access health CT
Connecticut’s Health Insurance Marketplace

Board of Director’s Meetings

April 18, 2013
a. Welcome and Introductions
b. Public Comment
c. Review and Approval of Minutes
d. Operations and Information Technology Update
e. Finance Update
f. Rate Review and Analysis
g. Adjournment
WELCOME AND INTRODUCTIONS
PUBLIC COMMENT
REVIEW AND APPROVAL OF MINUTES
OPERATIONS AND INFORMATION TECHNOLOGY UPDATE
Operations and Information Technology Update

Agenda

- Program Summary
- Risks
- Operations Update
- Information Technology Update
- DSS Integration
- Preventive Care and Prenatal Services Update
PROGRAM SUMMARY: Yellow

- **Schedule Risk:** The agreed-upon or required schedule will not be met.

- **Resource Risk:** Resources such as people, budget, equipment, or other limited assets are not leveraged efficiently and effectively to achieve program success.

- **Quality Risk:** Product (deliverables/solution) of the program will not meet the intended requirements or needs.

- **Scope Risk:** Objectives of the program are not well defined/understood and progress/completion can not be effectively measured.

- **Issues:** Critical concerns that impact above risks and require Board guidance.
## SCHEDULE RISKS

<table>
<thead>
<tr>
<th>Level</th>
<th>Risk Definition</th>
<th>Remediation Approach</th>
<th>Resolution Date</th>
<th>Responsible Party</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Due to the project’s tight timeframe, completion of code development may not be complete in time for Systems Integration Testing scheduled on 5/31/13.</td>
<td>AHCT continues to closely monitor development progress via ongoing daily updates with the Systems Integrator and other stakeholders.</td>
<td>05/31/13</td>
<td>AHCT CIO</td>
</tr>
<tr>
<td></td>
<td>The technical and environmental complexities and dependencies may impact the timely availability of the environments for the scheduled User Acceptance and Performance testing phases.</td>
<td>BEST, DSS and AHCT to closely monitor the progress of the required environmental deployments.</td>
<td>05/31/13</td>
<td>AHCT CIO</td>
</tr>
<tr>
<td></td>
<td>Need access to Department of Labor data for eligibility verification.</td>
<td>AHCT Legal developing a high-level MOU with DOL.</td>
<td>05/15/13</td>
<td>AHCT CEO</td>
</tr>
<tr>
<td>Level</td>
<td>Risk Definition</td>
<td>Remediation Approach</td>
<td>Resolution Date</td>
<td>Responsible Party</td>
</tr>
<tr>
<td>-------</td>
<td>---------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------</td>
<td>-----------------</td>
<td>--------------------</td>
</tr>
<tr>
<td></td>
<td>System Integrator deliverables have not met quality expectations.</td>
<td>Although quality of deliverables still remains a concern, AHCT has initiated iterative deliverable reviews in order to proactively resolve quality issues. AHCT requires the System Integrator to provide progress updates on deliverables and to submit partial drafts ahead of deliverable due dates to allow for earlier comments and feedback.</td>
<td>Ongoing</td>
<td>AHCT CIO</td>
</tr>
<tr>
<td></td>
<td>Emerging operational questions may impact system design.</td>
<td>Disciplined process to identify and answer questions</td>
<td>4/30/13</td>
<td>AHCT COO</td>
</tr>
<tr>
<td></td>
<td>Due to the lack of robust testing tools, processes and support at the Federal Data Services Hub (FDSH), AHCT may not achieve the expected quality for the FDSH services.</td>
<td>AHCT continues to monitor and escalate to the Connecticut CMS Technical Lead as appropriate.</td>
<td>Ongoing</td>
<td>AHCT CIO</td>
</tr>
</tbody>
</table>
## SCOPE RISKS

<table>
<thead>
<tr>
<th>Level</th>
<th>Risk Definition</th>
<th>Remediation Approach</th>
<th>Resolution Date</th>
<th>Responsible Party</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Operational and systems integration with DSS not finalized.</td>
<td>System modifications to streamline transfer of data between the DSS and AHCT systems are being developed.</td>
<td>Ongoing</td>
<td>AHCT COO</td>
</tr>
</tbody>
</table>
Operations Update

- **Operating Model**
  - Planning and implementing people and process to handle paper, call center, web, and walk-ins.
  - Continuing to work with DSS on appropriate division of labor, e.g. appeals

- **Partners**
  - Maximus, our call center vendor, is integrated into our program management.
  - SHOP vendor, HealthPass, is on board.

- **Plan Management**
  - Standard Plan Designs completed and shared with carriers.
  - Qualified Health Plan (QHP) solicitation completed.
  - QHP Contract in development

- **Human Resources**
  - Hiring continues in operations, plan management and communications
Information Technology Update

- Advisory Committee Consumer Website presentation held on 3/20 at Middlesex Community College
  - Live application demonstration scheduled for May Board of Director’s meeting

- Federal onsite security team review conducted on 3/19 - 3/21

- FDSH Wave I testing started on 3/28


- Site visit to System Integrator development facility on 4/9

- Independent Verification and Validation vendor on-boarded 4/10

- Completion of code development for Release 1 (Plan Management) tracking on schedule for drop into Systems Integration Testing environment on 4/15
Access Health CT and The Department of Social Services Working Together

- Integrated Eligibility and Enrollment System
- In Person Assister (IPAs) and Navigators
- Web Portals and Interactive Voice Response (IVR)
- Call Center Operations
- Appeals
- Printing of Notices to Applicants
- Vendor Management
- Operational Implementation
- ahCT-DSS Memorandum of Agreement (MOA)
Anatomy of “No Wrong Door” Environment

Outreach

Web Portal/ Phone/ Paper

Eligibility
- Appeals
- Mandate Exemptions

CCIIO
- Verification of Citizen & Income from Social Security and Homeland Security

HHS Secretary
- Reporting

Eligibility

Medicaid/CHIP
- DSS Eligibility Rules

Shop and Compare
- Health Plan Information

Enroll

Administrative Services
- Aggregated Billing (SHOP)

Interfaces

Risk Adjustment, Risk Corridors, Reinsurance

Health Plan Carries

Employer Service
- Notifications
- Underwriting
- Billing or Invoices
- Customer Services

Online Calculator

Treasury
- Tax Credits

State Agencies
- Referral

HHS
- Subsidies

MMIS

Health Plan Contracting, Certification, and Rating
FINANCE UPDATE
Finance Update

• Completed procurement of all employee benefit plans
• Completed the financial and Federal Single Audits for FY2012
• Completed Finance organization with hiring of Controller
• Developing procedure for the “Acquiring Operating Funding” policy
• Enhancing existing finance processes and procedures including financial metrics
March 2013
Expense Dashboard
March YTD
Budget Snapshot

Total YTD Budget
$37.4M
YTD Overall Expense Narrative/Exhibit
Budget vs. Actual

- **Actual Spend is Behind Budget Trend**
  - Level 1 Grant will be expended
  - Staffing ramp-up slower than projected

![March YTD Burn Rate = 66%](chart)

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
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</tr>
<tr>
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<tr>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

![Total Expense](chart)
YTD Personnel Cost
Budget vs. Actual

- Actual Spend is Behind Budget Trend
- Staffing ramp-up slower than projected
Finance Update

Project Expense Narrative/Exhibit
Budget vs. Actual

• Marketing Campaign Spend Slightly Above Expected Levels
• Level 2 Grant – Development ramp-up slower than projected
  – SDLC follows Waterfall Methodology vs. Agile Methodology

March YTD Contractual Burn Rate = 69%
Finance Update

Fiscal Year July, 2012-June, 2013
Budget Snapshot

Fiscal Year
July 2012 - July 2013
$69.4M

- 71% Salaries & Fringe
- 11% Marketing & Advertising
- 11% Non-DDI - Consultants
- 5% DDI - Contractual
- 11% Equipment
- 0% Supplies
- 0% Travel

access health CT
RATE REVIEW AND ANALYSIS
Access Health CT
3 R’s and the Impact to Rate Setting
April 18, 2013

Julia Lambert, FSA, MAAA
President & Senior Consulting Actuary
Goals of the 3Rs

• **Risk Adjustment** - Encourage enrollment of higher risk individuals in small group and individual markets

• **Transitional Reinsurance** – Stabilize (lower) premiums in the individual market

• **Risk Corridors** – Protect QHP issuers against uncertainty in setting premium rates
## 3Rs: Where do they apply?

<table>
<thead>
<tr>
<th>ACA Program</th>
<th>Plans that benefit from the provision</th>
<th>Who Administers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>In the Exchange</td>
<td>Outside the Exchange</td>
</tr>
<tr>
<td>Risk Adjustment</td>
<td>IND</td>
<td>SG</td>
</tr>
<tr>
<td>Transitional Reinsurance</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

[1] State can decide to administer or allow HHS to administer. If HHS administers, all parameters will be federal.

[2] Plans outside the exchange that are substantially similar to plans inside the exchange also qualify for risk corridor protection.
**3Rs**: What is Risk Adjustment? (At Plan Level)

**PLAN A**
- Average Risk Score: 0.9

**Feds**

**PLAN B**
- Average Risk Score: 1.1

Average Premium Rate = $500 PMPM
Plan A pays Plan B $50 PMPM
**3Rs: What is Risk Adjustment? (At Member Level)**

**Example 1: John Smith, 32, has the following medical history:**

<table>
<thead>
<tr>
<th>Risk Marker</th>
<th>Risk Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male, Age 32</td>
<td>0.22</td>
</tr>
<tr>
<td>Diabetes with significant co-morbidities</td>
<td>1.32</td>
</tr>
<tr>
<td>Asthma/COPD</td>
<td>0.96</td>
</tr>
<tr>
<td>Low cost dermatology</td>
<td>0.30</td>
</tr>
<tr>
<td><strong>Total Risk Score</strong></td>
<td><strong>2.80</strong></td>
</tr>
</tbody>
</table>

If the average risk score is 1.0, John Smith is expected to be 180% more costly than the average enrollee.


**Example 2: Mark Johnson, 32, has no medical history:**

<table>
<thead>
<tr>
<th>Risk Marker</th>
<th>Risk Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male, Age 32</td>
<td>0.22</td>
</tr>
<tr>
<td><strong>Total Risk Score</strong></td>
<td><strong>0.22</strong></td>
</tr>
</tbody>
</table>

If the average risk score is 1.0, Mark Johnson is expected to be 78% less costly than the average enrollee.
3Rs:  Risk Adjustment

- 2014+ (not temporary)
- Budget neutral by market (i.e., by risk pool)
- Concurrent approach (at least initially): current year diagnoses predict current year costs
- Diagnosis grouping logic similar to HCCs used for Medicare
- HHS proposes using models that adjust payment transfers for cost factors of plan metal tier, geography, induced demand, and age
- Preliminary findings (first round of simulations): Overall, significant revenue transfer even in relatively stable small group markets (10%+)
- User fees: <$1 PMPY, collected at same time as payment and charge for processing
- Data submission due April 30 following plan year
- Notified by June 30 following plan year of payments and charges
3Rs: Transitional Reinsurance Program

• 2014 – 2016
• Recoveries only for Individual markets, in and out of Exchange
• Proposed parameters (federal):
  ▫ $60,000 attachment point
  ▫ $250,000 reinsurance cap
  ▫ 80% coinsurance
• Quarterly recovery estimates provided
• Payments to issuers made annually (notified by June 30 following plan year)
• Assessments of $5.25 PMPM will be collected annually beginning late 2014
• National recoveries and national assessments
# 3Rs: Transitional Reinsurance Program - Premium Impact

<table>
<thead>
<tr>
<th>Program Year</th>
<th>Estimated Market Assessment ¹</th>
<th>Estimated Impact to National Individual Market Premium ²</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Low Scenario</td>
</tr>
<tr>
<td>2014</td>
<td>$5.25 PMPM</td>
<td>-10%</td>
</tr>
<tr>
<td>2015</td>
<td>0.6%</td>
<td>-6%</td>
</tr>
<tr>
<td>2016</td>
<td>0.4%</td>
<td>-4%</td>
</tr>
</tbody>
</table>

¹ High and Low scenarios utilize different estimates for the current individual market membership. Net of Treasury funding
² While impact is measured as a percent of premium, actual impact will vary by issuer and be based on actual claims reimbursed. Also note this impact is relative to premiums had the program not been in place, NOT current 2012 premiums.
3Rs: Risk Corridors

- HHS (Feds) share in profits/losses of QHPs
- July 31 risk corridor reporting deadline
  - June 30: notification date re: risk adjustment and reinsurance
- Plan-level calculation
- Not budget neutral
3Rs: Risk Corridors

- **Target**: Total earned premium reduced by admin expense
- **Allowable administrative costs**
  - Up to 20% of earned premium, non-claim costs
  - Direct sales salaries, workforce salaries and benefits, fees and commissions, cost-containment expenses that do not target improvement of healthcare outcomes
- **Generally Target = 80% of Premium**

- Compare actual Claims Expense to Target, HHS Shares when actual claims significantly different than target.

- **Plan level allocation**
  - Important to consider plan-specific risk adjustment calculations
3Rs: Risk Corridors

- Sum of incurred claims, including adjustment for expenditures that improve health care quality
  - Direct claims paid to providers, capitation payments, claim reserves, contract reserves, medical claim portion of lawsuits
  - Direct care, case management, disease management, quality reporting, health information technology
  - Adjustments: prescription drug rebates, overpayment recoveries from providers, risk adjustment transfers, reinsurance payments, provider incentives and bonus payments, administrative fees paid to third party vendors, etc.
### 3Rs: Risk Corridors

<table>
<thead>
<tr>
<th>Allowable/ Target</th>
<th>Action</th>
<th>Amount Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater than 108%</td>
<td>HHS pays QHP</td>
<td>2.5% of Target + 80% of amount in excess of 108%</td>
</tr>
<tr>
<td>103% to 108%</td>
<td>HHS pays QHP</td>
<td>50% of amount in excess of 103%</td>
</tr>
<tr>
<td>97% to 103%</td>
<td>No action</td>
<td>No payment transfer</td>
</tr>
<tr>
<td>92% to 97%</td>
<td>QHP pays HHS</td>
<td>50% of difference between 97% of target and allowable cost</td>
</tr>
<tr>
<td>Less than 92%</td>
<td>QHP pays HHS</td>
<td>2.5% of Target + 80% of difference between 92% of target and allowable cost</td>
</tr>
</tbody>
</table>
Illustrative Rate Setting Methodology: Where the 3Rs come into play

<table>
<thead>
<tr>
<th>Historical Information</th>
<th>Small Group</th>
<th>Non-Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claim Cost (Net Paid) PMPM</td>
<td>$300</td>
<td>$200</td>
</tr>
<tr>
<td>IBNR</td>
<td>1.02</td>
<td>1.02</td>
</tr>
<tr>
<td>Risk Score</td>
<td>0.95</td>
<td>1.02</td>
</tr>
<tr>
<td>Average Actuarial Value</td>
<td>70%</td>
<td>60%</td>
</tr>
<tr>
<td>Average Geographic Rating Adjustment</td>
<td>1.2</td>
<td>1.1</td>
</tr>
<tr>
<td><strong>Allowed Claim Cost PMPM for a 1.0 risk</strong></td>
<td><strong>$383</strong></td>
<td><strong>$303</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Projection Adjustments</th>
<th>Small Group</th>
<th>Non-Group</th>
<th>Market Applicability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trend</td>
<td>1.100</td>
<td>1.100</td>
<td>Both</td>
</tr>
<tr>
<td>Change in Market Morbidity</td>
<td>0.980</td>
<td>1.200</td>
<td>Both</td>
</tr>
<tr>
<td>Reinsurance Assessment</td>
<td>1.010</td>
<td>1.020</td>
<td>Both</td>
</tr>
<tr>
<td>Reinsurance Recoveries</td>
<td>1.000</td>
<td>0.830</td>
<td>Non-Group</td>
</tr>
<tr>
<td>Impact of EHBs</td>
<td>1.030</td>
<td>1.050</td>
<td>Both</td>
</tr>
<tr>
<td>Market Adverse Selection (Employee Choice in SHO)</td>
<td>1.000</td>
<td>1.000</td>
<td>Small Group</td>
</tr>
<tr>
<td>Issuer Fee</td>
<td>1.020</td>
<td>1.020</td>
<td>Both</td>
</tr>
<tr>
<td>Exchange User Fee</td>
<td>1.040</td>
<td>1.040</td>
<td>Both</td>
</tr>
<tr>
<td>Risk Adjustment User Fee</td>
<td>1.000</td>
<td>1.000</td>
<td>Both</td>
</tr>
<tr>
<td>Allocated Composite Premium Methodology</td>
<td>1.010</td>
<td>1.000</td>
<td>Small Group</td>
</tr>
<tr>
<td>Pent-up Demand</td>
<td>1.000</td>
<td>1.000</td>
<td>Non-Group</td>
</tr>
<tr>
<td>Change in Provider Contract Rates</td>
<td>1.000</td>
<td>1.020</td>
<td>Both</td>
</tr>
<tr>
<td>Admin</td>
<td>11%</td>
<td>11%</td>
<td>Both</td>
</tr>
<tr>
<td>Contribution to Surplus/Margin for Risk</td>
<td>5%</td>
<td>5%</td>
<td>Both</td>
</tr>
<tr>
<td><strong>Projected Base Rate (Index Rate)</strong></td>
<td><strong>$549</strong></td>
<td><strong>$455</strong></td>
<td></td>
</tr>
</tbody>
</table>
Timeline for 2014 Plan Year

- Oct 2013-Mar 2014: Open enrollment period
- Quarterly throughout 2014: HHS provides reinsurance recovery estimates
- Late 2014: Issuers submit $5.25 PMPM reinsurance assessment to HHS
- April 30, 2015: Risk adjustment data submission due to HHS
- June 30, 2015: Issuers receive notification of risk adjustment payments and charges (including user fees due), and reinsurance recovery amounts
- July 31, 2015: Risk corridor and MLR reporting deadline
- Sep 30, 2015: MLR rebate disbursement deadline
MAKING HEALTHCARE AFFORDABILITY
The Cost of Obtaining Coverage
Access Health CT is designed to make obtaining health coverage easier and more affordable. Starting in 2014, this new health insurance marketplace will allow individuals and families to find out if they are eligible for either:

- public health programs like Medicaid and the Children’s Health Insurance Program (CHIP), or;
- affordability subsidies that will lower the cost of private insurance

**Medicaid Expansion**

In Connecticut, the ACA expands Medicaid coverage to an additional **150,000** adult residents with incomes below **133% of poverty**—among this Medicaid expansion population, about 87,000 residents with incomes less than 53 or 65% of poverty are already enrolled.

**Federal Affordability Subsidies**

An estimated **205,000** Connecticut residents with incomes between **133 and 400% of poverty** will be eligible for federal affordability subsidies available through Access Health CT. These subsidies will reduce the cost of obtaining private insurance coverage and accessing care and come in two forms:

- advanced premium tax credits that will lower cost of monthly premiums
- cost sharing reductions that will lower out of pocket cost
**BACKGROUND: Understanding FPL**

**What is the Federal Poverty Level ("FPL") of a household?**

- FPL is defined by Department of Health and Human Services
- A household’s FPL is based on the number of members in tax household and the household’s income
- For the 2014 plan year, the federal poverty tables for 2013 will be used:

<table>
<thead>
<tr>
<th>Household Size</th>
<th>100% of poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$11,490</td>
</tr>
<tr>
<td>2</td>
<td>$15,510</td>
</tr>
<tr>
<td>3</td>
<td>$19,530</td>
</tr>
<tr>
<td>4</td>
<td>$23,550</td>
</tr>
<tr>
<td>5</td>
<td>$27,570</td>
</tr>
</tbody>
</table>

For each additional child, add $4,020

Married couple with 2 children, earning $52,500. Income Equivalent to:

\[
223\% \text{ of FPL} \quad \text{(i.e. } \frac{52,500}{23,550} = 2.23) \]

**ANNUAL Income Thresholds by Household Size and Poverty Level**

<table>
<thead>
<tr>
<th>% of Federal Poverty Level</th>
<th>Individual</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>133</td>
<td>15,282</td>
<td>20,628</td>
<td>25,975</td>
<td>31,322</td>
<td>36,668</td>
<td>42,015</td>
</tr>
<tr>
<td>150</td>
<td>17,235</td>
<td>23,265</td>
<td>29,295</td>
<td>35,325</td>
<td>41,355</td>
<td>47,385</td>
</tr>
<tr>
<td>200</td>
<td>22,980</td>
<td>31,020</td>
<td>39,060</td>
<td>47,100</td>
<td>55,140</td>
<td>63,180</td>
</tr>
<tr>
<td>250</td>
<td>28,725</td>
<td>38,775</td>
<td>48,825</td>
<td>58,875</td>
<td>68,925</td>
<td>78,975</td>
</tr>
<tr>
<td>300</td>
<td>34,470</td>
<td>46,530</td>
<td>58,590</td>
<td>70,650</td>
<td>82,710</td>
<td>94,770</td>
</tr>
<tr>
<td>400</td>
<td>45,960</td>
<td>62,040</td>
<td>78,120</td>
<td>94,200</td>
<td>110,280</td>
<td>126,360</td>
</tr>
</tbody>
</table>
Eligibility for Affordability Subsidies: Advanced Premium Tax Credits

**Advanced Premium Tax Credits**

- Federal **advanced premium tax credits ("APTC")**, paid on a monthly basis directly to the carriers, will be available through Access Health CT to subsidize the cost of a household’s monthly premiums
  - for household’s with income **between 133 and 400% of FPL**, a household will only be expected to pay **between 3 and 9.5% of their income** toward the premiums of the qualified health plan
  - The required contribution will be capped as a fixed amount that is determined in relationship to a household’s income
  - the value of tax credits will be variable and based on the age/region-adjusted premium of the 2nd-lowest costing Silver plan applicable to the household
- An applicant can use their advanced premium tax credit to “buy up” or “buy down” coverage

**Range of Household Incomes Eligible for Tax Credits and Required Contributions (for 2nd Lowest Cost Silver)**

<table>
<thead>
<tr>
<th>Household Size</th>
<th>Individual</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>133% of FPL</strong></td>
<td>Annual Income:</td>
<td>15,282</td>
<td>20,628</td>
<td>25,975</td>
<td>31,322</td>
<td>36,668</td>
<td>42,015</td>
</tr>
<tr>
<td></td>
<td>Monthly Contribution (3%):</td>
<td>38</td>
<td>52</td>
<td>65</td>
<td>78</td>
<td>92</td>
<td>105</td>
</tr>
<tr>
<td><strong>400% of FPL</strong></td>
<td>Annual Income:</td>
<td>45,960</td>
<td>62,040</td>
<td>78,120</td>
<td>94,200</td>
<td>110,280</td>
<td>126,360</td>
</tr>
<tr>
<td></td>
<td>Monthly Contribution (9.5):</td>
<td>364</td>
<td>491</td>
<td>618</td>
<td>746</td>
<td>873</td>
<td>1,000</td>
</tr>
</tbody>
</table>
Cost Sharing Reductions

- Additional federal subsidies, known as **cost sharing reductions ("CSR")**, will be available, exclusively, to households with incomes between 133 and 250% of FPL.

- Whereas the advanced premium tax credits will lower a member’s monthly premiums, the cost sharing reductions will lower the out-of-pocket costs associated with obtaining care:
  - deductibles, copays and coinsurance rates, and max OOP may be lowered, sometimes significantly.
  - actuarial values of plan will increase from 70% (+/- 2 percent) to one of three specified levels.

- **CSRs are exclusive to the three (3) alternative Silver plans**

- The alternative Silver QHPs will raise the effective benefit level (i.e. actuarial value) of the Silver QHP, according to the following household income thresholds:
  - **Silver CSR-94**: available to households with incomes between 100 and 150% of FPL:
    - e.g. copays of $5/$15 for PCP/Specialist; $250/day (max 2 days) for hospital care; no deductibles; max OOP limited to $2,000
  - **Silver CSR-87**: available to households with incomes between 150 and 200% of FPL:
    - e.g. copays of $10/$30 for PCP/Specialist; $250/day (max 2 days) for hospital care after deductible; $500 hospital-only deductible; max OOP limited to $2,250
  - **Silver CSR-74**: available to households with incomes between 200 and 250% of FPL:
    - e.g. copays of $30/$45 for PCP/Specialist; $500/day (max 2 days) for hospital care after deductible; $2,500 hospital-only deductible and $300 Rx deductible; max OOP limited to $5,200
BACKGROUND: Required Contributions for 2nd-Lowest Cost Silver QHP

<table>
<thead>
<tr>
<th>Annual Income, $</th>
<th>Monthly Income, $</th>
<th>Household Size</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Individual 2 3 4 5 6</td>
</tr>
<tr>
<td>12,000</td>
<td>1,000</td>
<td>65</td>
</tr>
<tr>
<td>18,000</td>
<td>1,500</td>
<td>132</td>
</tr>
<tr>
<td>24,000</td>
<td>2,000</td>
<td>209</td>
</tr>
<tr>
<td>30,000</td>
<td>2,500</td>
<td>285</td>
</tr>
<tr>
<td>36,000</td>
<td>3,000</td>
<td>333</td>
</tr>
<tr>
<td>42,000</td>
<td>3,500</td>
<td>380</td>
</tr>
<tr>
<td>48,000</td>
<td>4,000</td>
<td>428</td>
</tr>
<tr>
<td>54,000</td>
<td>4,500</td>
<td>475</td>
</tr>
<tr>
<td>60,000</td>
<td>5,000</td>
<td></td>
</tr>
<tr>
<td>66,000</td>
<td>5,500</td>
<td></td>
</tr>
<tr>
<td>72,000</td>
<td>6,000</td>
<td></td>
</tr>
<tr>
<td>78,000</td>
<td>6,500</td>
<td></td>
</tr>
<tr>
<td>84,000</td>
<td>7,000</td>
<td></td>
</tr>
<tr>
<td>90,000</td>
<td>7,500</td>
<td></td>
</tr>
<tr>
<td>96,000</td>
<td>8,000</td>
<td></td>
</tr>
<tr>
<td>102,000</td>
<td>8,500</td>
<td></td>
</tr>
<tr>
<td>108,000</td>
<td>9,000</td>
<td></td>
</tr>
<tr>
<td>114,000</td>
<td>9,500</td>
<td></td>
</tr>
<tr>
<td>120,000</td>
<td>10,000</td>
<td></td>
</tr>
<tr>
<td>126,000</td>
<td>10,500</td>
<td></td>
</tr>
</tbody>
</table>

**Family of 3**

- $42,000 = 215% of FPL
- $239 = 6.8% of Income
- $78,000 = 399% of FPL
- $342 = 9.5% of Income

**Eligible for both Tax Credits and Cost Sharing Reductions (on Silver Plan)**

- Eligible for Tax Credits only

**NOT ELIGIBLE FOR TAX CREDITS**
### Background: Standard Cost Sharing Reduction Plans

#### Actuarial Value Final AV Calculator

<table>
<thead>
<tr>
<th>Cost Sharing Reduction Plans</th>
<th>SILVER</th>
<th>SILVER - CSR-73</th>
<th>SILVER - CSR-87</th>
<th>SILVER - CSR-94</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarial Value Final AV Calculator)</td>
<td>72.0%</td>
<td>73.8%</td>
<td>87.8%</td>
<td>93.3%</td>
</tr>
</tbody>
</table>

#### Deductible(s)

<table>
<thead>
<tr>
<th></th>
<th>Medical</th>
<th>Prescription Drugs</th>
<th>Out-of-Pocket Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical</td>
<td>3,000</td>
<td>400</td>
<td>6,250</td>
</tr>
<tr>
<td>Prescription Drugs</td>
<td>2,500</td>
<td>300</td>
<td>5,200</td>
</tr>
<tr>
<td>Out-of-Pocket Maximum</td>
<td>500</td>
<td>0</td>
<td>2,250</td>
</tr>
</tbody>
</table>

#### Medical Benefits

<table>
<thead>
<tr>
<th>Office Visits</th>
<th>Subject to Medical Deductible</th>
<th>Subject to Medical Deductible</th>
<th>Subject to Medical Deductible</th>
<th>No Deductible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preventive Care/Screening/Immunization</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Primary Care Visit</td>
<td>30</td>
<td>30</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>Specialist Visit</td>
<td>45</td>
<td>45</td>
<td>30</td>
<td>15</td>
</tr>
<tr>
<td>Emergency Room Services</td>
<td>150</td>
<td>150</td>
<td>100</td>
<td>75</td>
</tr>
<tr>
<td>Inpatient Admission</td>
<td>500 ✅</td>
<td>500 ✅</td>
<td>250 ✅</td>
<td>250</td>
</tr>
<tr>
<td>Apply Copayment per Day (max days per admission specified)</td>
<td>yes - max 4</td>
<td>yes - max 2</td>
<td>yes - max 2</td>
<td>yes - max 2</td>
</tr>
<tr>
<td>Outpatient Surgery</td>
<td>500 ✅</td>
<td>500 ✅</td>
<td>250 ✅</td>
<td>250</td>
</tr>
</tbody>
</table>

#### Prescription Drug Benefit

<table>
<thead>
<tr>
<th>Tier 1 (i.e. Generics)</th>
<th>Subject to Rx Deductible</th>
<th>Subject to Rx Deductible</th>
<th>No Rx Deductible</th>
<th>No Rx Deductible</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>10</td>
<td>5</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>25</td>
<td>15</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>Tier 2 (i.e. Preferred Brand Drugs)</td>
<td>40</td>
<td>40</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>40%</td>
<td>40%</td>
<td>40%</td>
<td>40%</td>
<td>40%</td>
</tr>
<tr>
<td>Specialty Tier (i.e. Specialty High-Cost Drugs)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Scenarios:

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Description of Utilization</th>
<th>SILVER &gt;250% of FPL</th>
<th>94% CSR 100-150% of FPL</th>
<th>87% CSR 150-200% of FPL</th>
<th>73% CSR 200-250% of FPL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Young adult with asthma</td>
<td>2 preferred-brand drugs/month; 2 PCP visits/year; 1 specialist visit/year</td>
<td>$105/year + $400 Rx ded + $50/mo after Rx ded</td>
<td>$25/year + $30/mo</td>
<td>$60/year + $30/mo</td>
<td>$85/year + $300 Rx ded + $50/mo after Rx ded</td>
</tr>
<tr>
<td>Accident</td>
<td>2 generic drugs/year; 1 preferred-brand drug/year; 12 rehabilitative visits/year; 4 specialist visits/year (or 1 ER + 2 specialist) 2 PCP visits/year</td>
<td>$620-$680/accident + cost of preferred Rx</td>
<td>$155-200/accident</td>
<td>$325-365/accident</td>
<td>$585-645/accident + cost of preferred Rx</td>
</tr>
<tr>
<td>Hospital Stay</td>
<td>4 days hospital/year; 4 specialist visits/year; 2 PCP visits/year; 1 high-tech imaging; 12 rehabilitative visits/year 4 preferred-brand drugs/year; 2 generic drugs/year;</td>
<td>$5,715/hospital stay + cost of preferred Rx</td>
<td>$750/hospital stay</td>
<td>$1,450/hospital stay</td>
<td>$4,195/hospital stay + cost of preferred Rx</td>
</tr>
<tr>
<td>Chronic Health Complication</td>
<td>multiple hospital stays i.e. Maximum OOP</td>
<td>$6,000</td>
<td>$2,000</td>
<td>$2,250</td>
<td>$5,200</td>
</tr>
</tbody>
</table>
Eligibility Examples

Eligibility scenarios provide hypothetical “real life” examples of how much obtaining coverage through the Exchange would cost an individual.

Beta Calculator available at: http://www.egporter.com/calculator

- All examples are hypothetical and assume a base rate of $295 for the 2nd Lowest Costing Silver
- Base rate is defined as the premium for a 21-year old
- Actual premium would reflect age-adjustment factors (3:1 age rating band) and geographic factor
- No other rating factors are allowed
Eligibility Example 1: Household with children who are NOT eligible for Medicaid/CHIP

A married couple with no access to employer-sponsored insurance earns $70,650 annually. They have two children under the age of 19.

---

Your Results

About Your Tax Household
Household size: 4

Household income: $70,650/year
300% of poverty

About Your Exchange Coverage
Type of Coverage: Family
4 family members will be covered by this policy

Your premium: $1,227/month
300% of the unadjusted cost of the second-lowest costing Silver plan rated for the ages of the 4 family members eligible for coverage

Your required contribution: $559/month
which equals 9.5% of your household income

Your expected savings: $668/month
8,011/year
which covers 54% of your family's overall premiums

About Your Exchange Benefits
Your benchmark plan: Silver Plan
i.e. 70% actuarial value

Your plan's benefits: click here for more information on your benefits

---

Individuals and Families

Depending on your income and the number of people living in your house, you may be eligible for free public health insurance (Medicaid) or a discount on a private health plan. For example, if you're single and making up to $48,800, or in a family of four making up to $94,200, you may qualify for some discounts.

Find out what you could save with some basic information about your household.

Type of Coverage: Family
Indicate whether you need a health plan to cover just yourself, or you and your whole family.

Your age: 42

Are you married? Yes

Your spouse's age: 47

Do you have any children? Yes
Children up to age 26 can remain on a parent's policy.

CHILD ONE
Child's Age: 12

CHILD TWO
Child's Age: 13

Enter income (before taxes) as: 2014 dollars
Your household income in dollars: 70650
Regional cost factor: Typical Cost

Re-Calculate
Eligibility Example 2: Household with children who are eligible for Medicaid/CHIP

A married couple with no access to employer-sponsored insurance earns $70,500 annually. They have two children under the age of 19.

Your Results
About Your Tax Household
Household size: 4
Household income: $55,100/year
234% of poverty

About Your Medicaid Eligibility
Based on your household income and size, your 2 children under the age of 19 are likely to be eligible for Husky B
Medicaid coverage: no cost

About Your Exchange Coverage
Type of Coverage: family
2 family members will be covered by this policy (this excludes 2 children who should be eligible for Husky B)
Your premium: $852/month
Estimation of the unadjusted cost of the second-lowest costing Silver plan rated for the ages of the 2 family members eligible for coverage
Your required contribution: $344/month which equals 7.49% of your household income
Your expected savings: $508/month $6,096/year which covers 80% of your family's overall premiums

About Your Exchange Benefits
Your benchmark plan: Silver Cost Sharing Reduction Plan
i.e. 73% actuarial value
Eligibility Example 3.a: Couple seeking health insurance coverage

A couple earns $48,000 per year, or 309% of poverty.

Scenario A: Neither spouse offered employer-sponsored insurance

Health Insurance Savings Calculator
Find out now if you can get financial help, and how much:

**Individuals and Families**
Depending on your income and the number of people living in your house, you may be able to get free public health insurance (Medicaid) or a discount on a private health plan. For example, if you’re single and making up to $45,900, or in a family of four making up to $94,200, you may qualify for some discounts.

Find out what you could save with some basic information about your household

- **Type of Coverage:** Family
- **Your age:** 42
- **Are you married?** Yes
- **Your spouse’s age:** 47
- **Do you have any children?** No
- **Children up to age of 26 can remain on a parent’s policy.**
- **Enter income (before taxes) as:** 2014 dollars
- **Your household income in dollars:** 48000
- **Regional cost factor:** Typical Cost

**Your Results**

**About Your Tax Household**
- **Household size:** 2
- **Household income:** $48,000/year
  - 309% of poverty

**About Your Exchange Coverage**
- **Type of Coverage:** family
  - 2 family members will be covered by this policy
- **Your premium:** $852/month
  - estimation of the unadjusted cost of the second-lowest costing Silver plan rated for the ages of the 2 family members eligible for coverage
- **Your required contribution:** $380/month
  - which equals 9.5% of your household income
- **Your expected savings:** $472/month
  - $5,664/year
  - which covers 55% of your family’s overall premiums

**About Your Exchange Benefits**
- **Your benchmark plan:** Silver Plan
  - i.e. 70% actuarial value
- **Your plan’s benefits:** click here for more information on your benefits

Please note that results are only an estimate.
Eligibility Example 3.b: Couple seeking health insurance coverage

A couple earns $48,000 per year, or 309% of poverty.

Scenario B: One spouse is offered affordable employer-sponsored insurance

**Your Results**

**About Your Tax Household**
- Household size: 2
- Household income: $48,000/year
  - 309% of poverty

**About Your Exchange Coverage**
- Type of Coverage: individual
- Your premium: $391/month
  - estimation of the unadjusted cost of the second-lowest costing Silver plan rated for the ages of the 2 family members eligible for coverage
- Your required contribution: $380/month
  - which equals 9.5% of your household income
- Your expected savings: $11/month
  - $131/year
  - which covers 3% of your overall premiums

**About Your Exchange Benefits**
- Your benchmark plan: Silver Plan
  - i.e. 70% actuarial value
- Your plan’s benefits: click here for more information on your benefits

Please note that results are only an estimate.
APPENDIX A
Steps to Determining Cost of Obtaining Coverage
BACKGROUND: Determining Cost of Coverage

The calculation of an household’s expected contribution and the value of its advanced premium tax credits is a multistep process:

1. Determine household’s size
2. Determine household’s modified adjusted gross income
3. Determine federal poverty level of household
4. Determine if eligible for Medicaid/CHIP

If eligible for affordability subsidies, i.e. advanced premium tax credit ("APTC") and cost sharing reductions ("CSR"):

5. Calculate APTC percentage and required contribution
6. Determine premium of second lowest cost Silver plan
7. Determine APTC amount
8. Use APTC to purchase a qualified health plan
BACKGROUND: Determine Household Size and MAGI

1. **Determine household’s size:**
   - Include the following:
     - self
     - spouse
       - If married, spouses must file separately or ineligible for APTC
       - domestic partners will have tax credits calculated separately, but can apply for QHP jointly
     - Dependent children
       - must be under age 18, or
       - fulltime student under age 24
       - same rules apply for stepchild(ren), adopted child(ren)
     - Qualifying relative
       - specific rules apply for whether extended family member and/or older child are considered part of household

2. **Determine household’s modified adjusted gross income:**
   - household’s MAGI is found by taking a household’s adjusted gross income (“AGI”) and adding back certain items
     - i.e. Line 37 from IRS form 1040 and add tax exempt income from line 8b
### BACKGROUND: Determine FPL

#### 3. Determine Federal Poverty Level of Household

- Based on number of members in tax household and household MAGI, determine household’s federal poverty level based on federal poverty table
- Poverty level defined by Department of Health and Human Services
- For the 2014 plan year, the federal poverty tables for 2013 will be used:

<table>
<thead>
<tr>
<th>Household Size</th>
<th>100% of poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$11,490</td>
</tr>
<tr>
<td>2</td>
<td>$15,510</td>
</tr>
<tr>
<td>3</td>
<td>$19,530</td>
</tr>
<tr>
<td>4</td>
<td>$23,550</td>
</tr>
<tr>
<td>5</td>
<td>$27,570</td>
</tr>
<tr>
<td>For each additional child, add</td>
<td>$4,020</td>
</tr>
</tbody>
</table>

**Example:**

For a married couple with 2 children, a household income of $52,500 is equivalent to:

\[
\frac{52,200}{23,550} = 2.23
\]

223%
BACKGROUND: Household Income by % of FPL

**ANNUAL Income Thresholds by Household Size and Poverty Level**

<table>
<thead>
<tr>
<th>% of Federal Poverty Level</th>
<th>Individual</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>133</td>
<td>15,282</td>
<td>20,628</td>
<td>25,975</td>
<td>31,322</td>
<td>36,668</td>
<td>42,015</td>
</tr>
<tr>
<td>150</td>
<td>17,235</td>
<td>23,265</td>
<td>29,295</td>
<td>35,325</td>
<td>41,355</td>
<td>47,385</td>
</tr>
<tr>
<td>200</td>
<td>22,980</td>
<td>31,020</td>
<td>39,060</td>
<td>47,100</td>
<td>55,140</td>
<td>63,180</td>
</tr>
<tr>
<td>250</td>
<td>28,725</td>
<td>38,775</td>
<td>48,825</td>
<td>58,875</td>
<td>68,925</td>
<td>78,975</td>
</tr>
<tr>
<td>300</td>
<td>34,470</td>
<td>46,530</td>
<td>58,590</td>
<td>70,650</td>
<td>82,710</td>
<td>94,770</td>
</tr>
<tr>
<td>400</td>
<td>45,960</td>
<td>62,040</td>
<td>78,120</td>
<td>94,200</td>
<td>110,280</td>
<td>126,360</td>
</tr>
</tbody>
</table>

**MONTHLY Income Thresholds by Household Size and Poverty Level**

<table>
<thead>
<tr>
<th>% of Federal Poverty Level</th>
<th>Individual</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>133</td>
<td>1,274</td>
<td>1,719</td>
<td>2,165</td>
<td>2,610</td>
<td>3,056</td>
<td>3,501</td>
</tr>
<tr>
<td>150</td>
<td>1,436</td>
<td>1,939</td>
<td>2,441</td>
<td>2,944</td>
<td>3,446</td>
<td>3,949</td>
</tr>
<tr>
<td>200</td>
<td>1,915</td>
<td>2,585</td>
<td>3,255</td>
<td>3,925</td>
<td>4,595</td>
<td>5,265</td>
</tr>
<tr>
<td>250</td>
<td>2,394</td>
<td>3,231</td>
<td>4,069</td>
<td>4,906</td>
<td>5,744</td>
<td>6,581</td>
</tr>
<tr>
<td>300</td>
<td>2,873</td>
<td>3,878</td>
<td>4,883</td>
<td>5,888</td>
<td>6,893</td>
<td>7,898</td>
</tr>
<tr>
<td>400</td>
<td>3,830</td>
<td>5,170</td>
<td>6,510</td>
<td>7,850</td>
<td>9,190</td>
<td>10,530</td>
</tr>
</tbody>
</table>
BACKGROUND: Medicaid/CHIP Eligibility

4. Determine if anyone in household is eligible for Medicaid and/or CHIP

- Any applicant qualifying for Medicaid or CHIP will be ineligible for affordability subsidies.
- The ACA expands Medicaid coverage in Connecticut to adult residents with incomes below 133% of poverty.

Household Income Thresholds for Medicaid for January 2014, as Percent of FPL

- Adults: under 133% of FPL, a 5% income disregard may be allowed
  - currently “low income adults” with household income under 53-65% of FPL are eligible for Medicaid
- Parents: under 185% of FPL
  - Governor’s FY2014 budget proposes eliminating eligibility of parents above 133% of FPL given availability of federal subsidies through Access Health CT
- Pregnant Women: under 250% of FPL
  - each unborn child counts as +1 for determining the applicant’s household size
- Children under age 19
  - Husky B – Tier 1: under 235% of FPL
  - Husky B – Tier 2: between 235 and 300% of FPL
    - Premiums: 1 child -> $30/month; more than 1 child -> $50/month
### BACKGROUND: Medicaid/CHIP Eligibility

Maximum Household MAGI Thresholds for Medicaid Eligibility for January 2014

**Table 1. Maximum Annual Household Income for eligibility in state’s Medicaid programs**

<table>
<thead>
<tr>
<th>HOUSEHOLD SIZE</th>
<th>FPL</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children (Husky B - Tier 1)</td>
<td>235%</td>
<td>n/a</td>
<td>$36,449</td>
<td>$45,896</td>
<td>$55,343</td>
<td>$64,790</td>
<td>$74,237</td>
</tr>
<tr>
<td>Children (Husky B - Tier 2)</td>
<td>300</td>
<td>n/a</td>
<td>46,530</td>
<td>58,590</td>
<td>70,650</td>
<td>82,710</td>
<td>94,770</td>
</tr>
<tr>
<td>Adults</td>
<td>133</td>
<td>$15,282</td>
<td>20,628</td>
<td>25,975</td>
<td>31,322</td>
<td>36,668</td>
<td>42,015</td>
</tr>
<tr>
<td>Pregnant Women</td>
<td>250</td>
<td>n/a</td>
<td>38,775</td>
<td>48,825</td>
<td>58,875</td>
<td>68,925</td>
<td>78,975</td>
</tr>
<tr>
<td>Parents [1]</td>
<td>185</td>
<td>n/a</td>
<td>28,694</td>
<td>36,131</td>
<td>43,568</td>
<td>51,005</td>
<td>58,442</td>
</tr>
</tbody>
</table>

**Table 2. Maximum Monthly Household Income for eligibility in state’s Medicaid programs**

<table>
<thead>
<tr>
<th>HOUSEHOLD SIZE</th>
<th>FPL</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children (Husky B - Tier 1)</td>
<td>235%</td>
<td>n/a</td>
<td>$3,037</td>
<td>$3,825</td>
<td>$4,612</td>
<td>$5,399</td>
<td>$6,186</td>
</tr>
<tr>
<td>Children (Husky B - Tier 2)</td>
<td>300</td>
<td>n/a</td>
<td>3,878</td>
<td>4,883</td>
<td>5,888</td>
<td>6,893</td>
<td>7,898</td>
</tr>
<tr>
<td>Adults</td>
<td>133</td>
<td>$1,274</td>
<td>1,719</td>
<td>2,165</td>
<td>2,610</td>
<td>3,056</td>
<td>3,501</td>
</tr>
<tr>
<td>Pregnant Women</td>
<td>250</td>
<td>n/a</td>
<td>3,231</td>
<td>4,069</td>
<td>4,906</td>
<td>5,744</td>
<td>6,581</td>
</tr>
<tr>
<td>Parents [1]</td>
<td>185</td>
<td>n/a</td>
<td>2,391</td>
<td>3,011</td>
<td>3,631</td>
<td>4,250</td>
<td>4,870</td>
</tr>
</tbody>
</table>

**Note:**
1. Under Governor Malloy’s proposed FY2014 Budget, Medicaid coverage for parents with household income between 133 and 185% of poverty is eliminated. These parents will be eligible for federally-subsidized insurance from Access Health CT.
5. **Determine advanced premium tax credit ("APTC") percentage and contribution**

- APTC will be offered on a sliding scale based on income, limiting to a specified percentage of a household’s income what a household will be required to contribute to the cost of their coverage.
- This required contribution is held constant as percentage of MAGI and determined by federal law and based on assumption that household selects the 2nd lowest costing Silver plan.
- **Example:** Married couple with 2 children and income of $52,500
  - At 223% of FPL, required contribution is 7.11% of income; therefore required contribution is $311/month ($4,375 x 7.11%)

<table>
<thead>
<tr>
<th>Household Income as % of FPL</th>
<th>Premium Payment as % of Household Income</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FPL equal to or greater than</strong></td>
<td><strong>FPL less than</strong></td>
</tr>
<tr>
<td>0%</td>
<td>133%</td>
</tr>
<tr>
<td>133</td>
<td>150</td>
</tr>
<tr>
<td>150</td>
<td>200</td>
</tr>
<tr>
<td>200</td>
<td>250</td>
</tr>
<tr>
<td>250</td>
<td>300</td>
</tr>
<tr>
<td>300</td>
<td>400</td>
</tr>
</tbody>
</table>
BACKGROUND: Required Premium Contribution by % of Federal Poverty Level

MONTHLY Minimum Premium Payments for Second Lowest Cost Silver

<table>
<thead>
<tr>
<th>% of Federal Poverty Level</th>
<th>Premium Payment by Household Size</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Individual</td>
</tr>
<tr>
<td>133</td>
<td>38</td>
</tr>
<tr>
<td>150</td>
<td>57</td>
</tr>
<tr>
<td>200</td>
<td>121</td>
</tr>
<tr>
<td>250</td>
<td>193</td>
</tr>
<tr>
<td>300</td>
<td>273</td>
</tr>
<tr>
<td>400</td>
<td>364</td>
</tr>
</tbody>
</table>
BACKGROUND: Determine APTC Amount

6. **Calculate Cost of Second Lowest Cost Silver**
   - The minimum required contribution is fixed relative to: (1) household FPL, (2) APTC percentage, (3) household income
   - The amount of APTC is dependent upon the actual premium of the qualified health plan, which in turn will vary based upon: (1) base rate of second lowest costing QHP sold in applicant’s region, (2) number of household members who will be insured under the QHP, (3) age of insured members
   - **Example:** Married couple with 2 children and income of $52,500
     - At 223% of FPL, only the parents will be covered (the children will be eligible for CHIP)
     - Therefore, assuming a base rate of $295/month and ages 45 and 42, the premium for the parents’ coverage would be $817/month

7. **Determine APTC amount**
   - APTC is determined by subtracting the required contribution from the actual premium of second lowest costing Silver QHP
   - **Example:** Married couple with 2 children and income of $52,500
     - Premium: $817/month
     - Required Contribution: $311/month provides
     - Therefore, APTC: $506/month
BACKGROUND: Purchase Coverage

8. Use APTC to purchase a qualified health plan

- Actual premium payment will be determined by the premium cost of the actual QHP selected and proportion of maximum APTC that an applicant decides to use
- Household may elect not to use the entirety of APTC and receive it as a tax credit or refund at year-end
- An applicant can use their APTC to “buy up” or “buy down”
  - They can “buy down” to a Bronze-level coverage, in which case their tax credits will pay for a greater proportion of the premiums and they could expect a lower monthly cost; but they would be subject to greater out-of-pocket costs if they ever require health care
  - They can “buy up” to a more costly Silver QHP or a Gold or Platinum QHP that would offer greater benefit coverage; but they would need to pay any additional premium costs
- The APTC cannot be used to purchase Catastrophic Coverage
Access Health CT is a new marketplace that offers individuals, families and small employers a range of qualified, approved health insurance plans from brand-name carriers.

Access Health CT is the only place where people and small businesses can qualify for a break on their health insurance costs, in the form of discounts for individuals and tax credits for business owners.