

Health Matters

by Nancy Glicksman



A NEWSLETTER CONCERNING COVERAGE AND BENEFITS

First Quarter 2014

Health Care Reform is here. HELP!!

Unfortunately several of you have seen the impact that this law has on you. Most people originally believed that they could keep their present coverage, and that if you are an individual, family, or small business, this would not affect you. Many thought the law was geared more towards larger businesses.

As you can see, this is not the case. Everyone is impacted. Many individuals have lost their present coverage since it does not meet the Affordable Care Act (ACA) guidelines. ACA plans need to include 10 Essential Health Benefits (EHB)- ambulatory patient services, emergency services, hospitalization, prescription drugs, laboratory services, preventative and wellness services, maternity and newborn care, mental health and substance abuse services, rehabilitative and habilitative services and devices and pediatric services, including oral and vision care. A lot of plans, particularly medically underwritten plans, in the past have not included some or all of these benefits, especially the last four mentioned.

What happened to the Fourth Quarter Newsletter ???

For those of you who are new clients, I try to put out a newsletter every quarter with information that may be

of interest to you. All of the previous newsletters are archived on my website www.bluepeakinsurance.com. Please check out the website and let me know if there is any information you are interested in learning more about.

I apologize for not getting a newsletter out this past quarter. To say I have been a little overwhelmed is putting it mildly. I have been extremely busy trying to relearn the rules and guidelines, as well as plan descriptions of all the new coverage options. In addition a lot of previous as well as new clients were trying to enroll by January 1st, which was the first effective date of the new ACA plans.

What are the enrollment periods ?

The new legislation lays out certain enrollment periods. It is imperative to renew and/or change insurance plans within these time periods. There are 3 basic enrollment periods, very similar to Medicare enrollment periods.

Initial Enrollment Period - runs from October 1, 2013 through March 31, 2014. For individuals who enrolled on or before December 23, 2013, coverage was effective January 1, 2014.

For applications received between the 24th of December until January 15th,

coverage will be effective February 1, 2014. From January 16th until February 15th, coverage will be effective March 1, 2014. For individuals enrolling between February 16, 2014 and March 15th, coverage is effective April 1, 2014, and for individuals enrolling between March 16th and the close of the open enrollment period, March 31, 2014, the effective date will be May 1, 2014.

For coverage starting in 2015, the proposed open enrollment period is between November 15, 2014 and January 15, 2014.

Annual Enrollment Period - this is a period every year that you would be able to change to a different plan or insurance carrier. It is between October 15th and December 7th of each year, with an effective date of January 1st of the following year.

Special Enrollment Periods - Individuals can enroll in or change plans outside of the above periods if there are certain qualifying events, including marriage, birth/adoption, loss of coverage (cobra, employment) - this does not include voluntarily quitting coverage or termination due to failure to pay premiums, change in eligibility for premium tax credits or cost sharing reductions (see article below for more information), change in residences to a new carrier area, change in citizenship status, etc. In general, the special enrollment period is 60 days from the date of the triggering event. Coverage is effective the first of the month for elections made by the 15th of the preceding month.

Do I have to go through the Federal Marketplace to purchase health insurance ?

NO, I can help you get insurance coverage either directly through the health insurance carriers, or through the dreaded federal website, www.healthcare.gov The plans are generally the same on and off of the marketplace, with a few additional options off the marketplace. However, if you qualify for a subsidy, you can only receive the subsidy if you apply directly on the marketplace. If you feel like you may be eligible, please call me and I can walk you through the process. You would need to create a user name and password, but I could do the rest of the application with you.

What are the subsidies?

You could be eligible for lower costs on health coverage based on your household income and family size and/or you may be able to get lower costs on copays, deductibles and coinsurance. There is a subsidy calculator you can access at the Kaiser Family Foundation website. Please click this link to see what your savings may be <http://kff.org/interactive/subsidy-calculator/>

One important note, even if you qualify for a subsidy based on family income and household size, but affordable coverage is offered through a place of employment to you, a subsidy would not be available. This is true too if group health insurance is offered to dependents. This is something for employers of small business to consider

especially when contemplating offering coverage to dependents of employees. **PREMIUM TAX CREDIT** - this reduces health insurance premiums in advance to offset the monthly costs. This money is sent directly to the insurer or you can choose to receive a year end rebate instead for premiums paid. Most individuals choose to receive the monthly cost savings to make the coverage affordable. Families can enroll in products of any metal level (Platinum-90%, Gold-80%, Silver-70%, Bronze-60%). Families earning between 100% and 400% of the Federal Poverty Level (FPL) may be eligible for a premium tax credit. This credit is based on a sliding scale. The lower your income, the larger the tax credit.

COST SHARING SUBSIDIES - this help to lower your out of pocket costs for health services. Out of pocket costs include deductibles, coinsurance and copayments. These reductions are available to households with incomes between 100% to 250% of the FPL. In order to receive the cost sharing reduction, consumers must enroll in a silver plan through the Marketplace. Depending on your eligibility, the silver plan actuarial value would change from 70% to either 73%, 87% or 94%, again based on level of income (FPL%).

How long can I keep my present individual coverage ?

The answer to this depends on both if your coverage is medically underwritten or guaranteed issue, and what health insurance carrier you have. For guaranteed issue plans through Highmark, most members are being transferred to an ACA product. There may be better

options than the plan that you are being transferred to, so please check with me.

Special Care members are able to keep their plans reportedly for a couple more months. Please start the process early enough through the Federal website to avoid any lapse in coverage.

Medically underwritten plans, in which you had to qualify based on your health status, are still in effect for certain carriers.

Highmark members can remain on their plans through December 2014.

UPMC members can remain on their plans through December 2014.

Health America One members can remain on their plans until their renewals. HA One will send you a notice a couple of months in advance of your renewal which will list the new plan design and premium. Unfortunately, HA One only sends this notice to the customer, not the producer. Therefore, I have no idea what your new price or plan design will be. Please call me as soon as you receive this so I can help you to understand the information. The new designs my HA One clients have been receiving have extremely high deductibles.

When your plan ends you can change to any carrier that best meets your needs in terms of network, coverage and affordability. Also, even if your coverage continues until the end of the year, but you would like prices on other options prior to that time, please call me since you can switch in advance but only within certain enrollment periods.

How is employer group coverage affected?

Several of my groups signed up for early or extended renewals, which allow you to keep your current group coverage through the end of November 2014. You should receive new plan design options and renewal rates approximately 2 months prior to this time. Some groups, particularly those with HSA plan designs, did not choose the extended options.

The group renewals that have been coming in through the different carriers have not been pretty so far. Even though it is called the Affordable Care Act, it is NOT AFFORDABLE unless you receive a subsidy.

It is very important for us to look at all of your options prior to your renewal to make sure it is the most cost effective plan. Please call me in advance to make sure we have enough time to review the different options.

Stay informed and keep current with all of your *Health Matters*

Visit my website at
www.bluepeakinsurance.com



****If you would rather receive the Newsletters via email, please let me know.**

nglicksman@bluepeakinsurance.com

