



# **Overview of the ACA and Wisconsin Medicaid Reforms**

Covering Kids & Families – Wisconsin

Wisconsin Primary Health Care Association

# Topics to be Covered

- What is the ACA?
- Wisconsin Medicaid Reforms
- Marketplace
- Enrollment and Transition Timeframes
- Regional Enrollment Networks
- Navigators, CACs, Agents/Brokers and other enrollment assisters and mobilizers
- Next Steps

# What is the Affordable Care Act?

Also known as the Patient Protection and Affordable Care Act, ACA, ObamaCare and the Health Reform Law, it:

- Provides new rules to improve the overall health care system
- Improves coverage for those with health insurance
- Provides coverage for people who are uninsured or looking for new coverage, beginning in 2014

# ACA - Current Provisions

- Free preventive care for those with insurance, including Medicare
- Financial assistance for seniors for prescription drugs
- No lifetime limits on coverage of essential benefits
- Young adults on parent's private insurance plans until age 26
- Children cannot be denied coverage for having pre-existing conditions
- Tax breaks for small businesses to provide coverage
- Increased funding to community health centers and programs through Prevention and Public Health Fund

# ACA - 2014 Provisions

- Adults cannot be denied coverage for pre-existing conditions. Annual limits on insurance coverage eliminated
- Individuals are required to have insurance or pay a fee
- Medicaid eligibility may change, based on each state's decision
- Establishment of Health Insurance Marketplace/Exchange and the Small Health Options Program (October 1, 2013)
- Government will provide tax credits to purchase coverage for individuals within specific income ranges

# Small Business Tax Credits

- Small businesses with fewer than 50 employees are not mandated to provide insurance coverage, but tax credits are available to offset the costs.
- Employees of small businesses may be eligible for tax credits to purchase insurance on their own if their employer chooses not to provide it.



# Small Business Tax Credits

Since the passage of ACA in 2010, some small businesses that offer healthcare coverage have been eligible for a tax credit.

To qualify, a small business must:

- Have fewer than 25 full-time equivalent employees
- Pay average annual wages below \$50,000 per FTE
- Contribute at least 50% of each employee's premium

## **Notes:**

\*Owners are excluded, and should not be counted in number of employees, wages, or premium contribution amount.

\*Tax credits can't be larger than actual income tax liability.

Small Business Majority tax credit calculator:

<http://www.smallbusinessmajority.org/tax-credit-calculator/>

# SHOP

❖ The ACA creates an online Small Business Health Options Program (SHOP) where small businesses and employers can compare their options and purchase insurance beginning in 2014.



❖ Beginning in January 2014, small employers will be able to enroll employees in the SHOP but the ability for individual employees to select their own plan in the SHOP has been delayed.

# The Individual Mandate

*Most* individuals will be required to have insurance or pay a tax penalty/fee

- 2014: \$95 per adult or 1% of income
- 2016: \$695 per adult or 2.5% of income

Some individuals may be **exempt**, including:

- Religious conscience;
- Membership in a health care sharing ministry;
- Member of an Indian tribe;
- Hardship (based on personal circumstance or a lack of affordable coverage); and
- Ineligible for Medicaid based on a state's decision not to expand

# Access to Health Insurance



Employer  
Coverage

New Marketplace  
Coverage/Exchange

Public Programs  
(Medicaid/Medicare)



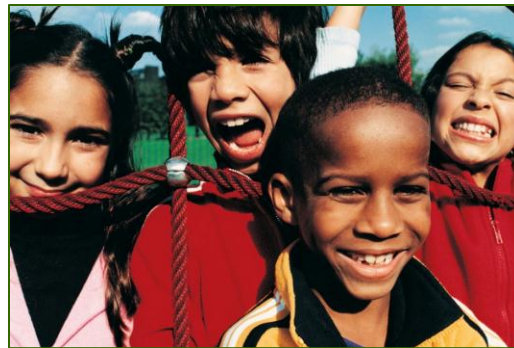
Updated September 6, 2013

# Medicaid Reforms

- The ACA gives states the option to expand Medicaid programs to all individuals below 133% of the Federal Poverty Level (FPL)
- Wisconsin's administration has decided not to accept the federal Medicaid expansion and instead will implement Medicaid reforms that expand BadgerCare+ eligibility for some and eliminate coverage for others
- Changes are pending federal CMS approval

# What is BadgerCare+?

- Wisconsin's Medicaid program for children, families and pregnant women
- Provides comprehensive coverage with limited cost-sharing
- Approx 30% of Milwaukee county residents receive coverage through BadgerCare+



Updated September 6, 2013

# Current BC+ Eligible Groups



	<p>↑ <b><u>No Income Limit</u></b></p>		
300% Federal Poverty Level		300%	
200% Federal Poverty Level			200%
100% Federal Poverty Level			200%
	<p><b>CHILDREN</b> (up to age 19) - Youth exiting foster care (up to age 21)</p>	<p><b>PREGNANT WOMEN</b></p>	<p><b>PARENTS/ CARETAKER RELATIVES</b></p>
		<p>Updated September 6, 2013</p>	<p><b>ADULTS WITHOUT DEPENDENT CHILDREN</b></p> <p><i>Currently a waitlist (waitlist discontinued on 9/28/13)</i></p>

*BadgerCare+  
Core*

# BC+ Changes - Eligibility

BadgerCare+ eligibility for adults will change to 100% FPL on January 1, 2014

- All adults below 100%, with or without dependent children, will be eligible
- Parents and caretakers with incomes over 100-200%FPL will no longer be eligible for BadgerCare+ but can get coverage through the Marketplace

# BC+ Changes –Eligibility

- Children in households above 300% FPL will no longer be eligible
- Young adults leaving foster care will be eligible regardless of income until age 26
- Eligibility rules do not change for pregnant women, people with disabilities and people over the age of 65

# BC+ Changes – Countable Income

- Modified Adjusted Gross Income (MAGI) will be used to calculate countable income
- MAGI rules rely on tax relationships to determine household composition
- MAGI rules align with the tax-based rules used in the Marketplace
- ACCESS online application will be updated to gather tax information

# BC+ Changes – Countable Income

- Countable income = taxable income
- Income no longer counted
  - Child support
  - Workers compensation
  - Veterans benefits
- Self employment - allowed expenses
  - Depreciation
  - Depletion
  - Other business expenses

# BC+ Changes – Income Deductions

- Allowed Tax deductions listed on tax form 1040:
  - Student loan interest paid
  - Higher education expenses
  - Self-employment tax
  - Certain retirement contributions
  - Alimony payments
- Itemized deductions are not allowed
- Child support payment deductions no longer allowed

# BC+ Changes – Coverage

- Currently, recipients are enrolled in either BadgerCare+ Standard, Benchmark, Core or Basic plans
- The Core and Basic plans, which cover childless adults below 200% FPL, will end Dec. 31, 2012
- Core and Basic enrollees below 100% FPL will be eligible for BadgerCare+, those above, will go to the Marketplace
- All BadgerCare+ recipients will be enrolled in the Standard plan and will receive the same covered services

# Proposed BadgerCare+ Groups, 2014

300% Federal Poverty Level	300% Premiums start at 200%	300% Premiums start at 200%		
200% Federal Poverty Level				
100% Federal Poverty Level			100% No premiums	100% No premiums
	<b>CHILDREN</b> (up to age 19) - Youth exiting foster care (up to age 26)	<b>PREGNANT WOMEN</b>	<b>PARENTS/ CARETAKER RELATIVES</b>	<b>ADULTS WITHOUT DEPENDENT CHILDREN</b>  <i>Previously BC+ Core No waitlist</i>

# Annual Income Categories: Federal Poverty Level (FPL), 2013

Group Size	100% FPL	133% FPL	200% FPL	300% FPL	400% FPL
1	\$11,490	\$15,282	\$22,980	\$34,470	\$45,960
2	\$15,510	\$20,628	\$31,020	\$46,530	\$62,040
3	\$19,530	\$25,975	\$39,060	\$58,590	\$78,120
4	\$23,550	\$31,322	\$47,100	\$70,650	\$94,200
5	\$27,570	\$36,668	\$55,140	\$82,710	\$110,280
6	\$31,590	\$42,015	\$63,180	\$94,770	\$126,360

For a family of 4 at 200% of the FPL, that is \$47,100 per year

# What do families need to know?

- Families will be notified by mail if there are changes to their BadgerCare+ benefits
  - ✓ Notices mailed in September and November
- Parents will either remain with BadgerCare+ coverage *or* will apply to receive their coverage through the Marketplace

# What do families need to know?

- Families can continue to apply and manage their BadgerCare+ benefits online at [www.access.wi.gov](http://www.access.wi.gov) or can also go to the Marketplace website at [www.healthcare.gov](http://www.healthcare.gov)
- DHS estimates that the new enrollment system will be ready to process Medicaid applications beginning November 18<sup>th</sup> for January 1<sup>st</sup> eligibility
- The Medicaid application process can start in the Marketplace when open enrollment begins October 1<sup>st</sup> but the actual Medicaid application will not be processed until November 18<sup>th</sup>

# Access to Health Insurance



Employer  
Coverage

New Marketplace  
Coverage/Exchange

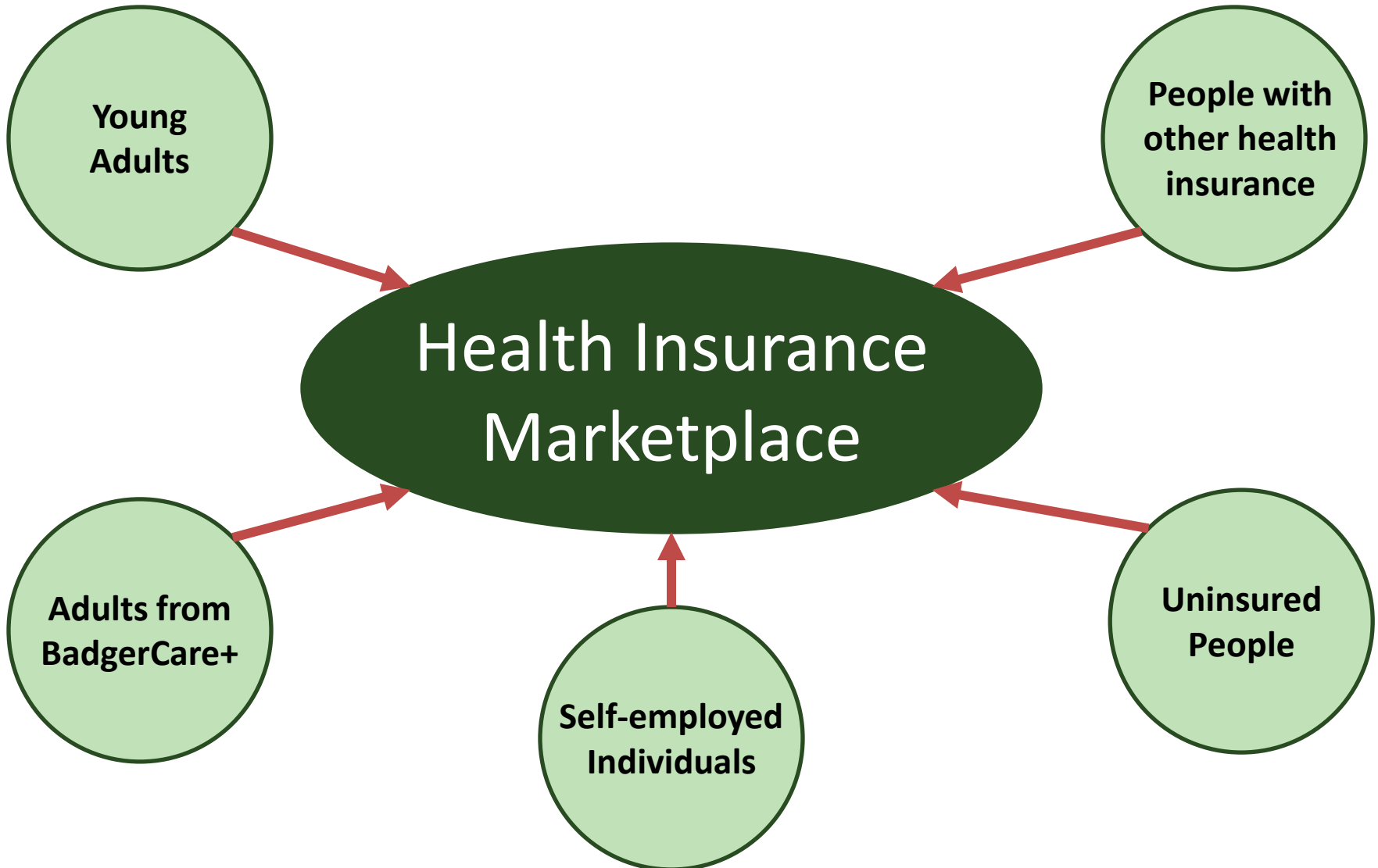
Public Programs  
(Medicaid/Medicare)



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# Who is Coming To the Marketplace?



# The Marketplace/Exchange

HealthCare.gov

Learn

Get Insurance

Español

Individuals & Families

Small Businesses

All Topics ▾

Search



Welcome to the new  
**HealthCare.gov!**

We've changed to help you get ready for the launch of the Health Insurance Marketplace on October 1.  
[Learn about our changes](#)—including where to find some content that used to appear on this site.

## The Health Insurance Marketplace is Coming Soon

A new way to get affordable coverage launches October 1.

Answer a few questions to see your options.

**START NOW**

GET IMPORTANT NEWS & UPDATES

Email Address

**SIGN UP**



What is the Health Insurance Marketplace?

How do I find the Marketplace that serves me?

What if I have job-based insurance?

How can I get coverage at lower costs?

What do small businesses need to know?



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# The Marketplace/Exchange

- A website people can go to compare insurance plans, purchase healthcare coverage and apply for discounts (tax credits) on their premiums
- Citizens who are not incarcerated and do not have access to affordable insurance through their employer can access the Marketplace
- In the Marketplace, an individual or family can apply for:
  - Medicaid (BadgerCare+)
  - Private plans with tax credits
  - Catastrophic plans

# The Marketplace/Exchange

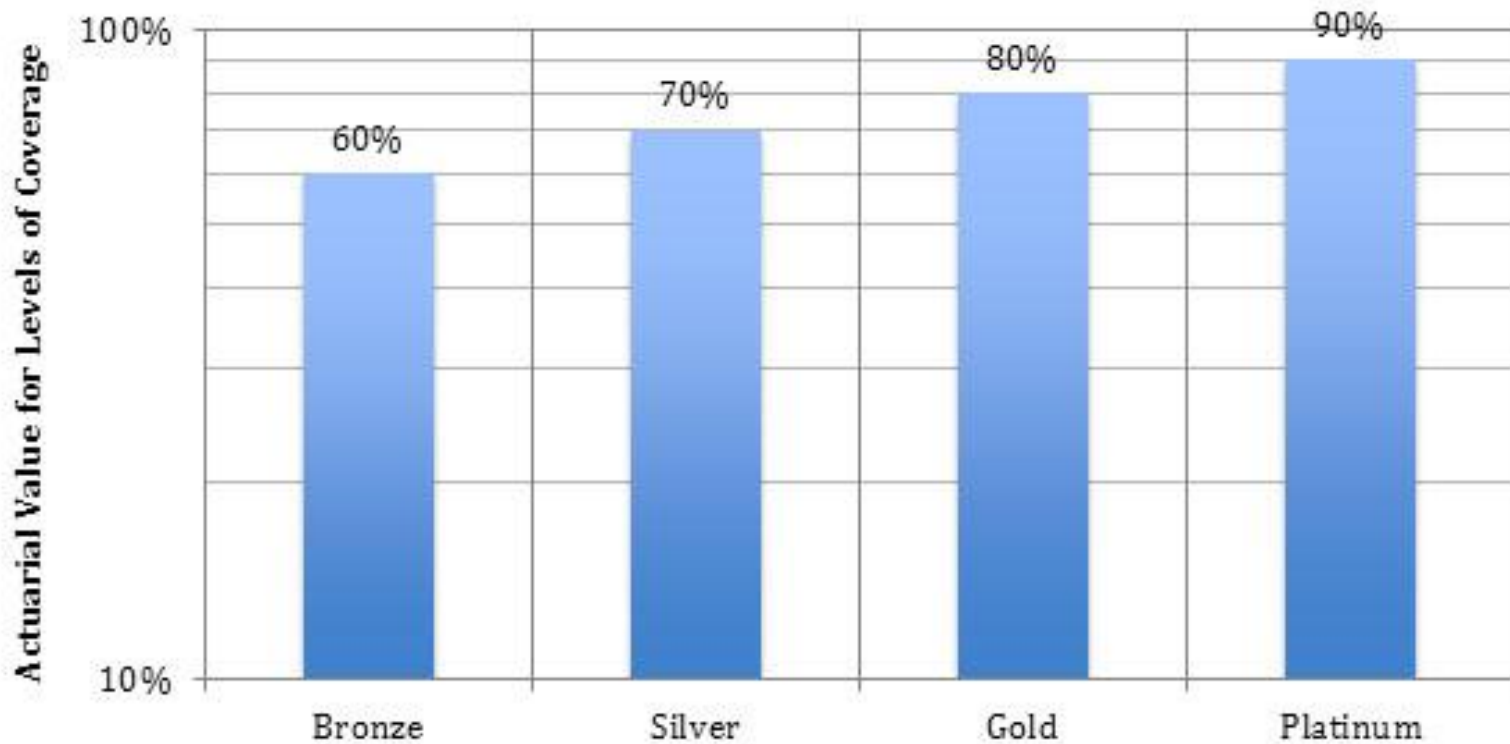
- Marketplaces are managed either by the state or the federal government. Wisconsin's will be managed by the federal government
- Housed at [www.healthcare.gov](http://www.healthcare.gov)
- Active by October 1, 2013
- Call center recently established
  - 1-800-318-2596

# Insurance Plans in the Marketplace

- Insurance plans available through the Marketplace must be qualified and cover 10 essential health benefits
- People can choose which plan works for them based on its value and cost
- Plans are categorized as Platinum, Gold, Silver, or Bronze
  - Platinum will provide the most coverage at the highest cost to the consumer

# Metal Tiers

**Actuarial Values for Levels of Coverage Provided  
by Qualified Health Plans**



# Essential Health Benefits

Qualified Health Plans in the Marketplace must cover:

ambulatory patient services	pediatric services, including oral and vision care
emergency services	maternity and newborn care
mental health and substance use disorder services	prescription drugs
rehabilitative and habilitative services and devices	laboratory services
preventive and wellness services	chronic disease management

# Catastrophic Plans

- A high-deductible-low-premium plan for young adults under age 30 or qualify for a hardship exemption; includes free preventive care; available inside or outside the Marketplace
- *Advantage:* Beneficial for people who cannot afford traditional plan premiums or who are healthy and do not need routine care
- *Disadvantage:* Costs for routine care before the deductible is met can accumulate rapidly, no premium assistance available

# WI Insurers *Requesting* Marketplace Participation

Common Ground Healthcare Cooperative

Compcare Health Services Insurance Corporation

Dean Health Plan, Inc.

Group Health Cooperative of South Central Wisconsin

Gundersen Health Plan, Inc.

Health Tradition Health Plan

Medica Health Plans of Wisconsin

MercyCare HMO, Inc.

Molina Healthcare of Wisconsin, Inc.

Physicians Plus Insurance Corporation

Security Health Plan of Wisconsin, Inc.

Unity Health Plans Insurance Corp.

Arise (WPS Health Plan, Inc.)

\*Still must go through the federal review process, will be finalized in September

# Cost of Marketplace Coverage

- Cost is influenced by: tobacco use, geographic location, age and number of plans in the Marketplace
- Costs will vary based on the insurance plan and tier of coverage chosen
- The most an individual will pay is a percentage of their income, between 2-9.5%
  - Ex: Individuals with incomes of 133%FPL will pay 2%, individuals with incomes of 400%FPL will pay 9.5%
- Kaiser Premium Calculator provides an estimate of costs:  
<http://kff.org/interactive/subsidy-calculator/>

# Marketplace Subsidies

- Congressional Budget Office estimates that 7 out of 8 people purchasing insurance in the Marketplace will be eligible for a subsidy
- Financial assistance in the form of tax credit subsidies to help pay premiums are available for those between 100-400%FPL (\$11,490-45,960/year for an individual and \$23,550-94,200/year for a family of four)
- Discounts can be applied for at the time of application to reduce the cost of each monthly premium
- Additional cost-sharing reductions are available to those with incomes below 250%FPL

# Marketplace Subsidies

- Subsidies are not available to individuals who are:
  - eligible for Medicaid or Medicare; or
  - have access to affordable group insurance through their employer
- Employer insurance is affordable if the worker's share of the premium is less than 9.5% of household income
- Affordability calculations are based on the cost of individual coverage, not family coverage

# Limits on Out-of-Pocket Costs

Starting in January 2015, there will be a limit on out-of-pocket costs:

- \$6,350 for an individual and \$12,700 for a family
- This limit applies to co-payments and deductibles, but *not premiums*
- People with incomes below 250% FPL will get cost-sharing reductions to lower out-of-pocket costs
- Individual must be enrolled in a Silver Tier plan in order to qualify for cost-sharing reductions

Source: [http://101.communitycatalyst.org/aca\\_provisions/subsidies](http://101.communitycatalyst.org/aca_provisions/subsidies)

Exception: Some plans won't be required to implement this rule

Updated June 13, 2013

# Maximum Premiums

- The maximum an individual will pay for their premium is a percentage of their income based on cost of the Silver Plan:

Up to 133% FPL	2% of income
133 - 150% FPL	3 - 4% of income
150 - 200% FPL	4 - 6.3% of income
200 - 250% FPL	6.3 - 8.05% of income
250 - 300% FPL	8.05 - 9.5% of income
350 - 400% FPL	9.5% of income

- Calculator: <http://kff.org/interactive/subsidy-calculator/>

# 2013 Estimated Premium Payments – Individuals

Percentage of poverty line	Annual income	Percentage of income towards premiums	Annual premium due
100 - 133%	\$11,490 - \$15,282	2%	\$228 - \$300
133 - 150%	\$15,282 - \$17,235	3 - 4%	\$456 - \$684
150 - 200%	\$17,235 - \$22,980	4 - 6.3%	\$684 - \$1,452
200 - 250%	\$22,980 - \$28,725	6.3 - 8.1%	\$1,452 - \$2,316
250 - 300%	\$28,725 - \$34,470	8.1 - 9.5%	\$2,316 - \$3,264
300 - 350%	\$34,470 - \$40,215	9.5%	\$3,264 - \$3,816
350 - 400%	\$40,215 - \$45,960	9.5%	\$3,816 - \$4,368

Angeles, January. "Making Health Care More Affordable: The New Premium and Cost-Sharing Assistance."  
 Center on Budget and Policy Priorities. Updated April 3, 2013. <http://www.cbpp.org/cms/?fa=view&id=3190>.  
 (These amounts assume the coverage provisions in health reform were in effect in 2013. The 2014 FPL has not yet been calculated).

Updated August 8, 2013

# 2013 Estimated Premium Payments - Family of 4

Percentage of poverty line	Annual income	Percentage of income towards premiums	Annual premium due
100 - 133%	\$23,550 - \$31,322	2%	\$468 - \$684
133 - 150%	\$31,322 - \$35,325	3 - 4%	\$936 - \$1,416
150 - 200%	\$35,325 - \$47,100	4 - 6.3%	\$1,416 - \$2,964
200 - 250%	\$47,100 - \$58,875	6.3 - 8.1%	\$2,964 - \$4,740
250 - 300%	\$58,875 - \$70,650	8.1 - 9.5%	\$4,470 - \$6,708
300 - 350%	\$70,650 - \$82,425	9.5%	\$6,708 - \$7,824
350 - 400%	\$82,425 - \$94,200	9.5%	\$7,824 - \$8,940

Angeles, January. "Making Health Care More Affordable: The New Premium and Cost-Sharing Assistance."  
 Center on Budget and Policy Priorities. Updated April 3, 2013. <http://www.cbpp.org/cms/?fa=view&id=3190>.  
 (These amounts assume the coverage provisions in health reform were in effect in 2013. The 2014 FPL has not yet been calculated).

Updated August 8, 2013

# How the Marketplace works



## Create an account

First you'll provide some basic information. [Sign up for Marketplace](#) emails now and we'll let you know as soon as you can create an account.

## Apply

Starting October 1, 2013 you'll enter information about you and your family, including your income, household size, and more.

[Use this checklist](#) now to help you gather the information you'll need.

## Pick a plan

Next you'll see all the plans and programs you're eligible for and compare them side-by-side.

You'll also find out if you can get [lower costs](#) on monthly premiums and out-of-pocket costs.

## Enroll

Choose a plan that meets your needs and enroll!

Coverage starts as soon as January 1, 2014.

# How does it work?

## Marketplace Application Process



The screenshot shows the HealthCare.gov website interface. At the top, there is a navigation bar with "HealthCare.gov" on the left, "Learn" and "Get Insurance" in the center, and "Wishlist" and "Help" on the right. Below this is a dark blue header with "Application" selected, followed by "Application Results" and "Cancel". A "HELP" icon is also present. The main content area features a "BACK TO GET STARTED" button at the top right. On the left, a sidebar lists the application steps: "GET STARTED" (completed), "FAMILY & HOUSEHOLD" (current step), "ADDITIONAL INFO", "SPECIAL CIRCUMSTANCES", "SUMMARY", and "INCOME". The "FAMILY & HOUSEHOLD" section is expanded, showing a list of sub-steps: "1. Add all lives", "2. Special Circumstances", and "3. Summary". The main content area displays a large blue box with the heading "Family & Household" and a play button icon. The text below the heading reads: "We need to know who is included on your same Federal income tax return and all family members who live with you, even if they're not applying for health coverage. We'll match you with programs based on your income and family size, so we need this information to make sure you get the most help possible. All fields are required unless they're marked optional." At the bottom of the screenshot, a YouTube video player interface is visible, showing a play button, a volume icon, a timer at "0:00 / 6:11", and the YouTube logo.

Download (right click to save this file to your computer)

# Opportunities (AKA challenges)

- Lack of knowledge
- Vulnerable populations likely to benefit are used to a different system
- Current lack of coordination

# Limited Public Awareness

**78%**

of the uninsured don't know about the  
new health insurance marketplace

Enroll America Research, November 2012

# Four Key Messages to Reach Most Uninsured

All insurance plans will have to cover doctor visits, hospitalizations, maternity care, emergency room care, and prescriptions.

You might be able to get financial help to pay for a health insurance plan.

One of these =  
top message  
for 89% of  
population

If you have a pre-existing condition, insurance plans cannot deny you coverage.

All insurance plans will have to show the costs and what is covered in simple language with no fine print.

# DHS plans for individual BadgerCare member outreach

- September 20
  - BadgerCare letters will be sent to:
    - Basic Plan members
    - BC Extension (TMA) members
    - Core Waitlist
    - Those looking to be above 100%
- October 1
  - Individual phone calls
    - Priority 1: Individuals likely to be losing coverage
    - Priority 2: Individuals on Core waitlist
- [www.dhs.wisconsin.gov/health-care/](http://www.dhs.wisconsin.gov/health-care/)

# What's the message?

- [www.healthcare.gov](http://www.healthcare.gov)
  - November 18<sup>th</sup> caveat
  - When in doubt, always refer to healthcare.gov
  - December 15<sup>th</sup> last day to apply for coverage starting on Jan. 1
- Federal call line:
  - 800-318-2596
- Refer to [access.wi.gov](http://access.wi.gov) for:
  - Foodshare, family planning, childcare, etc.




# ACCESS

[Español](#)



Your Connection to Programs for Health, Nutrition and Child Care

Before you go to the next page:

 ACCESS will work best with Internet Explorer version 8 and 9. You may experience problems if you are using other browsers such as Firefox, Safari, or Chrome. If you have questions or need help with your application, please call Member Services at 1-800-362-3002.



## Am I Eligible?

- > Nutrition, Health & Child Care
- > Prescription Drug Plans
- > Energy Assistance
- > Tax Credits

## Apply for Benefits!

- > FoodShare
- > Health Care
- > Family Planning Waiver
- > Child Care

## Login to Account

- > Check your benefits
- > Report changes
- > Renew your benefits
- > Manage health care

OR [Create an Account](#)

Wisconsin's health, nutrition and child care programs

[Learn More](#)

### Community Partners

[Login](#)

BadgerCare+ express enrollment for Children and registration for Community Access Points

[Learn More](#)

### Providers

[Login](#)

BadgerCare+ express enrollment for pregnant women and children

[Learn More](#)

### Employers

[Login](#)

Obtain information about reporting health insurance data

[Learn More](#)

# The Health Insurance Marketplace is coming soon

A new way to get affordable coverage launches October 1.

Answer a few questions to learn if you qualify for lower costs.

[SEE YOUR OPTIONS »](#)

GET IMPORTANT NEWS & UPDATES

Email Address

[SIGN UP](#)



# Opportunities (AKA challenges)

- Lack of knowledge
- Vulnerable populations likely to benefit are used to a different system
- Current lack of coordination

# Regional Enrollment Networks

- Asset-Based Community Development model
  - Lets coordinate our resources instead of re-inventing the wheel!
- Determine how every interested organization in Wisconsin can play a role in getting people covered
- Coordinate training and resource needs

# Current Enrollment Assistance

A few examples:

- Agents and Brokers
- Hospital/Clinic enrollment staff
- Community-based organization enrollment staff
- Aging and Disability Resource Centers
- Public Health
- Veterans
- Income Maintenance Agencies

# New categories of “Enrollment Support” created by ACA

- Certified Application Counselors
  - CMS certification of CAC Organizations
  - OCI training
    - Government entities and tribes exempt!
- Navigators
  - Federal grant
  - OCI licensure



# Mobilizers



# In-Person Assistance

- Wisconsin Enrollment Directory
- E4HealthWI.org
- Navigator awardees:
  - Partners for Community Development
  - Northwest CEP
  - Legal Action of Wisconsin/Senior LAW
  - National Council of Urban Indian Health
  - National Healthy Start Association
  - R&B Solutions
- Community Health Centers



# Order Materials Online

[www.marketplace.cms.gov](http://www.marketplace.cms.gov)

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<a href="#">Logo, graphics, &amp; infographics</a>	<a href="#">Get graphics</a> >
<a href="#">Spanish materials</a>	<a href="#">Get materials</a> >
<a href="#">Other languages</a>	<a href="#">View languages</a> >
<a href="#">Other partner resources</a>	<a href="#">Get resources</a> >

# Questions/Follow-Up

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