

The Affordable Care Act (aka Obamacare) and the New Insurance Marketplace: What New Yorkers Need to Know



September 2013

Outline

- Overview: The ACA (ObamaCare)
- New York State of Health: The Official Health Insurance Marketplace
- New Options Available for Small Businesses
- New Options Available for Consumer Assistance
- Questions?



THE ACA (OBAMACARE)

Overview:



- The Affordable Care Act (ACA), or “ObamaCare,” was signed into law in March 2010.
- Over the past 3 years, different parts of the law have been phased in.
- As part of the law, starting January 1, 2014, individuals will be required to have health insurance.
- People will be able to buy affordable insurance through a new health insurance marketplace, called the “New York State of Health,” starting October 1st.

The ACA has been helping New Yorkers for the past 3 years



- Parents can now keep their children on their insurance until age 26.
 - **160,000 young adults in NY have gained coverage under the ACA**
- The Medicare Part D “donut hole,” is being phased out.
 - **New Yorkers with Medicare have saved over \$516 million on prescription drugs since the ACA was enacted.**
- Insurance plans must cover many preventive services for free.
 - **4.4 million New Yorkers have gained free preventive services**
- Lifetime dollar limits on health benefits are banned.
 - **6.4 million New Yorkers no longer have to worry about running out of insurance benefits if they get sick.**
- Small businesses can get tax credits to cover up to 35% of the cost of providing health insurance to their employees
 - **Roughly 285,000 New York small businesses are eligible: 4 out of 5**

New York State State Agencies Search all of NY.gov

 **nystateofhealth**
The Official Health Plan Marketplace

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HOME WHAT IS AN EXCHANGE? INFO FOR YOU NEWS & EVENTS RESOURCES

Tax Credit & Premium Estimator

The Marketplace will offer a choice of low-cost quality health plans. It's also the only place you can receive financial assistance based on your income, to lower your costs even more. Click on the link below to estimate your tax credit and premium.

[Read More »](#)

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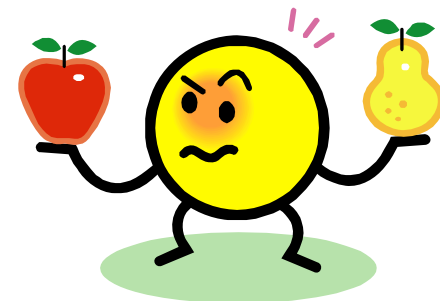
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NY STATE OF HEALTH: THE OFFICIAL HEALTH PLAN MARKETPLACE

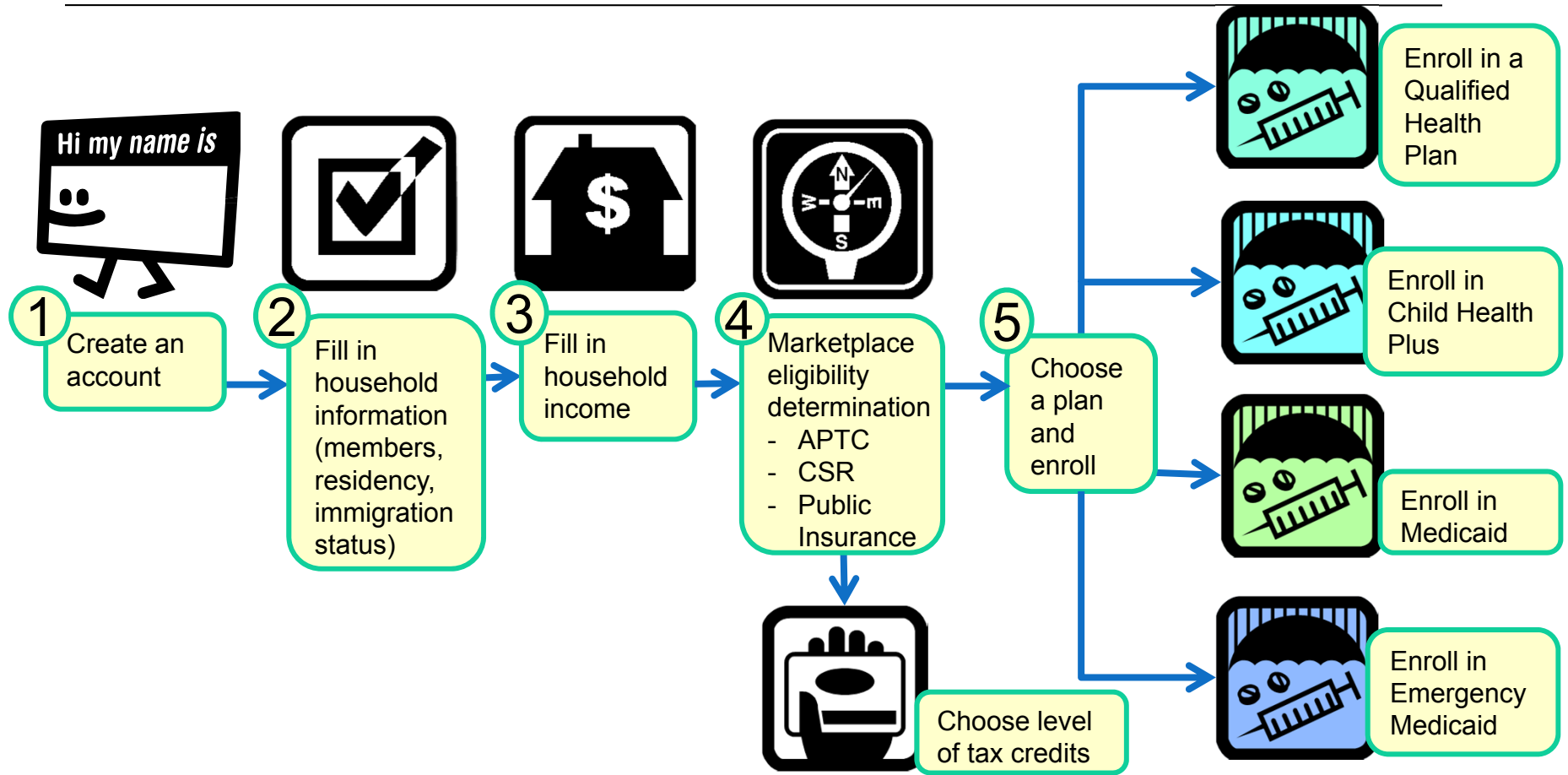
NY State of Health, The Official Health Plan Marketplace

- A new, online health insurance marketplace created under the ACA.
- Will make comparing health plan costs and benefits easy.
- Will give New Yorkers access to free insurance coverage or financial help to buy their own.
- Opens October 1, 2013.
- Coverage starts January 1, 2014.

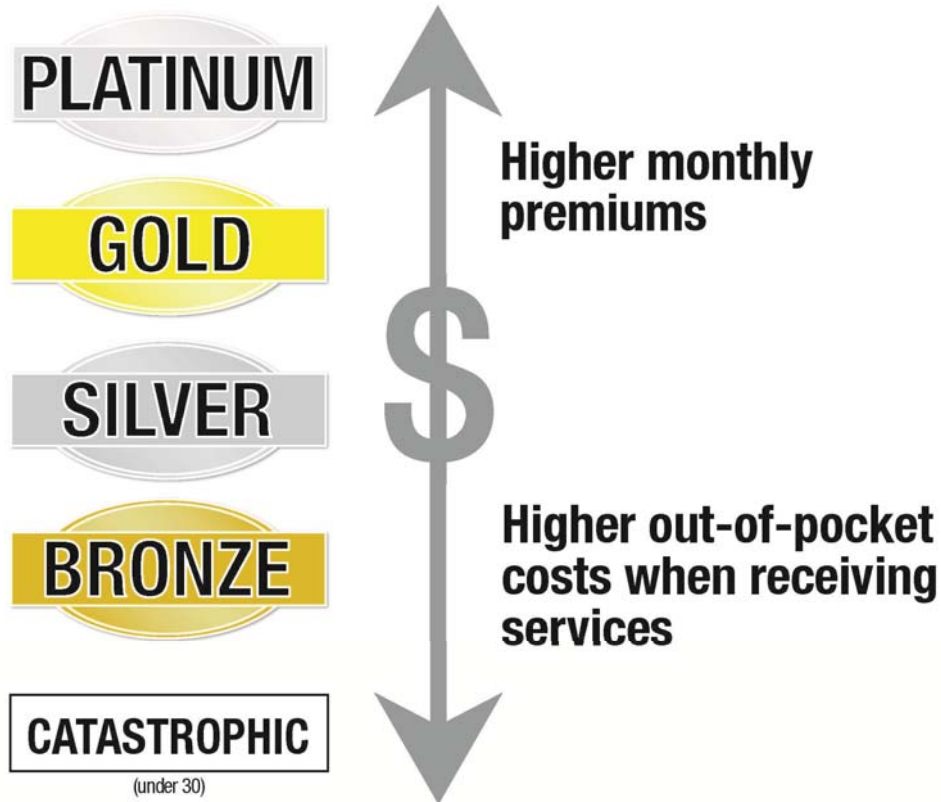
<http://nystateofhealth.ny.gov/>



Consumers and Small Employers Enroll Directly through the Marketplace



What types of health plans will be available on the NY State of Health?



To make health plan options easy to understand and compare, 5 types of Qualified Health Plans (QHPs) will be available.

All plans will be required to cover the same essential health benefits but will vary in price and cost-sharing.

What benefits will the QHP's cover?

All QHPs will be required to cover a set of minimum essential health benefits. However, cost-sharing and provider networks will vary between plans.



EMERGENCY CARE



PREVENTIVE & WELLNESS SERVICES



HOSPITALIZATION



AMBULATORY PATIENT SERVICES



PEDIATRIC CARE



PRESCRIPTION DRUGS



MENTAL HEALTH SERVICES



REHABILITATIVE & HABILITATIVE SERVICES



MATERNITY & NEWBORN CARE



LABORATORY SERVICES

Mental health and substance abuse benefits details



EHB: “No limit” on Mental/Behavioral Health Inpatient or Outpatient Services, Substance Abuse Inpatient or Outpatient Services

“Standard Plan” Cost-sharing

- PCP co-pay applies to Mental health/Behavioral health care outpatient visits (except Bronze, Catastrophic)
- Inpatient facility copay applies for Mental health, Detoxification, Substance abuse disorder services inpatient stay (except Bronze, Catastrophic)

Non-standard plans:

- Make sure patients with mental health and substance abuse benefits are adequate for consumers who opt for “non-standard” plans

Networks:

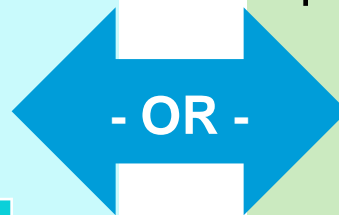
- Must include mental health and substance abuse providers
- At least one FQHC
- May offer OON coverage at Silver and Platinum levels

How much will insurance cost on the NY State of Health?

Medicaid, for those who qualify, will be FREE

- Must earn less than 133% of FPL

Family Size	Max. Income
1	\$15,281
2	\$20,628
3	\$25,974
4	\$31,321
5	\$36,668
6	\$42,014



Financial help will make private coverage more affordable to those who qualify

- Must earn less than 400% of FPL

Family Size	Max. Income
1	\$45,960
2	\$62,040
3	\$78,120
4	\$94,200
5	\$110,280
6	\$126,360

What if my income is above 400% of FPL?

People who earn more than 400% of FPL will not be eligible for financial help to purchase health insurance on the NY State of Health.

- But they may be eligible to purchase coverage for full price on the NY State of Health, which in most cases costs much less than current health insurance prices.

Region	Current lowest cost plan 2013	Lowest cost plan on the NY State of Health 2014*
Albany	\$959	\$236
Buffalo	\$1,082	\$221
Mid-Hudson	\$1,279	\$265
New York City	\$1,001	\$312
Rochester	\$954	\$218
Syracuse	\$915	\$230
Long Island	\$1,001	\$285
Utica	\$1,230	\$223

* Represents Bronze-level plans

How will the financial help work?

For people below 400% of FPL, the ACA lays out the maximum amount for health insurance to be considered “affordable.” It also caps out-of-pocket costs (i.e. co-pays and deductibles).

Annual Income Range (for a family of three)		Maximum % of income considered “affordable”	Maximum annual premium costs	Maximum annual co-pays and deductibles
< 133% FPL	< \$25,975	2%	\$520	\$4,166
134%-150% FPL	\$25,975 - \$29,295	3% - 4%	\$779 - \$1,172	\$4,166
151%-250% FPL	\$29,295 - \$48,825	4% - 8%	\$1,172 - \$3,930	\$4,166 - \$6,250
251%-300% FPL	\$48,825 - \$58,590	8% - 9.5%	\$3,930 - \$5,566	\$6,250
301%-400% FPL	\$58,590 - \$78,120	9.5%	\$5,556 - \$7,421	\$8,334

- If the cost of the second lowest-cost Silver-level plan exceeds these amounts, then a premium subsidy will be available to cover the difference.
 - The subsidy can be taken in advance, or refunded later, at tax time.
 - It can be taken partially, or in full.
- This subsidy can then be applied to any metal-tier plan, but not Catastrophic¹⁴ plans.

Example: Angie, Queens

Angie recently graduated from college and started a new job as a graphic designer, but it doesn't offer health insurance. She makes \$28,750 per year (250% of FPL).

Income: \$28,750/yr. (250% of FPL)

Monthly premium subsidy: \$172.26/mo.

Angie chooses a Bronze MetroPlus plan for \$162.18 per month. She chooses to take her premium subsidy in advance, and in full.

Final monthly cost for Angie:

\$162.18mo. - \$172.26 = (-\$10.08) FREE.



Example: The Okafurs, Brooklyn

Temitope Okafur is a freelance photographer and earns \$47,100 per year. Her husband Emmanuel was recently laid-off and is now a stay-at-home dad for their two boys. They lost their coverage through Emmanuel's job and want to replace it.

Income: \$47,100/yr (200% of FPL).

Monthly premium subsidy: \$483/mo.

The Okafurs choose a Silver-level Emblem Health plan for themselves, and enroll the kids in Child Health Plus. They choose to take the full subsidy in advance.

Final monthly cost for the Okafurs:

Silver plan: \$770.60 mo. - \$483 = \$287

Child Health Plus: \$9 per child = \$18

$\$287 + \$18 = \$305$

The Okafurs also benefit from a cost-sharing reduction that brings their Silver plan up to a Gold plan equivalent. Their out-of-pocket maximum per year is reduced to \$4,000 (includes deductibles).





NEW OPTIONS AVAILABLE FOR SMALL BUSINESSES

NY State of Health SHOP Marketplace

- Small Business Tax Credits are only available for plans purchased through the NY State of Health Small Business Health Options (SHOP) Marketplace
 - Up to 50% of premium contribution for qualifying employers
- Only for small businesses
 - Up to 50 employees
 - Up to 100 employees in 2016
- Open enrollment starts October 1, 2013
 - Coverage begins January 1, 2014
- 450,000 small business employees expected to get coverage
- Penalty for large employers delayed

Benefits for small businesses

- Lower group insurance rates
- Compare products apples to apples
- Select health plans at a variety of price points
- Set fixed contribution to employees' insurance coverage
- Administrative simplicity—one monthly invoice and help throughout the process!



Tax Credits for small employers

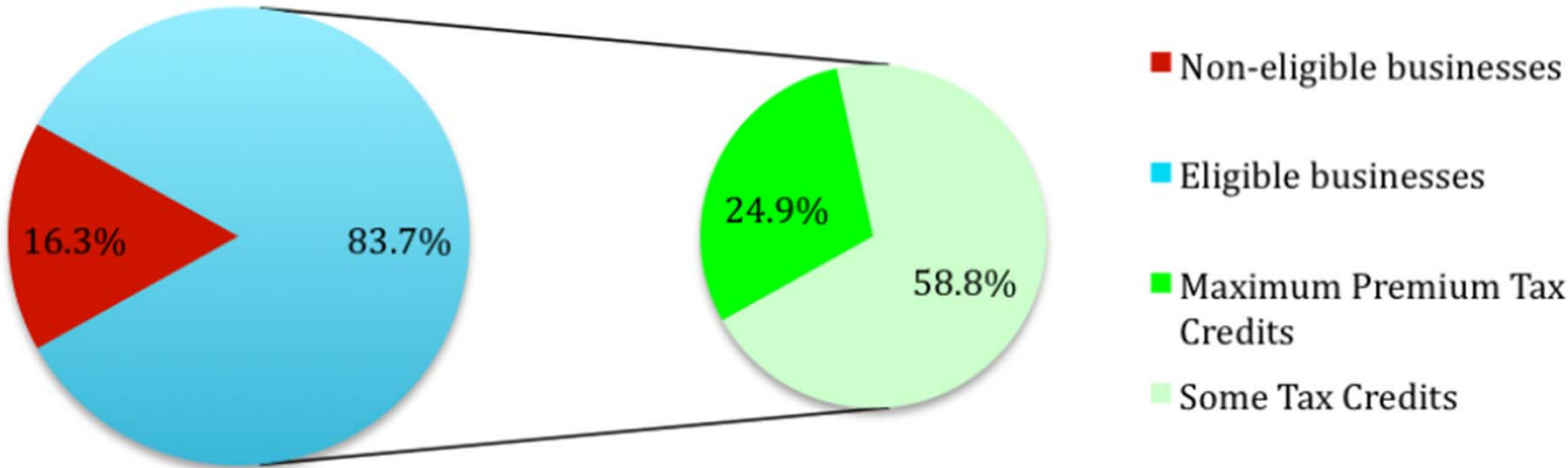
What firms are eligible?

- Fewer than **25** full-time employees
 - Two half-time employees count like one full-time employee
- Average annual wages < **\$50,000**
 - Not counting wages of the owner or her family
- Employer pays at least 50% of premium cost
- Non-profits eligible too!



Many of New York's Small Businesses Qualify for Tax Credits

- 81% of small businesses in NY State are eligible (285,000 firms)
- But many eligible businesses don't know about the credits, and take up has been slower than expected.



ACA Tax Credits have already benefited 360,000 small businesses in the U.S. covering 2 million workers.

Example: Bob's Auto Shop, Manhattan

Bob runs his own Auto Shop where he has 7 full-time mechanics. Bob pays his employees an average of \$24,000 annually. Bob has decided to offer health insurance in 2014 and pay for 50% of his employees' premiums. Bob chooses to offer MetroPlus's silver level plan for \$387.23 per month per employee.

Cost of covering his employees: \$1,355.31/
month or \$16,263.66/year.

Tax credit available (50% of Bob's portion of the costs): \$8,131.83

Final cost to Bob: \$16,263.66 - \$8,131.83 =
\$8,131.83.

Bob can deduct the remaining \$8,131.33 to reduce his total tax liability.





NEW OPTIONS AVAILABLE FOR CONSUMER ASSISTANCE

Where can people go for help enrolling in the NY State of Health?



- The NY State of Health will have a Consumer Support Center (toll-free call center) to provide real-time help
- Live chat function on the NY State of Health website
- Local in-person enrollment assistance for individuals or small businesses will be in every county in New York State through a variety of programs:
 - Navigator/In Person Assisters
 - Certified Application Counselors
- Brokers and agents can be certified to sell NY State of Health plans

The Community Service Society Navigator Network



- Asian Americans for Equality
- Actor's Fund
- Community Service Society
- CIDNY
- Emerald Isle Immigration Center
- Korean Community Services
- LaGuardia Community College
- Manhattan Chamber of Commerce
- Make the Road New York
- Nrthn. Manhattan Improvement Corp.
- NY Women's Chamber of Commerce
- Restaurant Opportunities Center of NY
- Retail Action Project
- SACSS
- Staten Island Chamber of Commerce
- United Jewish Organizations of Williamsburg

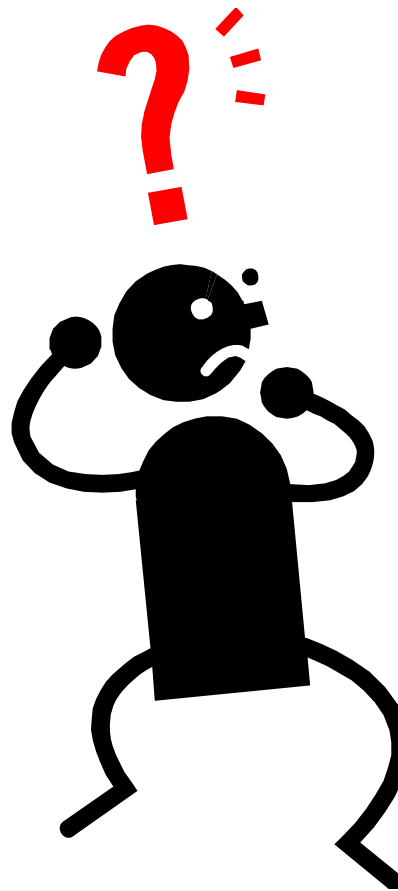
What if people need help with other types of insurance problems?

Community Health Advocates (CHA) is the state's Consumer Assistance Program. People who experience more in-depth problems with enrollment or their health insurance, can contact CHA. CHA can help people with things like:

- Filing grievances or appeals
- Resolving problems with tax credits and subsidies
- Learning about rights and responsibilities
- Resolving medical bills
- Enrolling into or renewing coverage



Questions



For Further Information

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Resources

- New York State of Health: <http://www.nystateofhealth.ny.gov/>
- Community Health Advocates: www.communityhealthadvocates.org
 - For help enrolling and using insurance or health care, call toll free: 1-888-614-5400.
- Small Business Assistance Program: <http://sbapny.org/>
- Health Care For All New York: www.hcfany.org
 - Check out our website to find out more about the law and to keep posted on what's going on with health reform implementation or call: (212) 614-5337.
- Find coverage: www.healthcare.gov