



What does  
health  
reform  
mean for **ME** and  
you?

*The Patient Protection & Affordable  
Care Act: Next Steps in Maine*  
June 2013



# Maine Medical Association

- Voluntary membership association of over 3,800 Maine physicians, residents, and medical students
- Formed in 1853
- Mission: to support Maine physicians, advance the quality of medicine in Maine, and promote the health of all Maine citizens



## MMA Efforts

- MeHAF Grant, *Informing, Engaging, and Educating Maine People about Health Reform*
- MeHAF Grant, *Informing Health Reform Administrative Procedures*
- Looking for practices interested in partnering
  - Distributing materials to patients
  - Informing regulatory comments
  - Access to more resources/materials



# Patient Brochure

Find out more information about health care reform

Call your local Area Agency on Aging at 1-877-353-3771 (for Medicare members)

or

Call Consumers for Affordable Health Care at 1-800-965-7476 1-877-362-9570 (TTY)

[www.maine cahc.org](http://www.maine cahc.org)

Information provided by:

- Consumers for Affordable Health Care
- Eastern Area Agency on Aging
- Healthy Community Coalition
- Legal Services for the Elderly
- Maine Equal Justice Partners
- Maine Health Access Foundation
- Maine Medical Association/Maine Medical Education Trust
- Maine People's Resource Center
- Maine Primary Care Association
- MaineHealth: CarePartners
- Western Maine Community Action

## What does health reform mean for ME and you?



Health Care Reform

### A few things that you can expect now...



**CHILDREN**  
(UNDER AGE 19)

- Children cannot be turned down for health insurance because they are sick or have a serious condition
- Children will not have upper limits on covered benefits over their lifetime, even for expensive or ongoing medical care

Call Consumers for Affordable Health Care 1-800-965-7476 or visit [www.maine cahc.org](http://www.maine cahc.org)



**YOUNG ADULTS**  
(UNDER AGE 26)

- Young adults may be able to keep or join their parents' private health insurance plan, even if they are married, have jobs, move away from home, or are financially independent

Call Consumers for Affordable Health Care 1-800-965-7476 or visit [www.maine cahc.org](http://www.maine cahc.org)



**ADULTS**

- Adults will not have upper limits on covered benefits over their lifetime, even for expensive or ongoing medical care
- Adults may be able to join a new insurance plan that includes some discounts, even if they have not been able to find a plan that covered them in the past

Call Consumers for Affordable Health Care at 1-800-965-7476 or visit [www.maine cahc.org](http://www.maine cahc.org)



**PEOPLE WITH MEDICARE**

- People with Medicare will have improved Part D prescription drug benefits if they fall into the coverage gap (\$250 rebate in 2010 and discounts on brand name drugs in 2011)
- People with Medicare will have no out-of-pocket costs for most preventive care, like annual physicals, flu vaccines, and screenings for diabetes and cancer

Call your local Area Agency on Aging at 1-877-353-3771



**EVERYONE**

- Staying healthy will be easier with more no-cost preventive care like immunizations, diabetes and cancer screenings, and help quitting tobacco

Call Consumers for Affordable Health Care at 1-800-965-7476 or visit [www.maine cahc.org](http://www.maine cahc.org)



## Goals of the ACA

- Expand health insurance coverage
- Improve coverage for those with health insurance
- Improve quality of care
- Control rising health care costs



# Supreme Court Decision

- Court has jurisdiction to decide case
- Mandate is a constitutional exercise of Congress' power to tax
- Medicaid expansion violates Congress' spending clause power as unconstitutionally coercive
  - Remedy is to limit HHS Secretary's power to withhold existing federal Medicaid funds for state non-compliance



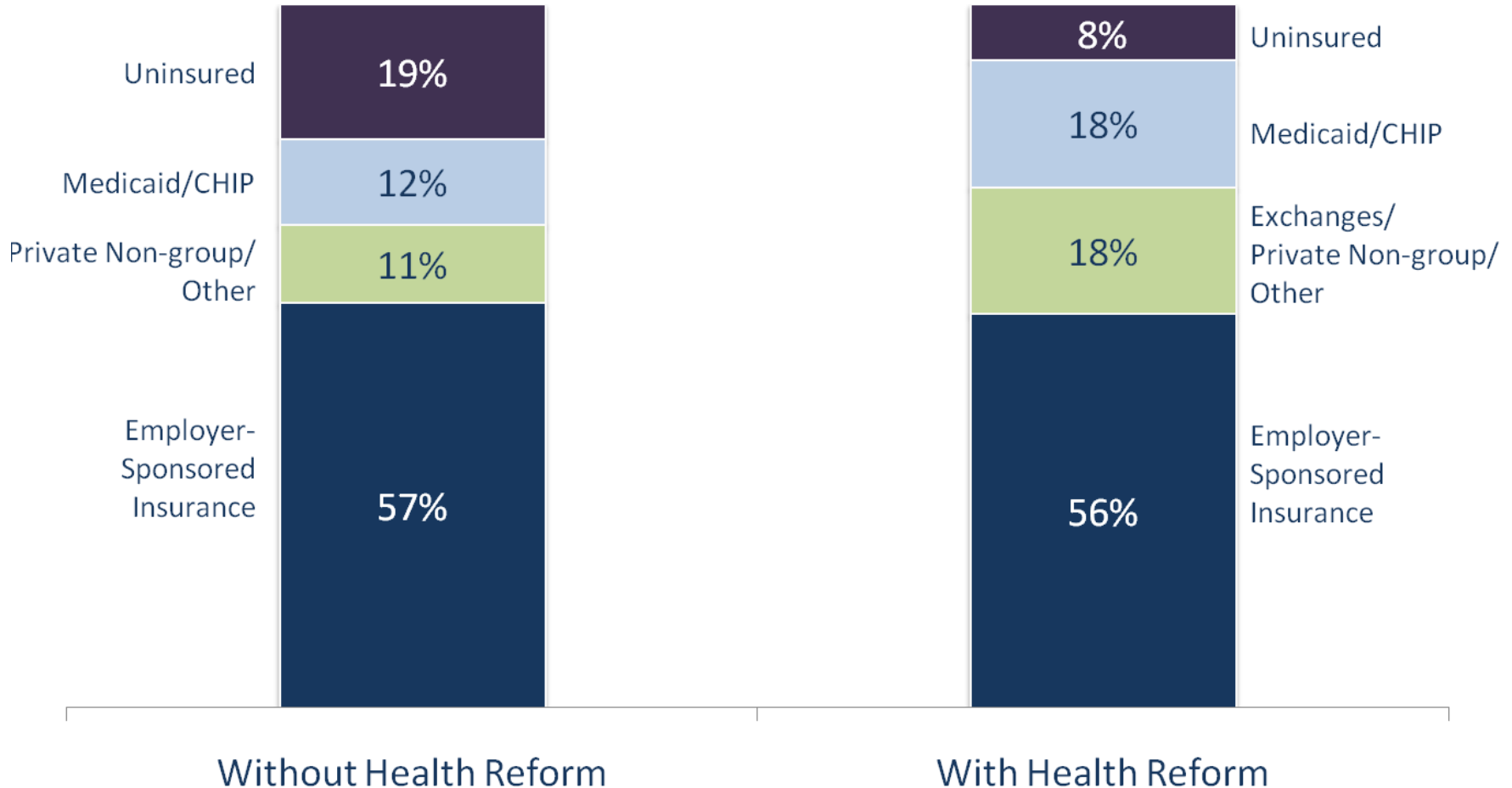
# Expanding Coverage

- Most sweeping health care legislation since establishment of Medicare in 1965
- Possibility of expanding health insurance coverage to 31 million more Americans by 2019
- Mix of expanded private coverage through exchange, increased Medicaid eligibility (now "optional"), maintenance of employer-based coverage



# Expanding Coverage by 2019:

133,400 newly covered in ME  
(w. Medicaid expansion)







## Expanding Coverage (in place since 2010)

- Adult children can remain on their parents' health insurance policy until age 26
- Establishment of temporary insurance plan for adults with pre-existing conditions who are currently uninsured
- Small business tax credits available to employers with 25 or fewer employees with average wages below \$50,000



# Expanding Coverage: 2014

- Health insurance exchanges (“marketplace”) for individuals and small business begin in every state
  - Centralized on-line marketplace for private insurance
  - Web portal and telephone hotline
  - Enrollment must begin October 1, 2013; Coverage begins 1/1/14
  - Can be federally-run, state-run or partnership model
- Premium tax credit and cost-sharing subsidies provided to individuals from 100-400% of FPL
  - See Subsidy Calculator at:  
[healthreform.kff.org/subsidycalculator.aspx](http://healthreform.kff.org/subsidycalculator.aspx)



# Expanding Coverage: 2014

- An Exchange in Maine
  - Maine will default to federally-facilitated exchange
  - Deadline for state to declare intent for state-based exchange was 12/14/12 & for partnership model (plan management and/or consumer assistance functions) was until 2/15/13



# Expanding Coverage: 2014

- Health Plans in the Exchange
  - Must include all "essential health benefits"
    - Being defined by regulations; in Maine = state's most popular small group plan (Anthem PPO)
    - Must include 10 mandatory categories (i.e. ambulatory, emergency, maternity, prescription drug, mental health)
  - Meet requirements for out of pocket and deductible limits
  - Offer all "metal levels" of coverage (benefits with actuarial levels of 60%, 70%, 80%, 90%)



# Expanding Coverage: 2014

- Health Plans in the Exchange
  - In Maine, plans will be offered by Maine Community Health Options (the CO-OP) and Anthem
  - Plan benefit design and actual premium/cost sharing requirements available later this summer (July?)
  - Possible multi-state plans later?



## Expanding Coverage: 2014

- Applying to the exchange
  - One streamlined application
  - Eligibility will be determined for Medicaid /CHIP; enrollment in a Qualified Health Plan; Premium Tax Credits and Cost-Sharing Reductions
  - Electronic signature available for online application; can save, download, print, or email completed app and eligibility results
  - Paper applications also available, but online applications strongly encouraged
  - Applicants need personal financial information available; many will need help walking through the application ("Navigators" can assist)

\*\* Thank you to Consumers for Affordable Health Care for slides 14-19 \*\*



# Expanding Coverage: 2014

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## Application for Health Insurance (and to find out if you can get help with costs)



THINGS TO KNOW

- Use this application to see what insurance choices you qualify for**
  - Free or low-cost insurance from Medicaid or the Children's Health Insurance Program (CHIP)
  - A new tax credit that can help pay your health insurance premiums
  - Private health insurance plans

**You may qualify for a free or low-cost program even if you earn as much as \$92,000 a year (for a family of 4).**
- Who can use this application?**

You can use this application to apply for anyone in your family, even if they already have insurance now. You can still apply even if you don't file a federal income tax return.
- Apply faster online**

Apply faster online at [www.placeholder.gov](http://www.placeholder.gov).
- What you may need to apply**
  - Social Security numbers (or document numbers for any legal immigrants who need insurance)
  - Birth dates
  - Employer & income information for everyone in your family (for example, from paystubs or Forms W-2, Wage and Tax Statements)
  - Policy numbers for any current health insurance
  - Information about any job-related health insurance available to your family
- Why do we ask for so much information?**

We ask about income and other information to make sure you and your family get the most benefits possible. We'll keep all the information you provide private, as required by law.
- What happens next?**

Send your complete, signed application to the address on page 19. If you don't have all the information we ask for, you should sign and submit your application anyway. We'll let you know what programs you might be eligible for within 1-2 weeks.
- Get help with this application**
  - Online: [www.placeholder.gov](http://www.placeholder.gov)
  - Phone: Call our Help Center at 1-800-XXX-XXXX
  - In person: Visit our website or call 1-800-XXX-XXXX for a list of places near where you live
  - En Español: Llame a nuestro centro de ayuda gratis al 1-800-XXX-XXXX

**NEED HELP WITH YOUR APPLICATION?** Call us at 1-800-XXX-XXXX, or visit us at [www.placeholder.gov](http://www.placeholder.gov). Para obtener una copia de este formulario en Español, llame 1-800-XXX-XXXX.

Page 1 of 21

### STEP 1

#### Tell us about yourself.

(We will need to contact an adult member of the family)

First Name, Middle Name, Last Name & Suffix

Home Address			Apartment Number
City	State	Zip Code	County

Mailing Address (if different from home address)			Apartment Number
City	State	Zip Code	County

Check here if you don't have a home address. You still need to give a mailing address.

Phone Number ( ) - ( ) -	Other Phone Number ( ) -
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I would like to get information about this application by:

Email:  Yes  No    Email Address: \_\_\_\_\_

Text:  Yes  No    Cell Phone Number: ( ) -

Preferred Language Spoken (if not English)	Preferred Language Read (if not English)
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### STEP 2

#### Tell us about your family.

Your income and family size help us decide what programs you qualify for. With this information, we can make sure everyone gets the most coverage possible.

##### Here's who you need to include on this application:

- Your spouse, if married
- Your children who live with you
- Your partner who lives with you (but only if you have children together who need health insurance)
- Anyone you include on your federal income tax return

Anyone else who lives with you will need to file their own application if they want insurance. You don't need to file taxes to apply for health insurance.

##### Complete one page (front and back) for each person in your family. Start with yourself!

If you have more than 6 people in your family to include, you'll need to make a copy of the next 2 pages and complete.

##### Your information is private.

- We'll keep your information private as required by law.
- We'll use the information on this form only to see if you qualify for health insurance.

**NEED HELP WITH YOUR APPLICATION?** Call us at 1-800-XXX-XXXX, or visit us at [www.placeholder.gov](http://www.placeholder.gov). Para obtener una copia de este formulario en Español, llame 1-800-XXX-XXXX.

Page 2 of 21



# Expanding Coverage: 2014

- Help for patients to enroll via the exchange
  - Navigators
    - Funded by competitive grants from the Health Insurance Marketplace
    - Must be at least two, one of which must be a nonprofit community org
    - May target specific groups "most likely" to be in Marketplace
  - Brokers
    - Brokers can receive commissions, but Navigators cannot
  - Awaiting further Federal regulations as well as clarification of state regulation of Navigators





# Expanding Coverage: 2014

- Subsidies via the exchange
  - Administered as an "Advanced Premium Tax Credit"
  - Paid directly to insurance companies
  - You are billed only for your portion
- What if income changes over the year?
  - Reconciliation
- Assist with covering premiums, cost sharing and out-of-pocket limits, based on income



# Expanding Coverage: 2014

- Small Business Health Options Program (SHOP Exchange)
  - Small businesses will be able to purchase insurance for their employees via the exchange starting in 2014
  - Will also apply via exchange for tax credits for purchasing insurance
  - Down the road, will be able to allow employees to choose different plans
  - Can continue to use broker



# Expanding Coverage: 2014

- Exchange Affordability Issues
  - If an INDIVIDUAL has access to affordable coverage at work (less than 9.5% of income for individual coverage), then the FAMILY cannot access subsidies in the Marketplace
  - Individual premiums still paid with "after-tax" dollars while employer-sponsored coverage is paid with "pre-tax" dollars
  - Subsidies not available for employees on the SHOP



# Expanding Coverage: 2014

- Medicaid expansion
  - Eligibility can be provided to all Americans up to 133% of FPL at 100% fed match for 3 years
    - No longer limited to those categorically eligible (e.g. pregnant women, those with children or disabilities)
  - Estimated 69,000 individuals in Maine
  - If no expansion, those earning less than 100% FPL are NOT eligible for Exchange subsidies, but those 100-133% could participate in Exchange



# Expanding Coverage: Individual Mandate

- Individuals will be required to have health coverage that meets minimum standards
- Individual mandate spreads costs among whole population
- Mandate enforced through the tax system & now is considered a tax by the Supreme Court
- Penalty for not having insurance: greater of \$695 (up to \$2085 for family) or 2.5% of family income when fully phased in in 2016 (\$95 in 2014)
- Exemptions for certain groups and if people cannot find affordable health insurance



## Expanding Coverage: Employer Requirements

- Employers with 51+ FTE employees not offering affordable coverage will face penalties of up to \$2000 per full-time worker per year
- Small employers with up to 50 employees will be exempt from penalties
- Tax credits available for some small business



## Some Uninsured Will Remain

- Congressional Budget Office (CBO) estimates 26 million uninsured in 2019 - assuming Medicaid expansion
- Who are they?
  - Immigrants who are not legal residents
  - Eligible for Medicaid but not enrolled
  - Exempt from the mandate (most because can't find affordable coverage)
  - Choose to pay penalty in lieu of getting coverage
- Many remaining uninsured will be low-income



# Improving Coverage

- Consumer protections and administrative simplification in health insurance industry
  - Medical loss ratio (2012)
    - 85% small group/80% individual (ME has waiver to 65%)
  - Essential Health Benefits Package (2014)
    - To ensure minimum coverage standards for most health plans sold in or out of the exchange
  - Strengthened appeals process
  - Uniform benefits information





# Improving Coverage

- Consumer Operated and Oriented Plans (CO-OPs)
  - CMS awarded \$62.1 million in financing for Maine Community Health Options (MCHO), a Maine-based COOP
  - A new type of non-profit health insurer
  - Governed by its subscribers
  - Designed to be operational in 2014 and offered via the exchange



# Improving Coverage

- Prevents denials based on pre-existing conditions
  - Prohibition on denial of coverage or benefits (children 2010, adults 2014)
  - Elimination of lifetime benefit caps (2010) and annual limits (phase out by 2014)



# Improving Coverage

- Expands & improves coverage of preventive services
  - No cost initial Welcome to Medicare Preventive Visit and yearly "Wellness Visit" for those with Medicare Part B
  - No cost-sharing for proven preventive services for Medicare, Medicaid and private insurance (e.g. cancer & diabetes screenings, vaccinations)
  - Grants for small employer wellness programs
- Improves Medicare prescription drug benefits by reducing the "donut hole"



# Improving Quality

- Develops a national quality strategy
- Promotes comparative effectiveness research to identify most effective treatments and interventions
- Requires public reporting of physician performance data and gifts received from the pharmaceutical industry



# Improving Quality

- Develops new models for coordinating and delivering care
  - Medicaid Health Homes
  - Medicare ACOs (4 now approved in Maine)
  - \$33 million Maine SIM grant
- Payment reform to promote quality
  - Medicare quality reporting incentive payments
  - Demonstration projects for bundled payments for episodes of care
  - Medicare Value-Based Purchasing program
  - Decreased Medicare payments for readmissions



# Improving Quality: Primary and Preventive Care

- **Increases Medicare and Medicaid PCP payments**
  - Primary care/general surgery Medicare bonus payments of approx 10% through 2016
  - **Medicaid payments to 100% of Medicare rates for primary care services provided by primary care physicians & advanced practice professionals practicing under their direct supervision in 2013-2014**
- Incentives to practice primary care (e.g. loan forgiveness, residency slots, payment bonuses)
- No cost-sharing for certain preventive services
- Funds population-based prevention activities (but \$5 billion cut to Prevention Fund for temp SGR fix)



# Containing Health Care Costs

- Creates greater oversight of health insurance premiums and insurer practices
- Increases competition and price transparency through Exchanges
- Reforms Medicare payments
- Tests new, more efficient delivery system models in Medicare and Medicaid
- Emphasis on prevention & primary care
- Independent Payment Advisory Board
  - Legal challenge: did Congress abrogate resp.



## Useful ACA Web Sites

- Federal government: <http://www.healthcare.gov/>
- AMA: <http://www.ama-assn.org/ama/pub/health-system-reform/hsr-impacts-practice.shtml>
- Kaiser Family Foundation:  
<http://healthreform.kff.org>
- InsureUStoday:  
<http://insureustoday.org/drupal/PAC>





# Where to refer patients

- Consumers for Affordable Health Care
  - 1-800-965-7476
  - 1-877-362-9570 (TTY)
  - [Mainecahc.org](http://Mainecahc.org)
- Local Area Agency on Aging  
*(for Medicare members)*
  - 1-877-353-3771



# Questions?

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