

Public Marketplace (Exchange) Second Enrollment Period

September 18, 2014



Public Marketplace (Exchange) Second Enrollment Period

- Welcome! We will begin at 3 p.m. Eastern
- There will be no sound until we begin the webinar. When we begin, you can listen to the audio portion through your computer speakers or by calling into the phone conference number provided in your confirmation email.
- You will be able to submit questions during the webinar by using the “questions” box located on your webinar control panel.



Public Marketplace (Exchange) Second Enrollment Period

September 18, 2014

Assurex Global Shareholders:

- Ahmann-Martin
- Catto & Catto
- Celedinas Insurance Group
- Cragin & Pike, Inc.
- The Crichton Group
- The Daniel & Henry Co.
- Engle-Hambright & Davies
- Frenkel Benefits
- Gillis, Ellis & Baker, Inc.
- The HDH Group
- The Horton Group
- INSURICA
- Kapnick Insurance Group
- Kinney Pike Insurance
- Lipscomb & Pitts Insurance
- LMC Insurance & Risk Management
- Lyons Companies
- The Mahoney Group
- MJ Insurance
- Parker, Smith & Feek, Inc.
- PayneWest Insurance
- R&R/The Knowledge Brokers
- RCM&D
- Roach Howard Smith & Barton
- The Rowley Agency
- Smith Brothers Insurance
- Starkweather & Shepley Insurance Brokerage
- Woodruff-Sawyer & Co.
- Wortham Insurance & Risk Management



Agenda

- Marketplace Background
- SHOP Update
- Marketplace Enrollment for 2014-2015
- ACA Subsidies
- Medicaid Expansion
- Employer Plan Issues



Audio trouble? Dial 1-719-867-1571 Access Code 265313
Copies of this presentation are available through your benefits advisor.



Background



Audio trouble? Dial 1-719-867-1571 Access Code 265313
Copies of this presentation are available through your benefits advisor.



Background

- State Regulation of Insurance
 - States have always had the primary responsibility to regulate the sale of health insurance
 - Individual and group insurance laws varied dramatically from state to state prior to the ACA
 - Examples
 - VT and NY already had versions of guaranteed issue and community rated health insurance
 - MN and TX permitted medical underwriting of individual plans and group rates based on claims experience
- Affordable Care Act Marketplaces
 - When the ACA was passed Congress assumed all states would want control of the regulation of insurance and operate their own Marketplace



Audio trouble? Dial 1-719-867-1571 Access Code 265313
Copies of this presentation are available through your benefits advisor.



Background

- State Operated
 - State operated technology, call centers, and customer support
 - State certification and regulation of carriers on the Marketplace
- Federally Operated
 - Federally operated technology, call centers, and customer support
 - Federal certification and regulation of carriers on the Marketplace
- State/Federal Partnership
 - Federally operated technology, call centers, and customer support
 - Various levels of state control over certification and regulation of carriers selling on the Marketplace
- Private Exchanges
 - Privately operated technology giving employers various plan design and choice options (ACA subsidies not available in a private Exchange)

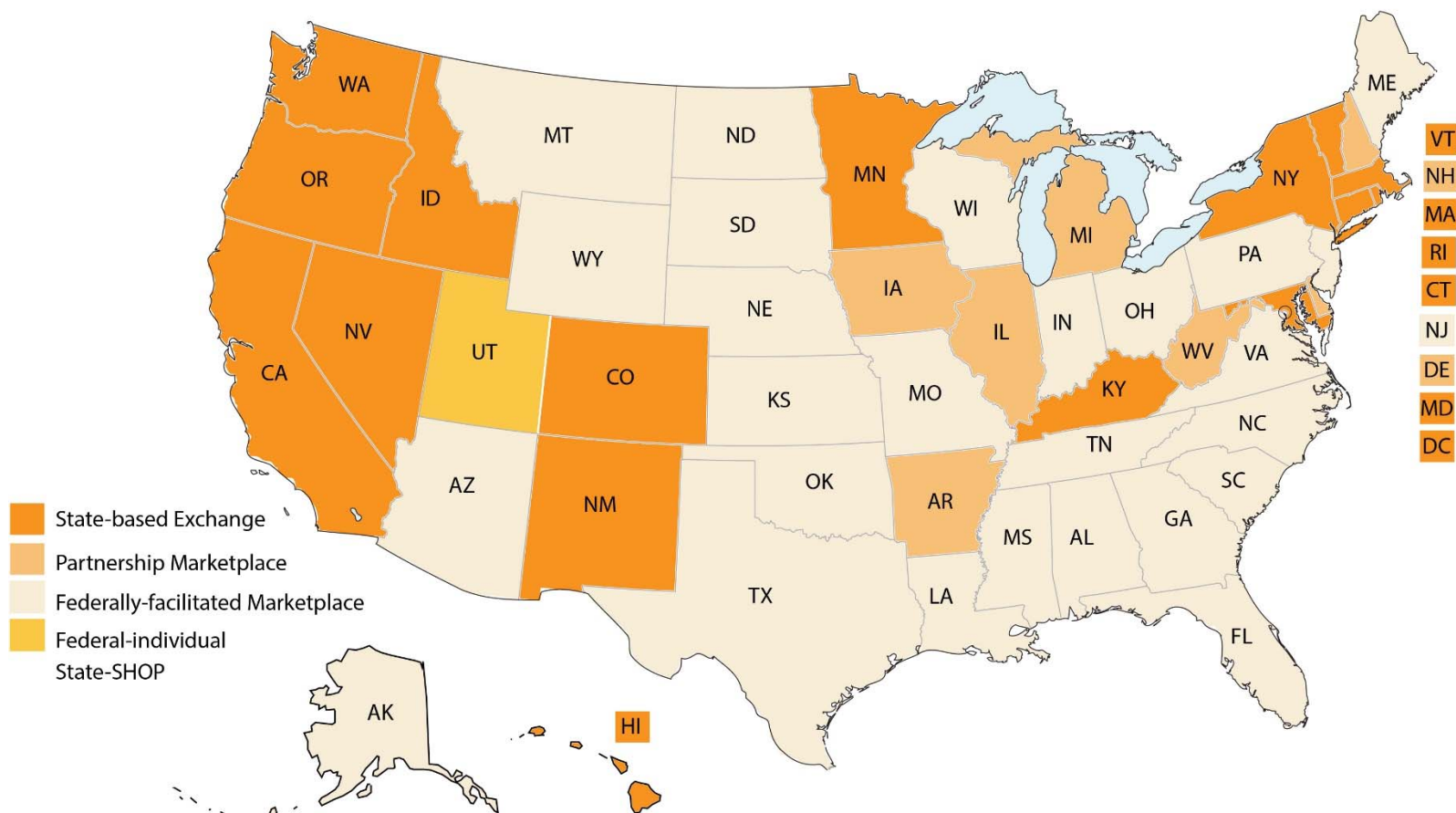


Audio trouble? Dial 1-719-867-1571 Access Code 265313
Copies of this presentation are available through your benefits advisor.



Background

- Where Do States Stand Today?



Audio trouble? Dial 1-719-867-1571 Access Code 265313
Copies of this presentation are available through your benefits advisor.



Background

- Public (State or Federal) Marketplace Role
 - A Marketplace is where health insurance carriers sell individual and small group health insurance plans
 - Individual health insurance
 - Guaranteed issue, no medical underwriting
 - Small group insurance
 - Small group program is called Small Business Health Options Program (“SHOP Marketplace”)
 - Subsidy administration
 - Public Marketplaces will certify & administer ACA subsidies (premium tax credits and cost sharing reductions) for eligible individuals purchasing health insurance through the Marketplace
 - Determination of eligibility for expanded Medicaid vs. ACA subsidies



Audio trouble? Dial 1-719-867-1571 Access Code 265313
Copies of this presentation are available through your benefits advisor.



Background

- What Happened Last Year
 - Federal Marketplace
 - Significant technical problems with federal website Healthcare.gov
 - Demand from individuals exceeding predictions
 - Very little activity in small group market
 - Choice option delayed (more later)
 - State Run Marketplaces
 - Some states running relatively smoothly; others also had significant technology challenges
 - Demand from individuals exceeding predictions
 - Small group activity much smaller than individual health insurance, but varies dramatically by state



Audio trouble? Dial 1-719-867-1571 Access Code 265313
Copies of this presentation are available through your benefits advisor.



Background

- What Happened Last Year – Some Numbers
 - Individual health insurance through a Marketplace
 - 8,019,763 individuals selected a plan through a Marketplace as of April 19th, 2014
 - Federal Marketplace – 5,446,178
 - State Marketplaces – 2,573,585
 - Medicaid
 - Between October 2013 (beginning of Marketplace open enrollment) and March 2014 Medicaid and CHIP enrollment increased by approximately 4.8 million individuals (over the average expected growth during that time period)



Audio trouble? Dial 1-719-867-1571 Access Code 265313
Copies of this presentation are available through your benefits advisor.



SHOP Update



Audio trouble? Dial 1-719-867-1571 Access Code 265313
Copies of this presentation are available through your benefits advisor.



SHOP Update

- SHOP and Small Group Insurance Rules
 - Group plans on the SHOP available to small employers
 - 2014 & 2015 small employer is 50 employees or less
 - Beginning in 2016 small employer is 100 employees in all states
 - In 2017 states have the option to open SHOP to large employers
 - Small Group Rating and Underwriting Rules
 - ACA small group reform rules apply to all small group plans both inside and outside the Marketplace
 - No medical underwriting or pre-ex limitations
 - Modified Community Rating
 - SHOP enrollment very limited in most states
 - Robust small group market available outside the SHOP
 - Choice option not available in most states in 2014



Audio trouble? Dial 1-719-867-1571 Access Code 265313
Copies of this presentation are available through your benefits advisor.



SHOP Update

- The Small Group Plan "Choice" Option
 - Employer funds a specific level of coverage (i.e. Bronze, Silver, Gold, or Platinum) and employees can choose from multiple plans and carriers
 - Choice option not available in 2014 in federal Marketplace states
 - A number of state run Marketplaces offered choice option in 2014
 - Choice Option in 2015
 - Available in most state run Marketplaces
 - Available in 14 federal Marketplace states
 - Arkansas, Florida, Georgia, Indiana, Iowa, Missouri, Nebraska, North Dakota, Ohio, Tennessee, Texas, Virginia, Wisconsin, Wyoming
 - Not available in 18 federal Marketplace states
 - Alabama, Alaska, Arizona, Delaware, Illinois, Kansas, Louisiana, Maine, Michigan, Montana, New Hampshire, New Jersey, North Carolina, Oklahoma, Pennsylvania, South Carolina, South Dakota, West Virginia



Audio trouble? Dial 1-719-867-1571 Access Code 265313
Copies of this presentation are available through your benefits advisor.



Marketplace Enrollment 2014-2015



Audio trouble? Dial 1-719-867-1571 Access Code 265313
Copies of this presentation are available through your benefits advisor.



Marketplace

- Next Open Enrollment Period
 - Individuals can enroll in plans from Nov 15, 2014 – Feb 15, 2015
- Coverage effective dates
 - Enroll between the 1st and 15th days of the month for coverage first day of the next month
 - Enroll between the 16th and the last day of the month for coverage the first day of the second following month (i.e. March 16 enrollment effective May 1)
 - Enroll by Dec 15, 2014 to have coverage effective Jan 1, 2015



Audio trouble? Dial 1-719-867-1571 Access Code 265313
Copies of this presentation are available through your benefits advisor.



Marketplace

- Special Enrollment Period
 - Special events that would allow a mid-year enrollment include:
 - Losing other minimum essential coverage
 - Gaining or becoming a dependent through marriage, birth, adoption, or placement for adoption
 - Becoming newly eligible/ineligible for the premium tax credit or experiencing a change in eligibility for cost-sharing reductions
 - Gaining status as a citizen, national, or lawfully present individual in the U.S (not previously lawfully present)
 - Experiencing an error in enrollment
 - New QHPs offered through the Marketplace becoming available as a result of a permanent move



Audio trouble? Dial 1-719-867-1571 Access Code 265313
Copies of this presentation are available through your benefits advisor.



ACA Subsidies



Audio trouble? Dial 1-719-867-1571 Access Code 265313
Copies of this presentation are available through your benefits advisor.



ACA Subsidies

- ACA “Subsidies”
 - Available to individuals with household income 100% - 400% Federal Poverty Level (FPL)
 - “Advanceable” Premium Tax Credit
 - Qualified individuals will pay no more than a fixed maximum contribution depending on household income
 - Individual can choose to have credit applied month to plan premium or collect at end of year when filing taxes
 - Cost Sharing Reductions
 - Lower deductibles and out-of-pocket costs available to individuals with incomes less than 300% of FPL

Household Size	2014 100% FPL	300% of FPL	400% FPL
1	\$11,670	\$35,010	\$46,680
2	\$15,730	\$47,190	\$62,920
3	\$19,790	\$59,370	\$79,160
4	\$23,850	\$71,550	\$95,400
5	\$27,910	\$83,730	\$111,640
6	\$31,970	\$95,910	\$127,880



Audio trouble? Dial 1-719-867-1571 Access Code 265313
Copies of this presentation are available through your benefits advisor.



Premium Tax Credits

- Dispute over Subsidies Through Federal Run Marketplace
 - Federal courts have issued differing opinions on validity of premium tax credits in Federal Marketplaces
 - Held invalid by U.S. Court of Appeals 3 judge panel, DC (Halbig v. Burwell) but being reconsidered by full court
 - Held valid unanimously by 4th Circuit Court of Appeals, Virginia (King v. Burwell)
 - IRS announcement that nothing has changed for now, premium tax credits remain available via both State and Federal Marketplaces
 - No change in current policy unless Supreme Court takes the case
 - No chance of SCOTUS taking case before 2015



Audio trouble? Dial 1-719-867-1571 Access Code 265313
Copies of this presentation are available through your benefits advisor.



ACA Subsidies

- Subsidies for Individuals Eligible for Employer Sponsored Plans
 - “Subsidies” not available to individuals eligible for “affordable” employer sponsored “minimum value” coverage
 - Minimum Value = plan with actuarial value of at least 60%
 - Affordable = Employee contribution for single (employee-only) coverage is no more than 9.56% of household income
 - Affordability for family members
 - An employee’s family member qualification for subsidy is based on the employee’s contribution for employee-only coverage
 - This approach will significantly limit the number of family members who will be eligible for subsidized coverage



Audio trouble? Dial 1-719-867-1571 Access Code 265313
Copies of this presentation are available through your benefits advisor.



ACA Subsidies

- Household income
 - Modified adjusted gross income (MAGI) of individual, spouse and tax dependents in household
 - For most taxpayers MAGI equals Adjusted Gross Income (AGI)
 - Found on Line 4 on a Form 1040EZ, or Line 37 on a Form 1040
 - MAGI includes adjustments for foreign earned income and earnings on tax free investments
 - The employer will never know an employee's household income
 - AGI includes “above the line” adjustments such as alimony payments, HSA contributions, self-employed business profits and losses, etc.



Audio trouble? Dial 1-719-867-1571 Access Code 265313
Copies of this presentation are available through your benefits advisor.



ACA Subsidies

- Subsidy Process
 - Individuals must apply for health insurance coverage through a public (state or federal) Marketplace
 - Marketplace will collect income and employer coverage data and certify if individual is eligible for a subsidy
 - Marketplace must notify an employer if an employee is certified
 - Marketplace will administer premium tax credits
 - Individual can choose to collect tax credit in advance on a monthly basis or collect when tax return is filed
 - Individual will pay only their portion of premium
 - Marketplace will facilitate payment of tax credit to carrier
 - Tax credit will be “settled up” when individuals file their tax returns



Audio trouble? Dial 1-719-867-1571 Access Code 265313
Copies of this presentation are available through your benefits advisor.



Subsidized Coverage Examples

The screenshot shows the HealthCare.gov website. At the top, there's a navigation bar with 'HealthCare.gov', 'Learn', 'Get Insurance', and 'Log in'. A 'Español' link is on the right. Below this is a secondary navigation bar with 'Individuals & Families', 'Small Businesses', and 'All Topics', followed by a search bar. The main content area has a blue background with the heading 'Still need health coverage?' and a green button that says 'FIND OUT IF YOU QUALIFY'. Below this is the text 'for a Special Enrollment Period or Medicaid/CHIP'. There are four circular icons with text: 'Report income or life changes', 'See plans and prices', 'Small businesses: Apply any time', and 'Learn about fees & exemptions'. The footer section is titled 'Health Insurance Marketplace' and contains three columns: 'HEALTHCARE.GOV BLOG' with three items dated September, 'TOP CONTENT' with three links, and 'CONNECT WITH US' with social media icons and a phone number. At the very bottom, there are three sections: 'QUICK INFORMATION', 'RESOURCES IN OTHER LANGUAGES', and 'GET EMAIL UPDATES'.

HealthCare.gov Learn Get Insurance Log in Español

Individuals & Families Small Businesses All Topics Search Search

Still need health coverage?

FIND OUT IF YOU QUALIFY

for a Special Enrollment Period or Medicaid/CHIP

- Report income or life changes
- See plans and prices
- Small businesses: Apply any time
- Learn about fees & exemptions

Health Insurance Marketplace

HEALTHCARE.GOV BLOG

- 15 SEPT Act by September 30 to submit proof of income documents!
- 12 SEPT Scheduled downtime to improve HealthCare.gov
- 11 SEPT Key dates for the Health Insurance Marketplace

TOP CONTENT

- Getting coverage outside Open Enrollment
- Using your new insurance coverage
- Using your new Medicaid or CHIP coverage

CONNECT WITH US

- Share Your Story
- Watch Videos
- Questions? Call 1-800-318-2596

Twitter Facebook YouTube

QUICK INFORMATION RESOURCES IN OTHER LANGUAGES GET EMAIL UPDATES



Audio trouble? Dial 1-719-867-1571 Access Code 265313
Copies of this presentation are available through your benefits advisor.



Medicaid Expansion

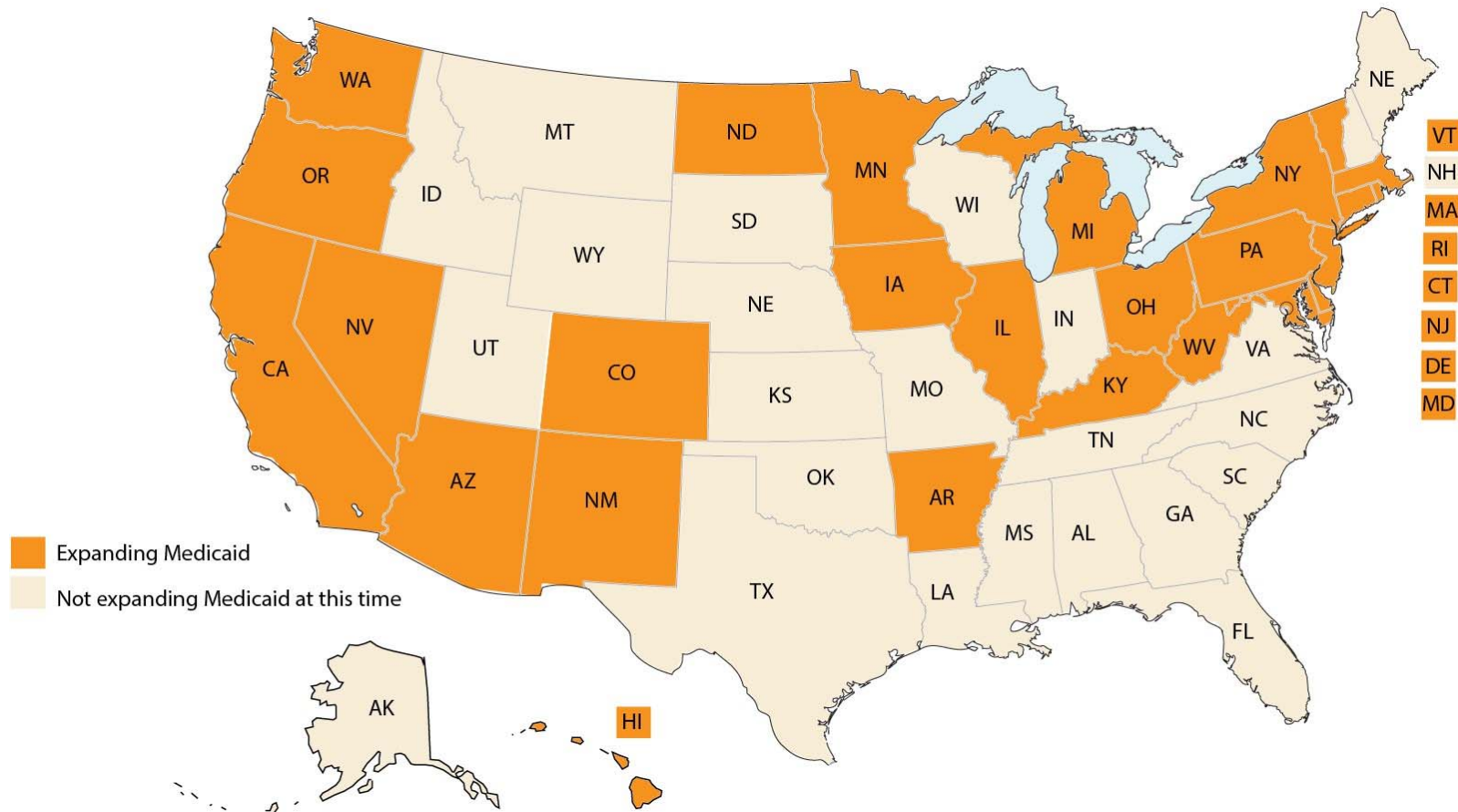


Audio trouble? Dial 1-719-867-1571 Access Code 265313
Copies of this presentation are available through your benefits advisor.



Medicaid Expansion

- Where Do States Stand Today?



Audio trouble? Dial 1-719-867-1571 Access Code 265313
Copies of this presentation are available through your benefits advisor.



Medicaid Expansion

- Medicaid Eligibility by State
 - Prior to the ACA varied significantly by state and is still very different in states choosing not to expand Medicaid

Examples (% FPL)	Adults with Children		Childless Adults	
Jan. 2012 Eligibility	Medicaid	1115 waiver or State	Medicaid	1115 waiver or State
Connecticut	185-191%	300-306%	56-72%	300-310%
Minnesota	100-120%	275%	75%	250%
California	100-106%	200%	n/a	200%
New York	68-74%	150%	n/a	100%
Georgia	27-49%	n/a	n/a	n/a
Pennsylvania	26-46%	n/a	n/a	n/a
Texas	12-26%	n/a	n/a	n/a

- For more information on a particular state's Medicaid eligibility go to Kaiser Family Foundation Medicaid page at: <http://kff.org/medicaid/>



Audio trouble? Dial 1-719-867-1571 Access Code 265313
 Copies of this presentation are available through your benefits advisor.



Medicaid Expansion

- ACA expands Medicaid eligibility to 138% FPL
 - Federal government pays 100% of costs for expanded Medicaid for 2014 –16, reduces to 90% by 2020

Household Size	2014 100% FPL	138% ACA Medicaid Eligibility	400% FPL - Max income to qualify for subsidies
1	\$11,670	\$16,105	\$46,680
2	15,730	\$21,707	\$62,920
3	19,790	\$27,310	\$79,160
4	23,850	\$32,913	\$95,400
5	27,910	\$38,516	\$111,640
6	31,970	\$44,119	\$127,880

- Individuals with incomes 100% FPL – 138% FPL
 - Medicaid in states that have expanded Medicaid
 - ACA subsidies through Marketplace in states that have not expanded Medicaid



Audio trouble? Dial 1-719-867-1571 Access Code 265313
 Copies of this presentation are available through your benefits advisor.



Employer Plan Issues



Audio trouble? Dial 1-719-867-1571 Access Code 265313
Copies of this presentation are available through your benefits advisor.



Employer Plan Issues

- Notice of Marketplace
 - Distribution requirements
 - Required to be provided to all employees no later than Oct 1, 2013
 - Thereafter only required for new hires (within 14 days of new hire)
 - DOL Model Notice - <http://www.dol.gov/ebsa/pdf/FLSAwithplans.pdf>
 - Information in Part A containing general information about the Marketplace and subsidy eligibility is required
 - Part B containing employer and plan specific information is optional, but may save the employer from having to answer as many follow-up questions from the employees



Audio trouble? Dial 1-719-867-1571 Access Code 265313
Copies of this presentation are available through your benefits advisor.



ACA Subsidies

- Employee Qualification for Subsidies
 - Very few employees (or their family members) who are eligible for an employer plan will qualify for subsidized individual coverage through the Marketplace!

\$24,000 Household Income	\$2,000/mth
	X 9.5%
Employee contribution for single coverage must exceed	\$190.00/mo.

- This is what employers really need to communicate to employees!



Audio trouble? Dial 1-719-867-1571 Access Code 265313
Copies of this presentation are available through your benefits advisor.



Employer Plan Issues

- Employee Communication Strategies
 - Since most employees eligible for employer sponsored plan will not be eligible for ACA subsidies how do we best communicate that to them?
 - Work backwards – take the employee contribution for single coverage on your cheapest minimum value plan and calculate the household income that would be necessary to qualify for a subsidy...
 - Example:
 - Employee contribution for single coverage on cheapest MV plan = \$150 per month
 - $\$150 \times 12 = \1800 employee contribution per year
 - $\$1800 \div .0956 = \$18,828.45$

If the employee has an annual household income over \$18,828.45 the employee and their family will not be eligible for subsidies when purchasing individual health insurance on the public Marketplace.



Audio trouble? Dial 1-719-867-1571 Access Code 265313
Copies of this presentation are available through your benefits advisor.



Medicaid Expansion

- Medicaid Expansion Issues Important to Employers
 - There is no employer penalty for employees eligible for Medicaid
 - Some employers providing increased Medicaid information and assistance to low income employees
 - In states that have not expanded Medicaid Applicable Large Employers are at increased risk for full time employees with household income between 100% - 138% of FPL who qualify for subsidies due to coverage being unaffordable
 - Example:
 - 2014 138% of FPL = \$16,105
 - Employee contribution for single coverage is affordable if less than \$128.84
 - 2014 100% FPL = \$11,670
 - So employee contribution must be less than \$93.36 to be affordable



Audio trouble? Dial 1-719-867-1571 Access Code 265313
Copies of this presentation are available through your benefits advisor.



Employer Plan Issues

- Section 125
 - Section 125 rules do not currently recognize availability of coverage through a public Marketplace as a qualifying event allowing a change in pre-tax payroll reductions
 - Individuals may not be allowed to change their pre-tax health plan election if choosing to change from an employer-sponsored group health plan to coverage through a public Marketplace outside the health plan's normal election period



Audio trouble? Dial 1-719-867-1571 Access Code 265313
Copies of this presentation are available through your benefits advisor.



Health Insurance Marketplaces

- COBRA
 - DOL issued model language to use in COBRA notices encouraging COBRA QBs to explore coverage through a Marketplace
 - Loss of employer coverage is a Marketplace special event so individual may be able to enroll outside the annual enrollment period
 - Subsidy eligibility
 - COBRA QB may qualify for subsidized coverage through Marketplace if they decline COBRA continuation
 - If an individual elects COBRA continuation
 - They will be ineligible for subsidies since they are covered by an employer plan
 - They cannot enroll in an individual plan until next Marketplace open enrollment or COBRA expires



Audio trouble? Dial 1-719-867-1571 Access Code 265313
Copies of this presentation are available through your benefits advisor.



Health Insurance Marketplaces

- COBRA
 - Employers must still offer COBRA but should aggressively communicate individual health insurance options through the Marketplace to all COBRA QBs
 - Employers should also consider a communication to existing COBRA QBs about annual Marketplace open enrollment period
 - Including divorced spouses and children aging off the employer plan, not just terminating employees
 - May be a better option for the individual
 - Keeps COBRA QBs off employer plan



Audio trouble? Dial 1-719-867-1571 Access Code 265313
Copies of this presentation are available through your benefits advisor.



Marketplace Overview



Audio trouble? Dial 1-719-867-1571 Access Code 265313
Copies of this presentation are available through your benefits advisor.



Tax Credit for Small Employers

- Up to a 35% credit for tax years 2010-13
- Up to 50% beginning in 2014, but only available for group plans purchased through a public Marketplace
 - Full credit for employers with 10 or fewer full-time equivalent employees and average annual wages of less than \$25,000
 - Partial credit for employers with up to 25 full-time equivalent employees and average annual wages up to \$50,000
 - Sole proprietors, 2% S-Corp owners, and some partners are not considered employees and are not counted in determining FTEs or average annual wages
 - Employer must pay at least 50% of premiums
 - Tax exempt organizations eligible for partial credit
 - IRS website - <http://www.irs.gov/uac/Small-Business-Health-Care-Tax-Credit-for-Small-Employers>



Audio trouble? Dial 1-719-867-1571 Access Code 265313
Copies of this presentation are available through your benefits advisor.



Public Marketplace (Exchange) Second Enrollment Period

September 18, 2014

Assurex Global Shareholders:

- Ahmann-Martin
- Catto & Catto
- Celedinas Insurance Group
- Cragin & Pike, Inc.
- The Crichton Group
- The Daniel & Henry Co.
- Engle-Hambright & Davies
- Frenkel Benefits
- Gillis, Ellis & Baker, Inc.
- The HDH Group
- The Horton Group
- INSURICA
- Kapnick Insurance Group
- Kinney Pike Insurance
- Lipscomb & Pitts Insurance
- LMC Insurance & Risk Management
- Lyons Companies
- The Mahoney Group
- MJ Insurance
- Parker, Smith & Feek, Inc.
- PayneWest Insurance
- R&R/The Knowledge Brokers
- RCM&D
- Roach Howard Smith & Barton
- The Rowley Agency
- Smith Brothers Insurance
- Starkweather & Shepley Insurance Brokerage
- Woodruff-Sawyer & Co.
- Wortham Insurance & Risk Management



Public Marketplace (Exchange) Second Enrollment Period

September 18, 2014

