Overview of the ACA and Wisconsin Medicaid Reforms

Covering Kids & Families – Wisconsin

Wisconsin Primary Health Care Association

Updated September 9, 2013
Topics to be Covered

• What is the ACA?
• Wisconsin Medicaid Reforms
• Marketplace
• Enrollment and Transition Timeframes
• Regional Enrollment Networks
• Navigators, CACs, Agents/Brokers and other enrollment assisters and mobilizers
• Next Steps

Updated September 6, 2013
What is the Affordable Care Act?

Also known as the Patient Protection and Affordable Care Act, ACA, ObamaCare and the Health Reform Law, it:

• Provides new rules to improve the overall health care system

• Improves coverage for those with health insurance

• Provides coverage for people who are uninsured or looking for new coverage, beginning in 2014
• Free preventive care for those with insurance, including Medicare
• Financial assistance for seniors for prescription drugs
• No lifetime limits on coverage of essential benefits
• Young adults on parent’s private insurance plans until age 26
• Children cannot be denied coverage for having pre-existing conditions
• Tax breaks for small businesses to provide coverage
• Increased funding to community health centers and programs through Prevention and Public Health Fund
Adults cannot be denied coverage for pre-existing conditions. Annual limits on insurance coverage eliminated

Individuals are required to have insurance or pay a fee

Medicaid eligibility may change, based on each state’s decision

Establishment of Health Insurance Marketplace/Exchange and the Small Health Options Program (October 1, 2013)

Government will provide tax credits to purchase coverage for individuals within specific income ranges
Small Business Tax Credits

- Small businesses with fewer than 50 employees are not mandated to provide insurance coverage, but tax credits are available to offset the costs.

- Employees of small businesses may be eligible for tax credits to purchase insurance on their own if their employer chooses not to provide it.
Small Business Tax Credits

Since the passage of ACA in 2010, some small businesses that offer healthcare coverage have been eligible for a tax credit.

To qualify, a small business must:
• Have fewer than 25 full-time equivalent employees
• Pay average annual wages below $50,000 per FTE
• Contribute at least 50% of each employee's premium

Notes:
* Owners are excluded, and should not be counted in number of employees, wages, or premium contribution amount.

* Tax credits can't be larger than actual income tax liability.

Small Business Majority tax credit calculator: [http://www.smallbusinessmajority.org/tax-credit-calculator/](http://www.smallbusinessmajority.org/tax-credit-calculator/)
The ACA creates an online Small Business Health Options Program (SHOP) where small businesses and employers can compare their options and purchase insurance beginning in 2014.

Beginning in January 2014, small employers will be able to enroll employees in the SHOP but the ability for individual employees to select their own plan in the SHOP has been delayed.
**The Individual Mandate**

*Most* individuals will be required to have insurance or pay a tax penalty/fee

- 2014: $95 per adult or 1% of income
- 2016: $695 per adult or 2.5% of income

Some individuals may be **exempt**, including:

- Religious conscience;
- Membership in a health care sharing ministry;
- Member of an Indian tribe;
- Hardship (based on personal circumstance or a lack of affordable coverage); and
- Ineligible for Medicaid based on a state’s decision not to expand
Access to Health Insurance

Employer Coverage

New Marketplace Coverage/Exchange

Public Programs (Medicaid/Medicare)

Updated September 6, 2013
The ACA gives states the option to expand Medicaid programs to all individuals below 133% of the Federal Poverty Level (FPL)

Wisconsin’s administration has decided not to accept the federal Medicaid expansion and instead will implement Medicaid reforms that expand BadgerCare+ eligibility for some and eliminate coverage for others

Changes are pending federal CMS approval
What is BadgerCare+?

- Wisconsin’s Medicaid program for children, families and pregnant women
- Provides comprehensive coverage with limited cost-sharing
- Approx 30% of Milwaukee county residents receive coverage through BadgerCare+
## Current BC+ Eligible Groups

<table>
<thead>
<tr>
<th>Income Limit</th>
<th>CHILDREN (up to age 19)</th>
<th>PREGNANT WOMEN</th>
<th>PARENTS/ CARETAKER RELATIVES</th>
<th>ADULTS WITHOUT DEPENDENT CHILDREN</th>
</tr>
</thead>
<tbody>
<tr>
<td>300% Federal Poverty Level</td>
<td>- Youth exiting foster care (up to age 21)</td>
<td>300%</td>
<td>200%</td>
<td>200%</td>
</tr>
<tr>
<td>200% Federal Poverty Level</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>100% Federal Poverty Level</td>
<td></td>
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</tr>
</tbody>
</table>

*Expected to change in 2014*
BadgerCare+ eligibility for adults will change to 100% FPL on January 1, 2014

- All adults below 100%, with or without dependent children, will be eligible
- Parents and caretakers with incomes over 100-200%FPL will no longer be eligible for BadgerCare+ but can get coverage through the Marketplace
• Children in households above 300% FPL will no longer be eligible
• Young adults leaving foster care will be eligible regardless of income until age 26
• Eligibility rules do not change for pregnant women, people with disabilities and people over the age of 65
BC+ Changes – Countable Income

• Modified Adjusted Gross Income (MAGI) will be used to calculate countable income
• MAGI rules rely on tax relationships to determine household composition
• MAGI rules align with the tax-based rules used in the Marketplace
• ACCESS online application will be updated to gather tax information
BC+ Changes – Countable Income

- Countable income = taxable income
- Income no longer counted
  - Child support
  - Workers compensation
  - Veterans benefits
- Self employment - allowed expenses
  - Depreciation
  - Depletion
  - Other business expenses
Allowed Tax deductions listed on tax form 1040:
- Student loan interest paid
- Higher education expenses
- Self-employment tax
- Certain retirement contributions
- Alimony payments

Itemized deductions are not allowed
Child support payment deductions no longer allowed
Currently, recipients are enrolled in either BadgerCare+ Standard, Benchmark, Core or Basic plans.

The Core and Basic plans, which cover childless adults below 200% FPL, will end Dec. 31, 2012.

Core and Basic enrollees below 100% FPL will be eligible for BadgerCare+, those above, will go to the Marketplace.

All BadgerCare+ recipients will be enrolled in the Standard plan and will receive the same covered services.
Proposed BadgerCare+ Groups, 2014

<table>
<thead>
<tr>
<th>300% Federal Poverty Level</th>
<th>200% Federal Poverty Level</th>
<th>100% Federal Poverty Level</th>
<th>CHILDREN (up to age 19)</th>
<th>PREGNANT WOMEN</th>
<th>PARENTS/CARETAKER RELATIVES</th>
<th>ADULTS WITHOUT DEPENDENT CHILDREN</th>
</tr>
</thead>
<tbody>
<tr>
<td>300%</td>
<td>Premiums start at 200%</td>
<td>100%</td>
<td>CHILDREN (up to age 19)</td>
<td>PREGNANT WOMEN</td>
<td>PARENTS/CARETAKER RELATIVES</td>
<td>ADULTS WITHOUT DEPENDENT CHILDREN</td>
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<td>300%</td>
<td>Premiums start at 200%</td>
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<td>CHILDREN (up to age 19)</td>
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<td>ADULTS WITHOUT DEPENDENT CHILDREN</td>
</tr>
</tbody>
</table>

Updated September 6, 2013
## Annual Income Categories: Federal Poverty Level (FPL), 2013

<table>
<thead>
<tr>
<th>Group Size</th>
<th>100% FPL</th>
<th>133% FPL</th>
<th>200% FPL</th>
<th>300% FPL</th>
<th>400% FPL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$11,490</td>
<td>$15,282</td>
<td>$22,980</td>
<td>$34,470</td>
<td>$45,960</td>
</tr>
<tr>
<td>2</td>
<td>$15,510</td>
<td>$20,628</td>
<td>$31,020</td>
<td>$46,530</td>
<td>$62,040</td>
</tr>
<tr>
<td>3</td>
<td>$19,530</td>
<td>$25,975</td>
<td>$39,060</td>
<td>$58,590</td>
<td>$78,120</td>
</tr>
<tr>
<td>4</td>
<td>$23,550</td>
<td>$31,322</td>
<td>$47,100</td>
<td>$70,650</td>
<td>$94,200</td>
</tr>
<tr>
<td>5</td>
<td>$27,570</td>
<td>$36,668</td>
<td>$55,140</td>
<td>$82,710</td>
<td>$110,280</td>
</tr>
<tr>
<td>6</td>
<td>$31,590</td>
<td>$42,015</td>
<td>$63,180</td>
<td>$94,770</td>
<td>$126,360</td>
</tr>
</tbody>
</table>

For a family of 4 at 200% of the FPL, that is $47,100 per year

Updated September 6, 2013
What do families need to know?

• Families will be notified by mail if there are changes to their BadgerCare+ benefits

  ✓ Notices mailed in September and November

• Parents will either remain with BadgerCare+ coverage or will apply to receive their coverage through the Marketplace

Updated September 6, 2013
What do families need to know?

• Families can continue to apply and manage their BadgerCare+ benefits online at www.access.wi.gov or can also go to the Marketplace website at www.healthcare.gov

• DHS estimates that the new enrollment system will be ready to process Medicaid applications beginning November 18th for January 1st eligibility

• The Medicaid application process can start in the Marketplace when open enrollment begins October 1st but the actual Medicaid application will not be processed until November 18th

Updated September 6, 2013
Access to Health Insurance

Employer Coverage

Public Programs (Medicaid/Medicare)

New Marketplace Coverage/Exchange

Updated September 6, 2013
Who is Coming To the Marketplace?

Health Insurance Marketplace

- Young Adults
- Adults from BadgerCare+
- Self-employed Individuals
- Uninsured People
- People with other health insurance
Welcome to the new HealthCare.gov!

We've changed to help you get ready for the launch of the Health Insurance Marketplace on October 1.
Learn about our changes—including where to find some content that used to appear on this site.

The Health Insurance Marketplace is Coming Soon

A new way to get affordable coverage launches October 1.
Answer a few questions to see your options.

START NOW

GET IMPORTANT NEWS & UPDATES
Email Address
SIGN UP

What is the Health Insurance Marketplace?
How do I find the Marketplace that serves me?
What if I have job-based insurance?
How can I get coverage at lower costs?
What do small businesses need to know?
The Marketplace/Exchange

- A website people can go to compare insurance plans, purchase healthcare coverage and apply for discounts (tax credits) on their premiums.

- Citizens who are not incarcerated and do not have access to affordable insurance through their employer can access the Marketplace.

- In the Marketplace, an individual or family can apply for:
  - Medicaid (BadgerCare+)
  - Private plans with tax credits
  - Catastrophic plans

Updated September 6, 2013
Marketplaces are managed either by the state or the federal government. Wisconsin’s will be managed by the federal government.

Housed at [www.healthcare.gov](http://www.healthcare.gov)

Active by October 1, 2013

Call center recently established
  - 1-800-318-2596
Insurance Plans in the Marketplace

• Insurance plans available through the Marketplace must be qualified and cover 10 essential health benefits

• People can choose which plan works for them based on its value and cost

• Plans are categorized as Platinum, Gold, Silver, or Bronze
  o Platinum will provide the most coverage at the highest cost to the consumer
Metal Tiers

Actuarial Values for Levels of Coverage Provided by Qualified Health Plans

- **Bronze**: 60%
- **Silver**: 70%
- **Gold**: 80%
- **Platinum**: 90%

2011 © Community Catalyst & Georgetown University Health Policy Institute

Updated June 13, 2013
## Essential Health Benefits

Qualified Health Plans in the Marketplace must cover:

<table>
<thead>
<tr>
<th>Ambulatory Patient Services</th>
<th>Pediatric Services, Including Oral and Vision Care</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency Services</td>
<td>Maternity and Newborn Care</td>
</tr>
<tr>
<td>Mental Health and Substance Use Disorder Services</td>
<td>Prescription Drugs</td>
</tr>
<tr>
<td>Rehabilitative and Habilitative Services and Devices</td>
<td>Laboratory Services</td>
</tr>
<tr>
<td>Preventive and Wellness Services</td>
<td>Chronic Disease Management</td>
</tr>
</tbody>
</table>

Updated September 6, 2013
Catastrophic Plans

• A high-deductible-low-premium plan for young adults under age 30 or qualify for a hardship exemption; includes free preventive care; available inside or outside the Marketplace

• *Advantage*: Beneficial for people who cannot afford traditional plan premiums or who are healthy and do not need routine care

• *Disadvantage*: Costs for routine care before the deductible is met can accumulate rapidly, no premium assistance available

Updated September 6, 2013
WI Insurers Requesting Marketplace Participation

Common Ground Healthcare Cooperative
Compcare Health Services Insurance Corporation
Dean Health Plan, Inc.
Group Health Cooperative of South Central Wisconsin
Gundersen Health Plan, Inc.
Health Tradition Health Plan
Medica Health Plans of Wisconsin
MercyCare HMO, Inc.
Molina Healthcare of Wisconsin, Inc.
Physicians Plus Insurance Corporation
Security Health Plan of Wisconsin, Inc.
Unity Health Plans Insurance Corp.
Arise (WPS Health Plan, Inc.)

*Still must go through the federal review process, will be finalized in September

August 14, 2013
Cost of Marketplace Coverage

- Cost is influenced by: tobacco use, geographic location, age and number of plans in the Marketplace

- Costs will vary based on the insurance plan and tier of coverage chosen

- The most an individual will pay is a percentage of their income, between 2-9.5%
  - Ex: Individuals with incomes of 133%FPL will pay 2%, individuals with incomes of 400%FPL will pay 9.5%

Marketplace Subsidies

• Congressional Budget Office estimates that 7 out of 8 people purchasing insurance in the Marketplace will be eligible for a subsidy
• Financial assistance in the form of tax credit subsidies to help pay premiums are available for those between 100-400%FPL ($11,490-45,960/year for an individual and $23,550-94,200/year for a family of four)
• Discounts can be applied for at the time of application to reduce the cost of each monthly premium
• Additional cost-sharing reductions are available to those with incomes below 250%FPL
Marketplace Subsidies

- Subsidies are not available to individuals who are:
  - eligible for Medicaid or Medicare; or
  - have access to affordable group insurance through their employer

- Employer insurance is affordable if the worker’s share of the premium is less than 9.5% of household income

- Affordability calculations are based on the cost of individual coverage, not family coverage
Starting in January 2015, there will be a limit on out-of-pocket costs:

- $6,350 for an individual and $12,700 for a family
- This limit applies to co-payments and deductibles, but not premiums
- People with incomes below 250% FPL will get cost-sharing reductions to lower out-of-pocket costs
- Individual must be enrolled in a Silver Tier plan in order to qualify for cost-sharing reductions

Source: http://101.communitycatalyst.org/aca_provisions/subsidies

Exception: Some plans won’t be required to implement this until 2015

Updated June 13, 2013
The maximum an individual will pay for their premium is a percentage of their income based on cost of the Silver Plan:

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Percentage of Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 133% FPL</td>
<td>2%</td>
</tr>
<tr>
<td>133 - 150% FPL</td>
<td>3 - 4%</td>
</tr>
<tr>
<td>150 - 200% FPL</td>
<td>4 - 6.3%</td>
</tr>
<tr>
<td>200 - 250% FPL</td>
<td>6.3 - 8.05%</td>
</tr>
<tr>
<td>250 - 300% FPL</td>
<td>8.05 - 9.5%</td>
</tr>
<tr>
<td>350 - 400% FPL</td>
<td>9.5%</td>
</tr>
</tbody>
</table>

**Calculator:** [http://kff.org/interactive/subsidy-calculator/](http://kff.org/interactive/subsidy-calculator/)

Updated June 13, 2013
### 2013 Estimated Premium Payments – Individuals

<table>
<thead>
<tr>
<th>Percentage of poverty line</th>
<th>Annual income</th>
<th>Percentage of income towards premiums</th>
<th>Annual premium due</th>
</tr>
</thead>
<tbody>
<tr>
<td>100 - 133%</td>
<td>$11,490 - $15,282</td>
<td>2%</td>
<td>$228 - $300</td>
</tr>
<tr>
<td>133 - 150%</td>
<td>$15,282 - $17,235</td>
<td>3 - 4%</td>
<td>$456 - $684</td>
</tr>
<tr>
<td>150 - 200%</td>
<td>$17,235 - $22,980</td>
<td>4 - 6.3%</td>
<td>$684 - $1,452</td>
</tr>
<tr>
<td>200 - 250%</td>
<td>$22,980 - $28,725</td>
<td>6.3 - 8.1%</td>
<td>$1,452 - $2,316</td>
</tr>
<tr>
<td>250 - 300%</td>
<td>$28,725 - $34,470</td>
<td>8.1 - 9.5%</td>
<td>$2,316 - $3,264</td>
</tr>
<tr>
<td>300 - 350%</td>
<td>$34,470 - $40,215</td>
<td>9.5%</td>
<td>$3,264 - $3,816</td>
</tr>
<tr>
<td>350 - 400%</td>
<td>$40,215 - $45,960</td>
<td>9.5%</td>
<td>$3,816 - $4,368</td>
</tr>
</tbody>
</table>

## 2013 Estimated Premium Payments - Family of 4

<table>
<thead>
<tr>
<th>Percentage of poverty line</th>
<th>Annual income</th>
<th>Percentage of income towards premiums</th>
<th>Annual premium due</th>
</tr>
</thead>
<tbody>
<tr>
<td>100 - 133%</td>
<td>$23,550 - $31,322</td>
<td>2%</td>
<td>$468 - $684</td>
</tr>
<tr>
<td>133 - 150%</td>
<td>$31,322 - $35,325</td>
<td>3% - 4%</td>
<td>$936 - $1,416</td>
</tr>
<tr>
<td>150 - 200%</td>
<td>$35,325 - $47,100</td>
<td>4% - 6.3%</td>
<td>$1,416 - $2,964</td>
</tr>
<tr>
<td>200 - 250%</td>
<td>$47,100 - $58,875</td>
<td>6.3% - 8.1%</td>
<td>$2,964 - $4,740</td>
</tr>
<tr>
<td>250 - 300%</td>
<td>$58,875 - $70,650</td>
<td>8.1% - 9.5%</td>
<td>$4,470 - $6,708</td>
</tr>
<tr>
<td>300 - 350%</td>
<td>$70,650 - $82,425</td>
<td>9.5%</td>
<td>$6,708 - $7,824</td>
</tr>
<tr>
<td>350 - 400%</td>
<td>$82,425 - $94,200</td>
<td>9.5%</td>
<td>$7,824 - $8,940</td>
</tr>
</tbody>
</table>
How the Marketplace works

1. **Create an account**
   First you’ll provide some basic information. [Sign up for Marketplace](#) emails now and we’ll let you know as soon as you can create an account.

2. **Apply**
   Starting October 1, 2013 you’ll enter information about you and your family, including your income, household size, and more. [Use this checklist](#) now to help you gather the information you’ll need.

3. **Pick a plan**
   Next you’ll see all the plans and programs you’re eligible for and compare them side-by-side. You’ll also find out if you can get [lower costs](#) on monthly premiums and out-of-pocket costs.

4. **Enroll**
   Choose a plan that meets your needs and enroll! Coverage starts as soon as January 1, 2014.
How does it work?

Marketplace Application Process

Download (right click to save this file to your computer)
Opportunities (AKA challenges)

• Lack of knowledge
• Vulnerable populations likely to benefit are used to a different system
• Current lack of coordination
Limited Public Awareness

78%

of the uninsured don’t know about the new health insurance marketplace

Enroll America Research, November 2012
All insurance plans will have to cover **doctor visits, hospitalizations, maternity care, emergency room care, and prescriptions.**

You might be able to get **financial help** to pay for a health insurance plan.

If you have a **pre-existing condition**, insurance plans cannot deny you coverage.

All insurance plans will have to show the costs and what is covered in **simple language with no fine print.**

One of these = **top message** for **89%** of population.

*Source: Enroll America, November 2012*
DHS plans for individual BadgerCare member outreach

• September 20
  – BadgerCare letters will be sent to:
    • Basic Plan members
    • BC Extension (TMA) members
    • Core Waitlist
    • Those looking to be above 100%

• October 1
  – Individual phone calls
    • Priority 1: Individuals likely to be losing coverage
    • Priority 2: Individuals on Core waitlist

• www.dhs.wisconsin.gov/health-care/
What’s the message?

• [www.healthcare.gov](http://www.healthcare.gov)
  – November 18th caveat
  – When in doubt, always refer to healthcare.gov
  – December 15th last day to apply for coverage starting on Jan. 1

• Federal call line:
  – 800-318-2596

• Refer to access.wi.gov for:
  – Foodshare, family planning, childcare, etc.
ACCESS will work best with Internet Explorer version 8 and 9. You may experience problems if you are using other browsers such as Firefox, Safari, or Chrome. If you have questions or need help with your application, please call Member Services at 1-800-362-3002.
The Health Insurance Marketplace is coming soon

A new way to get affordable coverage launches October 1.

Answer a few questions to learn if you qualify for lower costs.

SEE YOUR OPTIONS »

GET IMPORTANT NEWS & UPDATES  Email Address  SIGN UP
Opportunities (AKA challenges)

• Lack of knowledge
• Vulnerable populations likely to benefit are used to a different system
• Current lack of coordination
Regional Enrollment Networks

• Asset-Based Community Development model
  – Lets coordinate our resources instead of re-inventing the wheel!

• Determine how every interested organization in Wisconsin can play a role in getting people covered

• Coordinate training and resource needs
Current Enrollment Assistance

A few examples:

- Agents and Brokers
- Hospital/Clinic enrollment staff
- Community-based organization enrollment staff
- Aging and Disability Resource Centers
- Public Health
- Veterans
- Income Maintenance Agencies
New categories of “Enrollment Support” created by ACA

• Certified Application Counselors
  – CMS certification of CAC Organizations
  – OCI training
    • Government entities and tribes exempt!

• Navigators
  – Federal grant
  – OCI licensure
Mobilizers
Statewide REN steering committee
In-Person Assistance

- Wisconsin Enrollment Directory
- E4HealthWI.org
- Navigator awardees:
  - Partners for Community Development
  - Northwest CEP
  - Legal Action of Wisconsin/Senior LAW
  - National Council of Urban Indian Health
  - National Healthy Start Association
  - R&B Solutions
- Community Health Centers
Order Materials Online

www.marketplace.cms.gov

- Publications & articles
- Research
- Multimedia
- Widgets & badges
- Logo, graphics, & infographics
- Spanish materials
- Other languages
- Other partner resources
Questions/Follow-Up

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