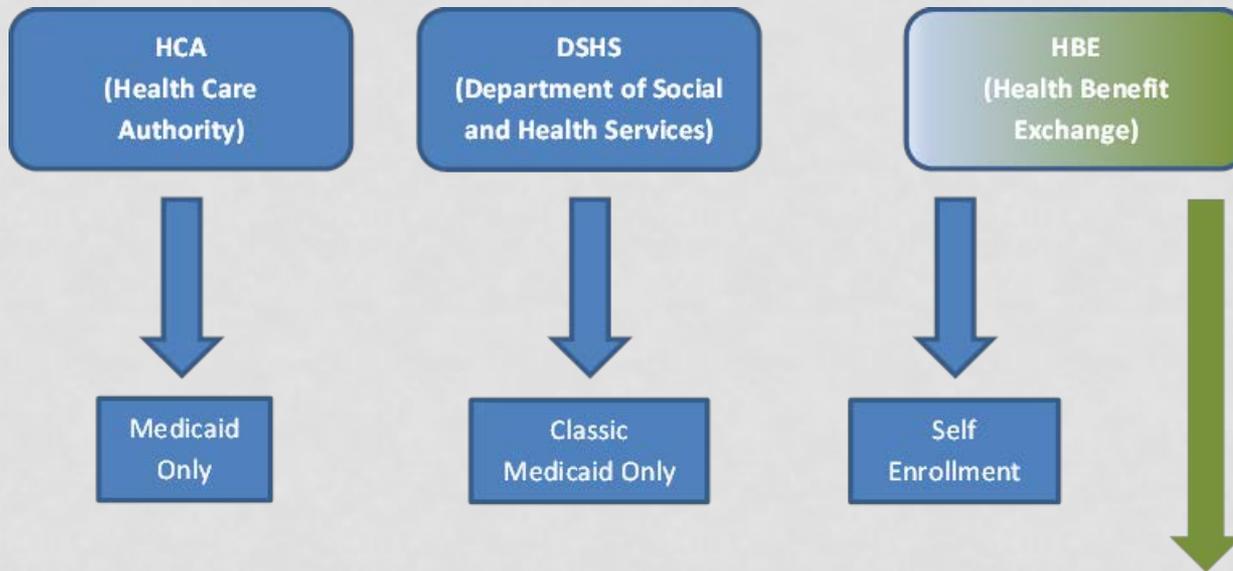
- Changes already in effect
 - Dependent coverage through employers to age 26
- No cost for preventive care for all new plans
 - Immunizations
 - Cancer screening
- Pre-existing conditions covered
 - Prohibits denying coverage for children with preexisting conditions

MORE CHANGES COMING

- Health Exchange - increased options/choices for residents
 - Medicaid expansion – tax subsidies
 - Qualified health plans (private insurance)



WHAT DOES REFORM LOOK LIKE IN CLARK COUNTY



WHAT DOES REFORM LOOK LIKE IN CLARK COUNTY



WHAT IS PUBLIC HEALTH'S ROLE

- Lead organization
 - In-Person Assisters/
Navigators
- Outreach and education for residents
- Community health needs assessment & health improvement planning
- Influence local and regional system development (RHA) to meet the triple aim



WHAT IS AVAILABLE IN CLARK COUNTY

- Three carriers (Insurance companies)
 - Community Health Plan of Washington
 - Kaiser Permanente
 - LifeWise Health Plan of Washington



Health Care Reform

How the ACA impacts Clark County
as an Employer



Since Health Reform began

- From 2010 through 2012 the following changes have taken place:
 - Dependent coverage up to age 26; change in tax treatment
 - Elimination of lifetime limits for essential benefits
 - Additional coverage for women's preventive care services
 - Form W-2 reporting
 - Break time/private room for nursing moms

Effective in 2013

- Health Care FSA annual contribution limited to \$2,500
- Fees –
 - Patient Centered Outcomes Research Institute fee (PCORI) \$2.00 per member per year (pmpy) –about \$9,500; expected to increase in 2014, 15, and 16
 - Medical device manufacturers' fees start - *indirect cost*
- Notify employees about Health Insurance Exchanges by October 1
 - Health Insurance exchanges initial open enrollment period
- Higher Medicare payroll tax on wages exceeding \$200,000 individual; \$250,000/couples

In 2014

- Individual Coverage Mandate takes effect
 - Employees could go to exchange, but not likely
 - Financial assistance for exchange coverage for lower income individuals
 - Penalty to employer
- No waiting period over 90 days for medical coverage – does not apply to County
- Out of pocket maximums (*deductibles, coinsurance*) are limited
- No annual limits for coverage
- Auto enrollment sometime after 2014 (postponed)
- More fees – Temporary Reinsurance ~ \$298k
Health Insurance Industry fee ~ \$455k
PCORI fee likely to increase

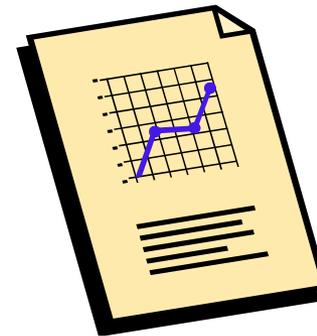
2015

- **Employer Share Responsibility**

- Determining full time employees (30+ hrs per week); includes part time and temporary employees on our payroll
- Affordability; coverage is considered affordable if the contribution does not exceed 9.5% of their wages
 - Based on current contribution an employee making \$15/hr is paying 1.6%
- Offer a plan of minimum essential coverage – the new High Deductible Health Plan meets that requirement.

- **Reporting & disclosure**

- Will likely be required to report health plan data



In 2018

- “Cadillac Plan” Excise Tax
 - 40% tax on value above \$10,200/individual and \$27,500/family (indexed at CPI +1% for 2019, CPI only after 2019)
 - Excludes dental and vision

Health Benefit Exchange statewide call center

1-855-WAFINDER

(1-855-923-4633)

TTY/TTD 1-855-627-9604

Email: customersupport@wahbexchange.org

for more information go to

www.wahealthplanfinder.org or

www.wahbexchange.org