Health Insurance Savings in the ACA Marketplace

Stephani Becker
Presentation to the Arc of Illinois
Illinois Healthcare Options & Benefits Conference
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The Shriver Center on Poverty Law fights for economic and racial justice. Over our 50-year history, we have secured hundreds of victories with and for people living in poverty in Illinois and across the country. Today, we litigate, shape policy, and train and convene multi-state networks of lawyers, community leaders, and activists nationwide. Together, we are building a future where all people have equal dignity, respect, and power under the law. Join the fight at povertylaw.org.
Agenda

• Glossary/Common Terms
• Affordable Care Act/Marketplace Overview
• Who is Eligible?
• Financial Help to Buy a Plan
• What to Look for in Plan
• Some Reminders
• Where to Find Resources and Help to Apply
• Questions
Glossary

- **Health Insurance**: A contract that requires your health insurer to pay some or all of your health care costs in exchange for a premium.
- **Covered Benefits**: The health care items or services covered under a health insurance plan.
  - Covered benefits and those that are not covered (i.e., “excluded”) are defined in the health insurance plan's coverage documents.
  - In Medicaid, covered benefits and excluded services are defined in state program rules.
- **Network**: Doctors, hospitals, and other health care providers your insurance company works with to deliver health care services. Usually, the providers you see must all be in the same “network”.
- **Premium**: The amount you pay for your health insurance every month.
Glossary

- **Cost Sharing**: The share of costs covered by your insurance that you pay out of your own pocket. This term generally includes deductibles, coinsurance, and copayments, but it doesn't include premiums.
- **Deductible**: The amount you owe for covered health care services before your insurance plan starts to pay.
- **Co-Payment**: The amount you pay for a covered health care service. The amount can be different for each type of service.
  
  For example, you may pay $20 for a doctor visit or $5 for a prescription. The co-pay amounts are usually listed on your insurance card.

- **Co-insurance**: The percentage of costs of a covered health care service you pay (20%, for example) after you've paid your deductible.
- **Maximum Out of Pocket Limit**: The most you have to pay for covered services in a plan year. After you spend this amount on deductibles, copayments, and coinsurance for in-network care and services, your health plan pays 100% of the costs of covered benefits.
The federal poverty line (FPL) calculation requires...

- Number of individuals in a household
- Income of household members

...to determine premium tax credit and cost-sharing reduction eligibility.

<table>
<thead>
<tr>
<th>Household Size</th>
<th>2023 Federal Poverty Line (for 2024 coverage)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>1</td>
<td>$14,580</td>
</tr>
<tr>
<td>2</td>
<td>$19,720</td>
</tr>
<tr>
<td>3</td>
<td>$24,860</td>
</tr>
<tr>
<td>4</td>
<td>$30,000</td>
</tr>
<tr>
<td>5</td>
<td>$35,140</td>
</tr>
</tbody>
</table>

Note: The marketplaces uses the federal poverty guidelines in place at the start of the annual open enrollment period to determine eligibility for coverage in a given plan year. Medicaid uses the federal poverty guidelines in place at the time of application to determine eligibility.
What is the Affordable Care Act (ACA)?

- Affordable Care Act (ACA) passed 2010
  - Medicaid Expansion began in 2013 in Illinois
  - Marketplace coverage offered beginning 2014
- Required health insurance
  - In 2018 this was removed
- Consumer Health Protections
- Essential Health Benefits (next slide)
ACA Plans Must Cover Ten Essential Health Benefits

- Laboratory Services
- Emergency Services
- Prescription Drugs
- Mental Health & Substance Use Disorder Services
- Maternity & Newborn Care
- Pediatric Services, Including Oral & Vision Care
- Rehabilitative & Habilitative Services & Devices
- Ambulatory Patient Services
- Preventive & Wellness Services & Chronic Disease Management
- Hospitalization

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What is the Marketplace?

• A way to shop for health insurance
• Financial help available
  • Advanced premium tax credits (APTC)
  • Cost sharing subsidies (CSR)
• Open Enrollment Period Each Year
  • November 1, 2023 – January 15, 2024
• Special Enrollment Periods (SEP) available throughout the year
  (i.e., you lost other coverage, got married/had a baby, moved)
Who Should Use the Marketplace?

Meant for those who do not have another source of coverage

Only “requirements”

<table>
<thead>
<tr>
<th>Reside in state where purchasing plan</th>
<th>Live in the U.S</th>
<th>U.S. citizen or “lawfully present” non-citizen</th>
</tr>
</thead>
</table>

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Who cannot use the Marketplace?

- Medicaid eligible
- Medicare eligible
- Have an offer of affordable coverage from an employer
- Incarcerated (convicted & sentenced)
- Undocumented non-citizens
What if my employer offers health coverage?

• If the employer sponsored insurance (ESI) is “adequate” and “affordable” the employee cannot get financial help in the Marketplace
  • **Adequate** = ESI is considered adequate if the employer-sponsored plan covers at least 60% of the total cost of covered medical services.
  • **Affordable** = ESI is considered affordable for the employee and the household if the employee contribution is up to 8.39% of household income.

• If a person has an offer of employer-sponsored coverage that fails to meet either requirement above, they may be eligible for premium tax credits to purchase a Marketplace plan
Illinois uses HealthCare.gov for its Marketplace. Next year, we will be switching to a state-based marketplace. Stay tuned!

You can go to https://www.healthcare.gov/see-plans/#/ to see plans and “window shop” without submitting an application.
What is new-ish in the 2023 Marketplace?

• Continued lower premiums for people eligible for financial help!
  • Anyone whose income is at or below 150% FPL (about $20,000 for a household of one and $41,000 for a family of four) can enroll in a $0 premium plan.
  • Low-Income Special Enrollment Period (SEP) started in 2022 and is available to people with a projected income at or below 150% FPL. People eligible for this SEP can enroll in a marketplace plan in any month during the year.
• People with income over 400% FPL (about $54,000 for a single person and $120,000 for a family of four) will continue to be eligible for financial help through 2025, assuming they meet other eligibility requirements.
• Family Glitch was eliminated
• People who are found ineligible for Medicaid during their redetermination this year (due to the end of the Medicaid continuous coverage requirement) are eligible for a Special Enrollment period in the Marketplace anytime between 3/31/23 and 7/31/24

For more information:
FAQ: Changes to the Marketplace in the Inflation Reduction Act (Feb 2023)
Unwinding the Medicaid COVID-19 Continuous Coverage Requirement
Marketplace Application

- Create an Account on HealthCare.gov
- Apply for Financial Help
- Eligibility Determination Notice will explain the amount and type of subsidy
- Shop for comprehensive health plans offered by insurance companies in Illinois
- Different regions of the state have different plan offerings
- New plans and prices every year – so important to go in and shop each year during open enrollment
Applying through the Marketplace

- When an individual applies for insurance through Healthcare.gov, the website will first check whether anyone in the household qualifies for Medicaid.
- If they qualify for Medicaid, Healthcare.gov will send the application information to Illinois Medicaid (Illinois Dept of Healthcare & Family Services), who will contact the individual about enrollment.
  - We recommend that you don’t wait to apply for Medicaid if the Marketplace says you are eligible…go to https://abe.illinois.gov/ and apply directly!
- If not Medicaid eligible, the application determines eligibility for a premium tax credit (PTC)
Two Types of Financial Help Through the Marketplace

**Premium Tax Credits**
- Help people pay the monthly cost to have a plan
- Available to households with income over 100% FPL

**Cost-Sharing Reductions**
- Decrease the amount people pay when receiving health care services covered by the plan (~lower deductibles, co-pays)
- Available to households with incomes up to 250% FPL

NOTE: Only plans purchased on the Marketplace (Healthcare.gov) are eligible for financial help
What is the Premium Tax Credit?

**Premium tax credit (PTC):** Income-based financial assistance for eligible people who purchase coverage in the health insurance marketplaces.

**PTC CAN BE TAKEN:**

- **In advance (APTC):** Forwarded to insurer to reduce monthly premiums
- **At tax time (PTC):** Claimed as a lump sum at the end of the year

**Note:** In general, APTC and PTC follow the same rules, although there are some important safe harbors for PTC only.
## Eligibility for Premium Tax Credit

**MEC** = “Minimum Essential Coverage” such as Employer-based coverage, Medicaid or Medicare

<table>
<thead>
<tr>
<th>Income: Over 100% FPL</th>
<th>Eligible Filing Status</th>
<th>Ineligible for Other MEC</th>
</tr>
</thead>
</table>
| • Income must be above 100% FPL | • If married, cannot file as married filing separately  
• Cannot be a tax dependent  
• Some exceptions apply | • Cannot be eligible for another type of MEC, such as Medicaid or employer coverage  
• Some exceptions apply |
<table>
<thead>
<tr>
<th>% of FPL</th>
<th>Income Amount (For HH of 1 using 2023 FPL)</th>
<th>% of Income</th>
<th>Monthly Dollar Amount (For HH of 1 using 2023 FPL)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 150%*</td>
<td>&lt;$21,870</td>
<td>0%</td>
<td>$0</td>
</tr>
<tr>
<td>200%</td>
<td>$29,160</td>
<td>2%</td>
<td>$49</td>
</tr>
<tr>
<td>250%</td>
<td>$36,450</td>
<td>4%</td>
<td>$122</td>
</tr>
<tr>
<td>300%</td>
<td>$43,470</td>
<td>6%</td>
<td>$217</td>
</tr>
<tr>
<td>350%</td>
<td>$51,030</td>
<td>7.25%</td>
<td>$308</td>
</tr>
<tr>
<td>400%</td>
<td>$58,320</td>
<td>8.5%</td>
<td>$413</td>
</tr>
<tr>
<td>&gt; 400%</td>
<td>&gt;$58,320</td>
<td>8.5%</td>
<td>varies</td>
</tr>
</tbody>
</table>

*Individuals who are eligible for Medicaid are ineligible for PTC.

Note: 2023 federal poverty guidelines are used to determine eligibility for 2024 coverage.
More about Marketplace Plans

- Plans are classified at different metal levels
  - Bronze plans have lower premiums but higher costs when you need care
  - Gold plans have higher premiums but lower costs when you need care.

- Reminder – cost sharing reductions ONLY apply to Silver plans

<table>
<thead>
<tr>
<th>Plan Category</th>
<th>The Insurance company pays</th>
<th>You pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bronze</td>
<td>60%</td>
<td>40%</td>
</tr>
<tr>
<td>Silver</td>
<td>70%</td>
<td>30%</td>
</tr>
<tr>
<td>Gold</td>
<td>80%</td>
<td>20%</td>
</tr>
<tr>
<td>Platinum</td>
<td>90%</td>
<td>10%</td>
</tr>
</tbody>
</table>

For economic and racial justice
Olivia (age 52) is married to Pat (age 54). They have one adult daughter, Lina (age 21).

Olivia files taxes jointly with Pat and they claim Lina as a dependent.

The family lives in DuPage County, IL (zip code 60532)

Olivia works part-time at two jobs, earning $54,000/year. Pat does not work and has no income.

Lina is a student and doesn’t work.

All three need health coverage. They are not offered coverage through Olivia’s jobs.

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Example: Estimated Tax Credit for 2023

- Olivia and her family are eligible for a premium tax credit of $1,425 per month to reduce their monthly premium.
- Prices on HealthCare.gov will show the discounted amount after the tax credit is applied.
- They are also eligible for Cost Sharing Reductions called “Extra Savings”. In order to get those extra savings, the family must pick a plan in the Silver Category.
- There are 128 plans available to them…but 51 with extra savings available.

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Important to look at other costs beyond monthly premium.

EXAMPLES
These are estimates only for Olivia and her family. Full application needed to see actual costs.
The lower your income, the higher your advanced premium tax credit (APTC)

- John, 24 years old
- His plan (without APTC) is $350/month
- John’s income is $27,180 (200% FPL) – his premium tax credit would cover $305/month and he would only pay $45/month.
- Let’s say John gets a raise and his income is $33,975/year (250% FPL) – his premium tax credit would be lower and only cover $237/month and he would now pay $113/month)
Reminder about Premium Tax Credits

• You must report changes that impact the premium tax credit (assuming you got it in advance).
  • If someone earns more than they estimated, they could owe tax credits back on their tax return if they don’t report the change.
  • If they earned less than projected, updating income will raise their premium tax credit OR result in Medicaid eligibility.
    • EXAMPLE - A married couple with a projected income of $39,440 has an income at 200% FPL. If they have a baby sometime during the year, they would become a household of three, and their income would be 159 percent of the poverty line. This change in poverty level income will make them eligible for a larger credit.
What If I misjudge my income for the year? Do I have to pay back my premium tax credits?

- There is a cap on repayment amount for those with income less than 400% FPL
- But no cap on repayment if your income goes above 400% FPL (i.e., you will have to repay the full tax credit)

<table>
<thead>
<tr>
<th>Income (% FPL)</th>
<th>SINGLE Taxpayers</th>
<th>OTHER Taxpayers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 200%</td>
<td>$350</td>
<td>$700</td>
</tr>
<tr>
<td>200% – 299%</td>
<td>$900</td>
<td>$1,800</td>
</tr>
<tr>
<td>300% – 399%</td>
<td>$1,500</td>
<td>$3,000</td>
</tr>
<tr>
<td>400% and above</td>
<td>None</td>
<td>None</td>
</tr>
</tbody>
</table>


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Reconciliation of Overlapping Coverage

In general, to be eligible for PTC, the taxpayer must not be eligible for (or enrolled in) other coverage, but some special rules apply, especially at reconciliation.

<table>
<thead>
<tr>
<th>First-day rule</th>
<th>People who are eligible for APTC on the first day of the month are considered eligible for the full month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicaid</td>
<td>If a person gets APTC but later becomes eligible for Medicaid:</td>
</tr>
<tr>
<td></td>
<td>• APTC is allowed for months of retroactive Medicaid coverage</td>
</tr>
<tr>
<td></td>
<td>• The person can choose to remain in APTC for the entire calendar year or enroll in Medicaid</td>
</tr>
<tr>
<td>Medicare</td>
<td>A person loses eligibility for APTC when they become eligible for Medicare, <strong>even if they don’t enroll</strong>. APTC eligibility ends on <strong>the first day of the fourth full month</strong> after the person became eligible for Medicare</td>
</tr>
<tr>
<td>Employer-sponsored coverage</td>
<td>If the taxpayer accurately informed the marketplace of the ESI premium (with no intentional or reckless disregard for the facts) and, despite the affordable offer, was awarded APTC anyway, the taxpayer can claim PTC. But the safe harbor does not apply when a person re-enrolls: the presence/cost of an ESI offer must be updated at re-enrollment.</td>
</tr>
</tbody>
</table>
What are some things to consider when choosing a plan?
Choosing a Plan

- Total costs (premiums + costs of care)
- Plan type (HMO, PPO, etc)
- Provider networks
- Prescription coverage

https://www.healthcare.gov/choose-a-plan/
When Shopping, Check out Plan Documents on HealthCare.gov

- Summary of Benefits and Coverage (SBC)
- Plan Brochure
- Provider Directory
- List of Covered drugs
Sample:

Summary of Benefits and Coverage

<table>
<thead>
<tr>
<th>Important Questions</th>
<th>Answer</th>
<th>Why This Matters</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is the overall deductible?</td>
<td>$5,700/individual or $11,400/family Combined Medical and Rx</td>
<td>Generally, you must pay all of the costs from providers up to the deductible amount before this plan begins to pay. If you have other family members on the plan, each family member must meet their own individual deductible until the total amount of deductible expenses paid by all family members meets the overall family deductible.</td>
</tr>
<tr>
<td>Are there services covered before you meet your deductible?</td>
<td>Yes. Preventive care, office visits, urgent care, lab work, rehabilitation services, habilitation services, home healthcare and preferred generic &amp; brand drugs are covered before you meet your deductible.</td>
<td>This plan covers some items and services even if you haven’t yet met the deductible amount. But a copayment or coinsurance may apply. For example, this plan covers certain preventive services without cost-sharing and before you meet your deductible. See a list of covered preventive services at <a href="https://www.healthcare.gov/coverage/preventive-care-benefits/">https://www.healthcare.gov/coverage/preventive-care-benefits/</a>.</td>
</tr>
<tr>
<td>Are there other deductibles for specific services?</td>
<td>No.</td>
<td>You don’t have to meet deductibles for specific services.</td>
</tr>
<tr>
<td>What is the out-of-pocket limit for this plan?</td>
<td>For network provider $7,200 Individual or $14,400/family, for out-of-network provider, there is no coverage unless Prior Authorized by Molina Healthcare.</td>
<td>The out-of-pocket limit is the most you could pay in a year for covered services. If you have other family members in this plan, they have to meet their own out-of-pocket limits until the overall family out-of-pocket limit has been met.</td>
</tr>
<tr>
<td>What is not included in the out-of-pocket limit?</td>
<td>Premiums, balance-billing charges, and health care this plan doesn’t cover.</td>
<td>Even though you pay these expenses, they don’t count toward the out-of-pocket limit.</td>
</tr>
<tr>
<td>Will you pay less if you use a network provider?</td>
<td>Yes. See MolinaMarketplace.com or call 1-833-644-1623 for a list of network provider.</td>
<td>This plan uses a provider network. You will pay less if you use a provider in the plan’s network. You will pay the most if you use an out-of-network provider and you might receive a bill from a provider for the difference between the provider’s charge and what your plan pays (balance billing). Be aware, your network provider might use an out-of-network provider for some services (such as lab work). Check with your provider before you get services.</td>
</tr>
<tr>
<td>Do you need a referral to see a specialist?</td>
<td>Yes.</td>
<td>This plan will pay some or all of the costs to see a specialist for covered services but only if you have a referral before you see the specialist.</td>
</tr>
</tbody>
</table>
Good Afternoon!
Browse or search to find the care you need.

Browse by Category
Find the provider you need. Just search by using the care categories shown here.

- Medical Care
- Behavioral Health Including Mental Health and Substance Use Disorder
- Labs, Imaging and Other Testing
- Urgent and Convenient Care
- Hospitals and Other Facilities
- Medical Equipment and Supplies
- All Categories

Behavioral Health Including Mental Health and Substance Use Disorder

- Psychiatry
- Autism/Applied Behavior Analysis (ABA)
- Substance Use Disorder
- Psychology
- Social Worker
- Counseling
- Mental Health Clinic/Center
What if I have a problem with my Marketplace Insurance plan?

• The Illinois Department of Insurance (DOI) is the state entity that regulates private insurance plans.

• DOI can assist consumers with issues and complaints about coverage, claim disputes, premiums, policy cancellations, network adequacy, provider directory inaccuracies, etc.

• Office of Consumer Health Insurance (OCHI)
  Toll-free: 877-527-9431
  Email: DOI.complaints@illinois.gov
  https://idoi.illinois.gov/consumers/file-a-complaint.html
Free, expert help is available!

- Certified Application Counselors (CACs), ACA Navigators, Enrollment Assisters
- Insurance Brokers/Agents
  - *Make sure comprehensive coverage – not a short term plan*
  - *Can only get financial help through healthcare.gov*

- [https://www.healthcare.gov/find-assistance/](https://www.healthcare.gov/find-assistance/)
- [https://getcovered.illinois.gov/](https://getcovered.illinois.gov/)
- [https://findahealthcenter.hrsa.gov/](https://findahealthcenter.hrsa.gov/)
Resources

- https://getcareillinois.org/
- https://getcovered.illinois.gov/
- https://www.healthcare.gov/
- https://www.healthcare.gov/choose-a-plan/
- https://www.healthreformbeyondthebasics.org/
Four Main Take-Aways

• If you do not get your insurance through your job, Medicaid or Medicare, you may be eligible for financial help to purchase coverage through the Marketplace.

• Plans on the Marketplace change every year, so it’s important to shop during Open Enrollment (This year: November 1 – Jan 15 for 2024 coverage).

• It’s important to look at monthly premium in addition to total cost of plan, provider network, prescription drug formulary.

• Free, expert help is available!
Questions?
Get in touch!

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