

Healthcare Reform and You

How the ACA changes everything



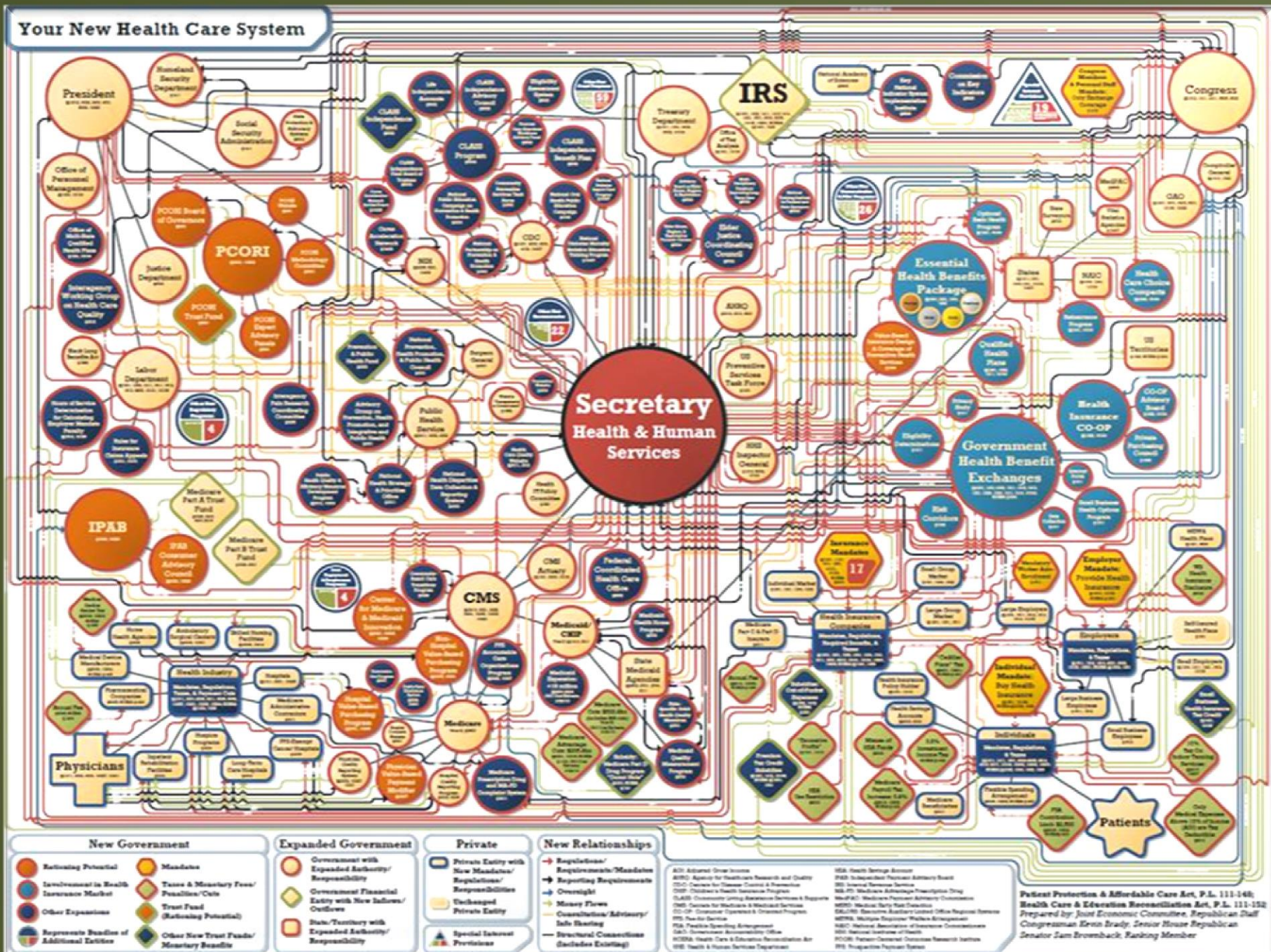
CICERO
INSURANCE
AGENCY

Key Questions

- 1) What do I need to know about the Law?
- 2) How will this affect my rates?
- 3) What should I do?



Your New Health Care System



THE BIG PICTURE

- Every American not covered under a government plan will have three options for health insurance in 2014:
- Get coverage through their employer (if available)
- Buy an Individual market plan through either:
 - The individual market exchange – Purchaser may be eligible for subsidy
 - The off-exchange market
- Go un-insured (will pay penalty unless they qualify for an individual exemption)

Penalties for Individuals



Health Care Reform Update

2010

- PPACA
- Benefit Provisions
- Grandfathered Plans
- Early Retiree Reinsurance
- Rate Review

2011

- **Minimum Medical Loss Ratios**

2012

- W-2 Reporting
- **Comparative Effectiveness Research Fees**
- Summary of Benefits and Coverage
 - **FSA Limitations**
- Notice of material modification

2014

- Individual Mandates
- **Guarantee Issue**
- **Community Rating**
- **New Product Requirements**
- Insurance Exchanges
- **Essential Benefits**
- Subsidies
- **Insurance Fee**

2015

- Employer Mandate

Negatively impacts the price of health care coverage

Underwriting changes

Guaranteed Issue

Small group and individual markets

- 2015 Rates will be based on:
 - Age – 3:1 ratio
 - Family size
 - Where you live
 - Tobacco use – 50% rate up



No health status rating

Also known as
modified community rating

INDIANA:

Divided into
17 Regions

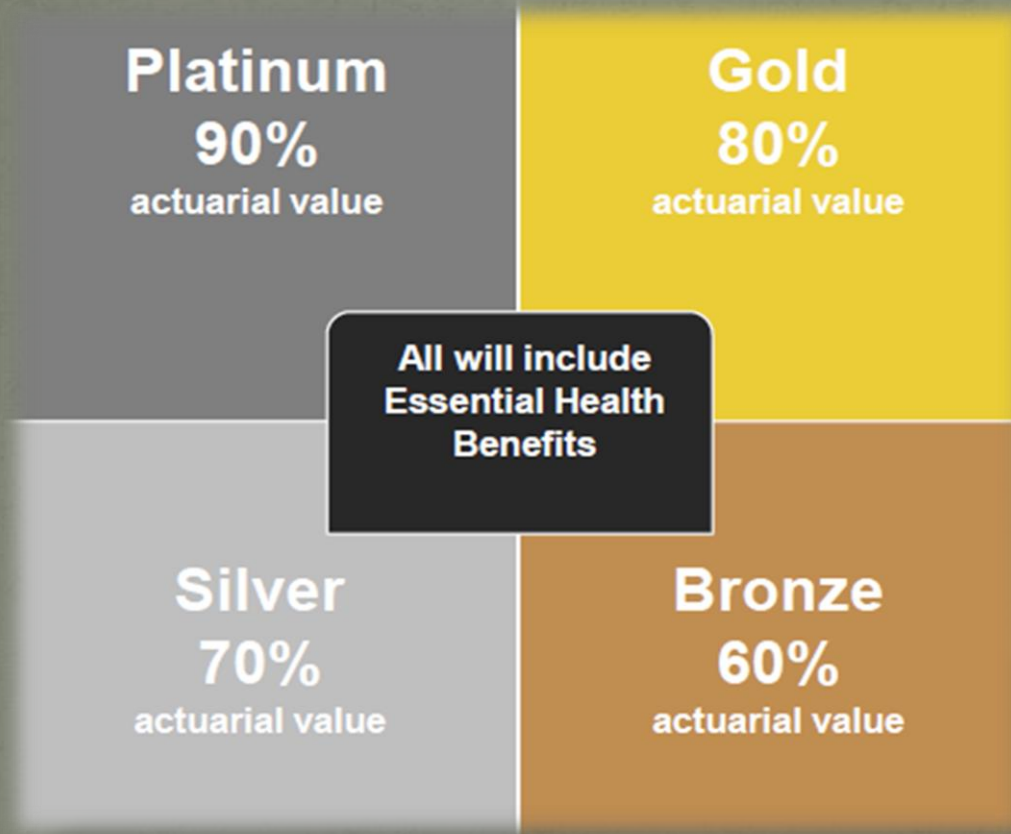


How Carriers Have Responded

- Increased premiums
 - 2x or 3x pre-ACA rates
- Smaller coverage area
 - Exit certain state markets
 - Non-exchange participating
- Narrow Networks
 - You CAN'T always keep your doctor
 - Forces high-risk to larger carriers



New Health Plan Design



Plus catastrophic plan offering for individuals younger than 30/financial hardship

$$\text{Actuarial Value} = \frac{\text{Total Expected Payments by Health Plans for EHBs}}{\text{Total Costs of EHBs for the Standard Population}}$$

Essential Health Benefits (EHBs)

Ambulatory Patient Services

Emergency Services

Maternity and Newborn
Care

Pediatric Services including
dental and vision care

Rehabilitative/ habilitative
services and devices

Mental Health/Substance Abuse
disorder services, including
behavioral health treatment

Preventive/wellness services
and chronic disease
management

Hospitalization

Prescription Drugs

Lab Services

Note: These do not apply to Large Group Plans

Subsidies for Individuals

- **For exchange plans only**

- To be eligible, individuals must:
 - Have incomes between 100% and 400% of federal poverty level (FPL)
 - Not have access to minimum essential coverage through their employer or have access to coverage, but is deemed 'unaffordable'
 - Premium on only the covered employee > 9.5% of annual income
- **Premium credits** – for any level plan- Premium cap based on where people fall within the FPL.
- **Cost-sharing subsidies** – silver plan only- Increased actuarial for people on the low end of the FPL.

Income ranges from
138% to 400% FPL

Individual:
\$16,404 to \$44,680

Family of four:
\$32,913 to \$95,400

*Based on 2015 guidelines for
the 48 contiguous states and
D.C.*

2015 FPL Subsidy Table

House Size	138%	150%	200%	250%	300%	400%
1	\$16,404	\$17,505	\$23,340	\$29,175	\$35,010	\$46,680
2	21,707	23,595	31,460	39,325	47,190	62,920
3	27,310	29,685	39,580	49,475	59,370	79,160
4	32,913	35,775	47,700	59,625	71,550	95,400
5	38,515	41,865	55,820	69,775	83,730	111,640
6	44,118	47,955	63,940	79,925	95,910	127,880
7	49,721	54,045	72,060	90,075	108,090	144,120
8	55,324	60,135	80,180	100,225	120,270	160,360

A Service & Protection

- Over 700 fraudulent websites have been discovered
 - Look like legitimate exchanges but are 'fishing' for your private information.
 - Social-Media links must not be trusted as a valid source
 - .gov vs. .com, .us, .ssg
- Use a Licensed Agent!
 - We not only handle the task but also protect you from risk

