

The Vermont Health Benefit Exchange: An Update for Small Business Owners

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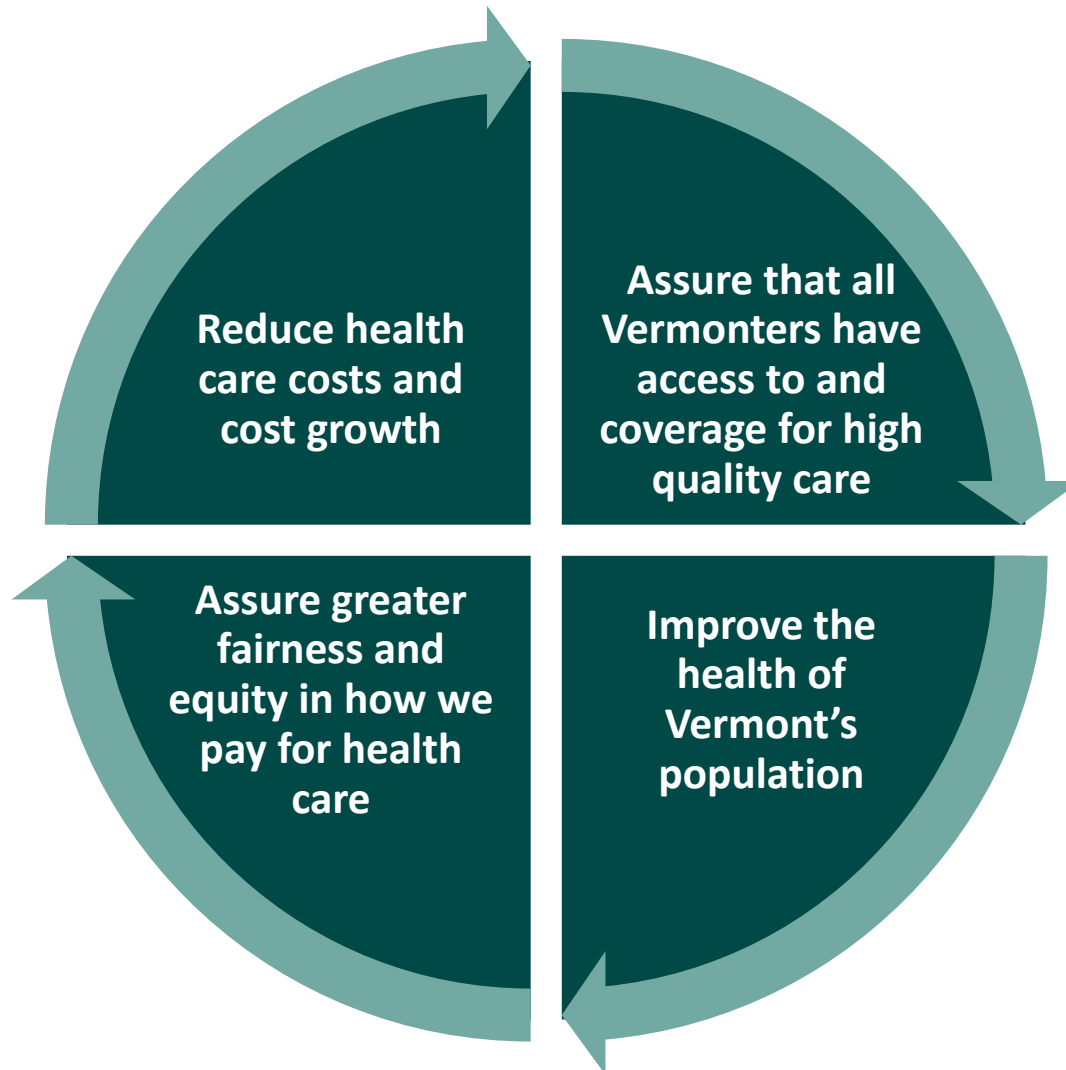
Department of Vermont Health Access

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Today's Presentation

- Health Reform Goals
- Overview of Health Care Reform
- What is the “Exchange”?
- What Does the Exchange Look Like?
- Employers and the Exchange
- Exchange Plan Design
- Enrollment Assistance
- Small Business Tax Credits

Health Reform Goals



Timeline



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

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 percent of family's income AND/OR total health care expenses exceed 10 percent of family income (5 percent if income below 200 percent of FPL).

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



Key ACA Provisions

- Health benefit exchange
- Small business tax credits
- Medicaid expansion
- Individual mandate
- Individual tax credits and out-of-pocket expenditure limits
- Essential health benefits
- Guaranteed issue for pre-existing conditions
- Coverage on parents' plan until age 26
- No co-pays on co-insurance for preventive care

Insurance Market Reforms: 2014

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

- Plans must offer 10 categories of essential health benefits
- Caps placed on out-of-pocket expenses
- Defines small group at 50 employees or fewer (2014-2015)
 - Will change to 100 employees or fewer in 2016
- Establishes Navigator Program to provide in-person enrollment assistance
- Specifies role for brokers
- All insurance plans offered to individuals and small businesses in 2014 will only be available within the Exchange

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*

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.

Small business owners in Vermont will be able to offer employees:

- The opportunity to easily compare health insurance plans side-by-side, apples-to-apples.
- A chance to select the plan that works best for their family and budget.
- The ability to keep their plan, even if they lose their job.

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?

Gustav Hermansson View Account (3) Sign Out Save 0 Search Global Help

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

Find a Plan

Getting Started

Find a plan for Penelope Hermansson-Smith

Find a plan for Beatrice Hermansson

Checkout

<p>Carrier 2</p> <p>Plan Name A</p> <p>PPO</p> <p>Silver</p> <p> Add To Cart</p>	<p>Carrier 3</p> <p>Plan Name B</p> <p>HMO</p> <p>Silver</p> <p> Add To Cart</p>	<p>Carrier 2</p> <p>Plan Name A</p> <p>PPO</p> <p>Silver</p> <p> Add To Cart</p>
Anticipated Costs		
<p>Costs include advanced payment of your Premium Tax Credit. Adjust</p>		
<p>MONTHLY PREMIUM</p> <p>\$291/month</p> <p>ANNUAL COST</p> <p>Minimum Expected Maximum</p>	<p>MONTHLY PREMIUM</p> <p>\$291/month</p> <p>ANNUAL COST</p> <p>Minimum Expected Maximum</p>	<p>MONTHLY PREMIUM</p> <p>\$200/month</p> <p>ANNUAL COST</p> <p>Minimum Expected Maximum</p>
Additional Coverage Move to Top		
<p><input checked="" type="checkbox"/> Dental Included</p> <p><input type="checkbox"/> Vision Not-Included</p>	<p><input checked="" type="checkbox"/> Dental Included</p> <p><input type="checkbox"/> Vision Not-Included</p>	<p><input checked="" type="checkbox"/> Dental Included</p> <p><input checked="" type="checkbox"/> Vision Included</p>
Quality Rating Move to Top		
<p>Customer Service</p> <p>★★★★☆</p>	<p>Customer Service</p> <p>★★★★★</p>	<p>Customer Service</p> <p>★★★★☆</p>

Who Can Get Coverage?

In 2014:

- Individuals and families
- Small businesses (50 employees or fewer)

In 2016:

- Individuals and families
- Businesses (100 employees or fewer)

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 state’s 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 for which they qualify (Medicaid, Dr. Dynasaur).
- Be able to keep their plan, even if they lose their job.

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		

Which employers may provide VT QHPs?

- Qualified employers:
 - In-state: Principle place of business in Vermont, or
 - Out of state: if you provide coverage for all full-time employees who are principally employed in Vermont

And...

- Have no more than 50 employees:
 - On at least 50 percent of working days during the preceding calendar year
 - On average business days during the preceding calendar year

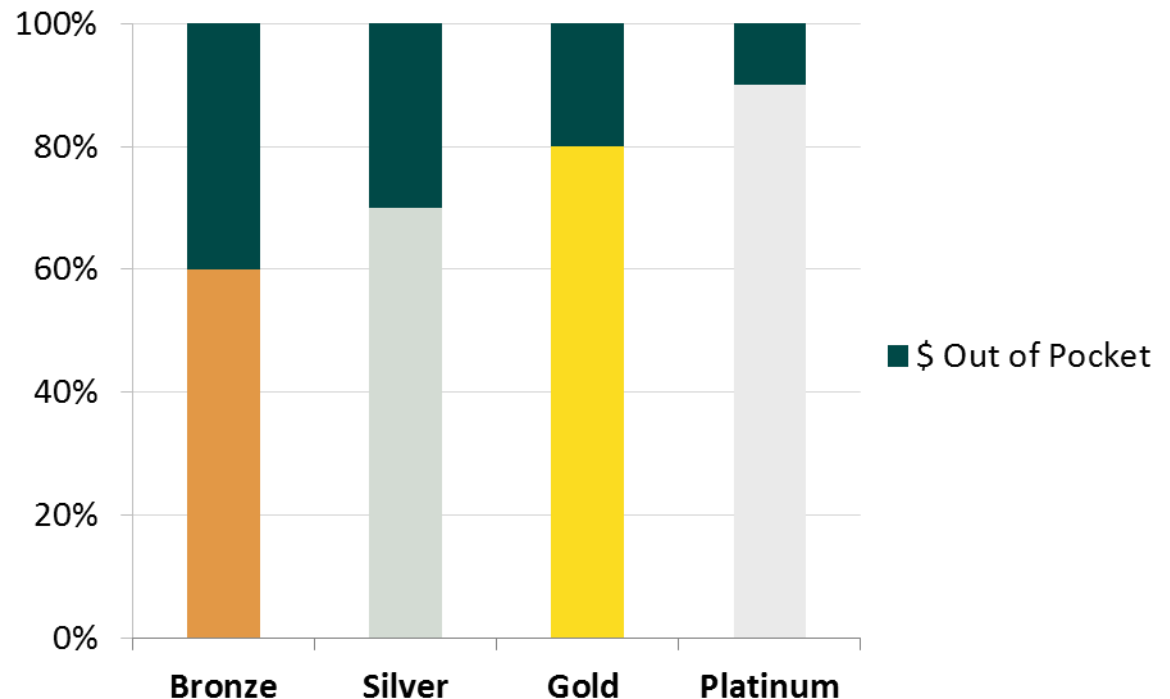
Who counts as an employee?

- All employees of entities under common control
- Employees of an affiliated service group
- Does not include:
 - Part-time employee who works fewer than 30 hours per week (Vermont)

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



Exchange plans will: Offer Essential Health Benefits

- All plans must have “**essential health benefits**” but the amount 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

Exchange plans will: Limit out-of-pocket expenses

- Under federal law, there are also limits on how much 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 percent of poverty and pro-rated to less than that for those below 400 percent of poverty.
 - Out-of-pocket expenses may be subsidized further by the federal government for those earning less than 250 percent of poverty (less than \$28,000 a year for an individual; less than \$57,500 a year for a family of four).

Exchange plans will:

Provide access to individual tax credits

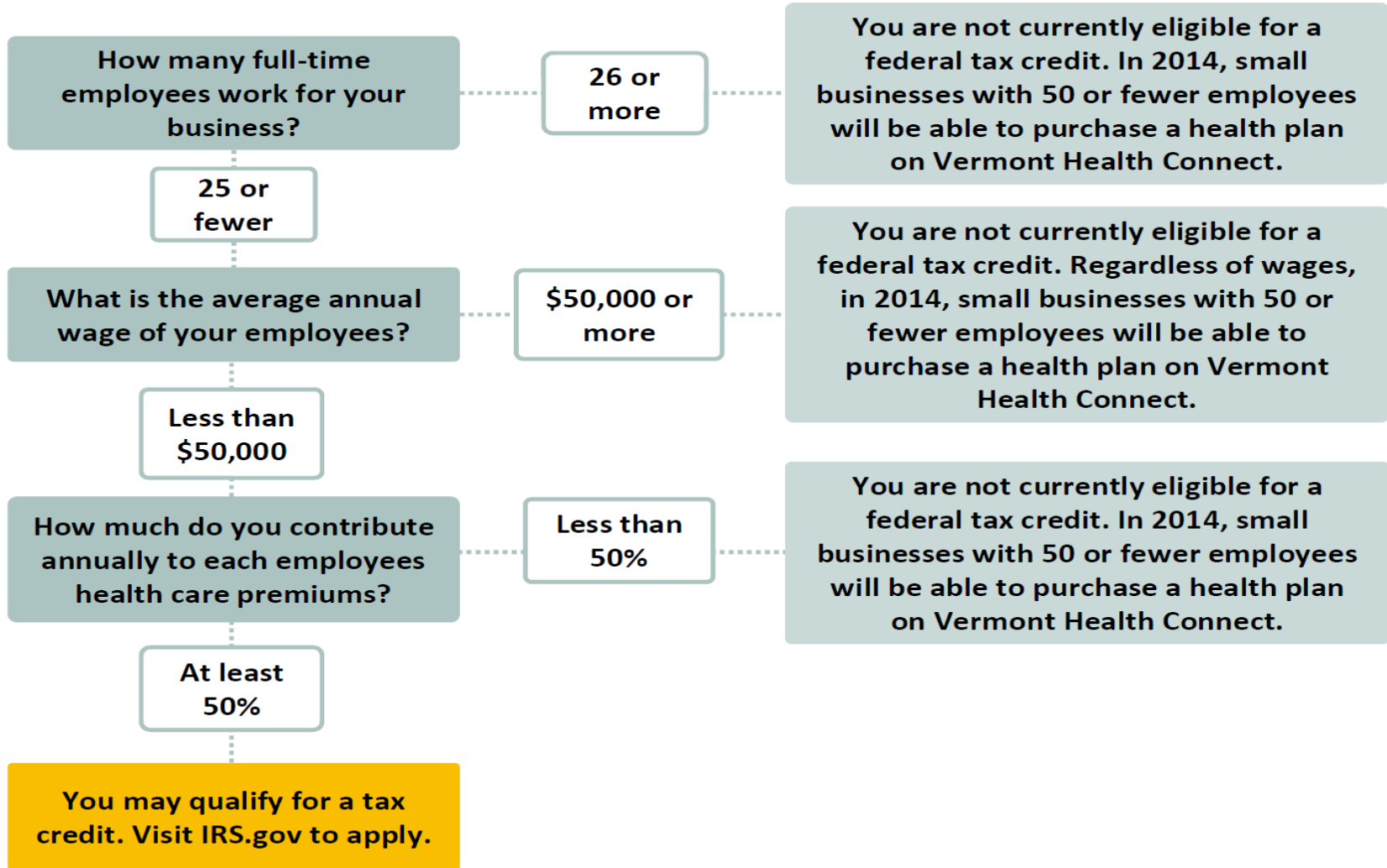
- Uninsured individuals and families, those who become uninsured, and those whose employers don't offer or drop insurance coverage may receive a federal tax credit that will pay part of their premium for the plan they purchase through the Exchange.
- This tax credit is available to those earning less than 400 percent 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 zero percent and 9.5 percent 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.

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 parents' health insurance up to age 26.
 - New health insurance plans must cover preventive care without co-pays or co-insurance.
 - Small business tax credits.

Small Business Tax Credits



Small Business Tax Credits

- 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

Should I offer coverage?

- The Exchange will have resources available to help you determine if your employees are better served purchasing insurance on their own. This might include employees who are eligible for Medicaid or individual tax credits.
- An employer with up to 50 full-time employees can decide not to offer coverage to its employees without penalty. Their employees will be able to purchase a plan through the Exchange.

ACA: Employer Responsibility

- Starting in 2014, there will be a federal penalty for large employers that do not provide “affordable” coverage
- Large employers may be subject to this penalty if they:
 - Have at least one full-time employee that obtains a premium tax credit through the exchange
 - Do not offer coverage to workers
 - Do offer but plans do not pay at least 60% of covered health care expenses
 - Do offer but employees have to pay more than 9.5% of family income to cover premium costs

ACA: Employer Responsibility

- An employer that *does not* offer coverage will pay:
 - Number of FTEs less 30 multiplied by \$2,000
- An employer that *does* offer coverage but doesn't meet minimum coverage or affordability requirements will pay the lesser of the following:
 - Number of FTEs less 30 multiplied by \$2,000
 - Number of FTEs who receive tax credits through the exchange multiplied by \$3,000

What if I need help?

- **Brokers** will continue their work assisting with health coverage decisions.
- There will be trained specialists – called **Navigators** – to answer questions and help Vermonters apply for coverage through the Exchange website, by telephone or in-person.
- A **call center** will be available to help Vermonters use the Exchange website and understand health insurance options.



Questions?

Questions?

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