

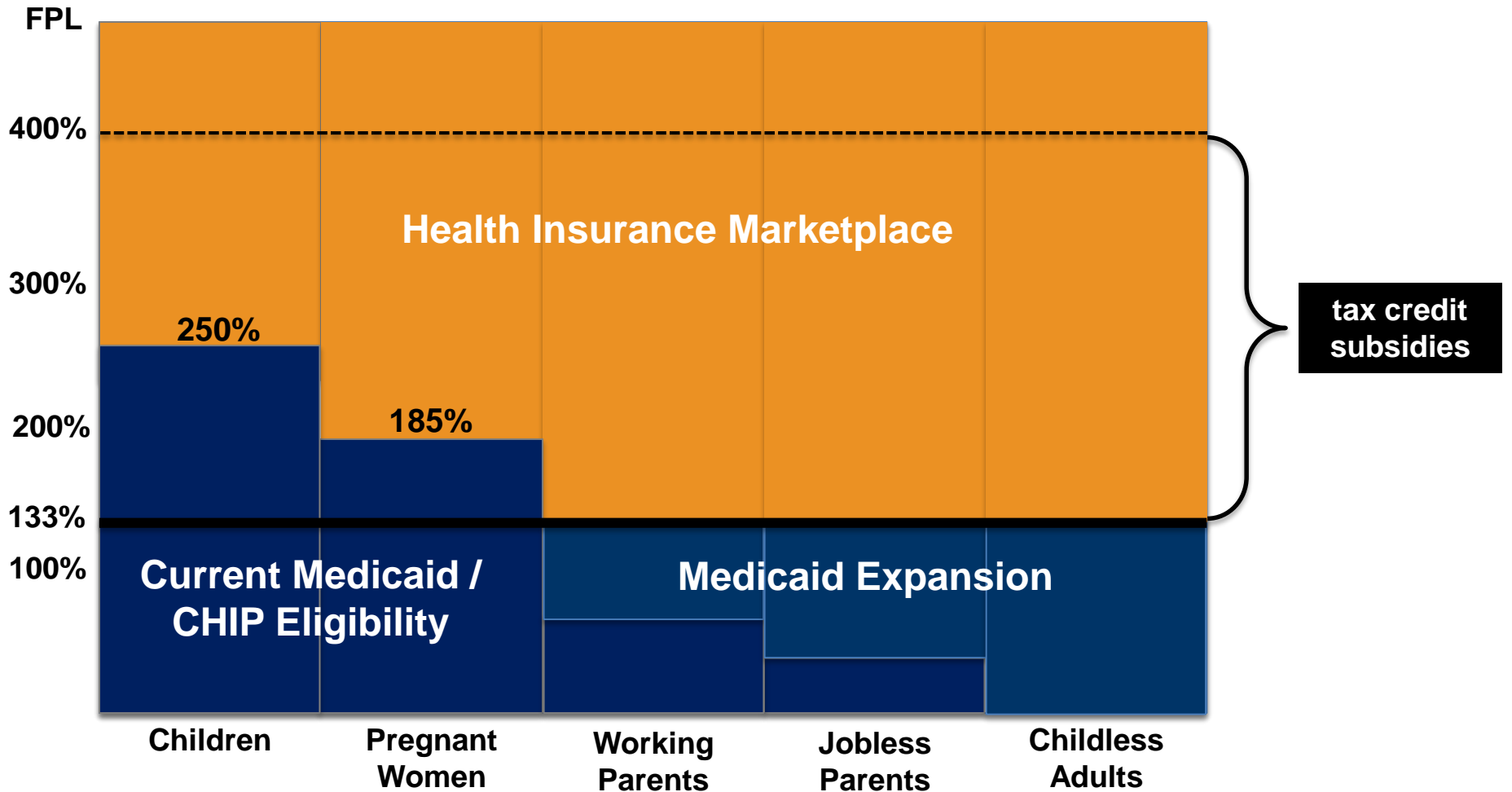


Plan Selection and Enrollment: Beyond the Basics

Center on Budget and Policy Priorities
October 2, 2013



Coverage Landscape in 2014



Medicaid and CHIP coverage, based on 2012 eligibility levels in a typical state

Source: Kaiser Commission on Medicaid and the Uninsured

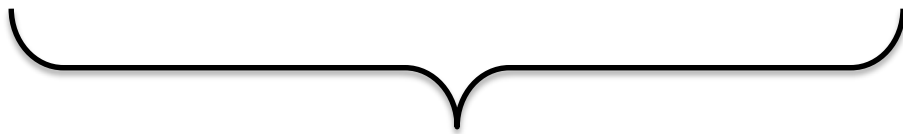


Focus of Today's Webinar

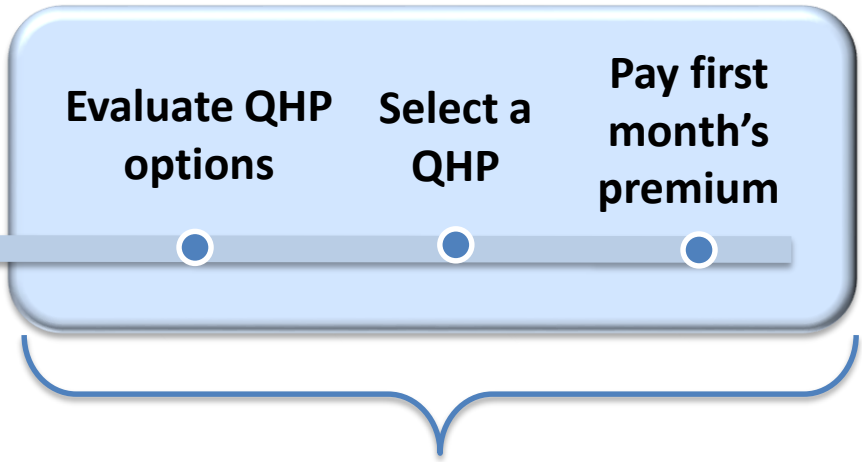


Complete Marketplace application **Screened for Medicaid/APTC eligibility** **Obtain APTC amount**

Evaluate QHP options **Select a QHP** **Pay first month's premium**



covered in previous webinars



covered in today's webinars



Today's Webinar Will:

- Describe the costs associated with health plans offered in the Marketplace (premiums and cost-sharing).
- Show how plan elements such as provider network and drug formularies may affect consumers' decisions
- Explain the key deadlines and the process for completing enrollment in a health plan.



Navigator Roles in Plan Selection

- Navigators are required to “provide fair, accurate, and impartial information to consumers about health insurance...” and “facilitate enrollment in QHPs.”

(ACA sections 1311(d)(4)(K) and 1311(i) and 45 CFR 155.210)

- Helping to facilitate enrollment includes “helping clarify distinctions among QHPs” and “helping a qualified individual make an informed decision during the plan selection process.”

(Preamble to final Navigator regulation, Federal Register, Vol. 78, No. 137)



Cost-Sharing Charges in Marketplace Plans



Types of Cost-Sharing Charges

- **Deductible**
 - Enrollee must pay the deductible before the plan begins to pay for most benefits
 - Set on a yearly basis
- **Copayments**
 - Dollar amount for an item or service that enrollees must pay
- **Coinsurance**
 - Percentage of the cost of an item or service that enrollees must pay



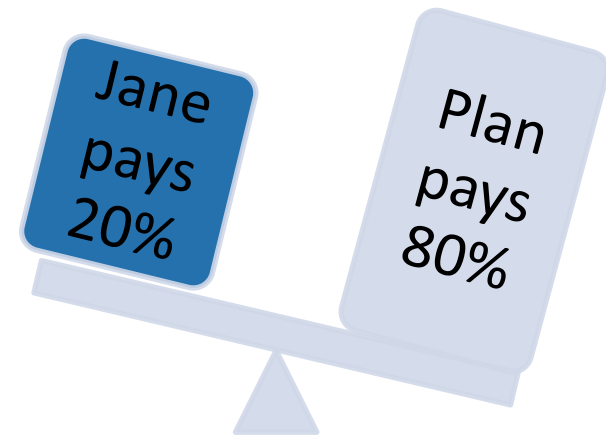
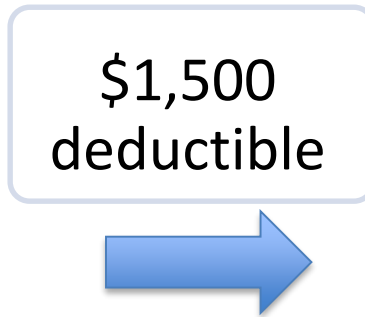
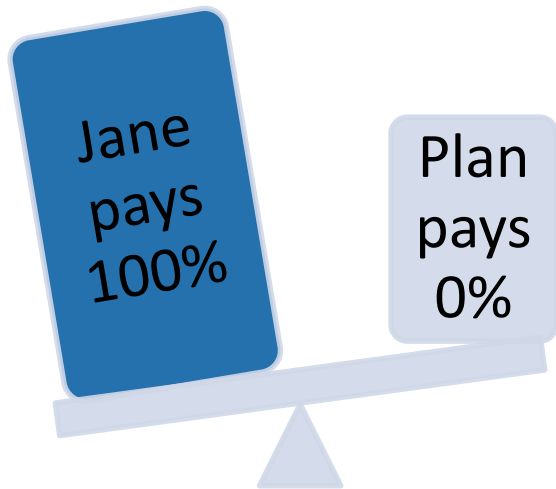
Maximum Out-of-Pocket Limit (OOP)

- Puts a cap on what the enrollee pays in cost-sharing charges each year
 - Set on a yearly basis
 - Applies to in-network services, not out-of-network care
- 2014 maximum amounts: \$6,350 individual/\$12,700 family
- OOP limit is not the amount that an enrollee must spend each year



How Cost-Sharing Works

- Jane's plan
- \$1,500 annual deductible
 - 20% coinsurance (enrollee pays)
 - \$5,000 out-of-pocket limit



Before Jane meets her \$1,500 deductible, her plan doesn't cover any of the costs (except for preventive care).

Office visit costs: \$125
Jane pays: \$125
Plan pays: \$0



Once Jane meets the deductible, the plan pays 80% of the costs.

Office visit costs: \$125
Jane pays: \$25
Plan pays: \$100



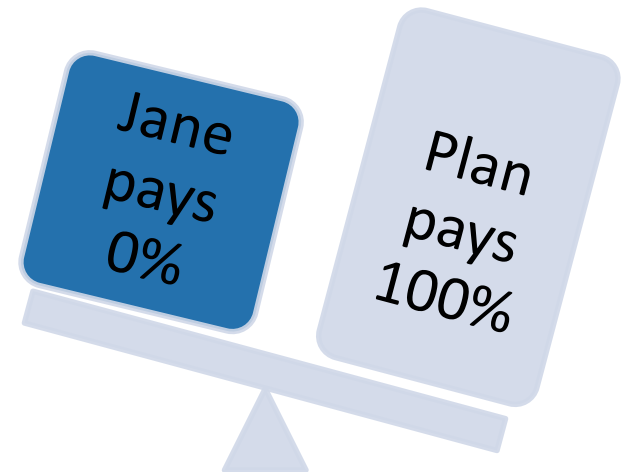
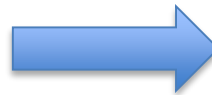
How Cost-Sharing Works

Jane's plan

- \$1,500 annual deductible
- 20% coinsurance (enrollee pays)
- \$5,000 out-of-pocket limit



\$5,000
OOP
limit



Jane reaches the \$5,000 out-of-pocket limit under her plan. This means that she has paid a deductible and other cost-sharing charges totaling \$5,000 within the year. Now the plan will pay the full cost of any additional in-network services she receives during the rest of the year.



More to Know about Cost-Sharing Charges

- Copayments are often simpler and more predictable for consumers than coinsurance.
- Co-payments may be more common in the higher metal levels.
- Plans may have separate deductibles and other cost-sharing amounts for out-of-network and in-network services.

	Annual Deductible	Annual OOP Limit	Hospital Admission	Primary Care Visit	Specialist Visit
In-Network	\$5,000	\$6,350	\$1,500/ admission	\$35	\$50
Out-of-Network	\$10,000	None	50%	50%	50%



Questions to Ask about Deductibles

- Are some services exempted from the deductible?
- Is there a separate deductible for drugs?
- Is there a different out-of-network deductible?
- For families, does the deductible apply on an individual or family basis?

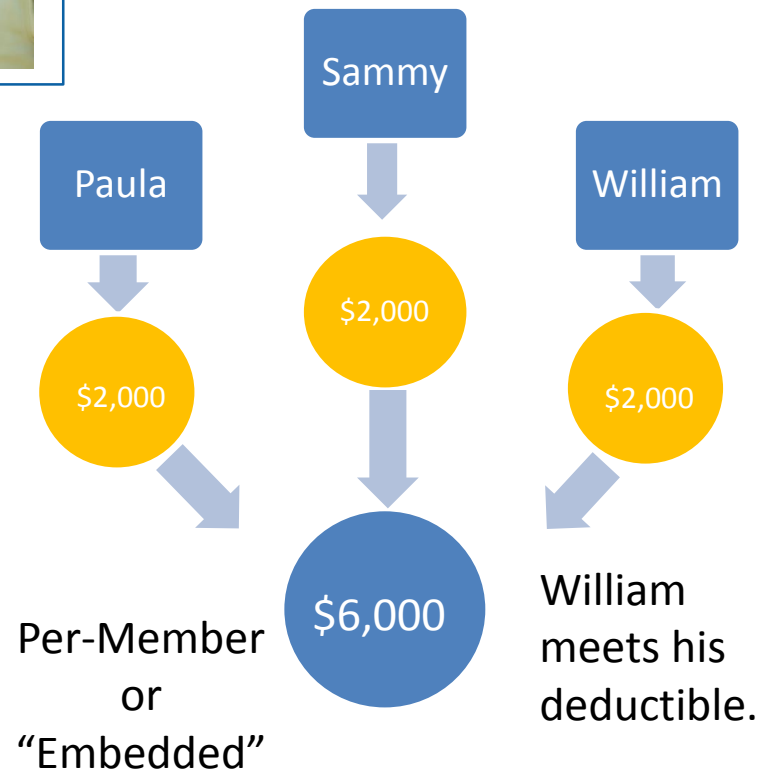
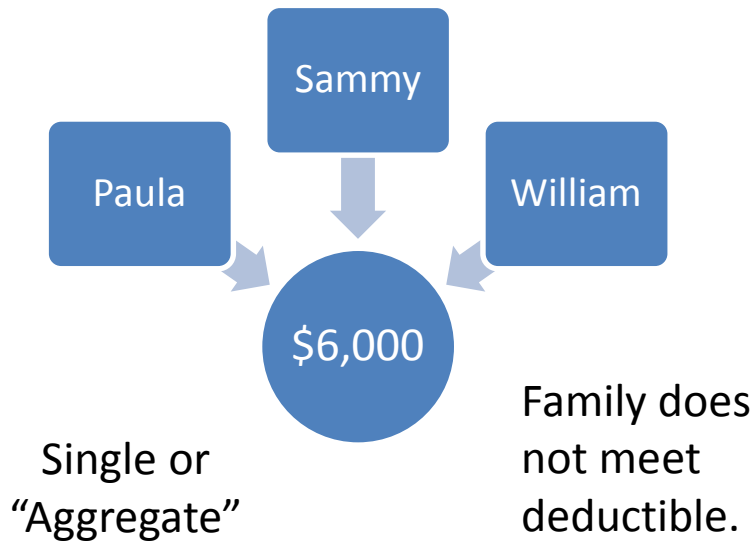


Family Deductible: Single or Per-Member

Rogers Family
\$6,000 deductible

Expenses this year:

- Paula \$500
- Sammy \$250
- William \$5,000





Cost-Sharing and the Metal Tiers

In general, lower enrollee cost-sharing and higher premiums



In general, higher enrollee cost-sharing and lower premiums

ACA Precious Metal Tiers	
Plan Tier	Actuarial Value
Platinum	90%
Gold	80%
Silver	70%
Bronze	60%

Actuarial value percentages represent how much of a typical population's medical spending a health insurance plan would cover.



Different Tiers, Different Cost-Sharing Charges

KEY BENEFITS	Platinum	Gold	Silver <small>(Lower Cost Sharing Available on Sliding Scale)</small>	Bronze
Copays In the Yellow Sections are Not Subject to any Deductible and Count Toward the Annual Out-of-Pocket Maximum			Benefits In Blue are Subject to Deductibles	
Deductible (if any)	No Deductible	No Deductible	\$2,000 Medical Deductible	\$5,000 Deductible for Medical and Drugs
Preventative Care Copay	No Cost – at least 1 yearly visit	No Cost – at least 1 yearly visit	No Cost – at least 1 yearly visit	No Cost – at least 1 yearly visit
Primary Care Visit Copay	\$20	\$30	\$45	\$60 – 3 visits per year
Specialty Care Visit Copay	\$40	\$50	\$65	\$70
Urgent Care Visit Copay	\$40	\$90	\$60	\$120
Generic Medication Copay	\$5	\$20	\$25	\$25
Lab Testing Copay	\$20	\$30	\$45	30%
X-Ray Copay	\$40	\$50	\$65	30%
Emergency Room Copay	\$150	\$250	\$250	\$300
High cost and infrequent services like Hospital Care and Outpatient Surgery	HMO Outpatient Surgery – \$250 Hospital – \$250/day up to 5 days PPO – 10%	HMO Outpatient Surgery – \$600 Hospital – \$600/day up to 5 days PPO – 20%	\$250	30% of your plan's negotiated rate
Imaging (MRI, CT, PET Scans)	\$150	\$250	\$250	40%
Brand medications may be subject to Annual Drug Deductible before you pay the copay	No Deductible	No Deductible	\$250 deductible then pay the copay amount	\$50-\$75 after meeting deductible
Preferred brand copay after Drug Deductible (if any)	\$15	\$50	\$50	\$50
MAXIMUM OUT-OF-POCKET FOR ONE	\$4,000	\$6,350	\$6,350	\$6,350
MAXIMUM OUT-OF-POCKET FOR FAMILY	\$8,000	\$12,700	\$12,700	\$12,700



Evaluating Plan Tier Options



John (30)



Scenario 1: 300% FPL

Income: **\$34,470**

Expected Contribution:

- Share of income: **9.5%**
- Amount: **\$3,275**

Premium Credit: **\$151**

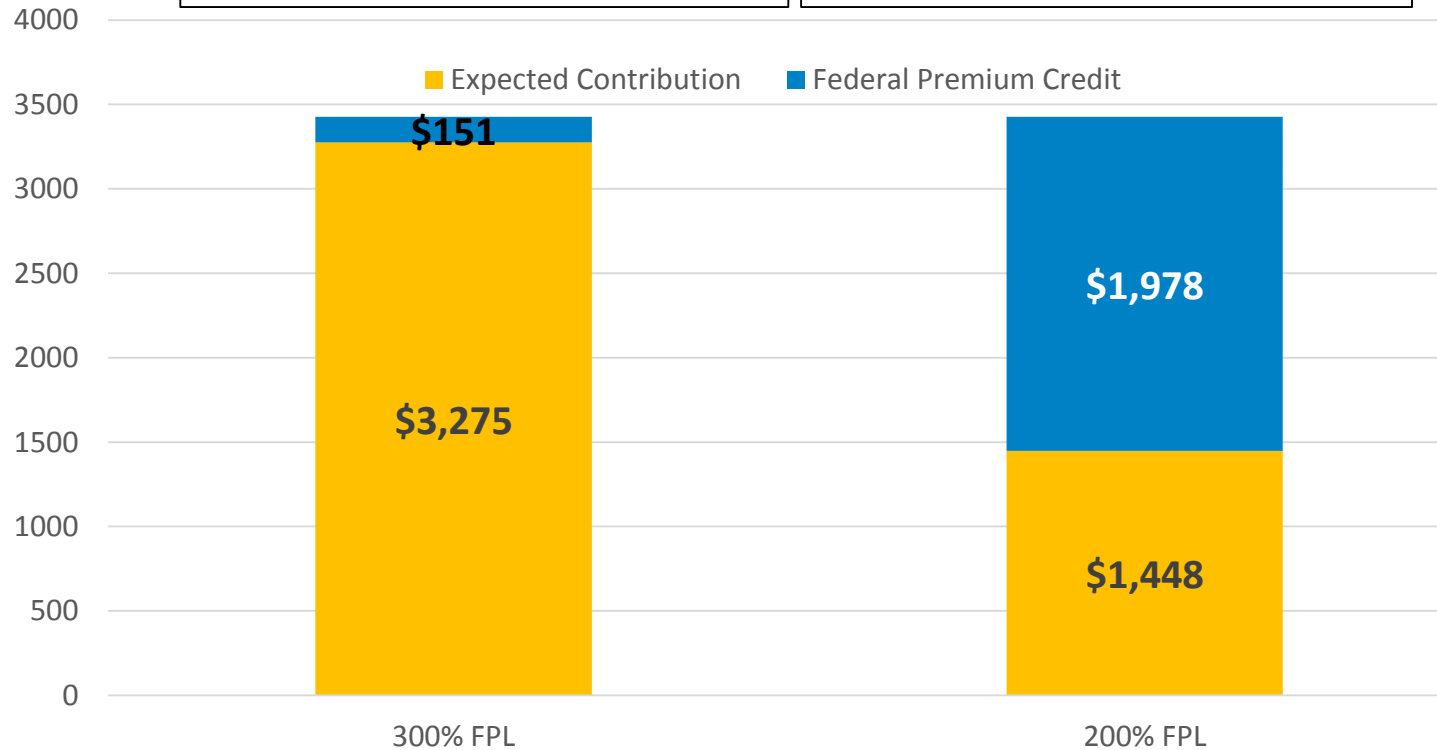
Scenario 2: 200% FPL

Income: **\$22,980**

Expected Contribution:

- Share of income: **6.3%**
- Amount: **\$1,448**
- CSR eligible

Premium Credit: **\$1,978**





John (30)

Income: **300% FPL**
Tax Credit: **\$151**



Option 1: Bronze Plans

Total Premium:
\$2,839

John's Contribution:
\$2,688/year
(\$224/month)

Plan AV:
60%

Option 2: Silver Plans

Total Premium:
\$3,426

John's Contribution:
\$3,275/year
(\$273/month)

Plan AV:
70%

	Sample Bronze Plan (enrollee pays)	Sample Silver Plan (enrollee pays)
Deductible	\$3,000	\$2,000
Maximum OOP limit	\$6,350	\$5,500
Inpatient hospital	50% of the charge	\$1,500 / admission
Office visit	\$35	\$30

John (30)

Income: **200% FPL**
 Tax Credit: **\$1,978**



Option 1: Bronze Plans

Total Premium:
\$2,839

John's Contribution:
\$861/year
 (\$72/month)

Plan AV:
60%

Option 2: Silver CSR

Total Premium:
\$3,426

John's Contribution:
\$1,448/year
 (\$121/month)

Plan AV:
87%

	Sample Bronze Plan (enrollee pays)	Sample Silver CSR Plan (enrollee pays)
Deductible	\$3,000	\$250
Maximum OOP limit	\$6,350	\$2000
Inpatient hospital	50% of the charge	\$250 / admission
Office visit	\$35	\$15

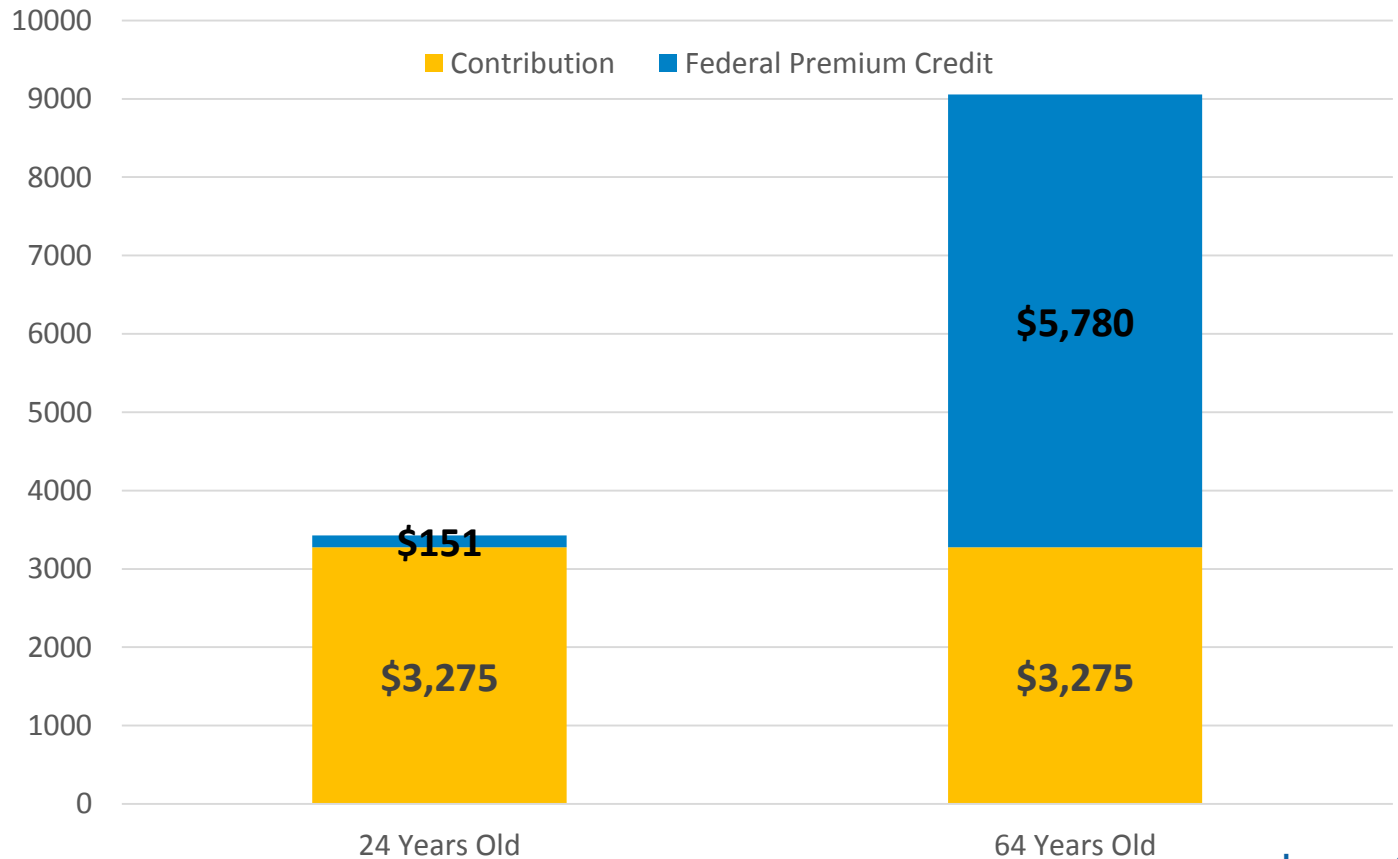


John (64)

Income: **300% FPL**



<u>Scenario 1: Age 30</u>	<u>Scenario 2: Age 64</u>
Premium: \$3,426	Premium: \$9,054
Expected Contribution: \$3,275	Expected Contribution: \$3,275
Premium Credit: \$151	Premium Credit: \$5,780





John (64)

Income: **300% FPL**
Tax Credit: **\$5,780**



<u>Option 1: Silver Plans</u>	<u>Option 2: Gold Plans</u>
Total Premium: \$9,054	Total Premium: \$11,770
John's Contribution: \$3,275/year (\$273/month)	John's Contribution: \$5,990/year (\$499/month)
Plan AV: 70%	Plan AV: 80%

	Sample Silver Plan (enrollee pays)	Sample Gold Plan (enrollee pays)
Deductible	\$2,000	\$600
Maximum OOP limit	\$5,500	\$4,000
Inpatient hospital	\$1,500 / admission	\$1,000 / admission
Office visit	\$30	\$25



John (64)

Income: **200% FPL**
Tax Credit: **\$7,606**



<u>Option 1: Silver CSR</u>	<u>Option 2: Gold Plans</u>
Total Premium: \$9,054	Total Premium: \$11,770
John's Contribution: \$1,448/year (\$121/month)	John's Contribution: \$4,164/year (\$347/month)
Plan AV: 87%	Plan AV: 80%

	Sample Silver CSR (enrollee pays)	Sample Gold Plan (enrollee pays)
Deductible	\$250	\$600
Maximum OOP limit	\$2,000	\$4,000
Inpatient hospital	\$250 / admission	\$1,500 / admission
Office visit	\$15	\$25



Other Plan Elements for Consumers to Consider



Among the Plan Elements to Consider:

- Provider Network
- Prescription Drug Formulary
- Visit Limits and Other Details of Specific Benefits
- Insurer Participation in the Marketplace and Medicaid/CHIP



In-Network vs. Out-of-Network Care

	Deductible	OOP Limit	Inpatient Hospital	Primary Care
In-Network	\$5,000	\$6,350	\$1,500/ admission	\$25
Out-of-Network	\$10,000	None	50%	50%

Network Physician

Doctor's Bill: \$200
Plan Allowed Amount: \$100



Plan pays: \$75

Patient pays: \$25 copayment

Counts toward OOP Limit

Out-of-Network Physician

Doctor's Bill: \$200
Plan Allowed Amount: \$100

Plan Pays: \$50



Patient pays: \$150
(50% + \$100)

Does not count toward OOP limit



Example: Reyes Family



Mrs. Reyes is in her second year of treatment for breast cancer, which will cost \$44,322 (reflecting insurer discounts). Her family has income of \$47,000/year, or about 200% FPL. They are enrolled in a silver plan with a cost-sharing reduction.

The middle column (at right) shows Mrs. Reyes' out-of-pocket costs if she uses in-network providers, while the column on the far right shows her costs if she sees out-of-network providers.

	Plan A In-Network CSR-87% AV	Plan A OON
Deductible	\$250 individual \$500 family	\$10,000 family
Physician visit	\$15	50%
Specialist visit	\$35	50%
Prescription drugs	\$8 /\$20/\$40	50%
Family pays	\$1,850	\$27,160

Source for example costs and course of treatment: "Coverage When It Counts," Pollitz et. al., 2009.



Evaluating Plans Based on Drug Formulary

- Does the plan cover all of the drugs a person expects to need?
- What cost-sharing charges will the consumer pay for his drugs under the plan?



Evaluating Plans Based on Drug Formulary

Health Plan A



Tier 1: \$10

Tier 2: 20%

- Drug X
- Drug Y

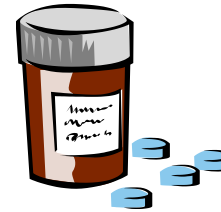
Tier 3: 30%

John's monthly cost: \$360 (coinsurance + full cost of Drug Z)

John regularly takes three prescription drugs. Total monthly prices are:
\$100 for Drug X
\$200 for Drug Y
\$300 for Drug Z



Health Plan B



Tier 1: \$15

Tier 2: \$40

- Drug Y
- Drug Z

Tier 3: 50%

- Drug X

John's monthly cost: \$130 (copays + coinsurance)



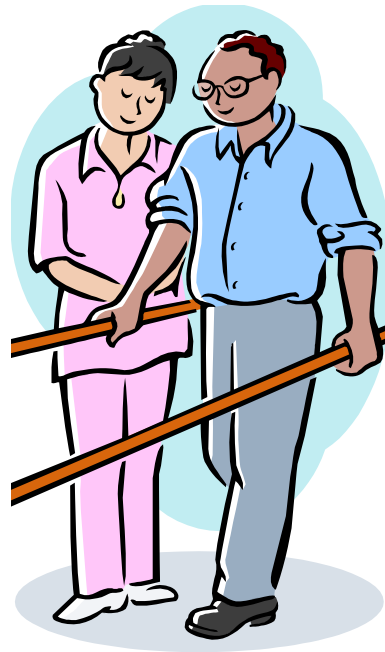
Evaluating Plans Based on Scope of Benefits

Health Plan A

\$25 copay

25 visits per year

Patient pays: \$2,125
(\$625 in copays + \$1,500 for uncovered visits)



Health Plan B

\$25 copay

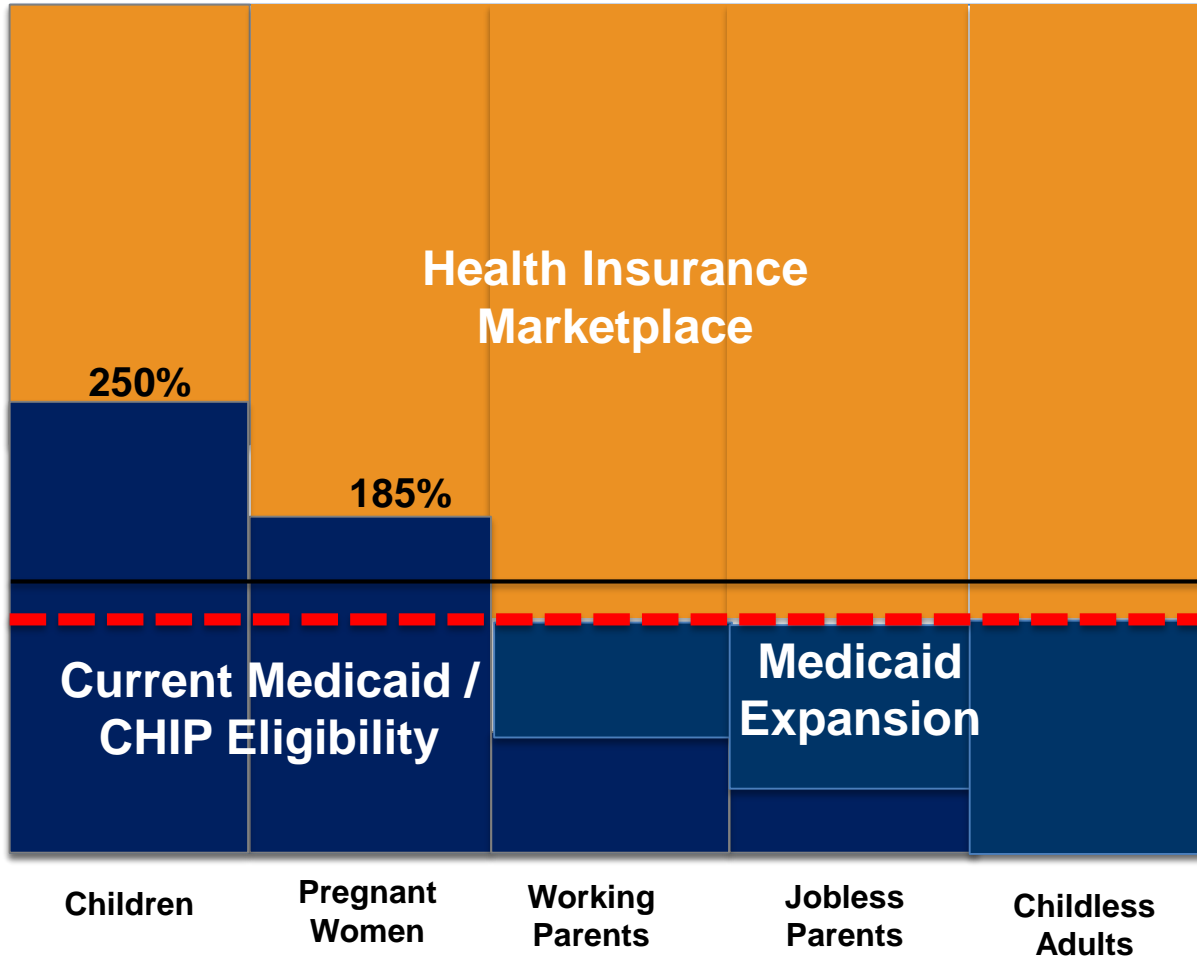
40 visits per year

Patient pays: \$1,000
(40 x \$25 copay)

John expects to need 40 visits of physical therapy during the year, at a charge of \$100 each.



Evaluating Plans Based on Participation in Medicaid/CHIP










150%
133%

- Lisa and Simon, mom and son
- Income of \$23,265 (150% FPL)
- Simon is eligible for CHIP, Lisa is eligible for exchange subsidies.



Evaluating Plans Based on Participation in Medicaid/CHIP

	Health Insurance Marketplace	Medicaid/CHIP
	✓	
	✓	✓
	✓	
	✓	✓
	✓	
	✓	✓
	✓	



Lisa might choose an exchange plan from the same carrier that provides her son’s CHIP plan and has the same or a similar provider network.



Plan Selection: Key Questions

- Is the person eligible for premium credits or cost-sharing reductions?
 - This may make some coverage tiers (i.e., silver) more attractive than others.
- What is most important to the person who is looking for a plan?
 - Low premium? Low cost-sharing charges?
- What health care does the person expect to use during the year?
 - Looking for plans that cover specific providers, medications, etc., may be important.



The Plan Selection Process: Shopping with John



Health Plan Shopping with John



John's goals - obtain a plan that is:

- as affordable/inexpensive as possible
- covers most of his providers and medications
- doesn't have an excessively high cost-sharing amounts



Health Plan Shopping with John

Applying for and obtaining the APTC amount

Age: 30

FPL: 200%

Household size: 1

Tax Credit: \$1,978

Income: \$22,980



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Health Plan Shopping with John

Filtering health plans options to narrow the search



<u>Age:</u>	30	<u>FPL:</u>	200%
<u>Household size:</u>	1	<u>Tax Credit:</u>	\$1,978
<u>Income:</u>	\$22,980		
<u>Health Conditions:</u>	asthma, sprained knee		

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FILTERS ▼

Browse plans

Based on the information you entered, the plans listed below should be available to you. The premium costs you see are only estimates and don't factor in any financial help you might get.

1 - 10 of 28 plans
10 per page ▼
Price: Low to High ▼

« Previous
Next »

Plan level ▼

- All Plan Levels
- Bronze
- Silver
- Gold
- Platinum
- Catastrophic

Deductible ◀

Out-of-pocket max ◀

Insurance company ◀

Plan type ◀



Health Plan Shopping with John

Evaluating the few options that result from the filter search



	Health Plan A	Health Plan B	
	Bronze	Bronze	Silver-CSR
Monthly Premium	\$72	\$97	\$121
Deductible	\$3000	\$2000	\$250
Maximum OOP limit	\$6,350	\$5,000	\$2,000
Inpatient hospital	50% of the charge	50% of the charge	\$250/ admission
Office visit	\$35	\$30	\$15
Doctors in network?	no	yes	yes
Prescriptions covered?	some	all	all
Physical therapy visit limits	12	12	20



Health Plan Shopping with John

Selecting a health plan that meets his needs

John may opt for the Bronze plan from Health Plan B, which balances his goals of finding the most inexpensive plan that covers his providers and medications while not having the highest cost-sharing.



	Health Plan A	Health Plan B	
	Bronze	Bronze	Silver-CSR
Monthly Premium	\$72	\$97	\$121
Deductible	\$3000	\$2000	\$250
Maximum OOP limit	\$6,350	\$5,000	\$2,000
Inpatient hospital	50% of the charge	50% of the charge	\$250/ admission
Office visit	\$35	\$30	\$15
Doctors in network?	no	yes	yes
Prescriptions covered?	some	all	all
Physical therapy visit limits	12	12	20



Completing the Enrollment Process



Initial Open Enrollment





When does coverage start?



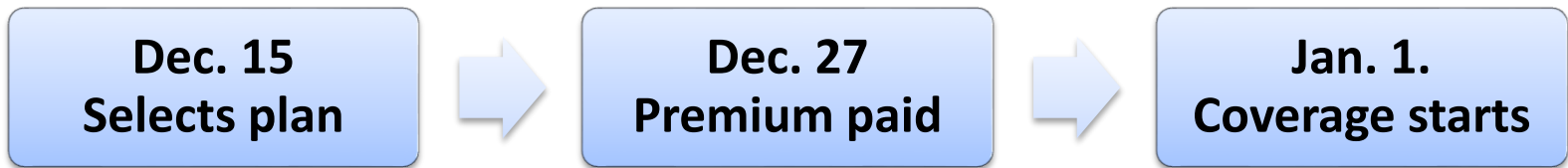
- Plan selection date determines when coverage will take effect.
- Coverage will start on schedule only if the enrollee pays the first month's premium on time.
- Deadlines for the first month's premium are typically set by the insurer.
- Coverage may be cancelled if the first month's premium is late.

Plan Selection Date	Coverage Effective Date
Nov. 1, 2013	Jan. 1, 2014
Dec. 15, 2013	Jan. 1, 2014
Dec. 31, 2013	Feb. 1, 2014
March 31, 2014	May 1, 2014

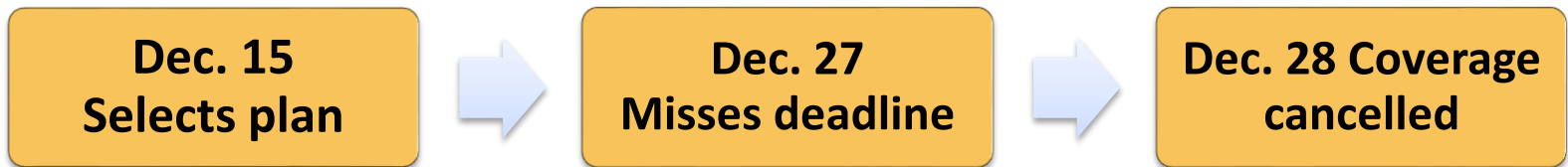


Examples: Paying the First Month's Premium

Scenario #1



Scenario #2



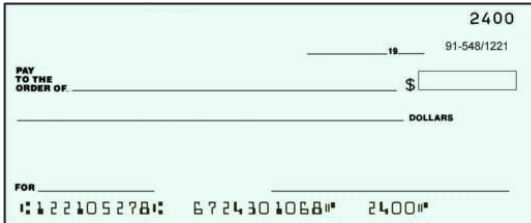
Scenario #3



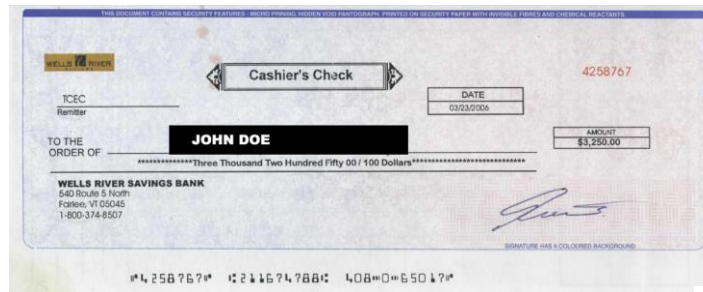


Methods of Premium Payment

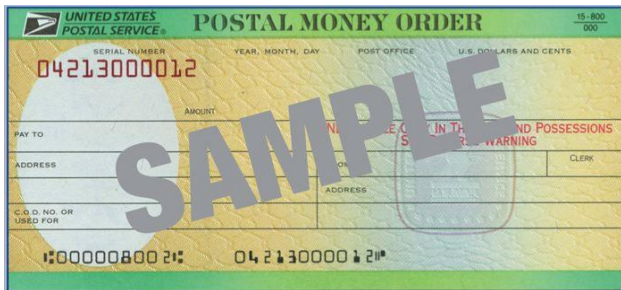
Marketplace insurers must accept (45 CFR 156.1240)



paper check



cashier's check



money order



Electronic Fund Transfer (EFT)



pre-paid debit card



Methods of Premium Payment

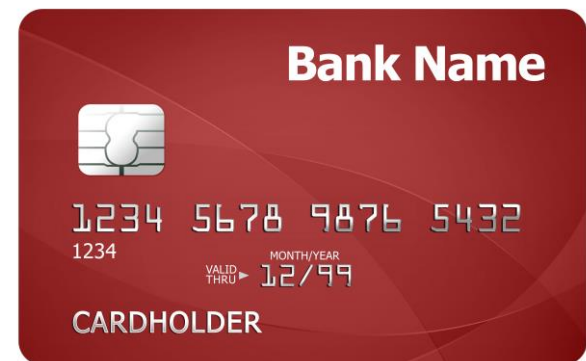
Marketplace insurers may accept additional forms of payment



cash



credit card



bank debit card



Completing Enrollment: Key Takeaways

- People should not wait too long to apply for subsidies.
- For coverage to begin January 1, they must pick a plan no later than December 15.
- March 31 is the last day to pick a plan for 2014.
- The first month's premium must be paid on time or coverage could be at risk.



Contact Info

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