

Texas Grantee Meeting

AmeriCorps Health Insurance – Update

March 27-28, 2014

The Willis logo is a dark blue square with the word "Willis" written in white, serif font. It is positioned in the bottom right corner of the slide, overlapping a yellow and orange gradient background.

Willis

Agenda

■ Major Issues

- Situation for Current Program and Members
- Looking Ahead (September 1, 2014)

■ Caveats

- Not Legal Advice
- Represent Willis and The Corps Network Plan
 - We do not/cannot speak on behalf of CNCS

Minimum Essential Coverage

Minimum Essential Coverage Status

- Minimum Requirements of AmeriCorps Provisions ≠ Minimum Essential Coverage (MEC)
 - Includes The Corps Network Plan
 - Benefit Maximums
 - Preventive Care, Pre-existing Conditions, Per-Cause Max
- Repercussions
 - Individual Mandate Tax Consequences
 - Perception – Inferior Coverage
 - Special Enrollment Issue

Grantee Responsibility

Provide Health Insurance to Full Time Members

- No change to FY 13-14 Grant Provisions
 - MEC is not required
 - Members Without Coverage Elsewhere
- Three Options Cited
 - Plan that Meets AmeriCorps Provisions
 - Ensure Members Purchase Coverage Through Exchange
 - Reimbursement Basis
 - Taxable to Member
 - Implementation Policy and Consistency
 - Buy MEC Coverage
 - Employer Plan
- “Employer” Obligation?

Grantee Responsibility

Inform Members

■ Advise

- CNCS Communication:

<http://www.nationalservice.gov/programs/americorps/current-members/health-care-options>

- Dependent Coverage (e.g., Parent's Plan)
- Public Exchange
- Medicaid
- Grantee Coverage (e.g., The Corps Network Plan)

■ Other Resources

- MEC Document for Members (Willis/The Corps Network)
 - MEC, Taxes, and Statistics
- CNCS FAQ

Effect on Members

Member Perspective

- No MEC = Potential Shared Responsibility Payment
 - Greater of \$95 or 1% of Income Above Filing Threshold (\$10,150 for a single person)
 - Pro-rated for number of months without MEC
 - Applies to 2014 Taxes (Filed in 2015)
 - Exemptions
 - Full List: <https://www.healthcare.gov/exemptions/>
 - State Didn't Expand Medicaid
 - Income is below filing threshold

Effect on Members

Medicaid Expansion

■ Hardship Exemption

- Income qualifies: <133% of Federal Poverty Level (FPL)
 - FPL is \$11,490 for Single (133% FPL = \$15,281)
- State did not Expand Medicaid
- Process
 - Hardship Exemption [Application](#)
 - Copy of notice of denial
 - Submit to Exemption Processing Address
 - Receive Exemption Certificate Number
 - Include on Tax Return

Effect on Members

Which States?

- 26 Moving Forward
- 6 in Open Debate
- 19 Not Moving Forward
- List at Kaiser Family Foundation [Website](#)

| Moving Forward | | | Debate | Not Moving Forward | |
|----------------|----|----|--------|--------------------|----|
| AZ | KY | OH | IN | AL | NE |
| AR | MD | OR | MO | AK | NC |
| CA | MA | RI | NH | FL | OK |
| CO | MI | VT | PA | GA | SC |
| CT | MN | WA | UT | ID | SD |
| DE | NV | WV | VA | KS | TN |
| DC | NJ | | | LA | TX |
| HI | NM | | | ME | WI |
| IL | NY | | | MS | WY |
| IA | ND | | | MT | |

Effect on Members

Premium Subsidy

■ Eligibility

- MEC + Minimum Value + Affordable = No Subsidy
- AmeriCorps
 - No Employer/Employee Relationship
 - Not MEC

■ Premium Subsidy

- Income
 - 100%-400% of FPL
- Based on Benchmark **Silver** Plan
- Caps Premium Share
 - Example: 100%-133% of FPL = 2% Cap

Effect on Members

Premium Subsidy Continued

■ Bigger Example

- Single AmeriCorps Member
 - Age 25
 - Austin County, Texas
 - Income = \$12,100
- 2nd Lowest Cost Silver Premium = \$193/Month
 - Subsidy = \$172/Month
 - Member Pays \$21/Month (2% of Household Income)

■ Subsidy Issues

- Actual Income
- Reconciliation/Repayment
 - Capped: <200% FPL = \$300 Individual

Effect on Members

Special Enrollment Issue

- Open Enrollment for Public Exchanges Ends 3/31/14
- Special Enrollment Triggers:
 - Losing MEC
 - TCN Plan is not MEC
 - Newly Eligible/Ineligible for Premium Subsidy
 - Change in Eligibility for Cost Sharing Subsidy
 - Access to New Qualified Health Plans Due to a Permanent Move
- Double Coverage
 - AmeriCorps = No

Effect on Members

Common Questions

- What are programs doing?
- Dental only?
- Double coverage?
- Retroactive Termination/Addition?
- Lose Coverage/Drop Exchange Coverage?
- Start Date Prior to September 1?
- What do I tell members we're recruiting now?
- What about that Extended Transition thing?
- Why Peace Corps but not AmeriCorps?

Decision Points

Main Considerations – Texas

- Public Exchange
 - Unlimited Benefits
 - MEC Status
 - Premium Subsidy (+Cost Sharing Subsidy for Silver)
 - Program: Coverage Tracking and/or Reimbursement
 - Taxes (Reconciliation or Reimbursement Issues)
- The Corps Network Plan
 - Low Cost Sharing + Provider Advantage
 - Administrative/Financial Continuity
 - No Member Premium Contribution – Straight Financial
 - Not MEC – Hardship Exemption
 - Open Enrollment Question

Looking Ahead

Probable Change in AmeriCorps Provisions

- Effective September 1, 2014
- Health Insurance Minimum Requirements Possibilities:
 - Affordable Care Act Compliant; or
 - Minimum Essential Coverage
- Alternative Methods for Health Care
 - Public Exchanges
 - Single Plan (e.g., VISTA)
 - Grantee Contribution/TPA/Public Exchanges
 - Employer Plans

Looking Ahead

The Corps Network Strategy

- Plan A – Affordable Care Act Compliant
 - National Insurer
 - Minimum Essential Coverage

- Plan B – Minimum Essential Coverage
 - Two Policies
 - Short Term Limited Duration (STLD)
 - Remove Pre-Ex and Preventive Maximums
 - Stoploss or Excess Coverage
 - Cover Claims Above Per Cause Maximum
 - Seek HHS Designation as MEC

Looking Ahead

The Corps Network Strategy

■ Challenges

- No Employer/Employee Relationship
 - Insurer Contracts
- National Coverage
 - ACA Reporting Requirements
 - Extra-Territoriality Filings
- Cost Effective
 - Benefit Improvements = Premium Increase
 - Lifetime maximum
 - Remove maximums: Preventive, Pre-ex
 - AmeriCorps Budgets
 - Clarification Questions

Looking Ahead

The Corps Network Strategy - Advantages

■ Program Design

- Low Cost Sharing
 - 80.9% of Enrollees have \$1,000 or Less Paid Claims
- Preferred Provider Plan
 - Open Access vs. Managed Care
 - Out-of-Network Benefits
- National Network
 - Provider Availability vs. Narrow Networks
- Specialization
 - Uniform: Designed for AmeriCorps Members
 - Communication to Members
 - Customer Service/Advocacy

Looking Ahead

The Corps Network Strategy - Advantages

- Cost Effectiveness
 - Risk/Utilization
 - Young Demographic: Over 80% are 30 or Younger
 - Limited Engagement: 1,700 Hour Term
 - Rating Advantage
 - National Network Discounts
 - Group Savings
 - Spread of Risk: Stability
 - Economy of Scale
 - 100% Grantee Funded
 - Competition and Flexibility (Options and Standalone)
- Target = <\$200 Rate/Month

Looking Ahead

The Corps Network Strategy – Cost Effective Comparison

■ Calculation vs. Public Exchange

- Premium
 - Subsidy
 - Individual's Share (% of income)
- Cost Sharing Subsidy Value: <150% of FPL
 - Affects Claims – Assume 80% of Premium (Premium*.8)
 - 70% Actuarial Value (AV) to 94% AV
 - Factor = 1.34 ($.94/.70=1.34$)

Looking Ahead

| Texas – Select Silver Plans (Age 25; Austin) | CIGNA Health Flex 2750 | Blue Advantage Silver HMO 003 |
|---------------------------------------------------------------------------------------------|------------------------|-------------------------------|
| Plan Type | PPO | HMO |
| Deductible (Unsubsidized) | \$200 (\$2,750) | \$0 (\$3,000) |
| Out of Pocket Max (Unsubsidized) | \$575 (\$6,350) | \$500 (\$6,350) |
| Office Copays | \$25/\$45 | \$35/\$55 |
| <u>Cost</u> | | |
| Member Premium | \$55 | \$21 |
| Premium Subsidy | \$172 | \$172 |
| Cost Sharing Value* | \$62 | \$58 |
| *Estimates value of cost sharing subsidy that converts plan from 70% Actuarial Value to 94% | | |
| Federal Total (Both Subsidies) | \$295 | \$249 |
| Total Cost | \$316 | \$270 |

Looking Ahead

What to Look for Next

- Market Plan A and Plan B
 - Plan Design Considerations
 - Pricing/Rate
- CNCS
 - RFI for State and National?
 - VISTA RFI (Late January/Early February)
 - Special Enrollment Situation
 - Provision Change?
 - Form of Coverage?
- ACA
 - Enrollment Numbers
 - Tax Penalty Enforcement

Questions

Contact Information – Willis of Seattle

- Chris Rooney
 - Vice President
 - chris.rooney@willis.com
 - 206-386-7428

- Julie Nelson
 - Assistant Vice President
 - julie.nelson@willis.com
 - 206-386-7976