



NH Insurance Department Consumer Alert

Health Insurance for 2014: What You Need to Know Before You Enroll

(Individuals)

As of January 1, 2014, **most individuals must have** some form of **health coverage**, or pay a penalty to the federal government.

- **Many people won't need to buy new insurance.** Those with coverage through their jobs, or through Medicaid, Medicare or another government program, don't need to buy new insurance.
- Very low-income people (and some others) are not required to have coverage.
- Link for more information about who must have coverage, and the penalties for not having coverage: <https://www.healthcare.gov/exemptions/>.

New Hampshire's **Health Insurance Marketplace**, operated by the federal government (<https://www.healthcare.gov/> OR 1-800-318-2596) is a new option for buying health insurance.

- Marketplace users may qualify for **financial assistance** to help pay for coverage.
 - The amount of assistance is on a sliding scale based on income.
 - This assistance is only for those who **do not have affordable and high-quality coverage** through work, and who are **not enrolled in** another government program, such as **Medicaid or Medicare**.
 - For a single person, a **federal tax credit** that will lower the premium is available for those making between about \$11,500 and \$46,000. A family of four with an income between about \$23,500 and \$94,000 could qualify for the tax credit, and pay a greatly reduced premium.
 - In addition to the tax credit, **help with cost sharing** (lower copays and deductibles) is available for some lower-income people – but only if they buy a Silver plan (more info below).
 - The Marketplace has a **calculator** that will tell you the types and amounts of financial assistance available to you.

- If you buy a policy on the Marketplace today, the **coverage won't start until January 1, 2014** at the earliest. If you sign up and make your first premium payment by **December 15, 2013**, you will be covered as of January 1, 2014. If you sign up after December 15, your policy will start February 1, 2014 (or later).
- No one is required to use the Marketplace. An **agent or broker** can help you select and enroll in a **policy sold outside the Marketplace**. You can check the Marketplace first, then decide which option makes the most sense for you.
- Individuals can also use the Marketplace to see whether they are eligible for Medicaid. Medicaid is not a commercial product, but a state and federal health coverage program for low income individuals.

Under health reform, **all individual health insurance policies**, even those not sold on the Marketplace, will have **new features** in 2014. Here's what's new for New Hampshire:

- **Health status.** Insurers **cannot charge higher premiums, or refuse to sell** you a policy, based on your health situation. They must pay for care related to illnesses or other conditions that began before you bought the policy.
- **Premium levels.** The premiums (the price paid to buy the policy) charged for health insurance will depend on only three factors: the **number of individuals** covered by the policy, the **age** of each covered person, and the **tobacco use** of each covered person.
- **Medical services.** All policies must cover the types of medical services covered by a typical employer plan, including **preventive care, hospitalization, maternity care and mental health services**. For children under 19, vision and dental care are also required. The ten types of services that must be covered are called **Essential Health Benefits** (or EHBs). Link to the list: <https://www.healthcare.gov/what-does-marketplace-health-insurance-cover/>
- **Metal levels.** Every policy will be identified by a metal level: **Bronze, Silver, Gold or Platinum**. This is a way for you to see what percentage of the cost of medical services you will be responsible for if you choose this plan.
 - The percentages are **based on averages**, so the actual amount paid will not be the same for every person.
 - The part you pay will be through **cost-sharing** (copays, deductibles and coinsurance). The type and amount of cost-sharing will be different for

different plans. It will not necessarily be a flat percentage of your medical service costs.

- **Deductible:** an amount you pay out-of-pocket before the plan pays anything toward the cost of your medical services
 - **Copay:** a set amount paid each time you use a medical service
 - **Coinsurance:** a set percentage of the service cost that you are responsible for paying
-
- **Preventive care** like annual checkups **will not cost you anything out of pocket with any of the plans.** Insurance companies cannot charge you a copay, deductible or coinsurance for preventive care.

 - Understanding the **amount and type of medical care** you are likely to need is very important in choosing a metal level.
 - If you buy a **Bronze** plan, the monthly premium will be relatively low, but you will pay more each time you use medical care (on average, **40% of the cost of care**). If checkups are all the care you expect to use, a Bronze plan could be a good choice because there is no cost-sharing for preventive care.

 - With a **Gold** plan, the premium will be relatively high, but you will pay less when you use medical care (on average, **20% of the cost of care**). If you use a lot of prescription drugs, or have many doctor or hospital visits, a Gold plan could be a good choice because you will not have to pay a large deductible before the plan starts picking up some of these costs.

 - For a **Silver** plan, you will pay on average **30% of the cost of care**. If your income is below 250% of the federal poverty level, a Silver plan could be a good choice, because there is **additional financial assistance** for lower income people to help with copays, deductibles and coinsurance. This assistance is only available if you buy a Silver plan, and only if you use the federal Marketplace.

 - All of the metal level plans **cover the same medical services** (Essential Health Benefits). It's just a question of how much of the cost of those services is covered by the plan, and how much is covered by the consumer.

 - For all the plans, an individual will be on the hook for no more than \$6,350 in total **out-of-pocket costs** per year (\$12,700 for a family) for services that are covered under the plan.

- **Limited open enrollment periods.** Beginning in 2014, individuals buying their own health insurance **can only enroll** during a **specific time of the year**.
 - For **2014 policies**, the open enrollment period started **October 1, 2013** and ends **March 31, 2014**.
 - **For 2015 policies, people must enroll between October 15 and December 7, 2014.** This shorter period stays in effect for later years as well, with coverage taking effect on January 1 of the following year.
 - People with a **change of circumstances**, like losing their job, getting married or having a child, do not need to wait for the next open enrollment period. They can buy new coverage within 60 days of the change.
 - **Getting sick is not a change in circumstances that will allow you to enroll in coverage.** Uninsured people who get sick outside of the open enrollment period **will not be able to buy coverage** until October 15, and their coverage will not start until the following January. They will be responsible for their own medical costs until the coverage takes effect.

Anthem's narrow networks. Anthem is the **only insurance company** selling policies (other than dental-only policies) **on the Marketplace** in New Hampshire in 2014. This is because Anthem is the only company that applied to be in the Marketplace.

- Unlike the network for policies offered now, Anthem's network for 2014 policies will not include all New Hampshire hospitals.
 - Anthem chose the narrow network approach to make its policies more affordable. It is not something required by federal health reform.
 - Insurance companies are not required to contract with every medical provider in the state. These are private negotiations between companies, and they are not regulated by the state.
 - The Insurance Department does review the networks to be sure they are "adequate" to meet the needs of most people (approximately 90%) in the state, no matter where they live. Anthem's networks met this standard.
 - Link to Anthem's website for network information:
<https://www.anthem.com/health-insurance/provider-directory> (search for a NH plan with the **Pathways** network)
- **Other companies** will offer policies in NH in 2014, but **federal financial assistance will not be available** to the individuals who buy these policies. Federal subsidies are available only for policies purchased through the Marketplace.

- There may be **more companies** offering Marketplace plans **in 2015** and later years. The 2015 plans will be available for purchase on October 15, 2014.

Medicaid Expansion. Federal health reform provides funding (100% of the cost for 2014-2016, diminishing to 90% by 2021) to states to expand Medicaid, the health coverage program for poor people.

- States that expand Medicaid must cover **adults age 19-64 whose income is less than 138% of the federal poverty level (FPL)**. Today, NH Medicaid covers adults only if they are parents, disabled, or in some other specific category *and* meet the state's income requirements, which are much lower than 100% of FPL.
- In October or November of 2013, the **New Hampshire legislature will meet** to consider whether to expand Medicaid.
- **Without expansion, very low income people in New Hampshire who do not already qualify for Medicaid will not get government financial assistance to purchase health insurance.** The financial assistance through the Marketplace is only available to people making 100% **or more** of the federal poverty level.

Medicaid Managed Care. Separate from the possible expansion, New Hampshire's Medicaid program is in the process of transitioning to from a state run system to a managed care program administered by private organizations under contract with the state.

- People who are already enrolled in Medicaid can choose between **three managed care organizations, or MCOs**. Detailed information about this transition is available on the NH Department of Health and Human Services website:
<http://www.dhhs.nh.gov/ombp/caremt>
- The three MCOs are Well Sense, NH Healthy Families, and Meridian. All three are **private insurance companies** with their own networks of doctors and other health care providers.
- Right now, the coverage offered by the three MCOs **is only available to people who have already qualified for Medicaid.**

New Hampshire Insurance Department Consumer Hotline: 1-800-852-3416.