



HEALTHCARE.GOV

Affordable Care Act

Marketplace Implementation Briefing

**Loudon County
Chamber of Commerce**

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Services, Region III**

**Pennsylvania, Delaware, District of Columbia,
Maryland, Virginia, West Virginia**

Health Insurance Marketplace

- Sometimes called “Exchanges,” the Marketplace is required by the ACA to be created by January 1, 2014
- New “marketplace” where small businesses and individuals can select and enroll in a private health insurance plan
- For those who are uninsured and who purchase private health insurance

Marketplace Implementation

- Three models available
 - State-Based
 - Federal-State Partnership
 - Federally-Facilitated
- States can apply for Marketplace establishment funding at any time and be awarded grants through 2014
- HHS to operate marketplaces for States that have not elected to do so

Marketplace Implementation

- Virginia will be a Federally-run state
- 520,000 Virginians eligible to enroll through the marketplace
- Virginia has received \$5,320,401 to date

Actuarial Value

- The ACA requires plans inside the Marketplace to meet particular actuarial value (AV) targets
 - Bronze = 60% AV
 - Silver = 70% AV
 - Gold = 80% AV
 - Platinum = 90% AV
- “Metal Levels” will enable consumers to compare plans with similar levels of coverage, promote competition on premiums, and allow plans flexibility to design cost sharing structures

Financial Assistance

■ Premium tax credits

- Will reduce the premium amount the consumer owes each month
- Available to eligible consumers with household incomes between 100% and 400% of the FPL (\$44,680 for an individual and \$92,200 for a family of 4 in 2012), and who don't qualify for other health insurance coverage
- Based on household income and family size for the taxable year
- Paid each month to the insurer

Financial Assistance

- **Cost-sharing reductions:**
 - Reduce out-of-pocket costs (deductibles, coinsurance, copayments)
 - Generally available to those with income 250% FPL or below (\$27,925 for an individual and \$57,625 for a family of 4 in 2012)
 - Based on household income and family size for the taxable year

Quality Insurance

■ **Essential Health Benefits**

- 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/devices
- Laboratory services
- Preventive and wellness services and chronic disease management
- Pediatric services, including oral and vision care

Enrollment Process

- Consumer submits application to the marketplace
 - Online
 - Phone
 - Mail
 - In Person
- The marketplace verifies and determines eligibility for
 - enrollment in a Qualified Health Plan (QHP)
 - tax credits and cost-sharing reductions
 - Medicaid or CHIP
- Consumer enrolls in a QHP or Medicaid/CHIP
 - Online plan comparison tool available to inform health plan choice
 - Tax credit is sent to insurer (if eligible) to reduce consumer premium owed

Enrollment Assistance

- Help will be available in the Marketplace
 - Toll-free call center 1-800-318-2596
 - 24/7 (closed five holidays)
 - 150 languages
 - Website chat 24/7 (English and Spanish)
 - Help in-person
 - Navigators
 - Other trained enrollment assisters
 - Local Community Health Centers, libraries, hospitals and other locations in local communities
 - Agents and brokers

Initial Open Enrollment Period

■ **October 1, 2013 – March 31, 2014**

Enroll during the Initial Open Enrollment Period	Your coverage is effective*
On or before December 15, 2013	January 1, 2014
Between the 1 st and 15 th day of January – March	First day of the following month
Between the 16 th and the last day of December – March	First day of the second month

Marketplace and Businesses

- In 2014, small businesses can participate in Marketplaces as part of the Small Business Health Options Program (SHOP)
 - More affordable coverage because of access to larger risk pools
- Businesses with fewer than 50 full time equivalent employees are exempt from providing insurance
- Tax credit of up to 50% for small businesses with 25 FTEs or less who purchase insurance through the marketplace

Medicaid Expansion

- 400,000 Virginians would receive coverage
- 100% federally funded for first three years (2014-2016)
- Federal funding gradually reduced to 90% in 2020
- \$9 billion in first six years

Resources:

- Affordable Care Act website – www.healthcare.gov
- Health Insurance Marketplace – marketplace.cms.gov
- Center for Consumer Information & Insurance Oversight website – <http://cciio.cms.gov>
- Affordable Care Act Spanish website – www.cuidadodesalud.gov

Thank you!

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Internal Revenue Service

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Transition Relief for 2014 for § 6055 Information Reporting, § 6056 Information Reporting, and the Employer Shared Responsibility Provisions under § 4980H

- Information reporting (under section 6055) required by insurers, self-insuring employers, and other parties that provide health coverage.
- Information reporting (under section 6056) required by applicable large employers re: health coverage offered to full-time employees.
- The Administration recently announced that it will provide an additional year before 6055 and 6056 reporting requirements begin. Reporting will not be required until 2015.
- The Administration is also extending transition relief to the employer shared responsibility payments. These payments will not apply until 2015.



What employers need to know...

How to determine whether they are an Applicable Large Employer (ALE)

■ Definition of an ALE:

- Average of 50 or more full-time employees and full-time equivalents in the past calendar year
- Full-time = Per calendar month, average of at least 30 hours of service per week OR 130 hours of service per calendar month

What employers need to know...

① Full-time Employees

(Employees who average, per calendar month, 30 hours of service per week or 130 hours of service per calendar month)

and

② Full-time Equivalent Employees

(Aggregate hours of service by non-full-time employees (max of 120 hours of service per employee) divided by 120, per month)

Qty

+

Qty

Sum

Employer
is ALE if
sum is \geq
50 per
month for
the prior
calendar
year¹



¹See Proposed Treasury Regulation §54.4980H-2 and -3 for examples of controlled group rules and seasonal worker exceptions in determining whether an employer is an ALE.

What larger employers need to know for 2015...

ACA does not require an employer to provide coverage to its employees. However, ***an applicable large employer or applicable large employer member*** could be subject to a Employer Shared Responsibility Payment if:

- The employer does not offer coverage to at least 95% of its full-time employees (and their dependents).
- OR**
- The employer offers coverage to its full-time employees that is not “affordable” or does not provide “minimum value”.

AND

At least one full-time employee receives a Premium Tax Credit to purchase coverage in a Health Insurance Marketplace.



What large employers need to know for 2015...

Coverage not offered to at least 95% of the full-time employees

- Payment applies if any full-time employee receives a premium tax credit in Marketplace.
- Payment owed: \$2K/year per full-time employee ABOVE 30.
- Payment calculated for each month for which coverage not offered = \$166.67/month.

Coverage offered to full-time employees, but either not affordable or does not provide minimum value*

- Payment applies for each full-time employee who received premium tax credit for that month.
- Payment owed: \$3K/year per full-time employee who receives a premium tax credit in Marketplace.
- Payment calculated on monthly basis = \$250/month.
- Payment cannot exceed payment owed if coverage not offered.

* An ALE might also be subject to this payment if it offers coverage to at least 95% but less than 100% of its full-time employees and one or more those who are not offered coverage received a premium tax credit.

