



Division of Disease Control and Health Protection

To protect, promote and improve the health of all people in Florida through integrated state, county, and community efforts.



ADAP PREMIUM PLUS

UNDERSTANDING YOUR HEALTH INSURANCE OPTIONS



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DISCLAIMER

The Florida ADAP is providing this presentation solely as an educational service to the community.

The information provided in this presentation regarding the Patient Protection and Affordable Care Act was cited from various federal resources.



KEY POINTS

- ❑ This overview is designed for persons who are receiving services from ADAP and/or who may become eligible for Florida ADAP services.
- ❑ ADAP has limited resources—Not all ADAP clients will be selected to transition for insurance coverage in the Marketplace.
- ❑ Client who are not selected to transition will continue to receive services from the program in the same way they are currently receiving it now.
- ❑ ADAP will only purchase plans in the Marketplace and cover premiums, medication copayments and deductibles for clients who are selected to transition.



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THE ROLE OF ADAP

ADAP is a medication assistance program that provides access to HIV/AIDS drugs for eligible persons who are uninsured, underinsured, or need assistance in accessing their insurance benefits.



THE ROLE OF ADAP

- ADAP Medication Program:
 - Purchase insurance for client--ensuring that the clients medication needs are met.
 - Only purchase insurance plans that cover medications on the ADAP formulary.
 - Only cover plans that are selected by the ADAP Central Office based on Ryan White Grant Requirements.



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ADAP INSURANCE OPTIONS

- ❑ AICP
 - Employer-Sponsored
 - COBRA

- ❑ Medicare Part-D

- ❑ Medicaid Share-of-Cost

- ❑ Select Marketplace Plans





OVERVIEW OF THE LAW

The Patient Protection and Affordable Care Act:

- Passed in 2010
- Improve access to care for uninsured Americans
- Reduce Healthcare Costs

Please note-the following terms may be used interchangeably:

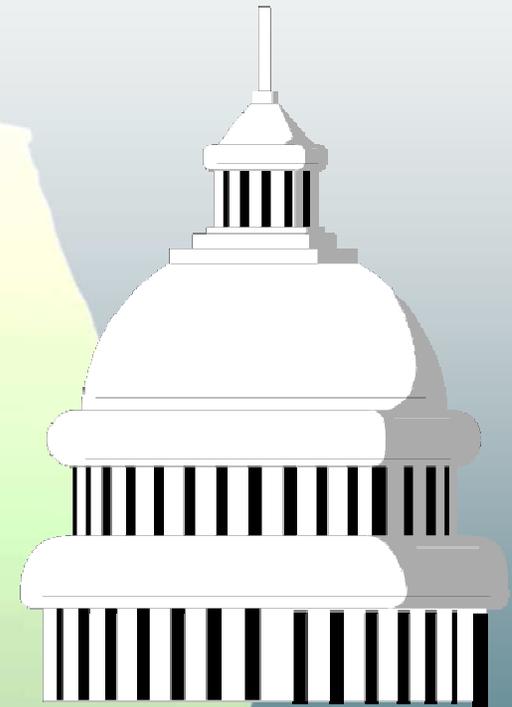
- **Federally-facilitated exchange**
- **Federal Exchange**
- **Marketplace**
- **Patient Protection and Affordable Care Act (PPACA)**
- **Affordable Care Act (ACA)**
- **Health Reform**
- **The Healthcare Law**



OVERVIEW OF THE LAW

According to the Patient Protection and Affordable Care Act, access to care will increase by:

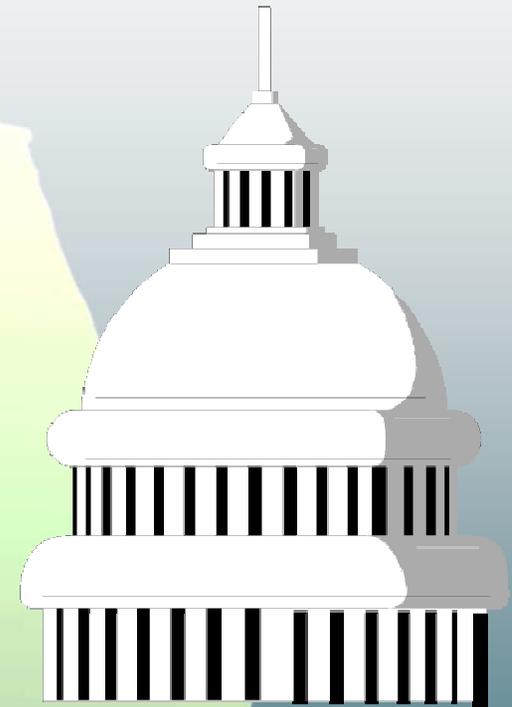
- ❑ Eliminating insurance ineligibility due to pre-existing health problems
- ❑ Allowing children to stay on their parent's insurance until age 26.
- ❑ Providing low income families help with paying co-pays and premiums





OVERVIEW OF THE LAW

- ❑ ACA expands access to care by creating exchanges (Marketplace) where individuals can shop for insurance.
- ❑ States can opt not to establish exchanges and use the Federal Exchange administered by the Department of Health and Human Services (HHS).
- ❑ Florida has a federally facilitated Marketplace.

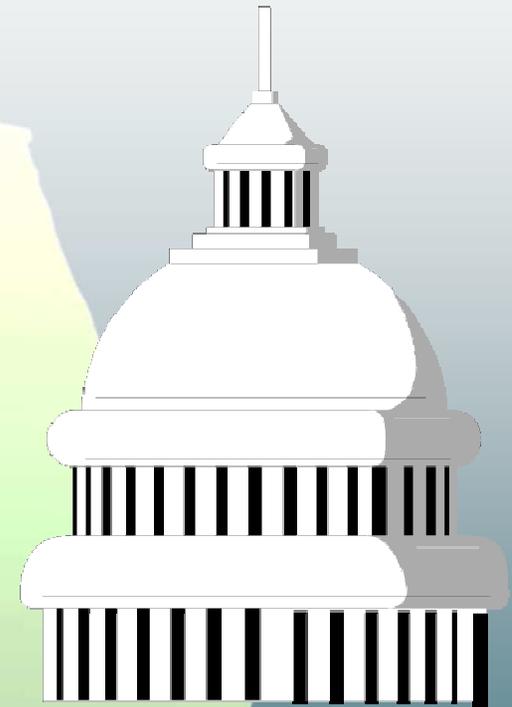




OVERVIEW OF THE LAW: THE INDIVIDUAL MANDATE

According to the federal healthcare law, beginning 2014, individuals must have healthcare coverage that meets Minimum Essential Coverage** Or, pay a fee for each month without insurance coverage.

Requirements as defined by the U.S. Department of Health and Human Services.



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**Minimum Essential Coverage: The type of coverage an individual needs to have to meet the individual responsibility requirement under the ACA

<u>Types of Minimum Essential Coverage</u>	<u>Types of Insurance Supported by ADAP</u>
Employer-Sponsored	Employer-Sponsored
COBRA	COBRA
Medicare	Medicare Part D
Medicaid	Medicaid Share-of-Cost
Marketplace Plans	Marketplace Plans: Specific plans identified and selected by the ADAP office. Only open to eligible clients for coverage by ADAP.
Children's Health Insurance Program (CHIP)	
Coverage related to military service (Tricare)	
Grandfathered plans**	
Other Coverage Recognized by the Secretary of HHS	

**Grandfathered Plans: Any healthcare insurance plan in effect before March 23, 2010. Any plan that sees significant changes after March 23, 2010 will lose grandfathered status



OVERVIEW OF THE LAW: PENALTIES

According to Healthcare.gov, a person may have to pay a penalty/fee AKA “**individual responsibility payment**” if he/she does not have minimum essential healthcare coverage.

- ❑ The fee in 2014 is 1% of your yearly income or \$95 per person, whichever is greater.
- ❑ In 2015 it's 2% of income or \$325 per person, whichever is greater.
- ❑ In 2016, it's 2.5% of income or \$695 per person, whichever is greater.

Please Note:

- ❑ If you are uninsured for less than three months of the year, you do not have to pay the penalty.
- ❑ If you are uninsured for more than three months of the year, 1/12 of the yearly penalty applies to each month you are uninsured.



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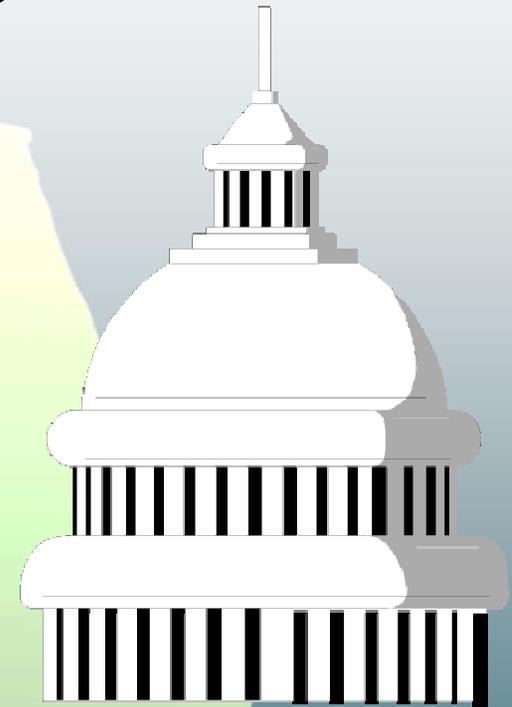
ADAP AND FEDERAL PENALTIES

Ryan White funds may NOT be used to cover the cost of federal penalties/fees.



OVERVIEW OF THE LAW: EXEMPTIONS

- ❑ If your yearly income is below the federal tax filing threshold, \$10,150 for single individual under 65 for 2014 (see IRS.gov for more info), you are automatically exempt from paying the penalty.
- ❑ Florida did not expand Medicaid. Therefore, individuals with incomes between 100%-138% of the FPL (\$11,670 to \$15,856 for a single individual) may qualify for a penalty exemption.
- ❑ To see a list of all qualifying exemptions or to apply for an exemption, visit www.Healthcare.gov/exemptions.





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2014 FEDERAL POVERTY GUIDELINES

Household Size	100% FPL
1	\$11,670
2	\$15,730
3	\$19,790
4	\$23,850
5	\$27,910
6	\$31,970
7	\$36,030
8	\$40,090

To determine your percentage of the Federal Poverty level:

1. Identify 100% of the FPL for your household size using the chart to the left
2. Divide your income by the 100% FPL you identified in step 1
3. Multiply your answer from step 2 by 100
4. Round to the nearest whole number

A single individual (household size = 1) with an income of \$20,000 would be at 171% of the FPL.

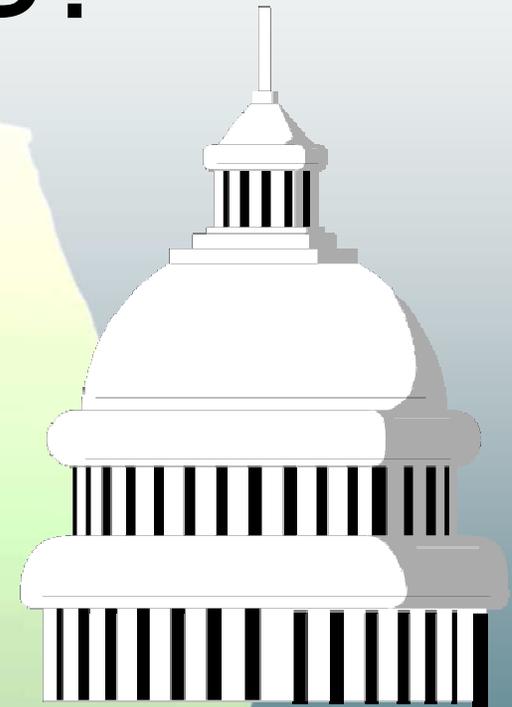
$$\frac{\$20,000}{\$11,670} = 1.7138 \times 100 = 171.38 \text{ or } 171 \text{ when rounded to the nearest whole number.}$$

- ❑ For families/households with more than 8 persons, add \$4,060 for each additional person to determine 100% FPL.
- ❑ Individuals with incomes above 400% of the FPL (\$46,680 for a single individual) are not eligible for RW/ADAP services.
- ❑ The FPL for every ADAP client can be found on their Ryan White Notice of Core Eligibility.



HOW IS THE MARKETPLACE STRUCTURED?

- ❑ Exchanges offer insurance coverage through Healthcare.gov. Florida has a federally-facilitated exchange.
- ❑ Plans offered through the federally-facilitated exchange are rated as bronze, silver, gold, or platinum. **At this time, ADAP will only cover silver level plans.**
- ❑ ADAP will only cover plans for individuals who are infected with HIV/AIDS. The program will not cover family plans—**unless all persons are infected and are eligible to receive services.**





ADAP MARKETPLACE PLAN SELECTION

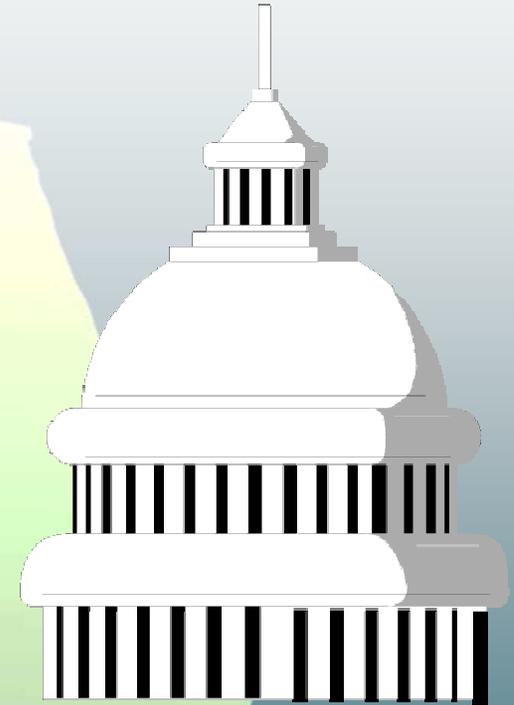
HRSA requires ADAP to:

- ❑ Document the **cost effectiveness** and **formulary compatibility** of the plans purchased.
- ❑ Maximize dollars and ensure cost-effectiveness
- ❑ Purchase Marketplace plans that offer advanced premium tax credits and cost sharing reductions.
 - At this time, only plans in the Silver Metal Level offer those added benefits.



FEDERAL REQUIREMENTS

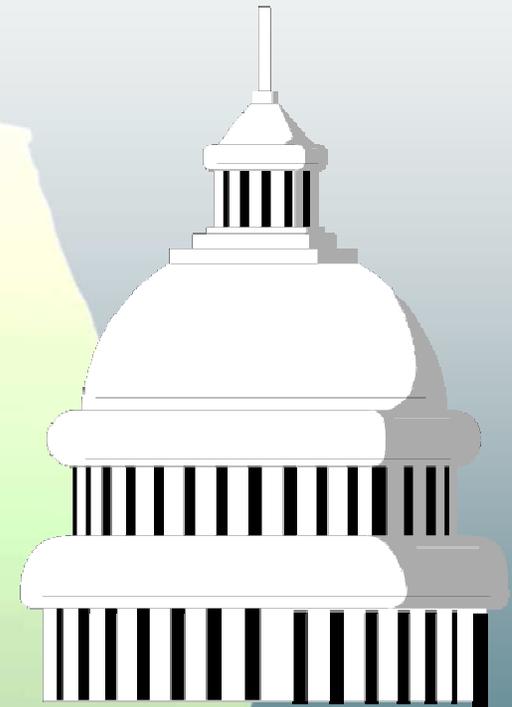
- ❑ Be a U.S. Citizen or lawful resident of the U.S.
- ❑ Have established state residency
- ❑ Not incarcerated (does not include individuals waiting for disposition of charges)
- ❑ Not have or be eligible for any other form of minimum essential coverage that would be considered adequate to fulfill the individual mandate





FEDERAL REQUIREMENTS

- ❑ Individuals who are offered employer-sponsored insurance may be eligible to purchase insurance through the Marketplace if either of the following conditions apply:
 - Plan does not meet minimum standard.
 - The cost of the plan exceeds 9.5% of gross income





TRANSITIONING ADAP CLIENTS

- ❑ Compliance with the Ryan White Grant requirements:
 - ❑ Florida ADAP will transition and enroll a limited number of **existing clients** into the Marketplace to obtain insurance coverage.
- ❑ Clients identified must also meet the following criteria:
 - ❑ Enrollment in the ADAP Uninsured Program
 - ❑ Have an up-to-date core eligibility letter at the time of enrollment (less than six months old).
 - ❑ Understand the consequences of not enrolling.



ADAP MARKETPLACE PLAN SELECTION

- ❑ **Marketplace** plans will be purchased based on their readiness to coordinate benefits with the ADAP contracted Pharmacy Benefits Manager (PBM), currently CVS Caremark.
 - For clients that transition into the Marketplace, ADAP formulary medications will **ONLY** be provided through ADAP's contracted Pharmacy Benefits Manager (PBM), CVS/Caremark and CVS retail stores.
 - CVS offers mail order and retail pharmacy services.



TRANSITIONING ADAP CLIENTS

- ❑ ADAP will only purchase plans for clients selected to transition.
- ❑ ADAP will only cover plans that are approved by the ADAP program office.
- ❑ Silver Plans: ADAP will purchase plans that provide Tax Credits and Cost Reductions.



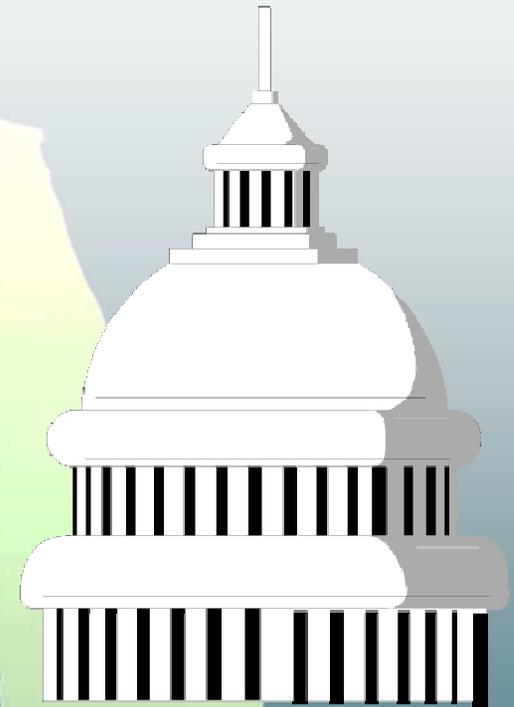
WHAT ARE PREMIUM TAX CREDITS?

- ❑ The premium tax credit is an advanced and/or refundable tax credit designed to help eligible individuals afford health insurance purchased through the Marketplace by reducing premium costs.
- ❑ The Marketplace will estimate the amount of the premium tax credit that you may be able to claim for the tax year. The system will use information you provide about your family composition and projected household income.



ADAP AND PREMIUM TAX CREDITS

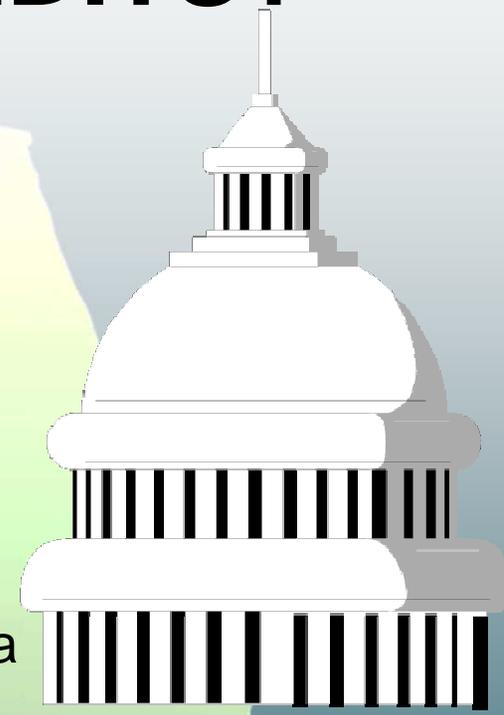
- ❑ ADAP clients selected for transition MUST elect to have **100%** of any premium tax credit for which they are eligible, paid in advance directly to their insurance company.
- ❑ The premium tax credit will be applied to the monthly premiums, which helps to reduce the cost associated with the insurance premium.





WHO IS ELIGIBLE FOR PREMIUM TAX CREDITS?

- ❑ Individuals between 100%-400% of the FPL (\$11,670-\$46,680 for a single individual)
- ❑ Individuals who are part of a tax filing unit (either as individual or as family)
 - Individuals cannot be claimed as a dependent by another person
 - Married couples at end of tax year must file a joint return to be eligible.
- ❑ Individual who purchase an insurance policy through the Marketplace





PREMIUM TAX CREDIT RECONCILIATION

- ❑ The final determination on how much premium tax credit a person is eligible to receive is reconciled when federal income tax is filed the following April.
- ❑ If your household income and family size provided at the time of enrollment are different than what you report on your 2015 tax return, your advanced premium tax credit may differ from your actual allowed premium tax credit.
 - The difference will be added to or deducted from your tax refund.
 - **If a balance is due on your 2015 tax return ADAP is not responsible for paying for that balance.**



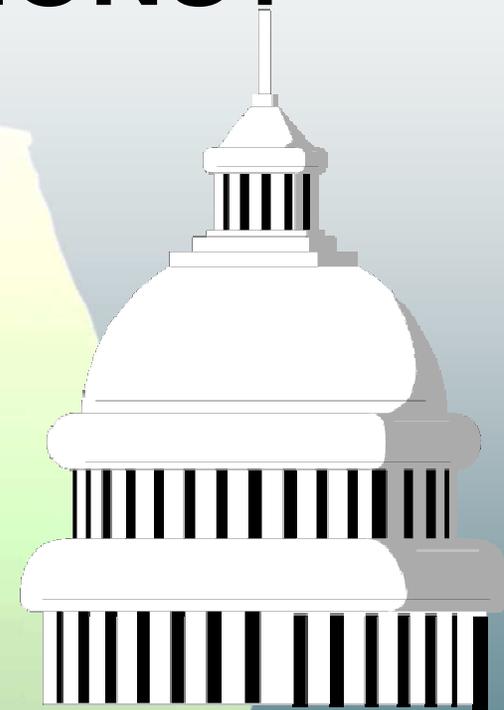
PREMIUM TAX CREDIT RECONCILIATION

- ❑ Client's should notify ADAP and the Marketplace about changes in circumstances so that their advanced premium tax credit can be adjusted to avoid a balance due when filing 2015 tax returns.
- ❑ Changes in circumstances that can affect the amount of your actual premium tax credit include:
 - Increases or decreases in household income
 - Marriage/divorce
 - Birth or adoption of a child
 - Other changes to your household composition
 - Gaining or losing eligibility for government or employer-sponsored healthcare coverage



WHAT ARE COST-SHARING REDUCTIONS?

- ❑ Cost-sharing reductions (CSRs) are provisions within the healthcare law that offer assistance with deductibles, co-pays, and co-insurance by reducing maximum out-of-pocket (OOP)** annual expenses.
- ❑ Maximum out-of-pocket limits are determined by the IRS.
- ❑ The maximum out-of-pocket limit for 2015 is \$6,600 for an individual.
- ❑ Limits may increase annually.

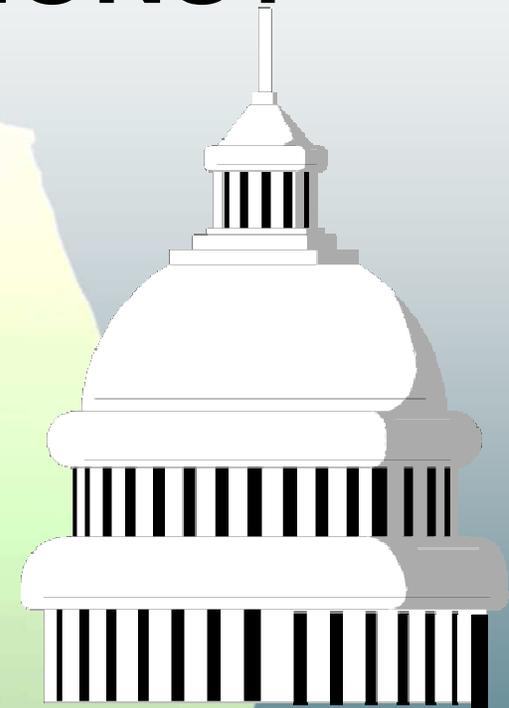


**Out-of-pocket cost: How much you would pay in premiums, deductibles, co-pays, and co-insurance before the insurance pays.



WHAT ARE COST-SHARING REDUCTIONS?

- Persons who qualify for cost-sharing reductions may see their maximum out-of-pocket limits capped at:
 - \$2,250 for an individual if their income is less than 200% of the FPL (\$23,340 for a single individual)
 - \$5,200 for an individual if their income is between 200%- 250% of the FPL (\$23,340-\$29,175 for a single individual)





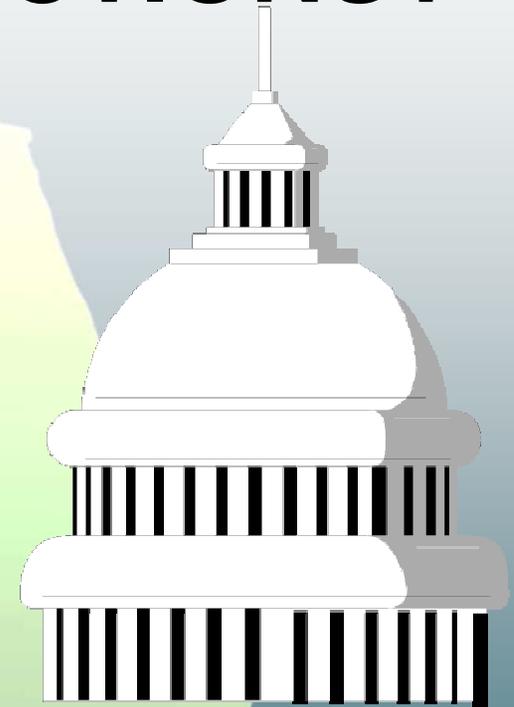
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WHO IS ELIGIBLE FOR COST-SHARING REDUCTIONS?

- ❑ An individual who purchases an insurance policy through the Marketplace
- ❑ Individuals between 100%-250% of the FPL (\$11,670-\$29,175 for a single individual)





ADAP CLIENTS WHO DO NOT TRANSITION

- ❑ ADAP has limited resources which govern how many persons can be transitioned during the upcoming Marketplace open enrollment period.
- ❑ ADAP clients who are not transitioned to the Marketplace will see no change to the manner in which they have historically received ADAP services.
- ❑ Individuals with limited income and other situations may qualify for a penalty/fee exemption. To find out more about exemption qualifications please visit www.Healthcare.gov.



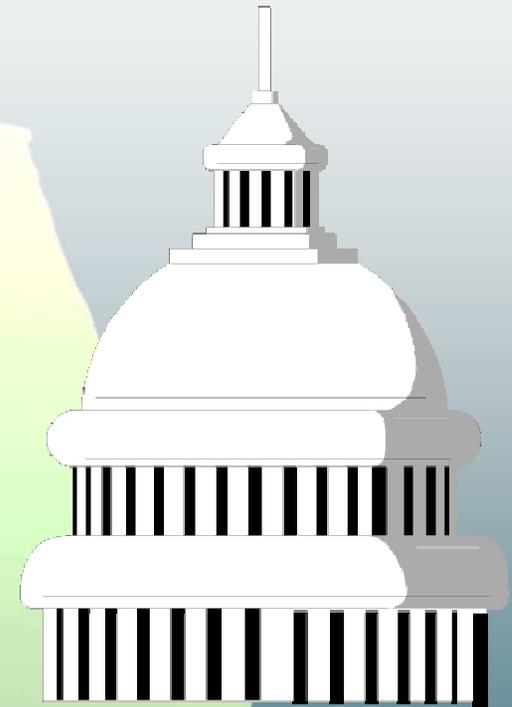
ADAP AND THE ACA

- ❑ The ACA requires that all individuals acquire “Minimum Essential Coverage”.
- ❑ The Ryan White Care Act requires ADAP to remain the payer of last resort (HRSA PCNs 13-01 through 13-08).
- ❑ Existing clients who are transitioned to the marketplace for enrollment in a plan will transfer from ADAP direct medication services to utilizing ADAP as a secondary payer– ADAP will provide premiums, medication copayments and deductibles for ADAP-approved Qualified Health Plans.



WHAT CAN YOU DO TO GET READY?

- ❑ Determine your family composition, tax filing status, employment status, and percent of FPL.
- ❑ Verify whether your employer offers insurance and when is the open-enrollment period.
- ❑ The next Marketplace open enrollment period is from November 15, 2014 to February 15, 2015.
- ❑ Stay updated on ADAP changes and developments.





Members of the Education & Training Workgroup

THANK YOU

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RESOURCE LINKS

- ❑ <http://www.healthcare.gov/index.html>
- ❑ <http://www.healthcare.gov/marketplace/costs/tax-credits/index.html>
- ❑ <http://www.healthcare.gov/marketplace/index.html>
- ❑ <http://cciio.cms.gov/resources/data/ehb.html>
- ❑ <http://hab.hrsa.gov/affordablecareact/outreachenrollment.html>