

The Vermont Health Benefit Exchange: An Overview

Advisory Board Meeting

Lindsey Tucker, Vermont Health Benefit Exchange

July 16, 2012

Today's Discussion

- Affordable Care Act
- Vermont Health Reform Goals & Legislation
- Timelines
- What is the “Exchange”? What Does an Exchange Look Like?
- Plan Design

Vermont Health Reform Goals



Vermont Timeline



How did we get here?

- Federal legislation:
 - Affordable Care Act in 2010
- Vermont legislation:
 - Act 48 in 2011
 - Act 171 in 2012



Key ACA Provisions

- Health benefit exchange (more on this later)
- Medicaid expansion
- Individual mandate
- Tax credits & out of pocket expenditure limits
- Essential health benefits
- Guaranteed Issue for pre-existing conditions
- Coverage on parents' plan until age 26
- Free preventive care

Health Benefit Exchange

- ACA requires states to have a health benefit exchange by 2014
 - Marketplace for individuals and small businesses to compare and purchase qualified private health insurance plans
 - Funding from ACA
 - States have some implementation flexibility

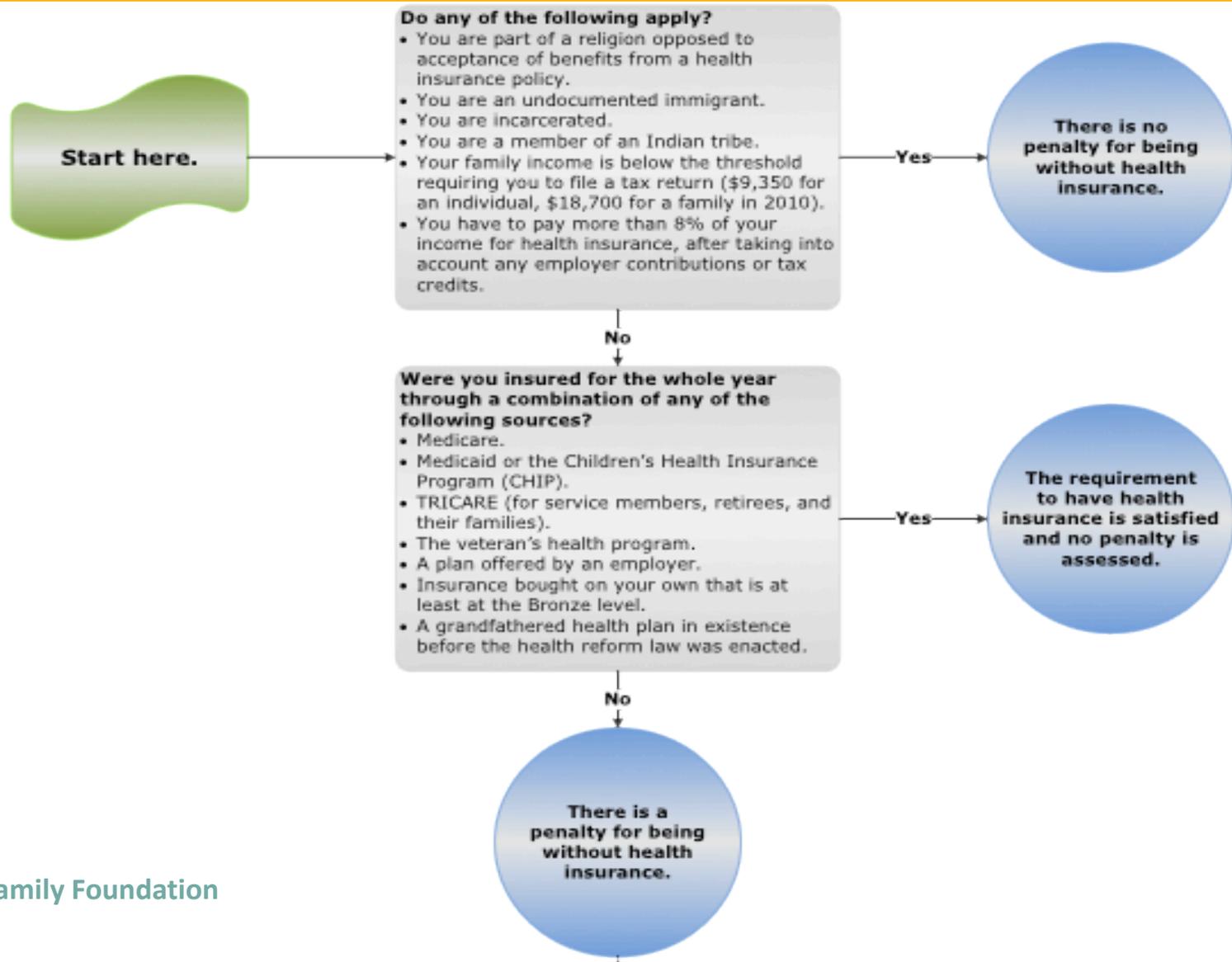
Medicaid Expansion

- Expand to cover adults at or below 133% of federal poverty line
- Costs covered 100% by federal government in 2014-2016; reduced to 95% in 2017 - and down to 90% in 2020 and thereafter

Individual Mandate

- Requires most individuals to have health insurance; tax penalty for noncompliance
- Mandate does not apply to individuals for whom health insurance represents a particularly high financial burden and some other groups
- Addresses adverse selection issues associated with other components of law

Individual Mandate



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 ~ \$44,500/year for an individual; less than ~ \$92,000/year for a family of four).
- An individual's or family's share of the premium will be between 0 - 9.5% of their income, based on income. The remainder of the premium will be paid directly to the insurer by the federal government.

Individual Tax Credits

- You can check out this tax credit calculator to get a better sense of your family's eligibility:

Department of Vermont Health Access
ACA PREMIUM LEVELS IN 2014

2011 FPL range	Income (1 person)		Premium for 1-person household	
	Monthly income	% of income	Monthly amount	
0-100%	\$0-\$931	0.0%	\$0	
100 - 133%	\$932-\$1238	2.0%	\$19-\$25	
133 - 150%	\$1239-\$1397	3-4%	\$37-\$56	
150 -200%	\$1398-\$1862	4-6.3%	\$56-\$117	
200 - 250%	\$1863-\$2328	6.3-8.1%	\$117-\$189	
250 - 300%	\$2329-\$2793	8.1-9.5%	\$189-\$265	
300 - 350%	\$2794-\$3259	9.5%	\$265-\$310	
350 - 400%	\$3260-\$3724	9.5%	\$310-\$354	

<http://healthreform.kff.org/SubsidyCalculator>

This is only an estimate and Vermont requirements may be different

2011 FPL range	Income (4 people)		Premium for 4-person household	
	Monthly income	% of income	Monthly amount	
0-100%	\$0-\$1921	0.0%	\$0	
100 - 133%	\$1922-\$2555	2.0%	\$38-\$51	
133 - 150%	\$2556-\$2882	3-4%	\$77-\$115	
150 -200%	\$2883-\$3842	4-6.3%	\$115-\$242	
200 - 250%	\$3843-\$4803	6.3-8.1%	\$242-\$389	
250 - 300%	\$4804-\$5763	8.1-9.5%	\$389-\$547	
300 - 350%	\$5764-\$6724	9.5%	\$548-\$639	
350 - 400%	\$6725-\$7684	9.5%	\$639-\$730	

Limits on 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 in the plans can be no higher than \$2,000 for an individual and \$4,000 per family.
 - In addition, 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 to less than that for those below 400% of poverty.
 - These out of pocket expenses may be subsidized further by the federal government for those earning less than 250% of poverty (less than about \$28,000 a year for an individual; less than about \$57,500 a year for a family of four).

Small Business Tax Credits

- For tax years 2010 through 2013, small employers with fewer than 25 employees may be eligible for a tax credit of up to 35% if they provide health care.
- 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

Essential Health Benefits

- Essential Health Benefits will be defined by a benchmark plan selected by each state; applies to 2014 & 2015
- 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

What Else?

There are many 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.

- ACA 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.

Federal Oversight and Timeline

- **Summer 2012** – apply for second Exchange implementation federal grant
- **November 16, 2012** - Declare intent to create an Exchange
- **January 1, 2013** – demonstrate initial readiness & request for staged approval
- **July 1, 2013** – system testing
- **October 1, 2013** – open enrollment in Exchange plans begins
- **January, 1, 2014** – Exchange plans begin coverage

Supreme Court Decision

- Overall: no effect on Vermont's efforts
- Individual mandate upheld under Federal Taxing Power (not Commerce Clause)
- Clarified that Medicaid expansion is optional for states



Vermont Legislation: Why Now?

- 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).

Act 48

Three main components:

- **Green Mountain Care Board**

- To control health care cost growth

- **Vermont Health Benefit Exchange**

- To reform health insurance purchasing and administration, consistent with federal law

- **Green Mountain Care**

- To be a single payer system upon receipt of federal waivers

Act 171 (H.559)

Adds requirements for Vermont's Exchange:

- All insurance plans offered to individuals and small businesses in 2014 will only be available within the Exchange, unless they have been “grandfathered” by federal law.
- Defines small group at 50 employees or fewer in 2014-2015
 - By federal law, this will change to 100 employees or fewer in 2016
- Allows “bronze” plans to be sold through the Exchange
- Creates role for brokers to assist with enrollment through the Exchange

What is the “Exchange”?

- Guided by ACA and Vermont legislation
- The Exchange will provide **easy-to-understand, side-by-side comparisons** of prices and benefits for plans offered by private insurers.
- The Exchange is a website for individuals and small businesses (of under 50 employees) to compare and select an insurance plan, all in one place. **The Exchange is not an insurance plan.**
- Individuals, families and small businesses will be able to enroll in plans offered on the Exchange beginning in late 2013, for health coverage starting January 1, 2014.

What is the “Exchange”?

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



The State Will:

- Continue its role in insurance oversight by reviewing plans interested in participating in the Exchange to ensure they meet quality, cost, and coverage standards. All plans on the Exchange will cover common, comprehensive benefits – doctor visits, hospital stays, preventive care and prescription coverage – so there’s no guesswork.
- Build a “Navigator” program that makes enrollment assistance available to those who need it – online, in-person and over the phone.
- Note: If the state did not develop its own Exchange, the Feds would

The Exchange Will:

- Offer a variety of private health plans at different tiers – or “metal levels” defined as platinum, gold, silver and bronze. These metal levels were created to set minimum coverage requirements for each level and determine cost-sharing (the portion that you will have to pay).
- Inform Vermonters if they qualify for financial assistance for private plans.
- Offer public programs to Vermonters who qualify (Medicaid, Dr. Dynasaur).

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 their budget.
- Be able to keep their plan, even if they lose their job.

Who Can Get Coverage?

In 2014:

- Individuals
- Small businesses (50 employees or fewer)

In 2016:

- Businesses with 100 employee or fewer

What Does an Exchange Look Like?

The screenshot shows the Health Connector website for Massachusetts residents. The header includes the logo, navigation links (Home, Find Insurance, Health Care Reform, About Us), and utility links (Account Login, E-Pay, En Español, Help, Contact Us). Below the header is a row of five photos of diverse people, each with a corresponding colored button: Individuals & Families (orange), Young Adults (blue), Employees (green), Employers (purple), and Brokers (grey). Each button has a 'Get Started' link. The main content area features a 'Connect to good health, Massachusetts!' section with text about the Commonwealth Choice marketplace and the Commonwealth Care program. To the right, there is a testimonial from Andrew Herlihy of Malden and a section for 'Plans from top Mass insurers!' with the Massachusetts state logo. Below that, a 'For Commonwealth Care Members Only' section lists steps for account setup and includes a photo of a woman. The footer contains the 'Visit Mass.gov' link and social media icons.

HealthConnector
Health Insurance for Massachusetts Residents

Account Login · E-Pay · En Español · Help · Contact Us

Home Find Insurance Health Care Reform About Us

Individuals & Families
Get Started

Young Adults
Get Started

Employees
Get Started

Employers
Get Started

Brokers
Get Started

Connect to good health, Massachusetts!

Our online Commonwealth Choice marketplace is the only place where you can compare plans from the state's major insurers. We're an independent state agency, so you can shop with confidence.

Our Commonwealth Care program offers low-or-no-cost health insurance for people who qualify. It provides comprehensive benefits and a choice of health plans.

Find the plan that's right for you and enroll today!

Glad to be insured

"I was young, healthy. I always thought that I was invincible. It never even crossed my mind that I could get hurt..."

—Andrew Herlihy of Malden
Hear Andrew's story and more

Plans from top Mass insurers!

MASSACHUSETTS

For Commonwealth Care Members Only

If you've been accepted for this subsidized health plan:

- Register to get online access to your account
- Get Instructions for creating your account
- Log in to your account
- Get help with questions
- Review 1099 HC Information and resources

Visit Mass.gov

Site Map · Feedback · Site Policies

What Does an Exchange Look Like?

BROWSE PLANS: 7 benefits packages (What's a benefits package?) ? [35 plans]

Print this page

Sort plans by Benefits Package

You've Selected:

Benefits Package

- Bronze
- Silver
- Gold

Narrow Your Plans by:

Monthly Cost

- \$301 - \$400 (0)
- \$401 - \$500 (0)
- \$601 - \$600 (0)
- \$601 - \$700 (0)
- \$701 - \$800 (0)
- \$801 - \$900 (0)
- Greater than \$900 (35)

Annual Deductible

- None (10)
- \$250 - \$500 (5)
- \$500 - \$1,000 (5)
- \$1,000 - \$2,000 (5)

Show Plans. Then choose up to 3 to compare. Click **Continue** at bottom.

	\$ Monthly Cost	Annual Deductible	Annual Out of Pocket Max.	Doctor Visit	Generic Rx	Emergency Room	Hospital Stay
Bronze Low Benefits Package 5 plans available Show Plans About Bronze Low	as low as \$955	STANDARD BENEFITS FOR ALL BRONZE LOW PLANS					
		\$2,000 (ind.) \$4,000 (fam.)	\$5,000 (ind.) \$10,000 (fam.)	annual deductible, then \$25 copay	annual deductible, then \$15 copay	annual deductible, then \$100 copay	annual deductible, then 20% co-insurance
Bronze Medium Benefits Package 5 plans available Show Plans About Bronze Medium	as low as \$926	STANDARD BENEFITS FOR ALL BRONZE MEDIUM PLANS					
		\$2,000 (ind.) \$4,000 (fam.)	\$5,000 (ind.) \$10,000 (fam.)	\$30 copay	\$10 copay	annual deductible, then \$150 copay	annual deductible, then \$500 copay
Bronze High Benefits Package 5 plans available Show Plans About Bronze High	as low as \$996	STANDARD BENEFITS FOR ALL BRONZE HIGH PLANS					
		\$250 (ind.) \$500 (fam.)	\$5,000 (ind.) \$10,000 (fam.)	\$25 copay	\$15 copay	\$150 copay	annual deductible, then 35% co-insurance
Silver Low Benefits Package 5 plans available Show Plans About Silver Low	as low as \$1,126	STANDARD BENEFITS FOR ALL SILVER LOW PLANS					
		\$1,000 (ind.) \$2,000 (fam.)	\$2,000 (ind.) \$4,000 (fam.)	\$20 copay	\$15 copay	annual deductible, then \$100 copay	annual deductible, then no copay
Silver Medium Benefits Package 5 plans available	as low as \$1,193	STANDARD BENEFITS FOR ALL SILVER MEDIUM PLANS					
		\$500 (ind.) \$1,000 (fam.)					annual deductible, then no copay

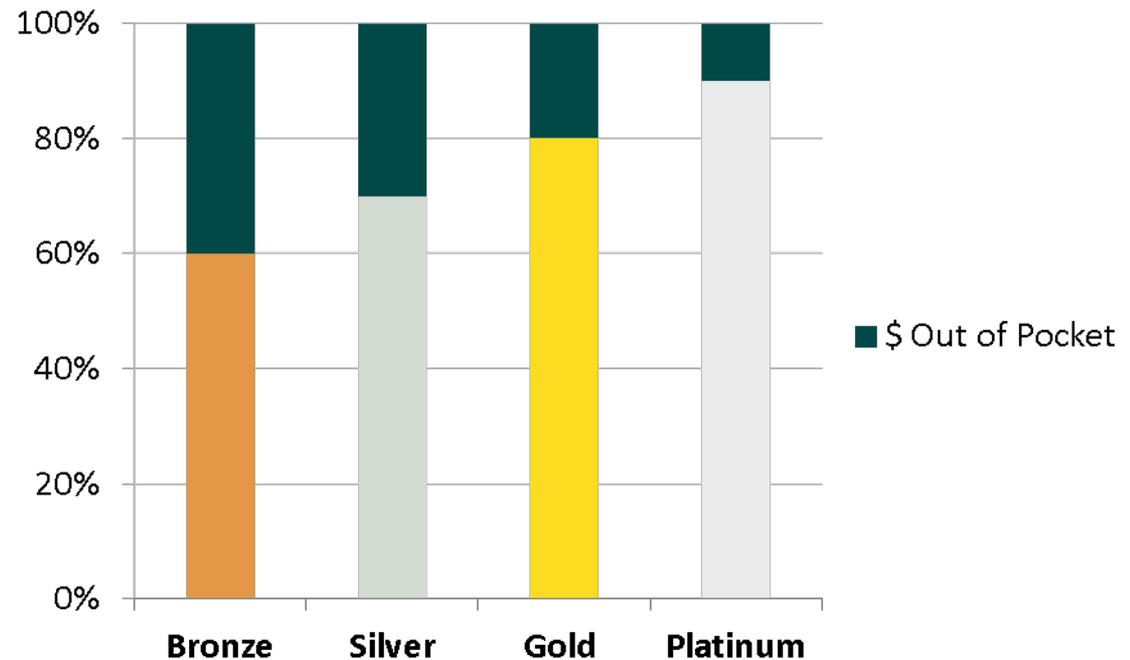
For "individuals"
(no employer "sponsor")

Metal Levels

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

- Bronze
- Silver
- Gold
- Platinum

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



Plan Design

- Three Benchmark Plan options:
 - Blue Cross Blue Shield of Vermont HMO
 - MVP EPO
 - Cigna state employee plan
- Development of a set of plan designs at each of the metal levels for Green Mountain Care Board consideration

Questions?

Lindsey Tucker

lindsey.tucker@state.vt.us