The State of Health Insurance
The legislative view

INSURANCE TASK FORCE
RICHARD CAUCHI NCSL HEALTH PROGRAM
The Affordable Care Act
(Still the current law as of August 8, 2017)

Health Insurance Timeline – the state perspective

2010-14 – Early Market Reforms
- Eliminates lifetime and annual caps on benefits
- **Bans preexisting condition exclusions** (2014: ages 0 through 64)
- Expands dependent coverage to age 26 without limitations
- Requires standard of appeals procedures after an insurer denies a claim
- Requires states to review rate increases
- Implements new medical loss ratio (MLR) standards with refunds to buyers
- Established temporary federal high risk pools (ended 2014)

2014-16 – Full Implementation
- Mandates on individuals & employers
- Guaranteed issue/renewal
- Modified community rating (price by age)
- Ban on preexisting condition exclusions
- Coverage of essential health benefits (*mandates*)
- Nondiscrimination
- Health insurance marketplaces
- **Subsidized insurance** for 8-9 million

2017-2018
- Federal changing roles!
- New state laws??

Adopted from Kevin Lucia, Georgetown, NCSL 2017 webinar
MAP OF HEALTH INSURANCE EXCHANGE STRUCTURES - 2016-2017

Use this interactive map to view individual state snapshot information. Hover on state for quick facts; Click on state for details on legislation and 2014-17 implementation.

- State-Run Exchange
- State-Run Exchange Using Federally-Supported Website
- State-Federal Partnership
- Federally-run Individual Marketplace; State-Run SHOP
- Federally Facilitated Marketplace (Exchange)
Advance Premium Tax Credits,
2014-2017 and beyond: Available when income is up to 400% FPL *
- 83% received a health premium subsidy (tax credit)
- 60% paid $0 or less than $125 a month in premiums.
- 43% had per-person deductibles of $1,000 or more

* Federal Poverty Guidelines 2017
Individuals: 100% income = $12,060/year (400% = $48,240 yr.)

People earning up to 250 % of federal poverty ($30,150 for a single person) = Eligible for added “lower cost sharing” but only with a “silver level” plan.

Lower federal court ruled they are not funded properly.

- In 2016, an estimated 2.2 million more could get lower co-pays/deductibles IF chose a “silver” plan

*More to come from AHIP*
Health Insurance State Mandates and Essential Health Benefits (EHBs)

2014-17: All Exchanges and almost all individual & small group plans MUST provide coverage for 10 essential benefits:

- Ambulatory patient services
- Emergency services
- Hospitalization
- Maternity and newborn care
- Mental health and substance use disorder services, including behavioral health treatment
- Prescription drugs
- Rehabilitative and habilitative services and devices (*Autism, etc.*)
- Laboratory services
- Preventive and wellness (*$0 co-pays*) and chronic disease management **
- Children: must include oral and vision care.

** 30+ specific women & kid benefits by regulation

SUBJECT TO CHANGE BY FEDERAL LAW OR **REGULATION
In 2017, HHS Secretary Price encourages renewed use of section 1332 of the ACA, inviting states to find alternative ways to meet the coverage goals of the law while staying within its fiscal constraints.

What May Be Waived?
States may propose alternatives to “four pillars” of the ACA:

- **Benefits and Subsidies.** States may modify the rules governing covered benefits, as well as the subsidies that are available through the marketplaces.
- **Marketplaces and Qualified Health Plans.** States may replace their marketplaces or supplant the plan certification process with alternative ways to provide health plan choice, determine eligibility for subsidies, and enroll consumers in coverage.
- **The Individual Mandate.** States may modify or eliminate the requirement.
- **The Employer Mandate.** States may modify or eliminate the requirement.

See Text of HHS Letter, in NCSL Toolkit

- 4/21/17- Adopted from NCSL & The Commonwealth Fund
Can states change their own insurance and benefit design?
Hold an oversight briefing or hearing on Marketplace results
Consider legislation to define or refine the insurance department’s power to regulate (networks, premiums, brokers)
Examine cost containment “innovations”
Compare your state to your neighbors
What changes will affect 1) access 2) affordability 3) quality of health care?
Consider a Section 1332 type-waiver specific to your state
Will you need a special session or workgroup or “Blue Ribbon Task Force” to respond to federal changes in time?
What Regulators Are Seeing  (Excerpt, 4/26/17)
Brian Webb,  NAIC Assistant Director for Health Policy

- Carriers Pulling Out of the Exchanges
- Service Areas With Only One Carrier
- Fewer Coverage Options (some only HMOs)
- Unstable Premiums
- Commissions Being Eliminated
- Lower Uninsured Rate
- Access for Vulnerable Populations
Recent Actions: NCSL Federal Update
by Haley Nicholson, NCSL D.C. staff
(As of August 4, 2017)

▪ The White House has pushed back on waiting while not committing to cost-sharing reductions (CSR) payments beyond the month of August.

▪ At this time it appears the Senate will pause their efforts for the short-term, but proposing to take up legislation in relevant committees.

▪ In the House two bipartisan caucus are working on proposals to immediately stabilize insurance markets.
At this point some reports are speculating that the Senate will take health care up again in October.

Once the (federal) budget issues mentioned earlier along with confirming nominees are dealt with.

In the next round of healthcare reform it seems that whatever draft comes out will be taken up in committees of jurisdiction.

(excerpt from NCSL H & HS Federal Update)