ACA Implementation – The Good, the Bad and the Ugly

Southeast Region Hemophilia Network
2014 Technical Assistance and Training Meeting
March 17, 2014

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Agenda for Presentation

- Enrollment Update
- Reminder: The Good
- The Bad and the Ugly / Unknown
- Looking Forward: Reasons for Hope
- Resources to Learn More
Enrollment Update – as of 3/1

- 4.2 million people have selected a marketplace plan
  - Unlikely to reach the 7 million projection
- 4.4 million people have been determined eligible for Medicaid/CHIP (doesn’t include people who applied through state)
- 25% of people who have selected a Marketplace plan are between the ages of 18 and 34
  - Short of the projection of about 40% young people
Enrollment Update

• Marketplace Plan Selection by Metal Level:
  – 18% - Bronze
  – 63% - Silver
  – 11% - Gold
  – 6% - Platinum
  – 1% - Catastrophic

• 83% of persons have selected a Marketplace plan and gotten financial assistance
Reminder: 2010 Private Insurance Reforms

- Extension of dependent coverage to age 26
- Elimination of lifetime limits on essential health benefits
- Limitation on annual limits on benefits
- Elimination of pre-existing condition exclusions for kids
- Elimination of unfair rescissions
Reforms Effective in 2014

- No pre-existing conditions exclusions
- No pricing insurance plans based on health status
- Annual limits prohibited
- Plans must cover Essential Health Benefits
- Guaranteed issue and renewal
- Establishment of Marketplaces
The more things change...

• The ACA addresses many issues for bleeding disorders community but challenges remain

• Many of these challenges are familiar and familiar strategies can help

Image source: http://adorablecareact.tumblr.com/
Network Adequacy

• Plans have to maintain network sufficient in number & types of providers to assure that all services are accessible without unreasonable delay

• But: Will people have access to specialists/centers they need?

• Marketplace plans have narrow networks
  – Some offer no out-of-network coverage
  – Medicaid plans pose network challenges, too

• Out-of-network spending doesn’t count towards out-of-pocket limit

Essential Community Providers

• QHPs are required to include ECPs in network
  – ECPs = 340B providers → HTCs

• But, plans are not required to:
  – Contract for any “specific medical procedure”
  – Include every ECP, only “sufficient” number
  – Marketplace defines “sufficient”

• Bottom line: Plans can comply even if no HTCs are in network!
Essential Community Providers

• NHF and Alliance met with CMS to discuss issues for FFM/Partnership states and recently commented on 2015 letter

• Oversight will be key:
  – Please tell us what you’re seeing!
  – Contact the marketplace (if state-based) to remind them of oversight responsibilities
Survey of HTCs

• Responses varied widely
  – Some HTCs said they were in network for most or all marketplace plans in their area
  – Some said not in network for any marketplace plans
  – Most responded that they didn’t know
  – Plans more likely to report being in network for clinical rather than pharmacy services
Prescription Drug Coverage

• Essential Health Benefits policy requires that plans cover prescription drugs
• Plans to cover same number of drugs per category or class as the benchmark plan or at minimum, one per category or class
• Plans must have a process to allow access to drugs not on the formulary
Drug Coverage - Questions

• Hard to see what’s covered before enrolling
• Specialty tiers & co-insurance inhibit access
• Is full formulary covered?
• Coverage for drugs on medical benefit unclear
• Integrated deductibles delay when coverage starts
• How easy and fast will appeals processes be?
• What pharmacy providers will be in-network?
Limits on Out of Pocket Expenses

• ACA limits out of pocket expenses to ~ $6,350 (individual) and $12,700 (family) for 2014
  – Deductibles, co-payments, co-insurance
  – NOT premiums

• Applies to all new individual, small & large group plans, in and outside the Marketplace
  – Grandfathered plans are excluded

Limits on Out of Pocket Expenses

- People with income below 250% of FPL can have lower out-of-pocket limits if they select a silver plan

<table>
<thead>
<tr>
<th>Income</th>
<th>Max OOP Limit (Individual)</th>
<th>Max OOP Limit (Family)</th>
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<tbody>
<tr>
<td>100-150% of FPL</td>
<td>$2,250</td>
<td>$4,500</td>
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<td>$11,490 - $17,235</td>
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<tr>
<td>150-200% of FPL</td>
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<td>$17,235 - $22,980</td>
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<tr>
<td>200-250% of FPL</td>
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<td>$22,980-$28,725</td>
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<tr>
<td>Above 250% of FPL</td>
<td>$6,350</td>
<td>$12,700</td>
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</table>
Limits on Out-of-Pocket Expenses – Concerns

- Only for in-network services defined as essential health benefits
- Grace period in 2014 for group plans with different administrators for different parts of plan.
  - Could face no cap on Rx benefits in 2014
  - Department of Labor has confirmed that this grace period will not continue in 2015
- $6,350 is still a lot of money and our consumers could hit that very quickly
Promising Recent Policy Changes

• CMS announced that marketplace plans can be sold to individuals who use state high risk pools for supplemental Medicare coverage (Medigap)
  – “Guaranteed issue” not in effect in every state so not clear how many insurers will offer plans to this population
Promising Recent Policy Changes

• Third-party and industry premium and co-pay assistance programs and people on marketplace plans
  – Conflicting guidance from HHS but non-profit patient assistance programs (like PSI’s) are ok
  – Regulation anticipated
Promising 2015 Policies

• 2015 Letter to Issuers in FFM includes proposals to:
  – Increase transparency for formularies and provider networks
  – Require plans to facilitate transitions:
    • Treat drugs as on the formulary and allow access without prior approval or step therapy in January
    • Allow continued access to providers for any acute issues
  – Essential Community Providers:
    • Some strengthening of requirement to include HTCs in network but not far enough
  – NHF and Alliance commented
Promising 2015 Policies

- Various transition periods ending → clarity since plans will be operating under the same set of rules
  - Out-of-pocket limit will apply to all non-grandfathered private plans
  - PCIP coverage ending (?)
  - “If you like your plan you can keep it” grace period (?)

- More states expanding Medicaid?
Resources to Learn More

• Consumer resources: [www.healthcare.gov](http://www.healthcare.gov) / 1-800-318-2596
• Provider & advocate resources: [www.marketplace.cms.gov](http://www.marketplace.cms.gov)
• State marketplace
• [www.statereforum.org](http://www.statereforum.org) for state-specific info
• NHF and Hemophilia Alliance websites and newsletters
Remember – Open Enrollment ends March 31, 2014!

You otter get covered.

Questions?

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