A New Playing Field: Implementation of the ACA

Brian Webb
Manager, Health Policy and Legislation
NAIC
NCSL Task Force on Federal Health Reform Implementation
August 6, 2012

Implementation Timeline

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Temporary High Risk Pool Program
- Temporary Reinsurance Program For Early Retirees
- Immediate Reforms:
  - No Lifetime Limits
  - Restrict Annual Limits
  - Restrictions on Rescission
  - First Dollar Coverage of Preventive Services
  - Extended Dependent Coverage
  - Internal/External Review
  - No Pre-Existing Conditions for Children
  - Disclosure of Justifications for Premium Increases
- Medical Loss Ratios with Rebates:
  - Market Reforms
    - Guaranteed Issue
    - No Pre-Existing Condition Exclusions for Adults
    - Rate Rules
    - Essential Benefits Plans
    - No Annual Limits for Essential Benefits
  - Exchanges
  - Subsidies
  - Individual/Employer Mandates
  - Co-Op Plans & Multistate Plans
  - Risk Adjustment
  - Individual Market Reinsurance Program & Risk Corridors

Healthcare Reform – So Far

• September 23, 2010 Immediate reforms:
  – life time and annual limits
  – internal and external review
  – no pre-ex children under age 19
  – child coverage up to age 26
• Temporary High-Risk Pools
• Rate Review Standards
• Medical Loss Ratios with Rebates
• Coming Soon! Summary of Benefits

2014 Market Reforms

• Guaranteed Issue
• No Pre-Existing Condition Exclusions for Adults
• Rating Rules
  – No health status
  – 3 : 1 maximum variation for age
  – 1.5 : 1 maximum variation for tobacco use
• Single Risk Pool Requirement
• Individual Mandate and Subsidies
• Employer Responsibilities
Preemption

Provisions of PPACA will potentially preempt state laws.

Similar to HIPAA:

Nothing in this title shall be construed to preempt any State law that does not prevent the application of the provisions of this title.

Exceptions:

• Grandfathered plans: States may not require grandfathered plans to be pooled with post-reform plans.

2014 Market Reforms:

Benefit Design

• Issuers in the individual and small group markets must provide essential health benefits

• Issuers in the large group market and self-insured plans cannot have annual or lifetime limits on essential benefits

• States choose benchmark by September 30, 2012

• If states do not choose benchmark – feds will

• Nondiscrimination in benefit design
2014 Market Reforms: Cost Sharing and Risk Sharing

• Metal Levels
  – Bronze = 60% actuarial value
  – Silver = 70% actuarial value
  – Gold = 80% actuarial value
  – Platinum = 90% actuarial value
  – Catastrophic Plan

• Reinsurance, Risk Corridors, and Risk Adjustment

Exchange Options

• Federally Facilitated Exchange
  – Feds make all the key decisions and operate the Exchange

• Partnership
  – Feds operate Exchange, but state makes many key decisions and does plan management and some consumer assistance

• State Exchange
  – State operates Exchange, may operate risk adjustment program
  – Determining eligibility for subsidies may be optional
Exchange Establishment

• Timeline:
  – November 16, 2012 – Applications Due
  – January 2013 – HHS Certifies State Exchanges
  – October 2013 – Initial Open Enrollment Period
  – January 2014 – Exchange Coverage Effective

• Establishment Grants
  – Available through 2015

Medicaid Options

• Options in the Exchange
• Supreme Court decision broadened options
  – Expand under ACA?
  – Not Expand under ACA?
  – Expand under Old Program?
  – Other Options?

• Guidance needed from CMS
Questions???

Brian Webb  
Manager, Health Policy & Legislation  
bwebb@naic.org  
202-471-3978

Jolie Matthews  
Senior Health & Life Policy Counsel  
jmatthews@naic.org  
202-471-3982

Josh Goldberg  
Health Policy & Legislative Advisor  
jgoldberg@naic.org  
202-471-3984