



California Health Care Foundation

HEALTH CARE THAT WORKS FOR ALL CALIFORNIANS

Covering the Coming Battle Over the ACA: What You Need to Know

Webinar

December 19, 2016



Today's Presenters



Amy Adams, Senior Program Officer, Improving Access, at the California Health Care Foundation



Larry Levitt, Senior Vice President for Special Initiatives at the Henry J. Kaiser Family Foundation and Senior Advisor to the President of the Foundation

Agenda and Housekeeping

- Agenda
 - Presentations (~40 mins)
 - ACA refresher
 - ACA impact in California
 - Potential avenues to repeal
 - Common components/themes of replacement proposals
 - Q&A (~20 minutes)
- Attendees will remain on mute. Submit questions throughout webinar using question feature on panel.
- Webinar will be recorded. Recording and slides will be distributed via email.

The Affordable Care Act: A Refresher



Amy Adams
Senior Program Officer
California Health Care Foundation
12/19/2016

The Affordable Care Act

Wide-ranging legislation including provisions on:

- Coverage expansion
- Health insurance market reforms
- Payment and delivery system reform
- Health care workforce
- Prevention and public health
- Financing mechanisms

Before the ACA

- High numbers of uninsured
 - CA 2009: 22%
- Rising health care spending consuming more of our resources
- Premiums rising, outpacing inflation
- Previous health reform attempts of various political stripes

The ACA: Coverage Provisions

Medicaid Expansion	Marketplaces
Insurance Reforms	Individual & Employer Mandate

The ACA Coverage Provisions

Medicaid Expansion

- Expanded Medicaid eligibility for adults up to 138% of the Federal Poverty Level (\$16,394 for single adult in 2016)
- Enhanced Federal match rate for expansion population
 - Federal government covers 100% of the costs for newly eligible 2014 to 2016; phases down to 90 percent by 2020 and beyond
- Made optional by Supreme Court
 - California expanded along with 30 other states and Washington, DC

The ACA Coverage Provisions (cont.)

State and Federal Marketplaces

- Established Federal Marketplace and 22 state or state-federal partnership marketplaces
- Provided federally-funded tax credits to help consumers pay premiums and to shield them from excessive out-of-pocket costs
 - Assistance on sliding scale based on income up to 400% FPL
- Set standard actuarial values for Marketplace products (ranging from 60%-90%)
- Seamless enrollment with Medicaid (“No wrong door”)

The ACA Coverage Provisions (cont.)

Market Reforms

- Banned exclusions for preexisting conditions (“guarantee issue”)
- Banned setting of premiums based on health status, gender, other factors; restricted extent to which based on age
- Set standards for value and comprehensiveness of coverage:
 - “Essential Health Benefits” for individual and small group plans
 - Required coverage for preventive services with no cost sharing
 - Prohibited annual and lifetime dollar limits
 - Set out-of-pocket maximums
 - Requires insurers spend 80-85% of premium dollar on clinical services & quality or provide rebates; creates premium reporting and review processes
- Required insurers allow parents to keep children on policy up to 26

The ACA Coverage Provisions (cont.)

Individual & Employer Mandates

- Individuals must have insurance or pay fine as part of tax filing
- 2016 fine is the lesser of: \$695 per adult and \$347.50 per child (up to \$2,085 for a family) or 2.5% of your household income
- Hardship, lack of affordability, short uninsured spell and other exemptions
- Large employers must offer insurance that meets minimum coverage and affordability standard or pay fine
- Fine is lesser of \$2,000 per full-time employee or \$3,000 per full-time employee receiving a premium assistance tax credit

The ACA: Interdependent Pieces

Insurance only works if you spread the risk

Underwriting limits/age bands + 'guaranteed issue' = protects older and sicker from higher cost or being locked out

Individual mandate + subsidies = more people participate, larger, healthier risk pool

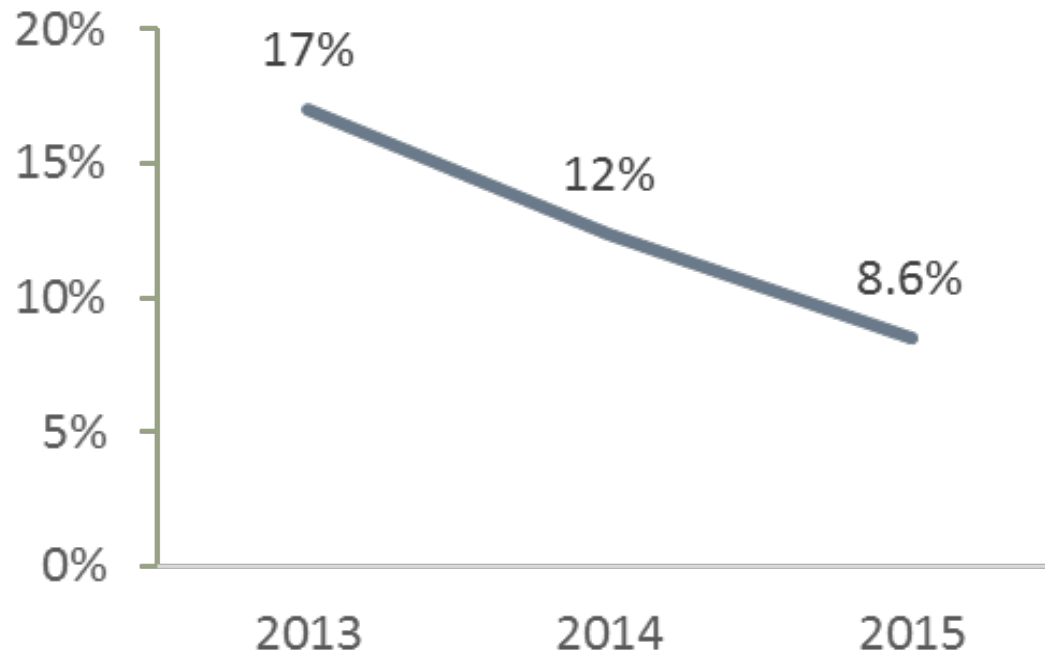
Guaranteed issue – individual mandate- subsidies = little incentive for young and healthy to purchase; insurers increase premiums to cover increased risk and costs

Medicaid expansion + Marketplace = healthier risk pool in Marketplace



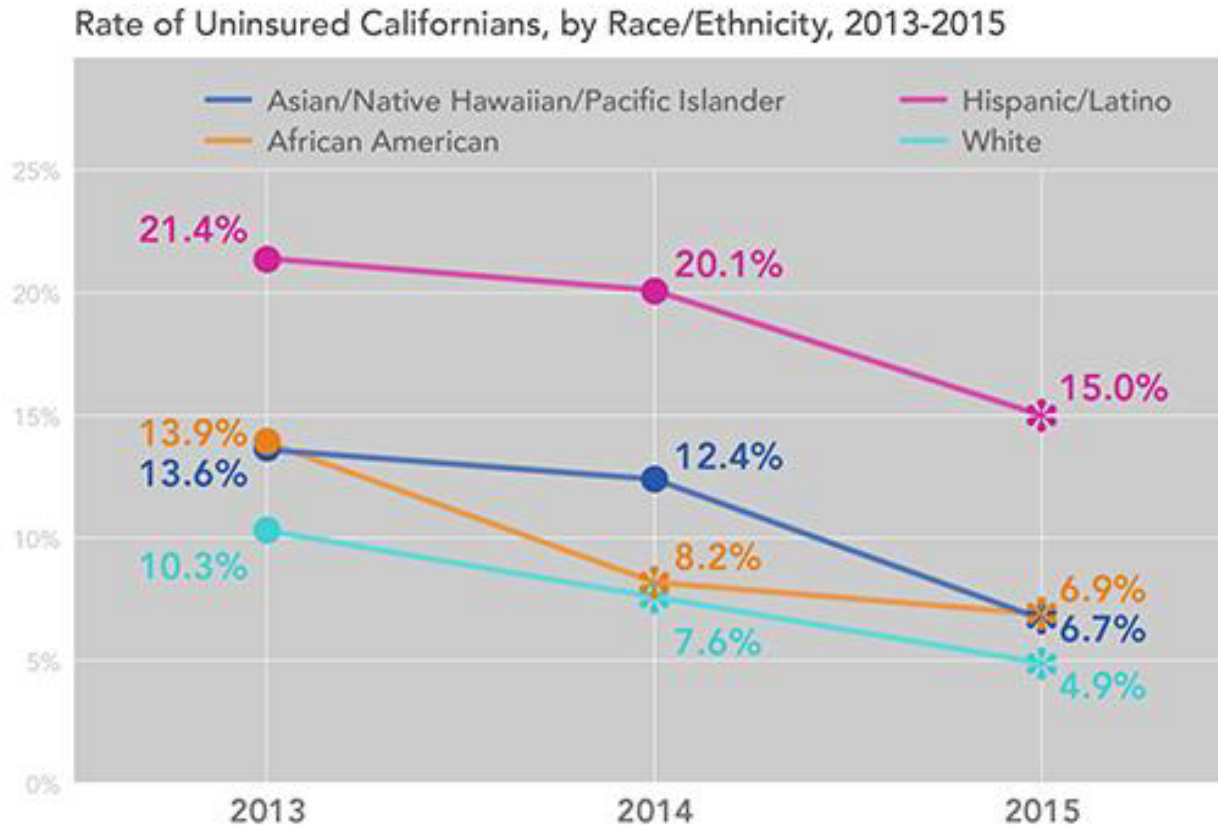
Uninsured Rate at Historic Low in California

Overall Uninsured Rate in CA



Source: U.S. Census Bureau

Coverage Gains Experienced Across Racial/Ethnic Groups

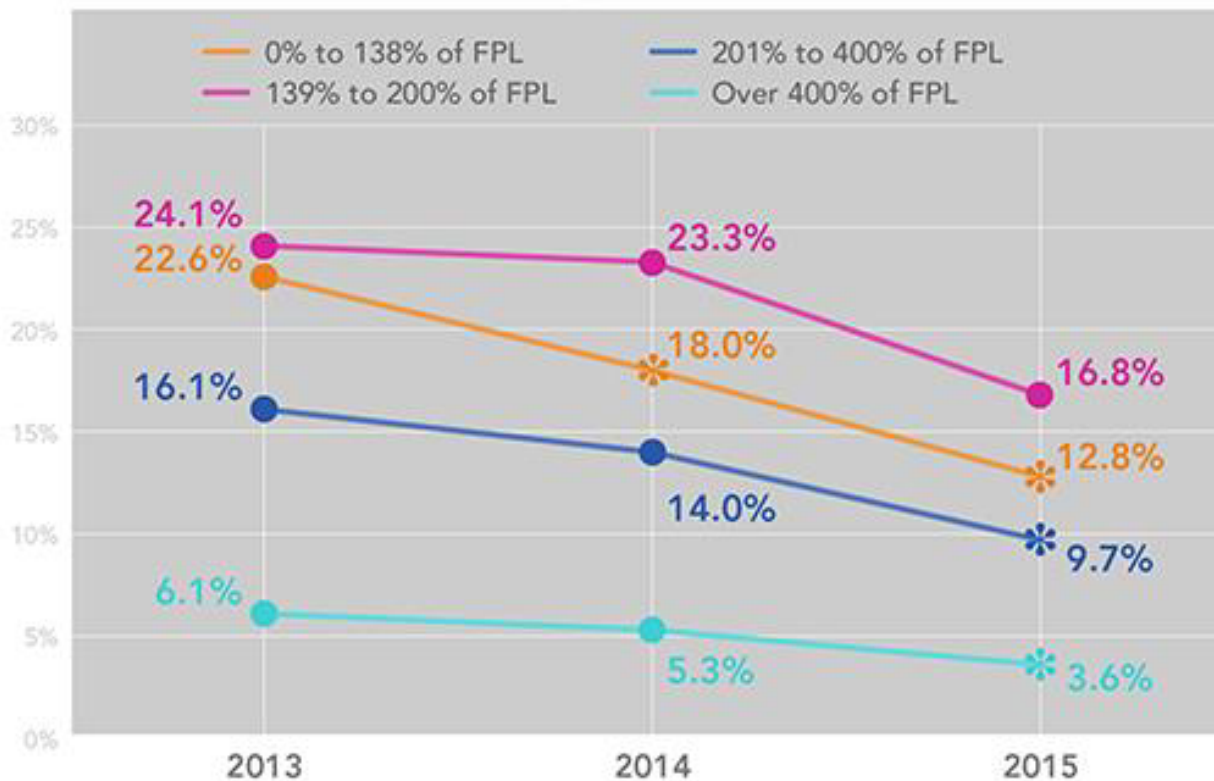


* Indicates a statistically significant change since 2013.

Source: California Health Interview Survey, 2015

Coverage Gains Experienced Across Income Levels

Rate of Uninsured Californians, by Income Level, 2013-2015

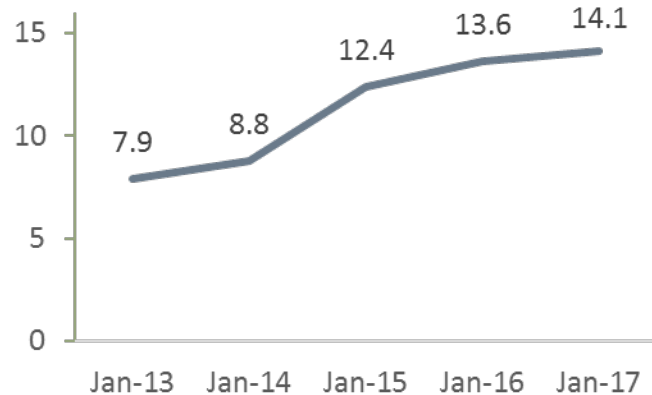


* Indicates a statistically significant change since 2013.

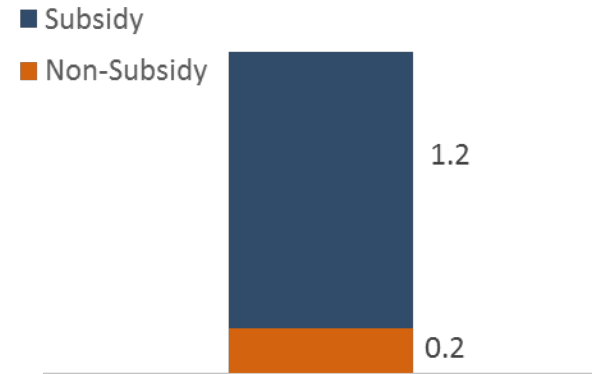
Source: California Health Interview Survey, 2015

ACA Impact on Coverage in California

Total Medi-Cal Enrollment (M)



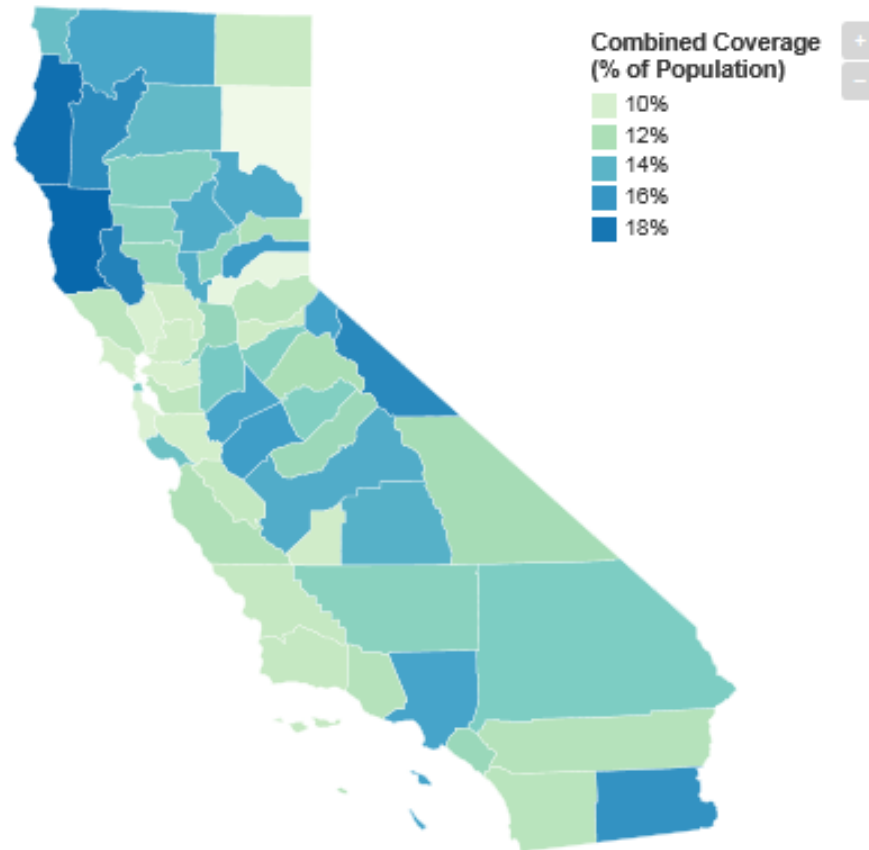
Covered California Enrollment (M)



3.7 million covered through Medi-Cal expansion
+
1.4 million buying insurance through Covered California
=
Over 5 million Californians covered under ACA

ACA Impact on Coverage in California

Covered California And Medi-Cal Expansion Enrollment By County, 2016

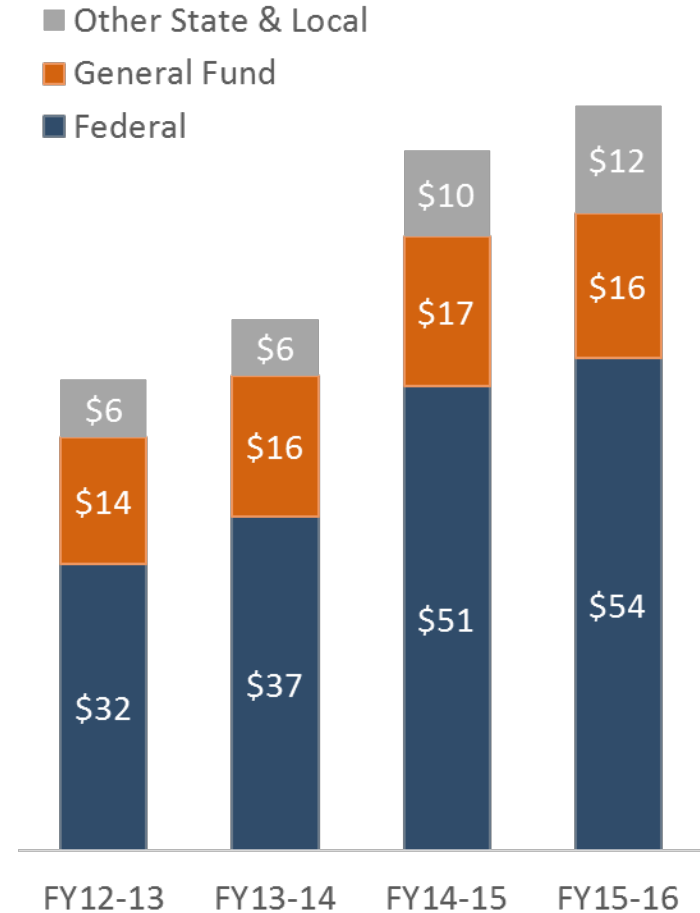


Sources: California Department of Finance, Covered California, California Department of Health Care Services; Analysis by California Healthline

ACA Impact on Federal Spending in CA

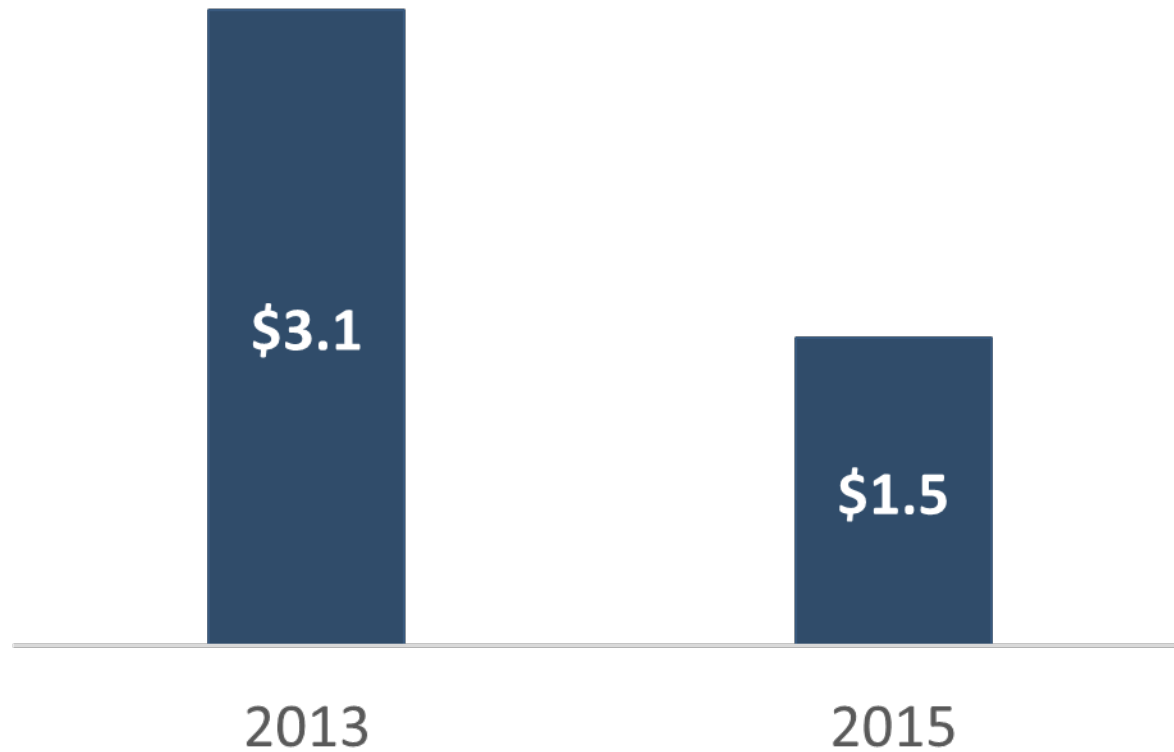
- Over **\$22 billion** in additional federal funds for **Medi-Cal** in FY15-16 – including \$15.5 billion attributable to ACA expansion
- Approximately **\$5 billion** in federal subsidies for premiums and cost sharing in 2016 to individuals insured through **Covered California**
- Over **\$2 billion** in additional grants to **community health centers and clinics** since the ACA was enacted

Medi-Cal Budget (\$B)



ACA Impact in CA

Uncompensated Care in CA (\$B)



Source: California Office of Statewide Health Planning and Development

The ACA: California Style

Medi-Cal: massive enrollment

- Expanded Medi-Cal early

Marketplace: More plans, lower than national average premium increases

- Covered CA is an “active purchaser”
- Standardized plan benefit designs
- Stabilized market in variety of ways

Q&A

Stay in Touch

Online:

www.chcf.org www.kff.org

Social Media:

@chcfnews @KaiserFamFound @larry_levitt

Email:

asunderland@chcf.org, aadams@chcf.org, LarryL@kff.org