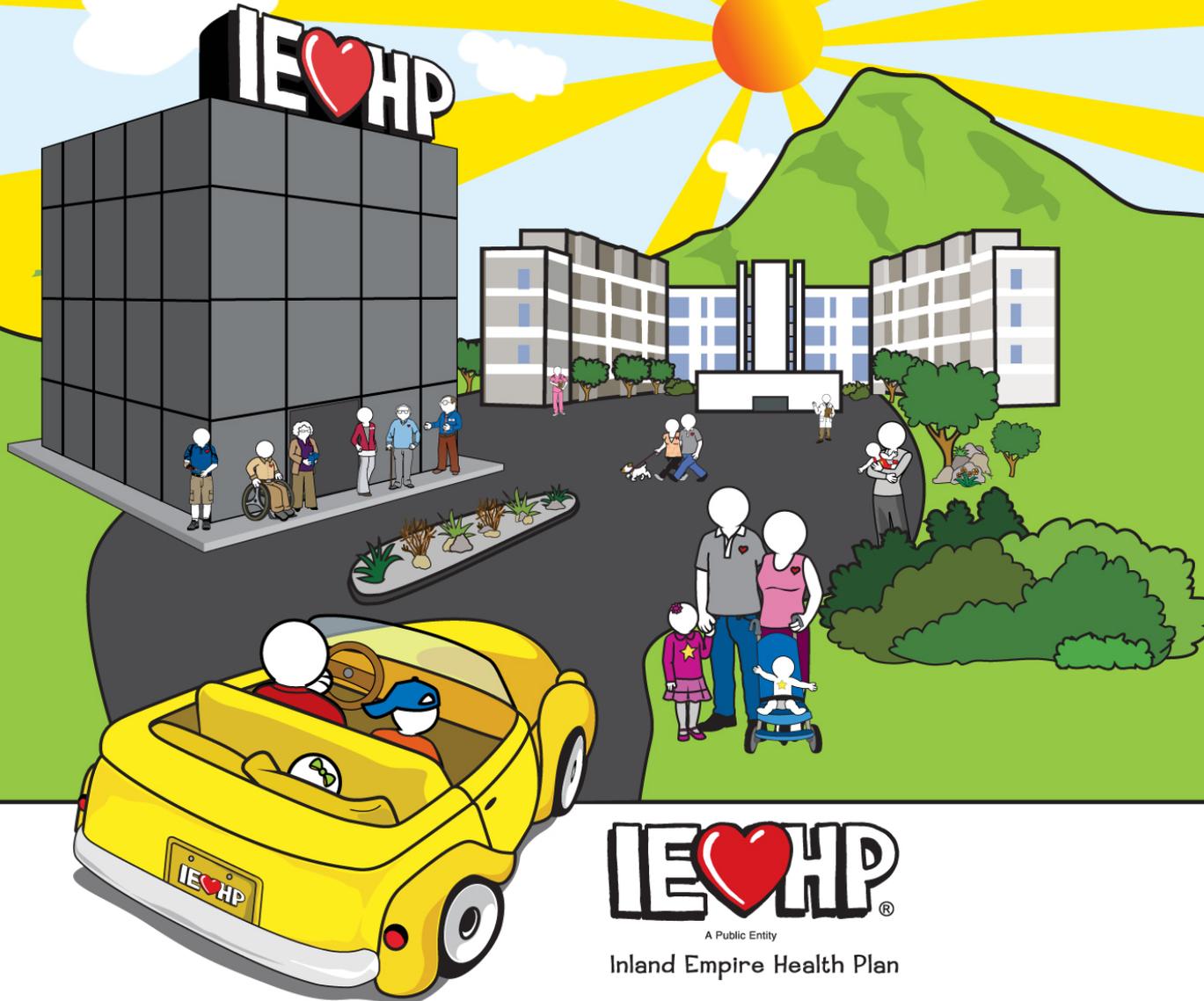


# Healthcare Reform and its Impact on the Inland Empire

*Presented by:*

*Marci Aguirre, Director of Community Outreach*



A Public Entity

Inland Empire Health Plan

## A. Benefit Limits

- 2014: Prohibits Lifetime Benefit limits

## B. Pre-Existing Conditions

- 2010: No denial for children
- 2014: No denial for adults

## C. Medical Expenses

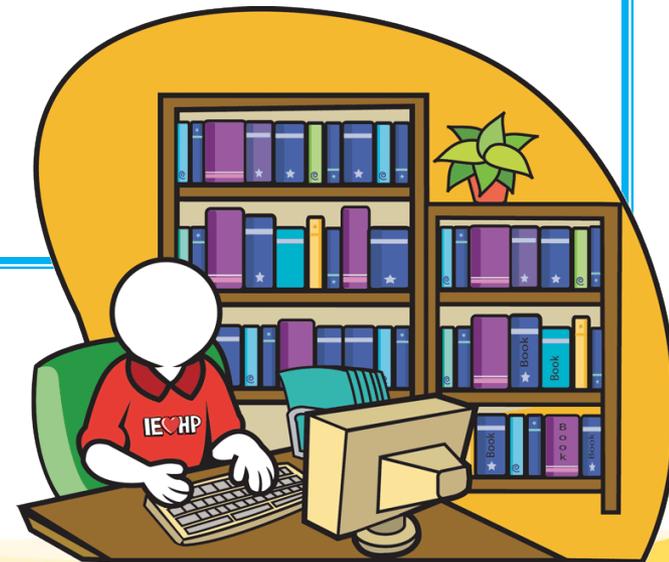
- 2011: 85% MLR for Large Employer Group
- 2011: 80% MLR for Individual and Small Employer
- 2014: 85% MLR for the Medicare Advantage plans

\*MLR-Medical Loss (Cost) Ratio

# Employer Group Mandate

## Taking effect in January 2015

- ✓ Employers with less than 50 full-time (30+ hours) employees can purchase coverage through the Health Exchanges.
- ✓ Employers with 50 or more full-time employees are required to provide coverage or face penalty (excluding first 30 employees).

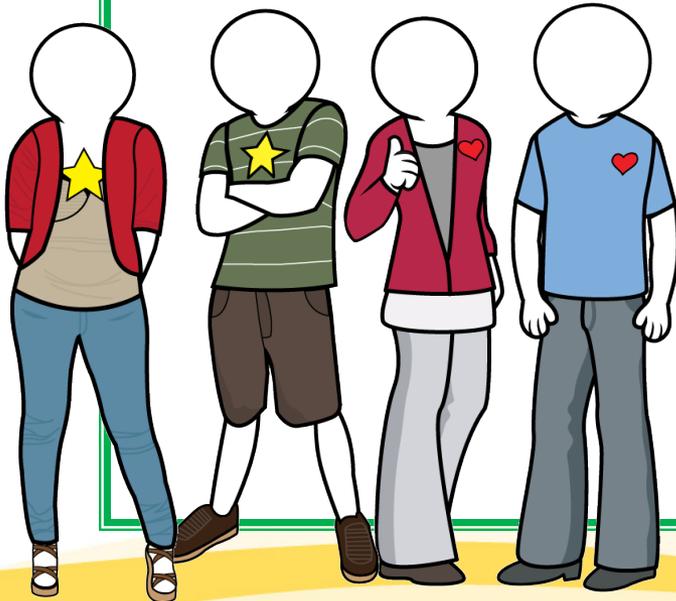


# Individual Mandate

## Beginning in January 2014:

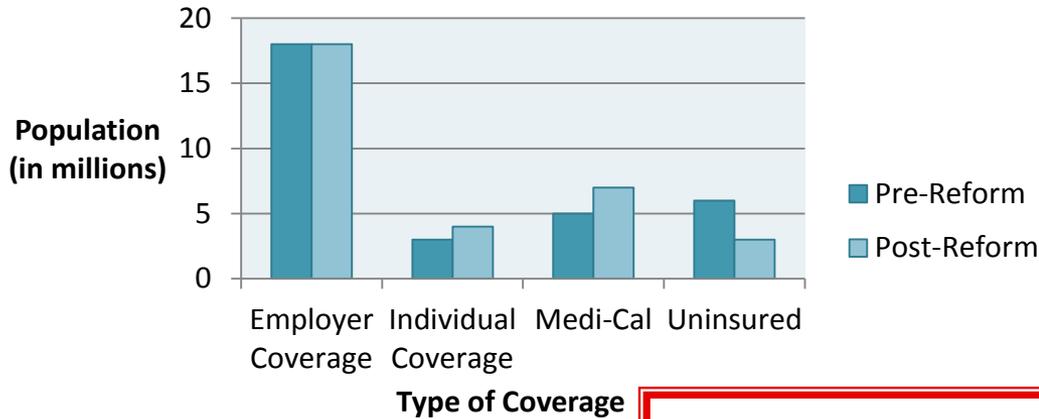
1. Mandate to have basic coverage
2. Enforce penalty at tax filing time:

Year	Per adult	Per child	Family max		% of taxable income
2014	\$95	\$47.50	\$285	<u>or</u>	1%
2015	\$325	\$162.50	\$975		2%
2016	\$695	\$347.50	\$2,085		2.5%

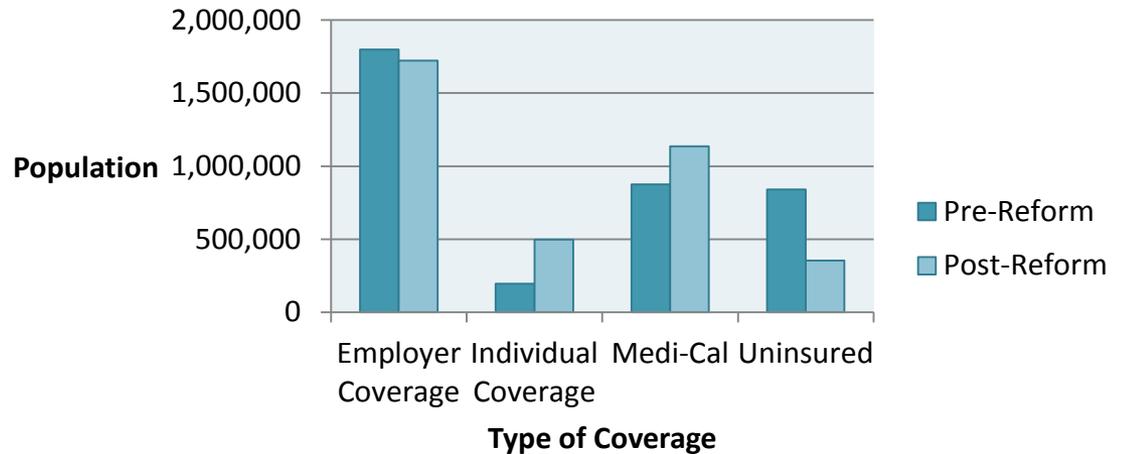


# Pre and Post Reform Population

### Healthcare Reform in California



### Healthcare Reform in the Inland Empire



# MEDICAID EXPANSION



# Medicaid Expansion: Overview

Effective January 1, 2014:

1. Expands Medi-Cal eligibility to income up to 133% FPL (an increase from 100% FPL) plus a 5% income disregard.
2. Eliminates asset or resources test.
3. Simplifies Medi-Cal application.
4. Requires the transition of persons currently enrolled in a Low-Income Health Program (LIHP) to Medi-Cal.

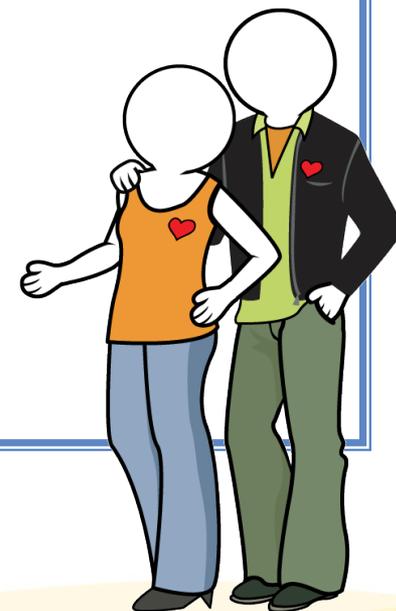
**\*\*\*\*Children now qualify for Medi-Cal up to 250% after the closing of the Healthy Families Program.**

# Medi-Cal Expansion: Populations

New populations include:

1. Childless adults.
2. Adults with kids over 21.
3. Parents of existing Medi-Cal kids who currently fail asset test or do not meet other Medi-Cal eligibility requirements.
4. Former foster youth up to 26 years old.
5. Current LIHP enrollees.

\*New MAGI calculation of household income



# Medi-Cal Expansion: Benefits

- A. Benefits are the same as Medi-Cal today including:
- ✓ LTSS Services (requires asset test)
  - ✓ County can choose to provide enhanced benefits for substance use disorders.
- B. Restoration of dental benefits (State's legislation)  
– May 1<sup>st</sup>, 2014.



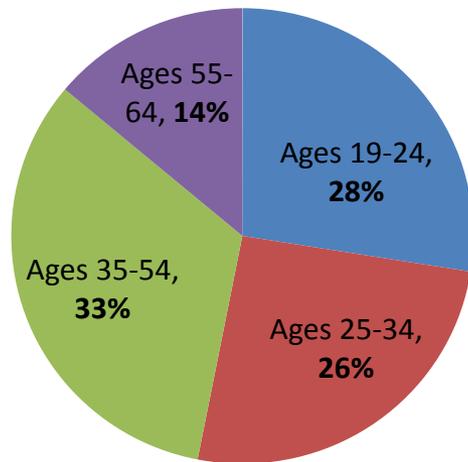
# Medi-Cal Expansion: Expected Population in the IE

Region	Total Medi-Cal Expansion Eligibles
<b>Riverside County</b>	<b>116,200</b>
Riverside Proper	50,000
Low Desert	29,000
Hemet Region	15,000
Temecula	14,000
Corona Region	8,000
Blythe*	200
<b>San Bernardino County</b>	<b>143,800</b>
San Bernardino Proper	74,000
High Desert	36,000
West San Bernardino	26,000
The Pass	5,000
Barstow	1,600
Mountains	550
Yucca/Morongo Valley	350
Needles/Laughlin*	150
Ridgecrest*	100
Colorado River*	50
<b>Grand Total</b>	<b>260,000</b>

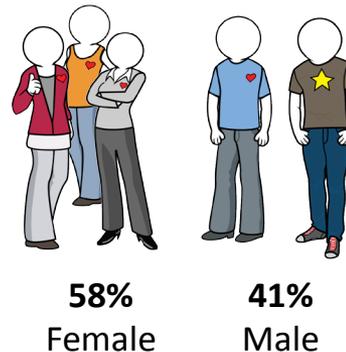
# Medi-Cal Expansion: What to Expect from the New Population

## Medi-Cal Expansion: Inland Empire Demographics

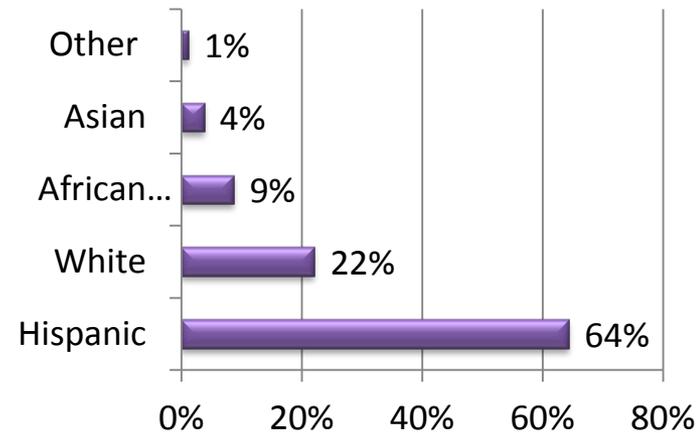
Newly Eligible  
Population by Age



Newly Eligible  
Population by Gender



Newly Eligible  
Population by Ethnicity



### Utilization and Care Behavior

1. Have several **chronic conditions**, including but not limited to high blood pressure and diabetes.
2. Often delay care services because of cost.
3. Lower expectation because they are not used to receiving any care at all.



# HEALTH EXCHANGE

## Covered California

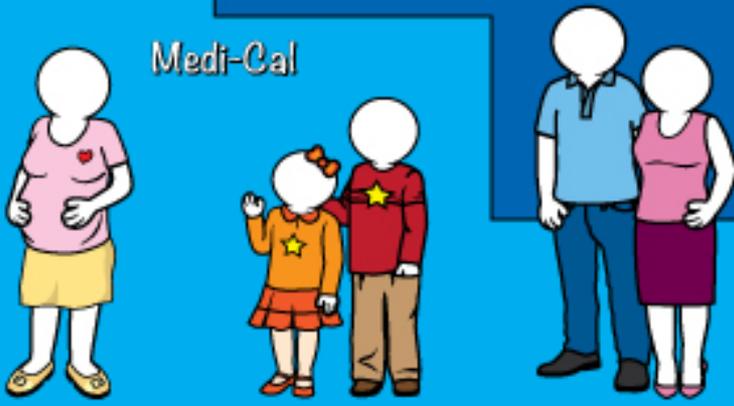
# Covered California: Overview

- A. A market place where people can purchase health insurance.
- B. Initial open enrollment starts October 1, 2013 through March 31, 2014.
  - For a January 1, 2014 effective date.
- C. Low-income individuals (up to 400% FPL or \$93,000 a year for a family of 4) will get help paying for their premiums.



# Health Coverage Eligibility by Income Level

## 2014 Health Insurance Income Eligibility

More than 300% FPL	\$5,889 +	Health Exchange (Covered California)			 Medicare
251% - 300% FPL	\$4,907 - \$5,888	 Medi-Cal			
201% - 250% FPL	\$3,926 - \$4,906				
134% - 200% FPL	\$2,611 - \$3,925				
101% - 133% FPL	\$1,964 - \$2,610				
Less than 100% FPL	\$0 - \$1,963				
	Monthly Gross Income Example: Family of 4*	Pregnant Women	Children 0-19 Years Old	Adults 19-64 Years Old	Seniors 65 and Older

\* Based on data released in the Federal Register, "Annual Update of the HHS Poverty Guidelines", 01/24/2013

# Potential Mixed Families

- Mom, dad and 2 kids – make 200% of FPL
- What will the parents qualify for?
- What will the children qualify for?
- Answer: Adults in Covered CA, and kids in Medi-Cal

# Covered California: CalHEERS and Qualified Health Plans



WORKING TOGETHER  
TO GET CALIFORNIANS COVERED



Medi-Cal

## 2014 Covered California Qualified Health Plans

- Alameda
- Contra Costa
- **Kaiser**
- Sharp
- **Blue Cross**
- Chinese Community
- L.A. Care
- Western Health Advantage
- **Blue Shield**
- **Health Net**
- **Molina**

\*QHPs in red are available to I.E. residents.



# Covered California: Benefits

Benefits	Platinum	Gold	Silver	Silver 100%- 150% FPL	Silver 150%- 200% FPL	Silver 200%- 250% FPL	Bronze
Deductible	None	None	\$2,000/ medical \$250 brand drugs	\$0	\$500/ medical	\$1,500/ medical \$250/ brand drugs	\$5,000 integrated Med/Rx
Doctor	\$20	\$30	\$45	\$3	\$15	\$40	\$60- deductible after 3
Specialist	\$40	\$50	\$65	\$5	\$20	\$50	\$70
Urgent Care	\$40	\$60	\$90	\$6	\$30	\$80	\$120- deductible after 3
Generic Drugs	\$5	\$19	\$19	\$3	\$5	\$19	\$19
ER	\$150	\$250	\$250	\$25	\$75	\$250	\$300
Out-of-Pocket for Individual	\$4,000	\$6,350	\$6,350	\$2,250	\$2,250	\$5,250	\$6,350

Benefits in **orange** are subject to deductible. Others aren't subject to the deductible and count towards annual out-of-pocket maximum.

# Covered California: Rates

The table below is an example of the rates a 40 year old single individual might pay for a Silver Plan.

Silver Plan	150% FPL	200% FPL	250% FPL	400% FPL
Health Net HMO	\$44 \$202	\$108 \$139	\$180 \$67	\$246 \$0
Molina HMO	\$57 \$202	\$121 \$139	\$193 \$67	\$259 \$0
Blue Shield PPO	\$62 \$202	\$125 \$139	\$198 \$67	\$264 \$0
Anthem PPO	\$88 \$202	\$151 \$139	\$223 \$67	\$290 \$0
Kaiser HMO	\$98 \$202	\$161 \$139	\$233 \$67	\$300 \$0

\*The federal subsidies are shown in red.

# Covered California: Financial Assistance Overview

Starting in 2014, individuals seeking health coverage through Covered California may be eligible for one of two types of financial assistance:

**A. Premium Subsidies (for up to 400% FPL)**

1. Lowers the cost of health coverage for individuals and families who meet certain income requirements and do not have affordable health insurance from an employer or a government program that meets minimum coverage requirements.
2. Credits can be immediately applied.

**B. Copayment Subsidies (for up to 250% FPL)**

1. Reduces the out-of-pocket amount of health care expenses.
2. Varies by the type of covered health care service.



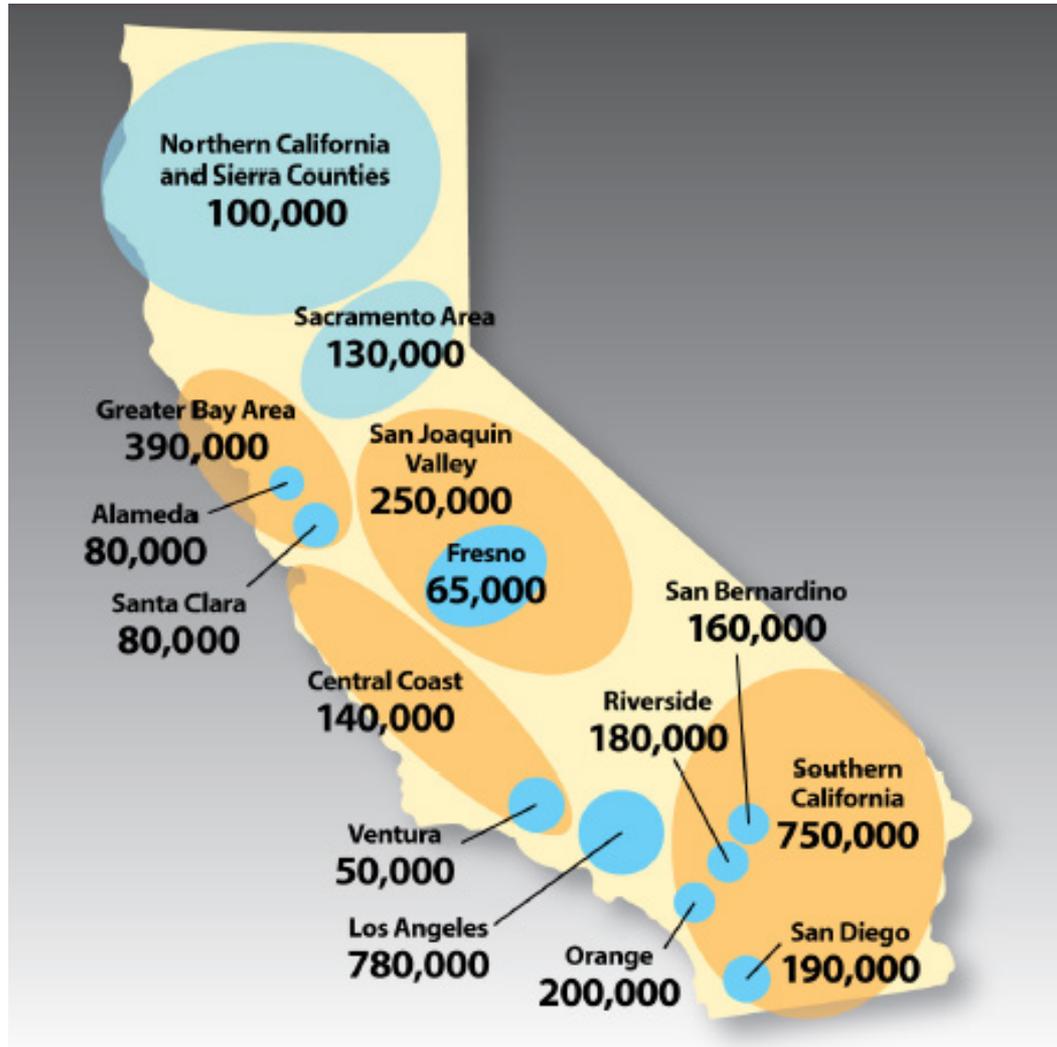
# Covered California: Dental Benefits

## Children's Dental

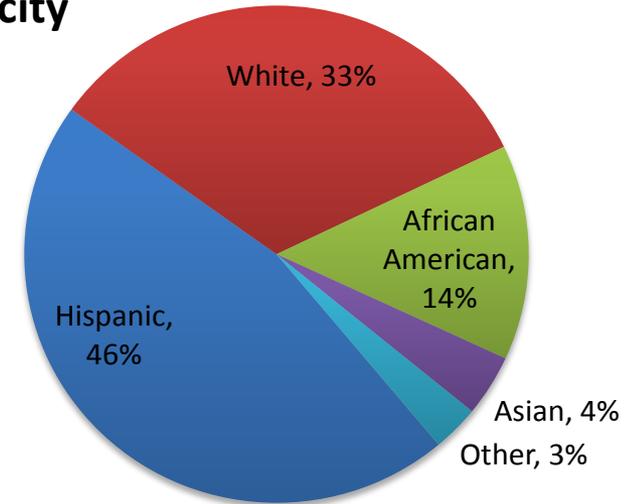
- Stand-alone plans for children's dental coverage in 2014.
- Working towards embedding pediatric dental in its 2015 portfolio of comprehensive medical insurance products.
- Rates as low as \$8 per month in some regions.
- Five insurance companies will offer plans to families who buy insurance through Covered California in 2014:
  - ✓ Blue Cross
  - ✓ Blue Shield
  - ✓ Premier Access
  - ✓ Delta Dental
  - ✓ Liberty Dental

\*At this time, adults dental benefits are not being offered through Covered California.

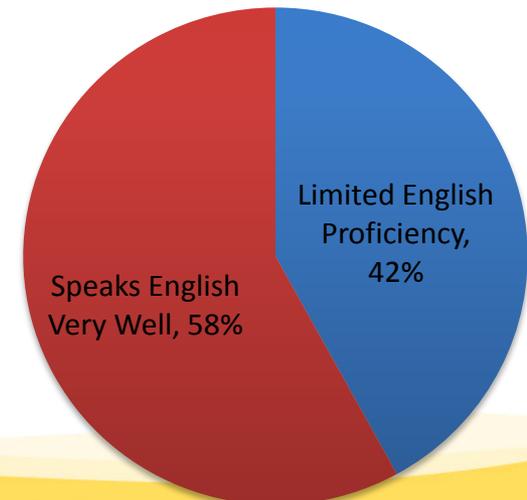
# California's Subsidy Eligible



## Ethnicity



## English Proficiency



# Covered California: Subsidies

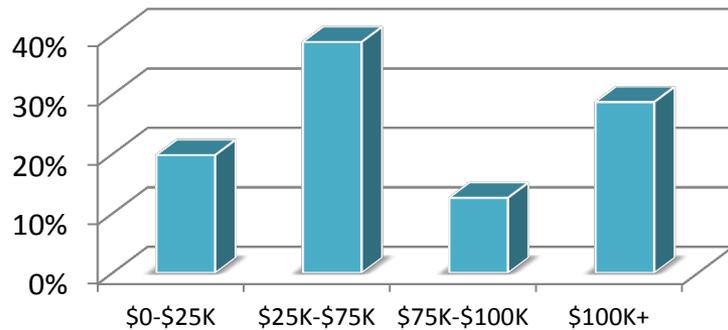
Individuals with income less than 400% Federal Poverty Level (\$92,200 for a family of four) will get the premium subsidies on sliding scale basis:

Federal Poverty Level (FPL)	Premium Spending Limit (% of income)
Up to 133%	2%
133 - 150%	3 - 4%
150 - 200%	4 - 6.3%
200 - 250%	6.3 - 8.05%
250 - 300%	8.05 - 9.5%
300 - 400%	9.5%

# Covered California: What to expect from Covered California enrollees

## Covered California: Inland Empire Demographics

Exchange Eligibles by Income

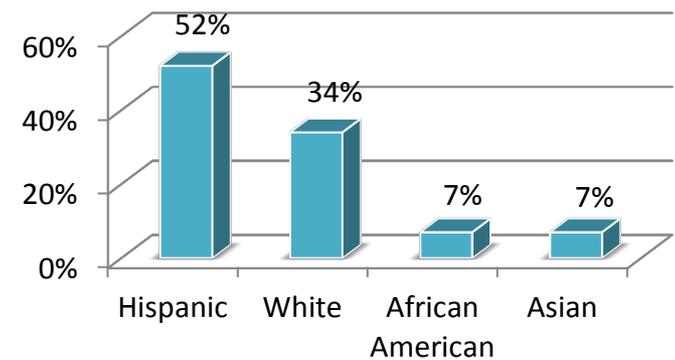


Exchange Eligibles  
by Gender



**50.3%** Female  
**49.7%** Male

Exchange Eligibles by Ethnicity



## Utilization and Care Behavior

### Chronic conditions

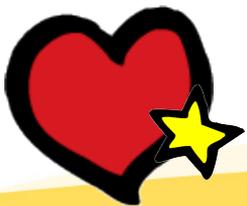
1.27% have at least one chronic condition  
2.6% have at least two

### Insurance status

1.31% have had no insurance all year  
2.32% have had coverage part of the year

### Office visits

1.55% have had 1-4 office visits this year  
2.29% have not seen a doctor all year.



# Annual Income Eligibility

Number of People in the Household	If Your Income* Is <b>LESS THAN...</b>	If Your Income* Is <b>BETWEEN...</b>
1	\$15,857	\$15,857 - \$45,960
2	\$21,404	\$21,404 - \$62,040
3	\$26,952	\$26,952 - \$78,120
4	\$32,500	\$32,500 - \$94,200
5	\$38,047	\$38,047 - \$110,280
<b>You may qualify for:</b>	<b>Medi-Cal</b>	<b>Premium assistance through Covered California</b>

# Healthcare Reform: Key Points

- A. In 2014, an estimated 500,000 or more uninsured residents in the Inland Empire will gain coverage through Healthcare Reform.
- B. The largest increases will occur through the Medi-Cal eligibility expansion and individual coverage through the Health Exchange.
- C. Individuals will be required to have basic health coverage in 2014, but premium subsidies will be available for those with incomes less than 400% FPL, \$93,000 a year for family of four (2013 Guideline).



# Healthcare Reform: Challenges

## A. Provider Shortage

1. Inadequate number of providers currently in the Inland Empire.
2. Inadequate number of providers willing to see Medi-Cal patients.

## B. Payment

1. Significant changes in payer mix for providers.
  - Use Medicare rate for Medi-Cal primary care services (for 2013 and 2014).

## C. Enrollment and Participation

1. Outreach & education to uninsured
2. Low penalty in the first year

## D. Cost

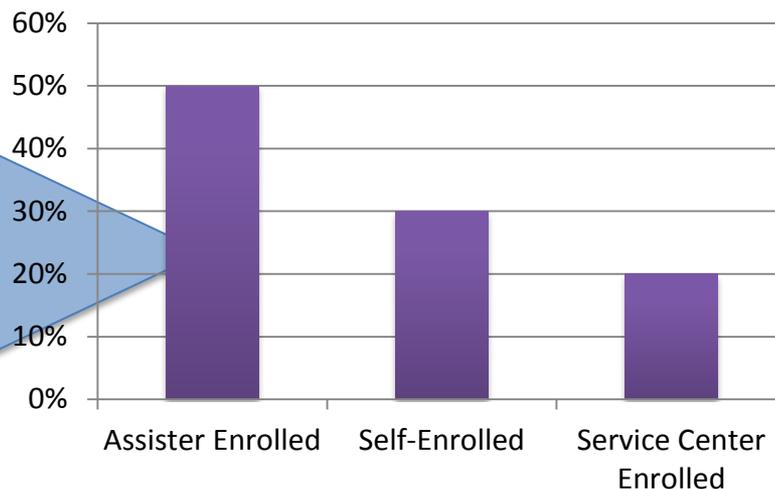
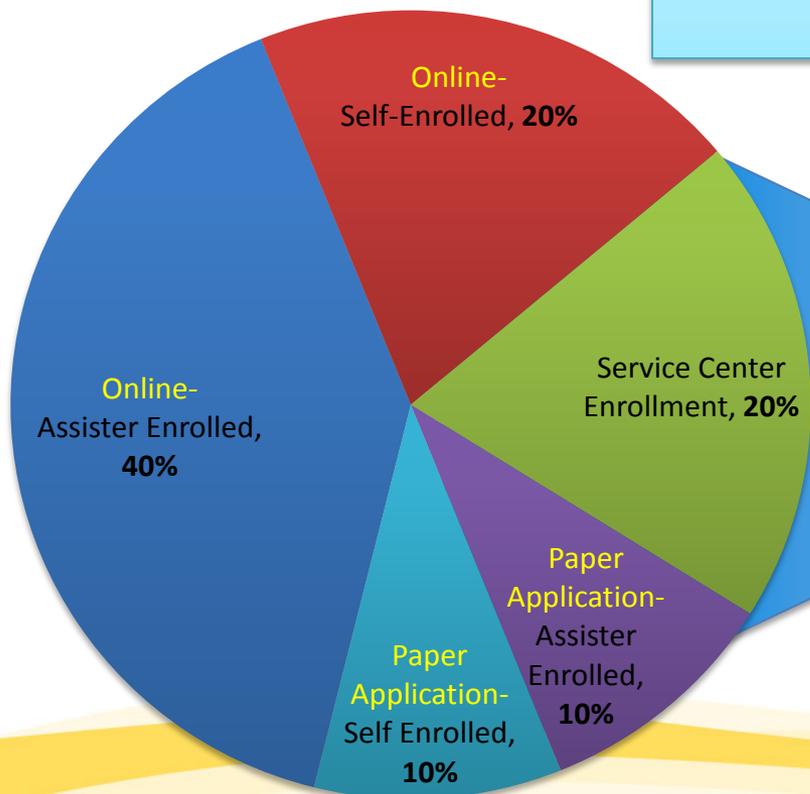
1. Consumer's understanding of different metal tiers and different QHPs.



## Enrollment and Customer Service Assistance



1. 50%-75% will need help enrolling during the initial years by assisters.
2. Assisters are trained, certified and registered by Covered California.
3. Customer Service Centers will be available for:
  - general inquiries
  - support
  - retention
  - enrollment



# Where to go for more information

## Websites:

IEHP

[www.iehp.org](http://www.iehp.org)

Covered California's stakeholders

<https://www.coveredca.com/hbex/stakeholders/>

Covered California Marketplace

[www.coveredCA.com](http://www.coveredCA.com)

## Email contacts:

Marci Aguirre

[Aguirre-M@iehp.org](mailto:Aguirre-M@iehp.org)

