

## The [Background]

- **The Affordable Care Act (ACA):** a federal healthcare law aimed at decreasing the number of uninsured people and costs of healthcare. It is the largest reform of the healthcare system since Medicaid and Medicare were created.
- **March 2010:** President Obama signs the Patient Protection and Affordable Care Act into law- also known as "ObamaCare"
- **June 2012:** the Supreme Court upholds the constitutionality of the majority of the ACA
- **November 2012:** Wisconsin Governor Scott Walker denies option of state control over the new Marketplace (insurance exchange) and the state defaults to a Federally Facilitated Exchange (FFE)
- **February 2013:** the Governor announces he will not include the expansion of Medicaid in his proposed budget, as suggested (but not mandated) by the ACA
- **January 2014:** the majority of implementation of the ACA will be complete

## [Marketplaces]

**Marketplaces** ("exchanges") in each state will be a buying pool of insurance plans that follow federal regulations on comprehensive coverage requirements and patient protections

- Must follow federal regulations on comprehensive coverage requirements and patient protections:
  - **Gender rating** (charging men and women different prices for the same plans) is now illegal!
  - Insurance companies can no longer deny you coverage or charge you differently because of a **pre-existing condition**
  - **Individual Mandate:** requires Americans to have health insurance, or pay a tax penalty
  - **Federal subsidies** will be made available to low-income and middle-income individuals so insurance is affordable in the Marketplace
  - All plans must cover the **Essential Health Benefits**
    - This includes **contraceptive coverage** without additional out-of-pocket costs
- **Wisconsin** is one of 25 states to default to a **Federally Facilitated Exchange (FFE)**, so the federal Department of Health and Human Services will design our Marketplace
- Marketplace will be set up and accepting applications by **October 2013**, and running on **January 1, 2014**
- **Proposed regulation:** no individual mandate tax penalty for certain low-income individuals if the state refuses to expand Medicaid (released January/February 2013)
- **Proposed rule:** would allow religious exception for certain employers so contraceptive coverage would be made available to employees through a third party (released January/February 2013)
- **Problematic gap:** a part of the ACA was recently clarified, and families that have an offer of employer-sponsored insurance that costs less than 9.5% of family income for an employee-only plan will not be eligible for subsidies in the Marketplace, which makes it more important for states to expand Medicaid
- **"Navigators":** states are currently in the process of establishing Navigator programs, which will be a point of contact for people wishing to enroll in the Marketplace

## [Essential Health Benefits]

Set of 10 health categories that must be included in insurance plans in the Marketplace, new Medicaid programs, and the outside individual market

- The EHBs will be different in each state because they have different benchmark plans; Wisconsin's EHBs are determined by the federal government
- **February 20, 2013:** Department of Health and Human Services releases final details on what the 10 categories will include

## [Medicaid/BadgerCare]

A joint state and federal medical assistance program for low-income individuals, including people with disabilities, elderly, and pregnant women

- **February 2013:** in his budget address, Governor Walker proposes changes to **reduce parents' coverage** from 200% down to 100% FPL and expand coverage to non-parents up to 100% FPL
  - **Coverage for pregnant women will fall** from 300% FPL to 133% FPL if the budget passes as originally proposed
  - These changes will **end up costing** the state millions more during the next few years, in addition to **reducing access to affordable coverage** for thousands of Wisconsinites

## [What if I have private insurance?]

- You can keep your employer-based coverage or other source of insurance.
- If your plan does not change in its coverage year to year, it will keep its "**grandfathered status**", which means it does not yet have to comply with all the rules of the ACA. However, plans should change enough that they will lose their grandfathered status quickly
- The **Individual Mandate** means that if you do not want to be insured, you will have to pay tax penalties, unless you cannot afford insurance.

