



## Affordable Care Act

### What does the Supreme Court Ruling Mean for Consumers?

Provision	What is This?	What does it Mean for Consumers?
Individual Mandate/Premium tax credit	The law requires that, beginning in 2014, everyone buy/have healthcare coverage or pay a penalty, except for people who meet certain exemptions	<p>If you are enrolled in coverage, including employer coverage, private insurance, Medicaid, Medicare, TriCare, etc., you do not have to do anything. If you do not have coverage in 2014, you might be eligible for Medicaid or be able to purchase insurance through CT's new Exchange (see below).</p> <p>There are exemptions to the penalty for people with very low incomes (&lt;100% of the federal poverty level) or for whom insurance will be unaffordable—more than 8% of their income. People with short gaps in health coverage will also be exempt from the penalty.</p>
Exchange	A marketplace for one stop shopping for finding and enrolling in healthcare coverage	<p>The Exchange will allow consumers who are uninsured, small businesses or others to buy insurance among a range of health plans at varying prices to meet their needs. (Bronze, Silver, Gold and Platinum plans will be offered. Covered benefits will be the same across all levels of plans, but cost sharing will vary. Bronze plans will have the highest cost sharing, but they will be the most affordable plans. Platinum plans will be the most expensive and have the least cost sharing.) Consumers who buy insurance in the Exchange will be guaranteed a range of benefits that are comprehensive.</p> <p>The Exchange will also evaluate whether an individual is eligible for financial assistance, called subsidies, to purchase coverage or whether an individual is eligible for Medicaid.</p>
Essential Health Benefits (EHB)	Beginning January 1, 2014, Plans in the Exchange and individual and small group plans outside the Exchange must offer plans that include, at minimum, EHBs	EHBs must cover at least the following categories of services: ambulatory patient services; emergency services; hospitalization; maternity and newborn care; mental health and substance use disorder services, including behavioral health treatment; prescription drugs; rehabilitative and habilitative services and devices; laboratory services; preventive and wellness services and chronic disease management; and pediatric services, including oral and vision care.



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		<p>In 2014, plans inside and outside of the Exchange—the current market—including large group plans regulated by CT, will include the current mandates. (Individual policyholders will get the protections of all of the group mandates in CT law, including coverage for autism spectrum disorder therapies.)</p> <p>In 2016, we may revisit how we define EHBs.</p>
Pre-existing condition provision for adults	In 2014, all plans will be prohibited from denying a health insurance policy to an adults who have pre-existing conditions	Consumers who have been unable to buy insurance because they were told they had a pre-existing condition can no longer be refused a policy on that basis.
Gender rating	In 2014, gender rating will be prohibited	Women will no longer pay more for insurance policies simply because they are women and vice-versa: e.g., women of child-bearing age now pay more than men of the same age. This will lower costs for consumers.
Age rating	In 2014, insurers cannot use more than a 3:1 adjustment for age rating	Better rates for older adults who are now subject to higher premium rate adjustments for age. This will lower costs for consumers.
Mental Health Parity	The ACA requires “qualified health plans” to comply with the MHPAEA in 2014	In 2014, those who buy plans inside or outside the Exchange will have the protections of the Mental Health Parity and Equity Addiction Act. Insurers will not be able to impose greater financial or treatment limitations on access to mental health and substance use care than those that are imposed for medical services.
Market Reforms – Kids <26 No kids pre-ex Preventive services with no cost sharing No annual limits No lifetime limits No rescissions	Provisions in the ACA designed to reform insurance and promise fairer treatment of consumers	<p>New protections for consumers enrolled in healthcare coverage in Connecticut.</p> <p>Please see our brochure to learn more about these critical consumer protections:</p> <p><a href="http://www.ct.gov/oha/lib/oha/documents/ohaconsmrbrhmf3-hires.pdf">http://www.ct.gov/oha/lib/oha/documents/ohaconsmrbrhmf3-hires.pdf</a></p> <ul style="list-style-type: none"> <li>• lifting lifetime limits on benefits</li> <li>• restricting and eventually (2014) eliminating annual limits on benefits</li> </ul>



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		<ul style="list-style-type: none"> <li>• allowing people access to preventive services/screenings with no cost sharing</li> <li>• prohibiting insurers from rescinding policies unless they can prove fraud or material misrepresentation</li> <li>• Allowing dependents to stay on their parents' policies until they reach age 26</li> </ul>
Medical Loss Ratio – Individual and small group	Requires insurers to spend at least 80% of every premium dollar on medical care (85% in group plans)	Accountability – a few weeks ago, insurers had to return \$13 million to state residents in the form of rebates from carriers who did not meet the 80/20 rule.
Rate review	Rate requests greater than 10% are presumptively unreasonable	Triggers a higher standard of rate review before the Insurance Department can approve a request for substantial rate increases.
External Appeal	The ACA requires plans to offer external review either through the state's process or through an independent process facilitated by the carrier	For this first time, people in self-funded plans have the right to external review. (Current state law remains in effect for fully-insured plans.) Individuals will have a chance to appeal an insurance denial to an independent reviewer with no ties to the insurer.
Medicare – Preventive services no cost sharing Annual wellness Closing of donut hole Rx discounts in donut hole ACOs	Many protections under Medicare to eliminate out-of-pocket costs for enrollees and to allow them to seek preventive care with no cost sharing Funds ACOs to lower healthcare costs and coordinate care	<p>Consumers can look forward to the eventual closing of the Medicare Part D “donut hole”. In the meantime, CT residents have received more than \$53 million in help with their prescription drug costs under the ACA.</p> <p>The ACA allows coverage for an annual wellness visit and removes cost-sharing for preventive services, encouraging people to avoid putting off their needed care.</p> <p>ACOs (Accountable Care Organizations) – federal funding to allow for more coordinated care and to change the way providers are reimbursed to focus on quality, not volume.</p>



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<p>Medicaid expansion to 133% of the federal poverty level</p>	<p>Allows additional CT residents to enroll in Medicaid</p>	<p>Approximately 150,000 people who are of low-income and are currently uninsured could access healthcare coverage through the Medicaid program, if CT chooses to offer this option, a very likely scenario. Coverage under Medicaid satisfies the requirement that individuals enroll in minimum essential coverage.</p> <p>People in this income bracket likely will be unable to afford a plan in the Exchange. This option will be paid 100% coverage by the federal government for the first three years.</p>
<p>Basic Health Program (Medicaid-like program for people between 138-200% FPL)</p>	<p>Low income adult population could get coverage from a Medicaid lookalike program</p>	<p>The state would have to agree to offer this option for individuals. State officials, advocates and providers are exploring the option in a “working group.” OHA supports this option as a way for people who cannot afford traditional insurance to get coverage at little or no cost.</p>
<p>Multiple additional provisions – e.g., Medicaid proposals to coordinate care and contain costs – PCMH, ICO; hospital reimbursement rates linked to quality; funding for community health centers; intensive efforts to curb fraud and abuse, workforce grants; provisions to curb racial and ethnic disparities; wellness promotion;</p>		<p>For more information please visit <a href="http://www.healthcare.gov">www.healthcare.gov</a></p>