

Department of
Health Care Services



The Affordable Care Act: What it means to you



CCHP



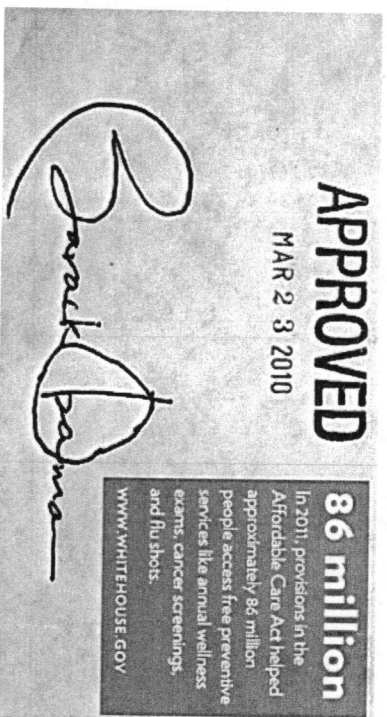
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Health Net

Main goals of Health Care Reform

- Increased access to affordable health insurance coverage for all US citizens and individuals/families **lawfully** residing in the United States (includes Medi-Cal access to DACA visaholders in CA)
- Implementation of **11 essential** benefits that all insurance carriers must offer, including emergency care, mental health and substance use disorder treatment
- Prevention of discrimination against consumers based on a pre-condition such as disability or age (except for smoking) by private insurers
- Increased access to preventative care and health incentive programs (such as free weight loss and smoking cessation classes and discounted gym memberships) in order to promote healthy lifestyles and the self-monitoring of chronic illnesses
- Integration of care – better cross-coordination of primary care, mental health and substance use disorder treatment
- Enforcement of regulatory oversight including the creation of new consumer protection databases to reduce health care costs and improve health outcomes of consumers
- Improved Medicare coverage by expanding preventative care initiatives, **eliminating the Medigap (Donut hole)** and enforcing cost savings measures at the provider-level through prevention of overutilization of unnecessary tests and procedures
- Expanded funding for extensive research into best practices and medical advances to reduce populations with chronic illnesses (variety of conditions from childhood obesity to certain types of cancer)
- Standardization of enrollment procedures across all 50 states and Puerto Rico through Health Insurance Exchanges relying on electronic data systems
- Improving the utilization and exchange of electronic medical data between medical providers and State authorities for integrated care and audit purposes (i.e. monitoring of performance standards and adherence to best practices)





Important health care law provisions enacted under Affordable Care Act

- 1) Insurers are prohibited from imposing lifetime dollar limits on essential benefits, like hospital stays, in new policies issued.
- 2) **Dependent children will be permitted to remain on their parents' insurance plan until their 26th birthday, even if:**
 - a) they no longer live in the same home than the primary insurance holder
 - b) are not listed as a tax dependent on the primary insurance holder's tax return
 - c) are not studying at a community college or university
 - d) are married with their own children
- 3) Insurers are prohibited from excluding **any** pre-existing medical conditions (except in **grandfathered** individual health insurance plans established prior to March 2010), even if expected to end in death such as cancer
- 4) Insurers are prohibited from dropping policyholders when they get sick, even if illness is chronic such as diabetes or difficult to treat such as HIV infection
- 5) All new insurance plans must cover basic preventive care, medical screenings, and immunizations/vaccinations recommended by the Advisory Committee on Immunization Practices (ACIP). **Insurers are prohibited from charging co-payments, co-insurance, or deductibles for these services.**

Important Affordable Care Act Change in 2015

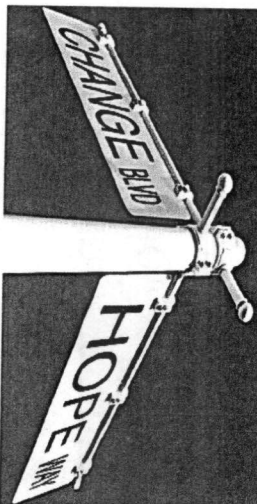
Employer Mandate: Most companies with 50 or more full-time employees **must** offer employer-sponsored coverage to all employees during the company's open enrollment period or face a \$2,000 federal fine per uninsured employee.

"Full-time" is defined as an employee who is employed on average at least 30 hours of service per week during the full course of a tax year.

Some companies are still exempt from this rule in 2015, but must offer coverage for 2016.

All companies employing 100 or more full-time employees **MUST** insure **95 %** of their total workforce by 01/01/2016.





New tax laws

The Shared Responsibility Penalty

Individual mandate = Everyone who is listed on a federal income tax return, including every dependent living in the United States **MUST** carry health insurance **for at least nine out of 12 calendar months** through an acceptable health insurance plan that offers at least **minimum essential coverage**

Publicly issued plans satisfying this new requirement include:

Employer-sponsored or a privately purchased plans through Covered CA, Medi-Cal, Medicare, Veteran's Insurance or Tricare (for active military personnel)

Shared Responsibility penalty = \$325/adult and \$162.50/child, or up to 2% of taxable gross household income for a maximum penalty amount of \$2,085 for Tax Year 2015.

The penalty is prorated and will increase again in Tax Year 2016.

Exemptions to this penalty are granted upon filing an application through the federal government's website: www.healthcare.gov



MAGI

Modified Adjusted Gross Income

The new way to
calculate insurance
eligibility

Modified Adjusted Gross Income is what is reported to the IRS on your annual tax return AFTER all deductions, but before any credits have been applied AND

takes into consideration the following components:

- a) Any income of any person included in the Federal Income Tax Return, plus: any foreign income excluded from tax filing in the US, tax-exempt interest income, tax-exempt Social Security Income
- b) Any claimable tax deductions from Schedule E (Self-Employment) or other supplemental forms
- c) **Household Composition = Tax Filing status (Single, Married, Head of Household)**
Family Size => Taxfiler plus all dependents listed on tax form **regardless of age and relationship**
- d) (Allows grandparent(s) or other family members to be counted into the family size **(Caution: NOT for traditional Medi-Cal!)**

AND any dependent living in Mexico or Canada may count towards the household size)



MAGI Medi-Cal

Eligibility criteria:

- U.S. Citizen or lawfully residing in the United States, including DACA, U-Visa and other visaholders
- Resident of any California county
- Income within 138% Federal Poverty Limit (= \$33,468/annual for family of 4)
- Exempt income types:
 - a) Child Support
 - b) Non-taxable income received by a tax dependent/child under age 19
 - c) State Disability Insurance
 - d) Income derived from distributions, payments, ownership interests and real property usage rights due to membership in a federally acknowledged American Indian or Alaska Native tribe.
 - e) Scholarships, fellowship grants and awards used for education purposes
 - f) Certain lump sum payments
- Ineligible for disability-based Supplemental Security Income (SSI)
- Ineligible for Medicare Part A and/or Part B coverage

No more asset test!

Parents can no longer be denied access to Medi-Cal, if they don't cooperate with the Family Support Division to establish an official Child Support Case, but must have proof of valid health insurance for any child age 18 and under in their care at time of application, or must include child in application.



All health insurance carriers must offer these essential benefits

Coverage under any (!) Covered California offered plan includes the following **Essential Health Benefits**:

1. Ambulatory Patient Services (including transportation to and from a hospital)
2. Emergency Services (including psychiatric)
3. Hospitalizations (including psychiatric)
4. Maternity and newborn care (including initial immunizations and well baby check ups)
5. Mental Health and Substance Use Disorder (Outpatient, In-patient Detox, Day Treatment, Individual or Group Counseling, Outpatient Detox, Transitional Residential Recovery etc.)
6. Prescription Drugs (coverage may vary by formulary)
7. Rehabilitative services and devices (including prosthetics)
8. Laboratory Services
9. Preventive and wellness services (free of charge), including incentive programs such as free or reduced price gym memberships (will vary in scope and access by plan)
10. Chronic disease management
11. **Pediatric** oral and vision care (for minors age 19 and below)

Note: Did you know that your employer-sponsored private health plan must offer the same benefits as listed above if the insurance carrier contracts with any federally funded Health Insurance Exchange? It's the law.