

# The Health Insurance Marketplace

Presented by

Monica J. Lindeen  
Commissioner of Securities and Insurance  
Montana State Auditor

June 25, 2013



**The Exchange**



**The Health  
Insurance  
Marketplace**

# Overview of the Marketplace

## What is the Marketplace?

- An online market where private insurers compete for consumers' business
- Gives consumers information to compare private insurance on apples-to-apples basis
- There are two markets: individual and SHOP
- The Small Business Health Options Program (SHOP) will be available for small businesses (less than 50)

# Overview of Marketplaces

## Benefits for consumers, businesses and industry

- Premium tax credits and subsidies for consumers will only be available through the marketplace
- Tax credits for small businesses will only be available through the SHOP
- Level playing field encourages competition and efficiency

# Timeline for Implementation

- **April - July 2013** – Insurers provide information necessary to participate in the marketplace, including provider network, rates, plan features, etc.
- **Aug. 2013** – HHS tests the display and accuracy of Insurers' plan information

# Timeline for Implementation

- Oct. 2013 – March 2014 – Individuals and families shop for and enroll in plans (known as the open enrollment period)
- Jan. 1, 2014 – Plans purchased on the Marketplace take effect

# Participating Insurers

Three companies have filed products to be sold on the marketplaces:

- Blue Cross Blue Shield
- PacificSource
- The Montana Health CO-OP

# Marketplace Premiums

- Pursuant to state law, insurers have submitted rates to the CSI
- Contracted actuaries are reviewing rates
- Early analysis shows a range of rates:

Rate Range by Age	Individual Market	Small Group Market
Age 25	\$141 to \$299	\$178 to \$327
Age 40	\$179 to \$381	\$227 to \$417
Age 55	\$313 to \$664	\$396 to \$727



# Marketplace Premiums

	Metal Tier	Range	Average
Age 25	Bronze	\$156 to \$210	\$180
	Silver	\$190 to \$243	\$215
	Gold	\$210 to \$299	\$255
Age 40	Bronze	\$198 to \$268	\$229
	Silver	\$242 to \$310	\$273
	Gold	\$267 to \$381	\$325
Age 55	Bronze	\$346 to \$467	\$400
	Silver	\$423 to \$540	\$477
	Gold	\$465 to \$664	\$567

# Federal Tax Credits & Subsidies

- Tax credits for premiums in the individual market are provided on a sliding scale to people with income between 400% and 100% of the federal poverty level (FPL)
  - “Advanceable credits” are an option
- Those with income between 250% and 100% of FPL will also receive assistance with their cost sharing (co-pays, deductibles, etc.)

# Tax Credit Levels

Income Level	Maximum You Pay for Premium
100-133% of FPL	2% of income
133-150% of FPL	3-4% of income
150-200% of FPL	4-6.3% of income
200-250% of FPL	6.3-8.05% of income
250-300% of FPL	8.05-9.5% of income
300-400% of FPL	9.5% of income

# Federal Poverty Levels

Household Size	100%	150%	200%	250%	300%	400%
1	\$11,490	\$17,235	\$22,980	28,725	\$34,470	\$45,960
2	15,510	23,265	31,020	38,775	46,530	62,040
3	19,530	29,295	39,060	48,825	58,590	78,120
4	23,550	35,325	47,100	58,875	70,650	94,200
5	27,570	41,355	55,140	68,925	82,710	110,280
6	31,590	47,385	63,180	78,975	94,770	126,360
7	35,610	53,415	71,220	89,025	106,830	142,440
8	39,630	59,445	79,260	99,075	118,890	158,520

For families with more than 8 members, add \$4,020 for each additional member

# Individual Marketplace

First open enrollment begins October 1, 2013 – March 30, 2014

## I am likely :



- Employed, but my employer does not offer a health plan;
- Sole proprietor or self-employed;
- Uninsured and new to the insurance market
- Previously insured through high-risk pools or in the individual market;
- Employed by a business that offers a health plan, but my premium is more than 9.5% of my household income. I may qualify for a premium tax credit to buy a plan.

# Individual Marketplace



## When I first log onto the Marketplace:

- I will be screened to check if I am eligible for Medicaid or if my dependents are eligible for Healthy Montana Kids
- There will be a seamless transition to enroll in assistance programs to get coverage
- My income will be evaluated to see if I am eligible for premium tax credits or affordability credits to purchase private coverage
- Uniform application
- Streamlined eligibility process

# Individual Marketplace

Now I am ready to shop for insurance in the Marketplace:

Each plan will have a platinum, gold, silver or bronze tier rating.



**PLATINUM:** 90 % of medical costs paid by plan  
10 % of medical costs paid by consumer

**GOLD:** 80% of medical costs paid by plan  
20% of medical costs paid by consumer

**SILVER:** 70% of medical costs paid by plan  
30% of medical costs paid by consumer

**BRONZE:** 60% of medical costs paid by plan  
40% of medical costs paid by consumer

*Actual cost-sharing may vary within tiers*

*Catastrophic plans are available to those exempt from the mandate (premium is not affordable, even with credits) and those under age 30.*

# Individual Marketplace

I decide that I can afford a plan in the Silver Tier:



SILVER:

Company A Plan 1

Company A Plan 2

Company B

Company C



# Individual Marketplace

I decide to purchase a plan based on my health needs:



## All Plans include:

- a defined package of benefits that includes essential health benefits;
- a premium based on my age, number of dependents and whether I smoke, less any tax credit that I am eligible to receive;
- a network of providers specific to my circumstances;
- a package of services specific to my current needs;
- an affordability subsidy to assist with out-of-pocket costs if my income is between 250% and 100% of FPL.

# Essential Health Benefit Categories

All plans must cover the following:

- Ambulatory patient services
- Emergency services
- Hospitalization
- Maternity and newborn care
- Mental Health and substance abuse disorder services, including behavioral health treatment

# Essential Health Benefits (*cont.*)

All plans must cover the following:

- Prescription drugs
- Rehabilitative and habilitative services and devices
- Laboratory services
- Preventative and wellness services and chronic disease management
- Pediatric services, including oral and vision

# SHOP Marketplace



In the SHOP Marketplace, businesses:

- are small employers with less than 50 employees (100 in 2016)
- can easily compare (on apples-to-apples basis) health coverage for employees and dependents the same as in the individual Exchange
- employers may be eligible for a federal tax credit

# Federally Facilitated Marketplace

The Federal Government is currently:

- Building and testing the IT infrastructure that will drive the marketplaces
- Preparing for the necessary public education and promotion of the marketplaces
- Reviewing applications for the Navigator grants
  - Grants awarded on Aug. 15

# Navigators and Agents

## Similarities and Differences

- Both navigators and agents help consumers find and understand insurance
- Navigators operate only within the marketplace
- Unlike agents, navigators cannot be compensated via commissions
- States cannot require that navigators be licensed producers

# Navigators, Assistors and CACs

The ACA allows for three new consumer assistance roles

- Navigators – contracted through HHS
- Assistors – only available in state-based and partnership exchanges
- Certified Application Counselors – not paid by exchange or federal grants
  - Intended for medical providers and community groups

# Navigator State Registration

- All navigators, CACs, and other assisters must complete Montana-specific training
- Agents/brokers must complete federal and state training to sell products through the marketplace
- CSI is developing state-specific training materials
- CSI will post a list of all certified navigators, CACs, and agents/brokers



# Transition to State-Based Exchange

- A state that does not have state-based exchange may seek approval to operate a state-based exchange after 2014
- The state's exchange plan must be approved prior to January 1 of the year before the first coverage sold through the exchange would be effective
- States must work with HHS to develop a transition plan

# Individual Mandate

The IRS will be responsible for enforcing the individual mandate

- Assessed on tax returns for individuals who meet the requirement
- No criminal penalties for failing to pay the individual mandate tax

# Individual Mandate Exemptions

- Individuals and families are exempt if:
  - The cost of insurance premiums exceed 8% of income (after tax credits)
  - They don't earn enough to file a tax return
  - They earn less than the Federal Poverty Line

# Contact CSI

800-332-6148

406-444-2040

[www.csi.mt.gov](http://www.csi.mt.gov)