



GRAPHIC ARTISTS GUILD

Health Insurance and the Affordable Care Act:

What 2019 Holds for Freelancers

WITH GREGORY HANKINS, RETIREMENT ASPIRATIONS

Wednesday, Dec. 12, 2018



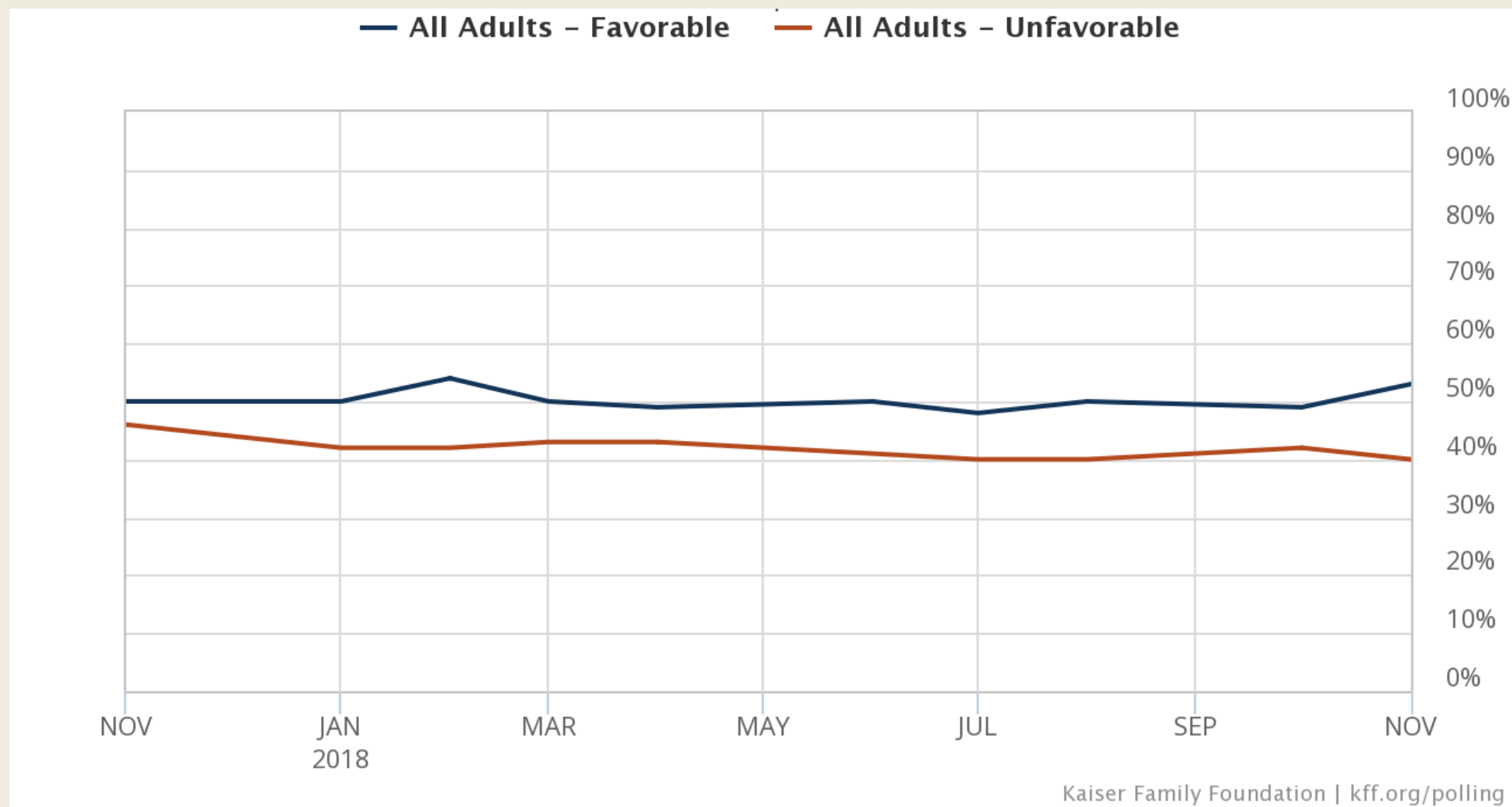
HEALTH INSURANCE AND THE ACA: WHAT 2019 HOLDS FOR FREELANCERS

A few days after this webinar aired, a judge ruled that the ACA is no longer unconstitutional, since the Tax Cut and Jobs Act repealed the individual mandate. However, health insurance coverage and Medicaid expansion under the ACA are unlikely to be affected in 2019.

The ACA is expected to remain in place while the decision is appealed, a process which is expected to take at least several months if not over a year. Uncertainty caused by the decision may cause rates to rise for 2020.

Kaiser Health Tracking Poll: The Public's Views on the ACA

“Given what you know about health reform law, do you have a generally favorable or unfavorable?”



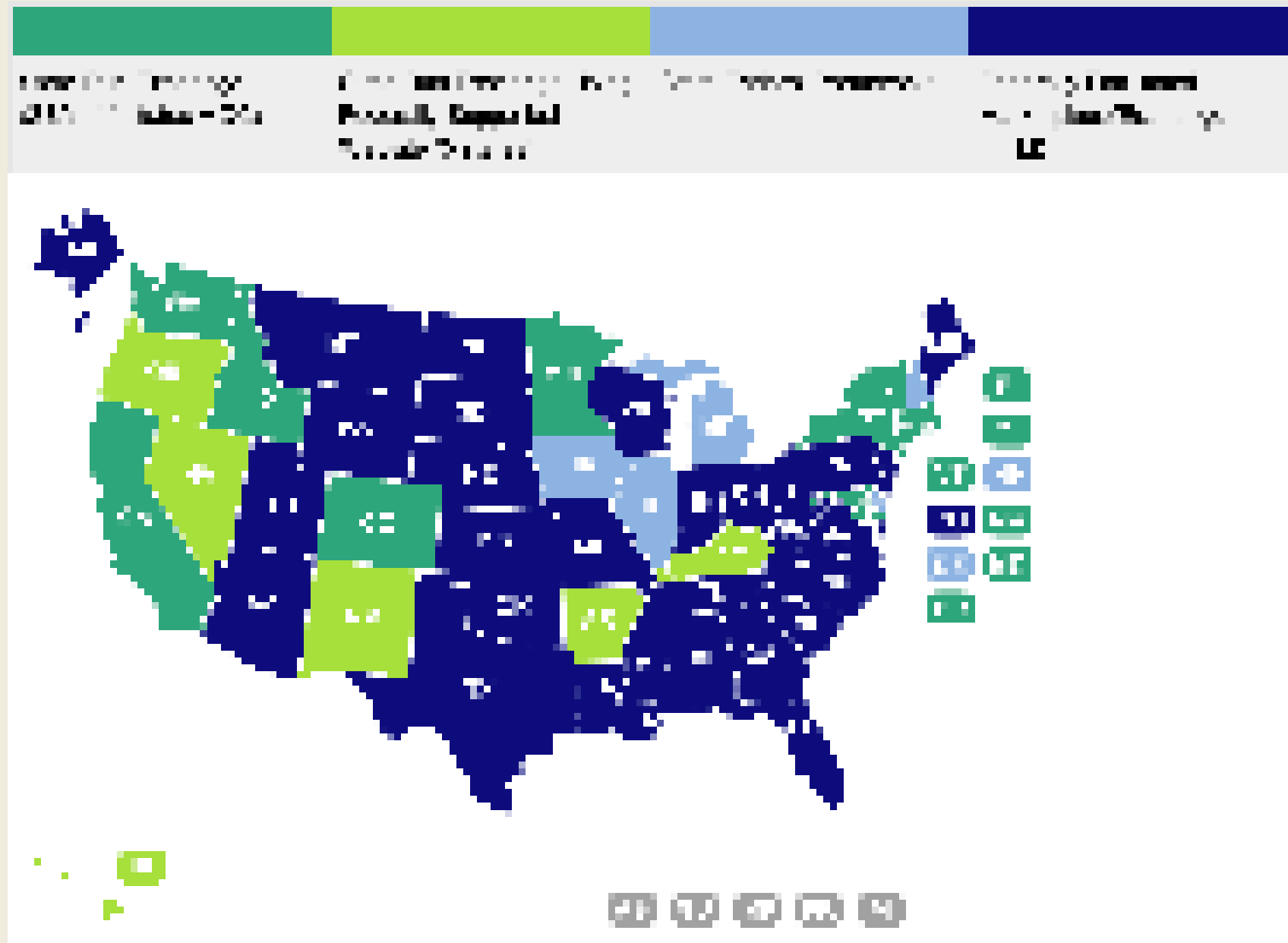
Source: Kaiser Family Foundation Health Tracking Polls



ATTEMPTS TO REPEAL AND REPLACE - 2017

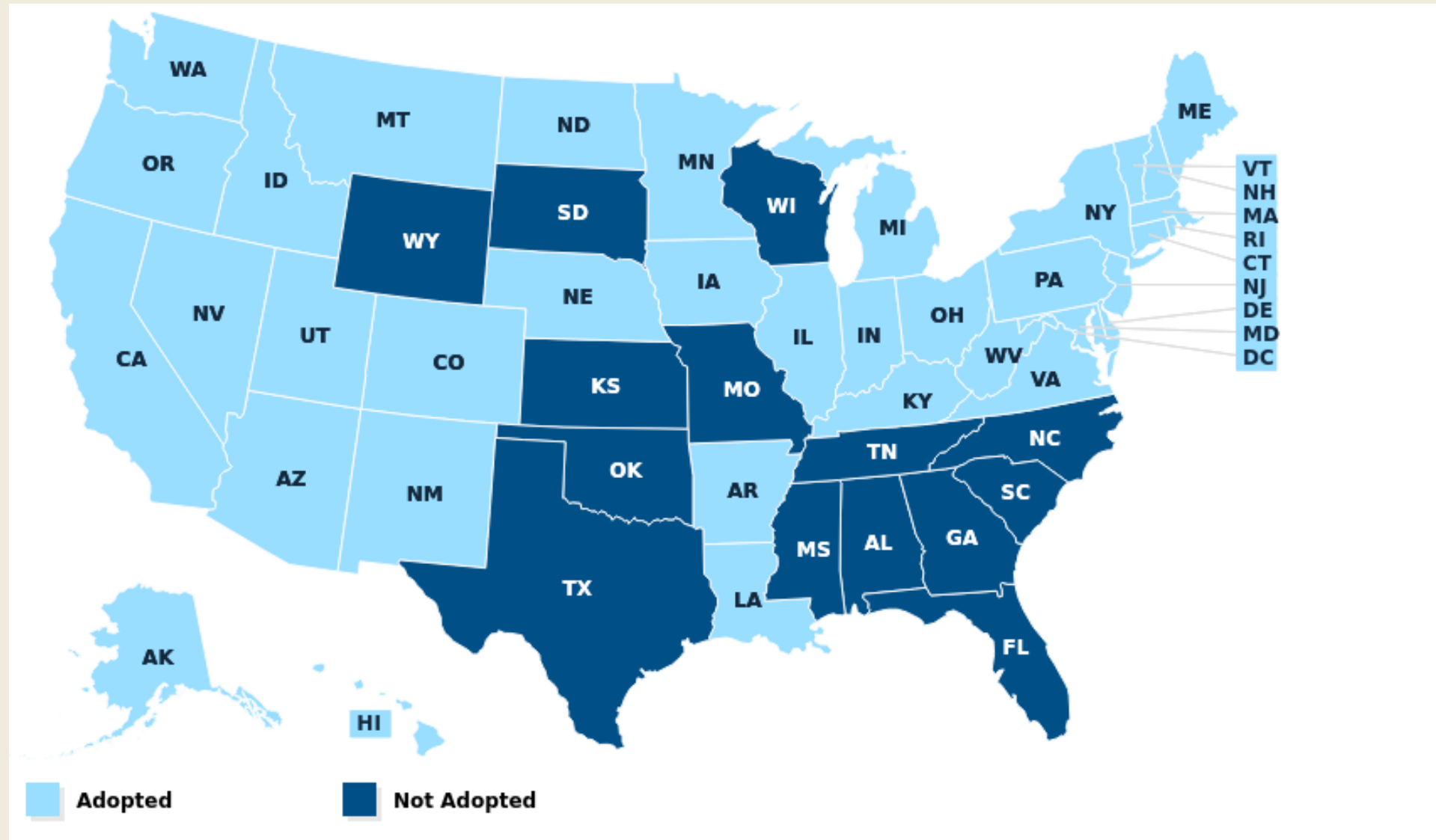
- The American Health Care Act (passed by the House, May 4, 2017)
- The Better Care Reconciliation Act of 2017
- Cruz Amendment to the Better Care Reconciliation Act
- Obamacare Repeal Reconciliation Act of 2017
- The Better Care Reconciliation Act of 2017 – revised
- The Health Care Freedom Act of 2017
- Graham-Cassidy-Heller-Johnson Amendment
- On December 22, 2017, President Trump Signs the Tax Cuts and Jobs Act into Law, effectively repealing the individual mandate in 2019

State Actions Towards Exchanges



Source: NCSL “State Actions to Address Health Insurance Exchanges,” December 6, 2018. www.ncsl.org

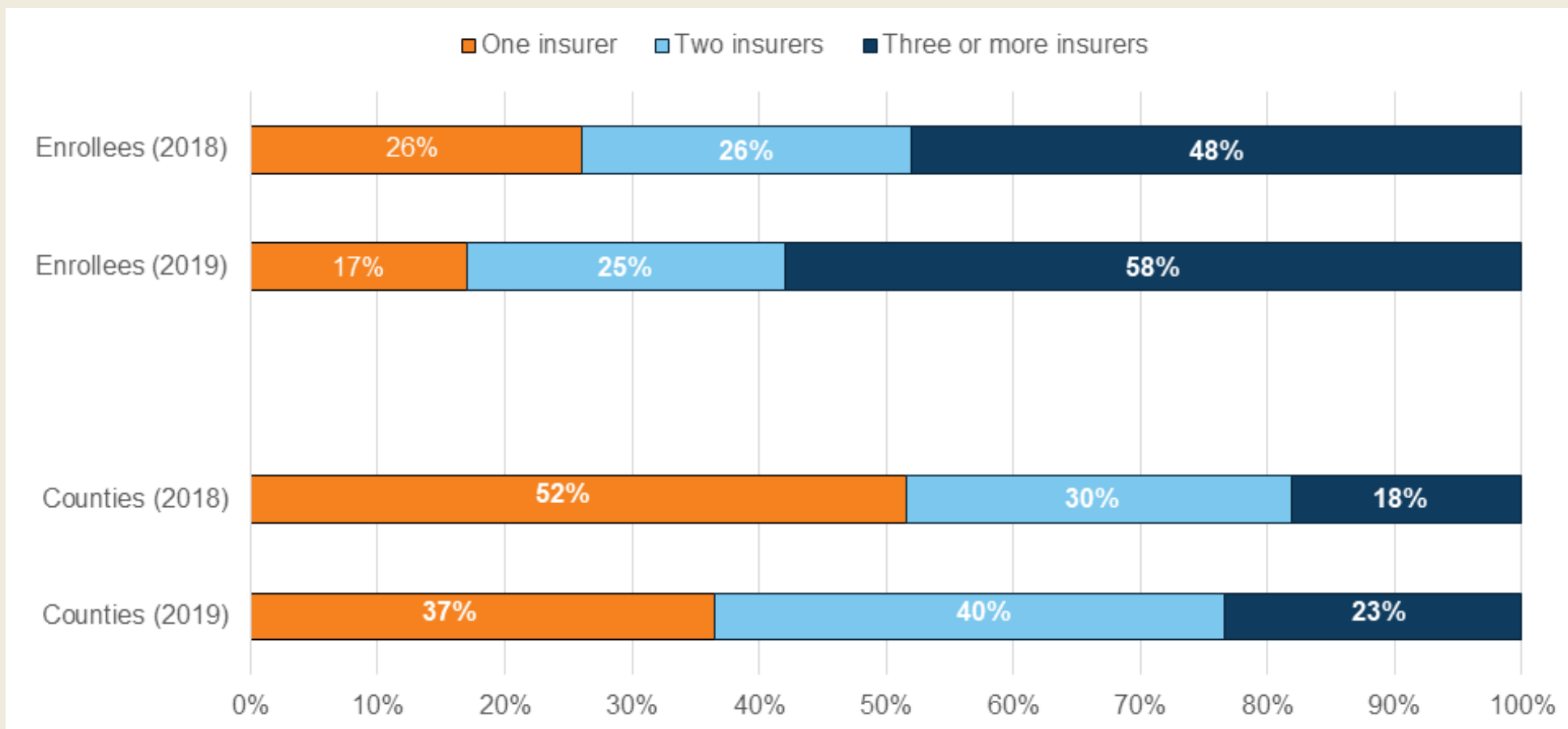
Status of State Medicaid Expansion Decisions (as of November 2018)



Notes: Current status for each state is based on KFF tracking and analysis of state executive activity.

Source: "Status of State Action on the Medicaid Expansion Decision", KFF State Health Facts, updated November 26, 2018

Insurer Participation on the ACA Marketplaces, 2018-2019

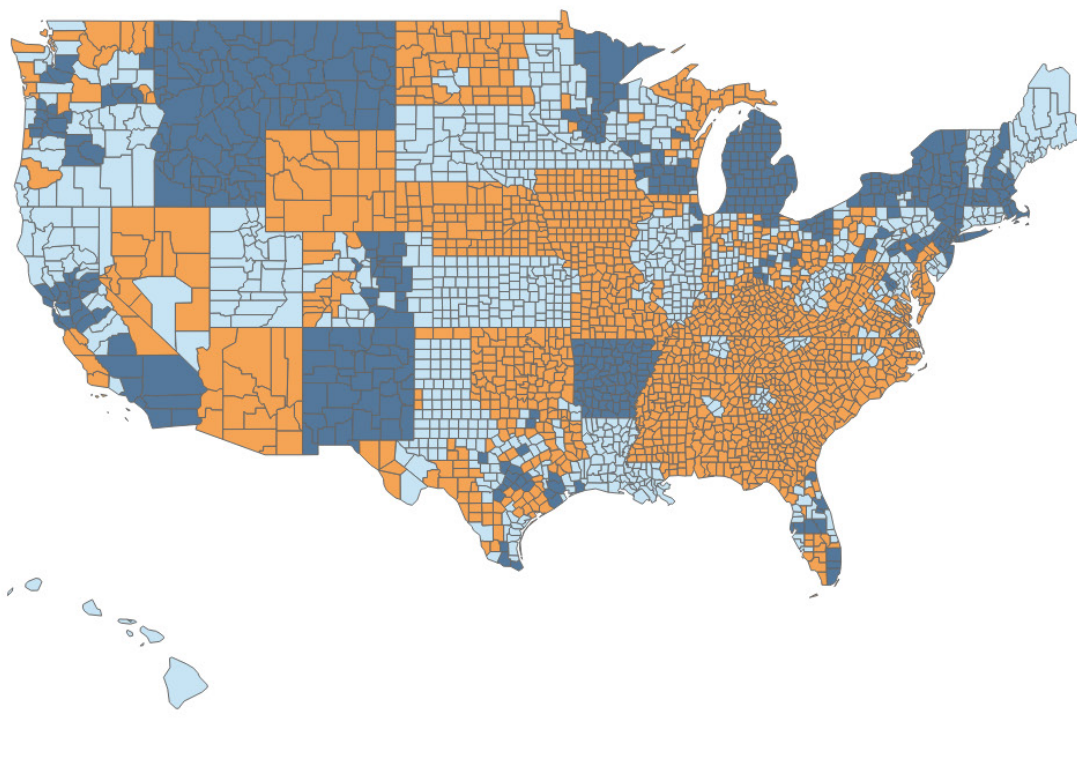


[Source: Kaiser Family Foundation analysis of data from the 2019 QHP Landscape file released by healthcare.gov on October 24, 2018. Note: For states that do not use healthcare.gov in 2019, insurer participation is estimated based on information gathered from state filings. Enrollment is based on 2018 plan selections. 2019 columns may not sum to 100 due to rounding.]

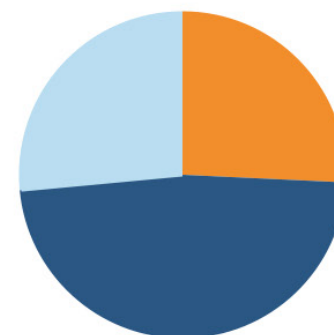
Insurer Participation on the ACA Marketplaces, 2018

Number of Insurers

- One
- Two
- Three or more



Percent of Enrollees



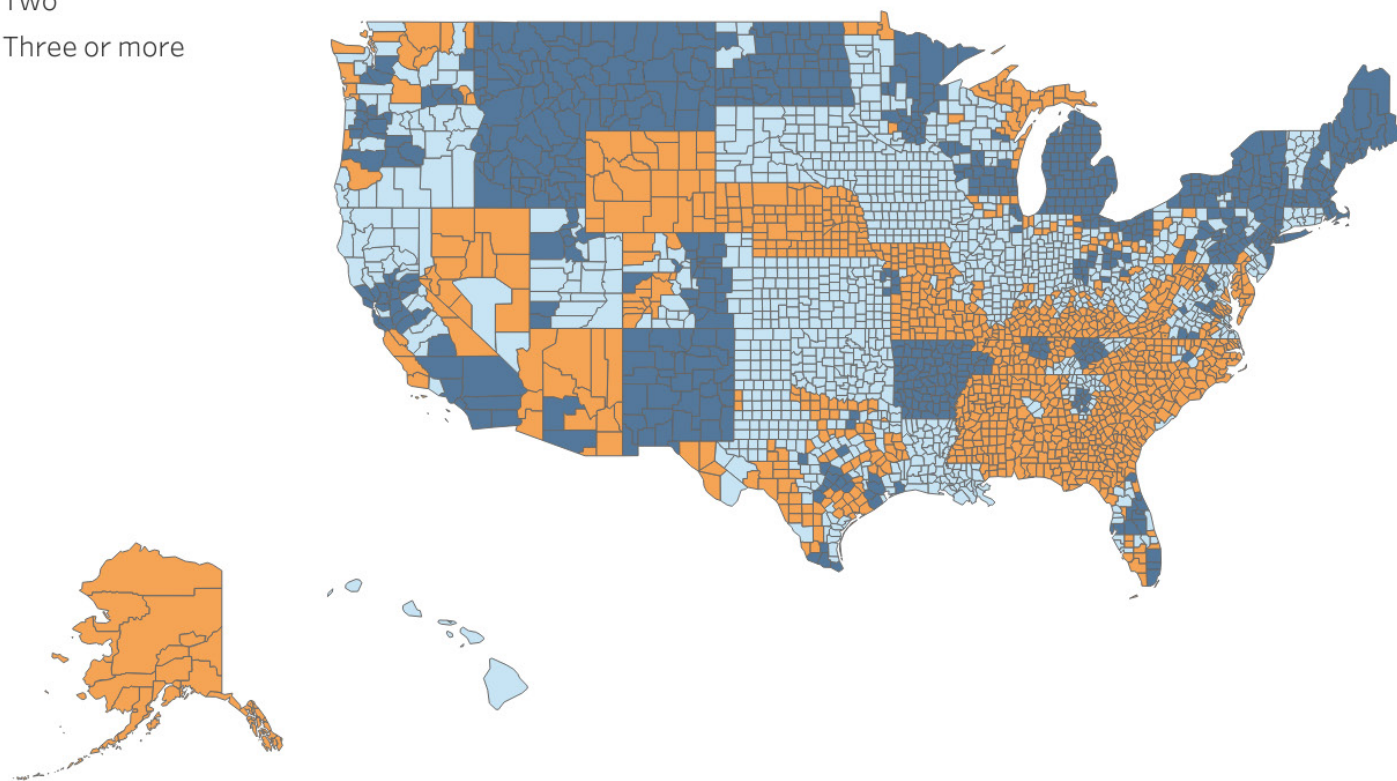
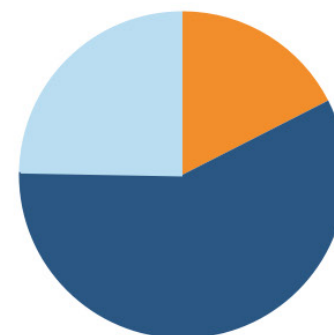
Source: Kaiser Family Foundation

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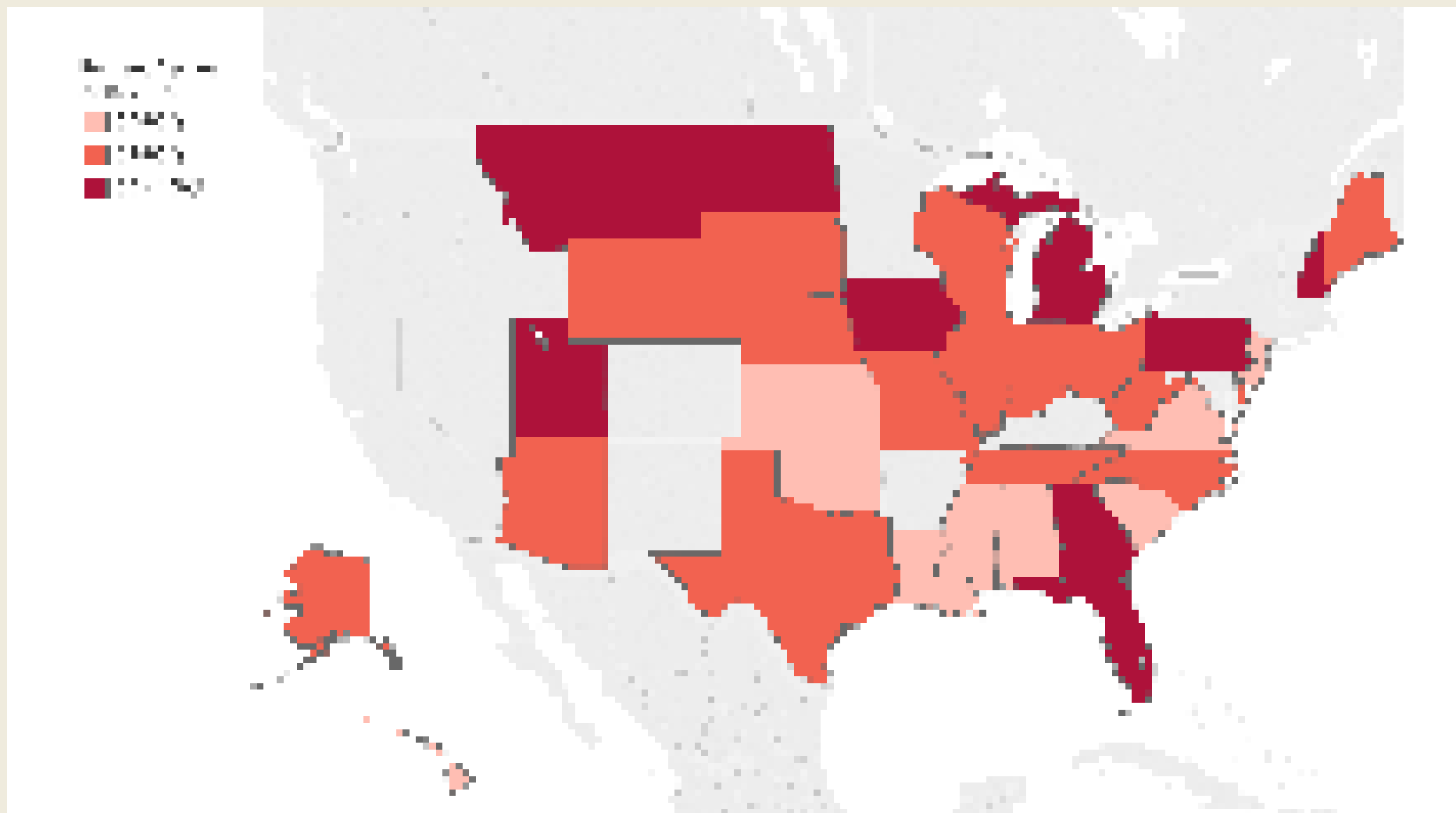
Source: Kaiser Family Foundation



LACK OF ADMINISTRATION SUPPORT

- The Administration cancelled ALL advertising for the Marketplace sign-ups on the Federal Exchanges during the open enrollment period
- President Trump signed the Tax Cuts and Jobs Act into Law, effectively repealing the individual mandate in 2019
- Greatly reduced funding for health exchange “Navigators” – certified application counselors located in communities
- Greatly reduced enrollment periods, from 13 weeks in 2015, to 6 weeks in 2018
- Scheduled healthcare.gov website maintenance making the website unavailable for 60 hours (Sundays) during the open enrollment period

Percent Decline in Federal Navigator Funding in Federal Marketplace States, 2016-2018



Source: Kaiser Family Foundation, "Data Note: Further Reductions in Navigator Funding for Federal Marketplace States," September 24, 2018



ACA APPROACH TO EXPANDING ACCESS TO COVERAGE IN 2018 IS REDUCED

- Created state-based (or federal) Exchanges with premiums and cost sharing credits for individuals/families with income between 133-400% of Federal Poverty Limit (FPL)
- Created Small Business Exchanges (SHOP) – never really caught on
- Imposes new regulations on health plans in the Exchanges and in individual and small group markets
- Expands Medicaid

No longer penalizes employers whose employees receive tax credits for health insurance through an Exchange

Starting in 2019, no longer requires citizens and legal residents to have health insurance or pay a penalty



IS THE ACA IS HERE TO STAY?

- Stable support of over 50% from the public
- Stabilizing premiums – for now
- Historic example: passage of Medicare and Medicaid 50 years ago
 - Aggressively opposed by the AMA
 - Described as “socialized medicine”
 - Fiercely opposed by fiscal conservatives
 - Passed after President Johnson won a decisive election
 - In 2018, widespread public support of Medicaid and Medicare crosses party lines

Public Priorities for Next Congress: Health Care is First or Second Priority

Table 1: Immigration and Health Care Top Public's Priorities for Next Congress

Thinking about next year, which issue would you most like the next Congress to act on in 2019? (<i>open-end</i>)	Total	Democrats	Independents	Republicans
Immigration/Border security	21%	10%	22%	41%
Health care	20	27	21	11
Gun control/legislation	8	13	4	8
Tax reform	4	2	7	8
Education	4	7	2	–

Note: Only top five responses shown. Question asked of half sample.



PREMIUMS ARE GOING DOWN – AND UP

- Average premium across the **entire individual market** is going UP by about 3%
- Average **benchmark* premium** for states using healthcare.gov is going DOWN by about 1.5%*
 - *benchmark plan: second-lowest-cost silver plan
 - premium subsidies are based on benchmark costs
- As benchmark costs drop, subsidies drop, and overall plan cost for people receiving subsidies could rise

Data excludes DC and the 11 states that run their own exchange platforms

Source: verywell health, “Are Health Insurance Premiums Going Up or Down for 2019?,” October 16, 2018



FACTORS CAUSING RATES TO BE HIGHER

- Increases in the cost of prescription drugs and medical care
- Elimination of the Individual Mandate Penalty (taking place in January 2019)
 - Congressional Budget Office projects eliminating the individual mandate penalty will cause premiums in the individual market to increase by 10 percent
- Expansion of short-term plans and association health plans
 - short-term and associate plans: less regulated with lower costs, but are not required to cover ACA's full benefits

Source: verywell health, "Are Health Insurance Premiums Going Up or Down for 2019?," October 16, 2018



FACTORS CAUSING RATES TO BE LOWER

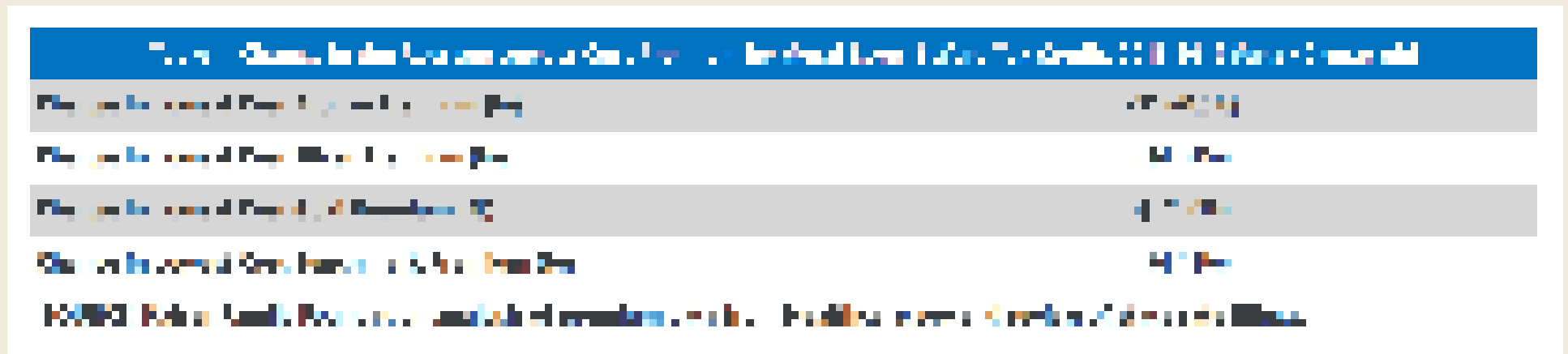
- Because of political uncertainty with the ACA in 2017, insurers set premium rates for 2018 too high
- Some states have established, or will establish, reinsurance programs to cover high-cost claims
- Some states have passed regulations to limit short-term plans and association health plans

Source: verywell health, “Are Health Insurance Premiums Going Up or Down for 2019?,” October 16, 2018

Stabilizing Premiums in 2019

“Nationally, the average unsubsidized premium for the lowest-cost bronze plan is decreasing by 0.3% from 2018 to 2019, the average unsubsidized lowest-cost silver premium is decreasing by 1%, and the average unsubsidized lowest-cost gold plan is decreasing by 2% (Table 1).”

– Kaiser Family Foundation





ACA ESSENTIAL BENEFITS

1. Ambulatory Care
2. Emergency Care
3. Hospitalization
4. Pregnancy, Maternity and Newborn Care
5. Mental Health and Substance Abuse Treatment
6. Prescription Drugs
7. Pediatric Care Including Dental and Vision Care
8. Preventive and Wellness Services
9. Rehabilitation and Habilitation Care
10. Laboratory Testing

Benefits should mirror a benchmark plan in the local market



HEALTH PLAN “METAL TIERS”

Highest monthly premium
Lowest cost-sharing*



*Cost sharing
includes coinsurance,
co-payments and
deductibles

In addition, insurers can offer a “catastrophic” plan with a higher deductible to those under age 30. All plans include all 10 health benefit categories, regardless of coverage tier.



GET FAMILIAR WITH HEALTH INSURANCE TERMINOLOGY

Premium: The cost you must pay each month toward your health plan.

Premium Tax Credits (PTC): A tax credit that can help you afford the cost of your health plan only if it was purchased through the Marketplace.

Advanced Premium Tax Credits (APTC): Tax credits that can be used right away to lower your monthly premium costs. If you qualify, you may choose how much advance credit payments to apply to your premiums each month, up to your maximum amount.



GET FAMILIAR WITH HEALTH INSURANCE TERMINOLOGY

Cost-Sharing: The out-of-pocket amount paid by the patient when receiving covered health services.

Depending on the plan, cost-sharing could include deductible, co-payments and coinsurance.

Co-payment: A fixed price you pay at the time of receiving a covered health care service from a participating provider. The amount can vary by the type of covered health care service you are receiving.

Deductible: The amount you must pay for health care services before your health plan begins to pay.

Coinsurance: The percentage of cost your health plan allows you to be charged for services after you've paid your deductible. Your health plan will cover the remaining portion of the cost.



GET FAMILIAR WITH HEALTH INSURANCE TERMINOLOGY

Cost Sharing Reduction: A discount that lowers the amount you have to pay out-of-pocket for deductibles, coinsurance, and copayments. You can get this reduction if you meet all of the following:

- you get health insurance through the Marketplace
- your income is below a certain level
- you choose a health plan from the Silver category.

Maximum Annual Out-of-Pocket: The most you will pay out-of-pocket during a policy period (usually a year) before your health plan begins to pay 100% of the allowed amount for covered care.

Out-of-pocket expenses include the deductible, coinsurance and co-payments.



NOTIFY THE MARKETPLACE WITHIN 60 DAYS IF YOU...

- Have a baby, adopted, or placed a child in foster care
- Got married
- Got divorced or legally separated and lost health insurance.
- Had someone on your plan die
- Moved to a new zip code or county
- Moved to the US
- Moved to or from transitional housing
- Lose or expect to lose qualifying coverage
- No longer qualify for Medicaid or Children's Health Insurance Program
- Gaining membership in a federally recognized tribe
- Leave incarceration
- Starting or ending service as an AmeriCorps State and National, VISTA, or NCCC member

When your circumstances change you may be eligible for a Special Enrollment Period where you can:

- Newly enroll in Private Health Insurance
- Change your health plan

Source: Healthcare.gov



WHAT'S NEW FOR EXEMPTIONS IN 2019:

Enrollees and their dependents who qualify for the most common Special Enrollment Period types — like a loss of health insurance, moving to a new home, or a change in household size — will only be able to pick a plan from their current plan category

- For example, someone who's already enrolled in a Bronze Health Plan (and wants to change plans) will only be able to select a new plan from the Bronze category.

Source: Healthcare.gov



UNINSURED INDIVIDUALS MUST PAY A PENALTY TO THE IRS ON 2018 TAXES

The fee is calculated two different ways — you'll pay whichever is higher:

- Percentage method: only the part of household income that's above the yearly tax filing requirement is counted (\$10,400 for individuals or \$20,800 for joint filing).
- Per person method: pay only for people in the household who don't have insurance coverage.
- Coverage for part of the year: fee is 1/12 of the annual amount for each month you (or your tax dependents) don't have coverage.
- Uncovered only 1 or 2 months: you don't have to pay the fee at all.

Source: Healthcare.gov



EXEMPTIONS TO PAYING THE PENALTY WHEN FILING 2018 TAXES

- **Exemptions from 2017:**

- Uninsured less than 3 months
- Earn too little to pay taxes
- Cannot find affordable coverage
- Have a hardship
- Religious objection
- Incarcerated
- Reside outside of the US
- Undocumented
- American Indian or Alaskan Native

Claim most health coverage exemptions on your federal tax return. Some require an application to be mailed to the Marketplace.

You don't need an exemption from 2019 and beyond.

Source: Healthcare.gov



2018 ENROLLMENT PERIOD FOR 2019

If you're a resident of one of the following states, apply for health insurance on your state's healthcare exchange website. Enrollment period ends on the date listed.

California:	Jan 31
Colorado:	Jan 15
District of Columbia:	Jan 31
Massachusetts:	Jan 23
Minnesota:	Jan 13
New York:	Jan 31
Rhode Island:	Dec. 31

If you're a resident of any other state, apply at Healthcare.gov. Enrollment on Healthcare.gov ends December 15.

Source: Healthcare.gov



RESOURCES

Kaiser Family Foundation

www.healthreform.kff.org

Verywell Health

www.verywellhealth.com

Healthcare.gov

www.healthcare.gov