The Vermont Health Benefit Exchange: An Update

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Today's Discussion

- Health Reform Goals & Timeline
- Overview of Health Care Reform
- What is the "Exchange"?
- What Does the Exchange Look Like?
- Plan Design
- Enrollment Assistance
- Small Business Information
- Federal Timeline

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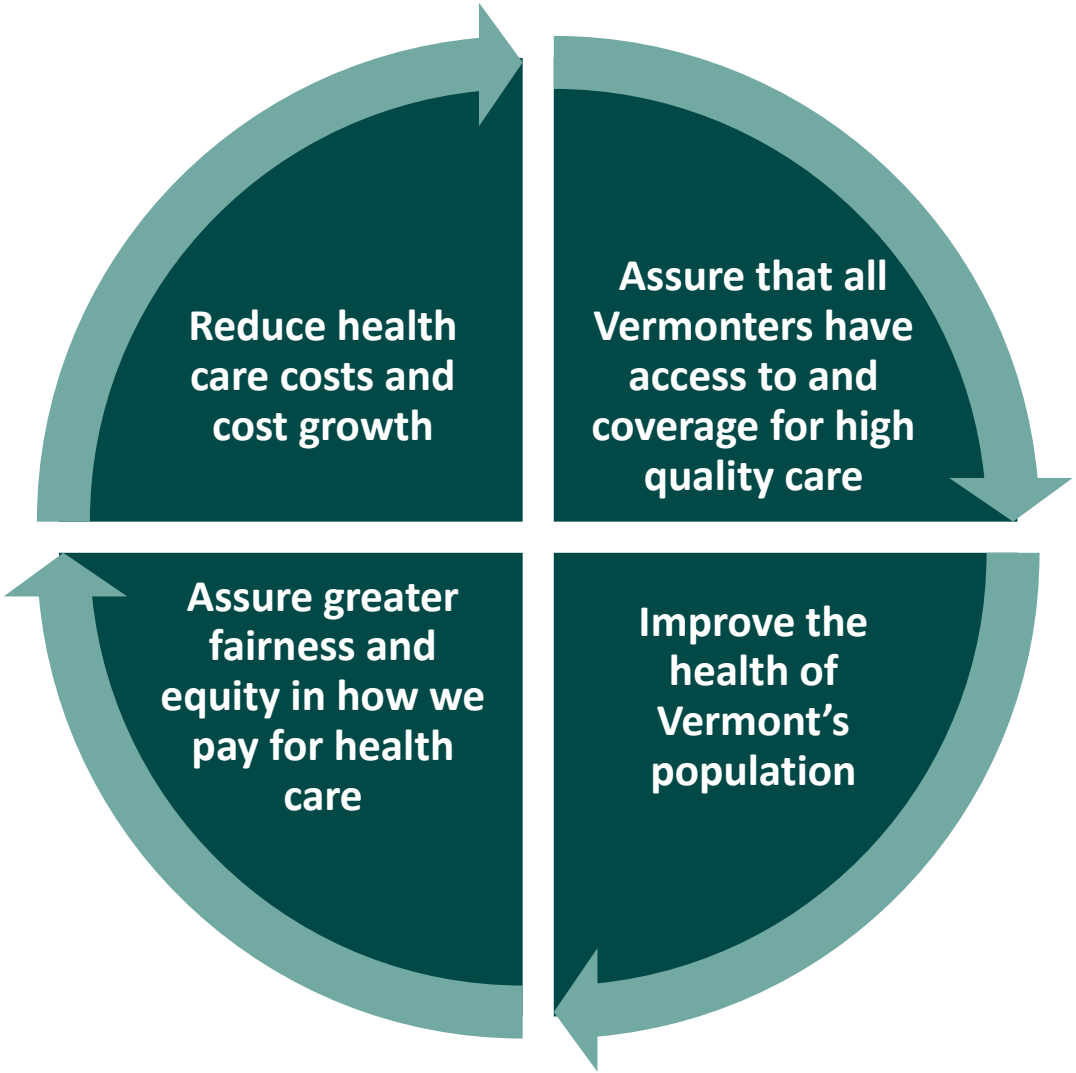
Health Reform Goals



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Timeline

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Now is the Time for Health Care Reform

- Health care costs are rising at an unsustainable rate
- More than 200,000 Vermonters are uninsured or underinsured*
- The federal health care reform law provides critical federal funds to help

*Underinsured = deductibles exceed 5% of family's income AND/OR total health care expenses exceed 10% of family income (5% if income below 200% of FPL).

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How did we get here?

- 20 year history of health reform:
  - Dr. Dynasaur, VHAP, Catamount, etc.
- Federal legislation:
  - Affordable Care Act in 2010
- Vermont legislation:
  - Act 48 in 2011
  - Act 171 in 2012

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Vermont Act 48

Three main components:

- **Green Mountain Care Board**
  - To control health care cost growth
- **Vermont Health Benefit Exchange**
  - To allow individuals and businesses to compare health plans and select one that fits their needs and budget
- **Green Mountain Care**
  - To ensure high-quality health coverage for every Vermont resident

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Insurance Market Reforms: 2014

Insurance market changes under VT law and the Affordable Care Act:

- Plans must offer 10 categories of essential health benefits
- Cap placed on out-of-pocket expenses
- Define small group at 50 employees or fewer (2014-2015)
- Establish Navigator Program to provide in-person enrollment assistance
- Specified role for brokers
- All insurance plans offered to individuals and small businesses in 2014 will only be available within the Exchange

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What is the "Exchange"?

- The Exchange will provide **easy-to-understand, side-by-side comparisons** of prices and benefits for public and private health plans.
- The Exchange is a web site for individuals and small businesses to compare and select health coverage, all in one place.
- The Exchange is **not an insurance plan**.
- *Note: If the state did not develop its own Exchange, the Feds would*

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The Exchange Mission

Our mission is to provide all Vermonters with the knowledge and tools needed to easily compare and choose a quality, affordable, and comprehensive health plan.

Vermonters will:

- Have the opportunity to easily compare health insurance plans side-by-side, apples-to-apples.
- Select the plan that works best for their family and budget.
- Be able to keep their plan, even if they lose their job.

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What does an Exchange look like?

State
Health Exchange

Apply for Coverage | Find a Plan | Learn More | Get Assistance

Start your application for health coverage. Apply Now

Sign In

User name

Password

Remember me

Sign In

Forgot your user name or password?

Are you an Assister?

Would you like help paying for your health coverage?

See If You Qualify

You may be eligible for health programs or tax credits to make your health coverage more affordable. Middle-income and low-income people generally qualify.

You can use these quick questions to see if you might qualify. Or you

Learn about your state's health benefit exchange

Learn More

The State Health Exchange is a new transparent and competitive insurance marketplace where individuals and small businesses can buy affordable and qualified health benefit plans. The Exchange offers you a choice of health plans that meet certain benefits and cost standards. The Exchange can also

What does an Exchange look like?

Example

Gustav Hermannson | View Account (3) | Sign Out | Save | 0

Find a Plan
Getting Started
Find a plan for Penelope Hermannson-Smith
Find a plan for Beatrice Hermannson
Checkout

Back to Questions | 45 Plans | < 1 2 ... 15 > | Sort By | View (5)

Carrier 2	Carrier 3	Carrier 2
Plan Name A	Plan Name B	Plan Name A
PPO	HMO	PPO
Silver	*Silver*	*Silver*
Add To Cart	Add To Cart	Add To Cart

Anticipated Costs

Costs include advanced payment of your Premium Tax Credit. Adjust

MONTHLY PREMIUM	MONTHLY PREMIUM	MONTHLY PREMIUM
$291/month	$291/month	$200/month
ANNUAL COST	ANNUAL COST	ANNUAL COST
Minimum $00,000	Minimum $00,000	Minimum $00,000
Expected $00,000	Expected $00,000	Expected $00,000
Maximum $00,000	Maximum $00,000	Maximum $00,000

Additional Coverage | Move to Top

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Who Can Get Coverage?

In 2014:

- Individuals
- Small businesses (50 employees or fewer)

In 2016:

- Businesses (100 employees or fewer)

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Through the Exchange Vermonters will:

- Compare private health plans at different tiers – or "metal levels" defined as platinum, gold, silver and bronze
- Benefit from the states insurance oversight to ensure plans meet quality, cost, and coverage standards
- Learn if they qualify for financial assistance for private plans
- Have access to public programs that they qualify for (Medicaid, Dr. Dynasaur)
- Be able to keep their plan, even if they lose their job

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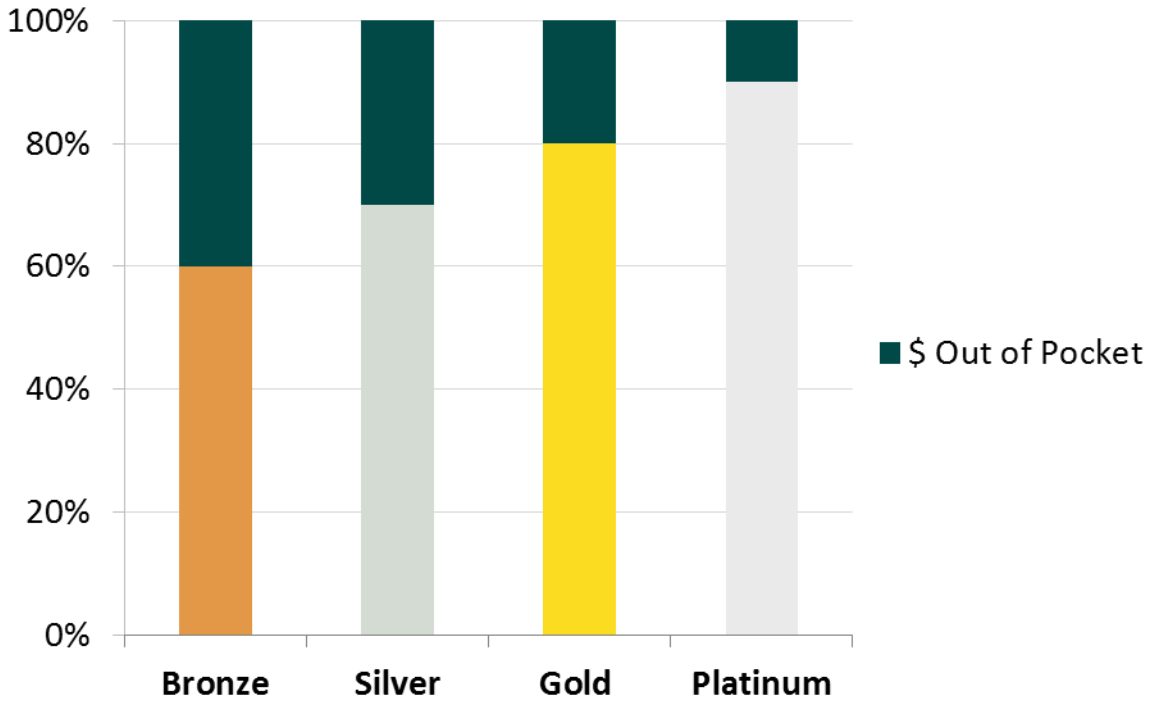
Exchange plans will:
Be developed for different metal levels

Qualified Health Plans (QHPs) are being developed based on the following "metal levels":

- Bronze
- Silver
- Gold
- Platinum



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Exchange plans will: Offer Essential Health Benefits

- All plans must have "**essential health benefits**" but the cost that insurance will cover and additional benefits will vary

- The plans offered in the state must be "substantially equal" to this benchmark plan
  - Ambulatory patient services
  - Emergency services
  - Prescription drugs
  - Rehabilitative and habilitative services and chronic disease management
  - Hospitalization
  - Maternity and newborn care
  - Mental health and substance use disorder services, including services behavioral health treatment
  - Laboratory services
  - Preventive and wellness
  - Pediatric services, including oral and vision care

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Exchange plans will: Limit out-of-pocket expenses

- Under federal law, there are limits on the out-of-pocket expenses an individual or family would be responsible for in plans purchased in the Exchange.
  - Deductibles can be no higher than $2,000 for an individual and $4,000 per family.
  - Total cost-sharing per year (deductibles, co-pays, and co-insurance) is capped at $6,050 for an individual and $12,500 for a family earning over 400% of poverty and prorated for those below 400% of poverty.
  - Out-of-pocket expenses may be subsidized further by the federal government for those earning less than 250% of poverty.
    - Less than $28,000 a year for an individual; less than $57,500 a year for a family of four

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Exchange plans will: Provide access to individual tax credits

- Uninsured individuals and families, those who become uninsured, and those whose employers don't offer or drop insurance coverage may receive a federal tax credit that will pay part of their premium for the plan they purchase through the Exchange.
- This tax credit is available to those earning less than 400% of the federal poverty level
  - Less than about $44,500 a year for an individual; less than about $92,000 a year for a family of four
- An individual's or family's share of the premium will be between 0% and 9.5% of household income, with lower income people paying a lower percentage of their income. The remainder of the premium will be paid directly to the insurer by the federal government.

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What if I need help picking a plan?

- There will be trained specialists – called **Navigators** – to answer questions and help Vermonters apply for coverage through the Exchange web site, by telephone or in-person.

- In addition, a **call center** will be available to help Vermonters go through the Exchange web site and their health insurance options.

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More Health Reform in Action

There are a lot of other components – either as part of the Exchange or the broader health reform effort – that have started to take place or will be available in 2014.

- Health reform in action today:
  - Insurance companies can no longer set lifetime limits on your care. In 2014, they won't be able to set annual limits either.
  - Young adults can now stay on their parent's health insurance up to age 26.
  - New health insurance plans must cover preventive care at no cost to you.
  - Small business tax credits…

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Small Business Plan Selection

Small business employers who participate in the Exchange will have the option of choosing between different models, one of which is full choice for employees.

Example: One insurer, choice of tier

	Health Plan A	Health Plan B
Platinum		
Gold		
Silver		
Bronze		

Example: Full menu

	Health Plan A	Health Plan B
Platinum		
Gold		
Silver		
Bronze		

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Small Business Tax Credits

- For tax years 2010 through 2013, employers with no more than 25 employees may be eligible for a tax credit of up to 35% of the employer's contribution to premium if they contribute at least 50% of total premium.

- For tax years 2014 and 2015, that tax credit will increase to 50% for plans purchased through the Exchange.
  - You can check out this tax credit calculator to get a better sense of your small businesses eligibility: www.smallbusinessmajority.org/tax-credit-calculator
  - The IRS site may also be helpful: www.irs.gov/uac/Small-Business-Health-Care-Tax-Credit-for-Small-Employers
  - Contact your tax preparer for more information

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More for Small Businesses

- Employers will continue to be able to have Health Savings Accounts and Health Reimbursement Accounts for their employees.
- Small employers can also choose to drop coverage at no penalty, and their employees will be able to purchase a plan through the Exchange.

Federal Oversight and Timeline

- **October 1, 2013** – open enrollment in Exchange plans begins
- **January 1, 2014** – plans go into effect

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