

FHIAB LEGISLATIVE RECOMMENDATIONS

Louisa McQueeney, Florida CHAIN Individual Policy Holder Representative

1. Employee Only Coverage in Small Group Plans

In the small group market, under most employer-sponsored group health plans, employers subsidize the employee's premium but spouse/dependent coverage are offered under the plan completely at the employee's expense, with no employer contribution.

In the new ACA environment, it would be advantageous to have the option of not offering spouse/dependent coverage in small group, because the offer of coverage to a spouse and dependents, regardless of the affordability of that coverage, negates the ability of the spouse and dependents to qualify for subsidized coverage in the Marketplace (Exchange).

The ACA does not require that small groups offer spouse or "dependent" coverage. However, in the small group market, carriers have never given small groups the option of not offering spouse/dependent coverage. The option of offering "employee only" coverage is required for carriers participating in the Small Business Health Options Program (SHOP) Marketplace (Exchange).

□ *Recommendation: Provide a clear legislative directive whereby small group employers be specifically allowed the option to offer "employee only" coverage in the open market as is permitted in the Marketplace (Exchange).*

2. Make more Marketplace Health Insurance Plans Health Savings Account eligible

Most Marketplace (Exchange) plans with high deductibles and maximum out of pocket limits appear not to be Health Savings Account eligible.

In order for a health plan to be considered HSA-compatible it has to satisfy three criteria to be considered a High Deductible Health Plan (HDHP), deductible, out-of-pocket maximum and first dollar average. For 2016 these requirements are as follows:

- **Deductible:** A minimum annual deductible of \$1,300 for individual (self-only) coverage or \$2,600 for family (more than one individual) coverage.
- **Out-of-Pocket Maximum:** The annual out-of-pocket maximum for "In-Network" expenses cannot exceed \$6,550 for individual coverage or \$13,100 for family coverage. This refers to the amount of money an insured would have to pay before the insurance carrier would pay for 100% of any additional medical expenses incurred in that same year. It includes deductibles, co-payments and co-insurance expenses. It does not include premium payments.
- **First Dollar Coverage:** Can only be available for preventive care services, such as an annual physical. For all other care, the insured must satisfy their deductible before any co-payment or co-insurance benefits can go into effect.

□ *Recommendation: Tailor more marketplace plans to be HSA eligible for consumers making more than 400% of the Federal Poverty Level, giving them the option to use pre-tax dollars for their medical expenses they are responsible for until they meet their deductible.*

3. Make annual deductibles portable

When consumers change health insurance plans outside of the Open Enrollment period, annual deductibles start all over again. So if a consumer has met part or all of the annual deductible for one insurance plan and changes plans at any time during the 12 month contract period, the consumer is required to satisfy the entire annual deductible of the new insurance plan again.

Recommendation: Make annual deductibles portable.

4. Increase coverage for certain prescription and nonprescription enteral formulas

This coverage is addressed in statute 627.42395 and is creating financial hardship for consumers suffering from inborn errors of metabolism in the current insurance environment. Current law limits coverage for enteral formulas to \$2500 per year and just for persons at or below 24 years old.

The most likely reason for the limitation is that the medical community used to believe that children born with Maple Syrup Urine Disease (MSUD) or similar diseases would either grow out of the condition, not survive to adulthood, or would require less treatment after adolescence. However, this has proven untrue and current medical research acknowledges that MSUD is a lifelong disease and that those who suffer from it will require modified food products throughout their lives.

Treating MSUD requires a special protein-free diet. Part of this diet consists of food product formulas modified to be low in protein. The condition cannot be controlled with only regular food; those who have MSUD must have the modified food product as part of their diet in order to survive. The formula costs approximately \$900 per month. Without the formula as part of their diet, people with MSUD will eventually end up in metabolic crisis.

Delete age limit in covering for certain prescription and nonprescription enteral formulas and increase coverage limits

Ken Stevenson, Earl Bacon Agency Agent Representative

1. We recommend that small group rules be revised to “require” an offer of coverage by small group carriers to employees who works 30 hours or more per week, but allow employers to modify their offer of coverage to include employees who work as few as 25 hours, when desired.
2. Currently Florida Statute allows dependents to stay on their parents group policy to age 30 with certain restrictions.

There is confusion as to whether this is at the description of the carrier, or the employer. Carrier have been applying the statute inconsistently.

Since the passage of this statute, Federal law has changed to make this law obsolete. Those age 26-30 can now get coverage without worrying about pre-existing conditions. We recommend repeal of this Statute.

3. The Individual Market is in crisis. There is only 1 carrier option in 47 counties. Florida is not alone. NAHU is in discussions to address this Nationally but is working with FAHU to see what can be addressed in Florida at the State level. Solutions are needed to address the market conditions in Florida before we find ourselves in situations where there are NO carriers writing individual insurance in Florida. Individual Premiums continue to increase and competition is needed. We need to create an environment in Florida where completion is encouraged. A single carrier market is not a market. FAHU is in the process of completing its legislative priorities for 2017 and hopes to have them for FHIAB by the next meeting.