

Patient Protection & Affordable Care Act (PPACA) Overview

Post-Legislative Session Update

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July 2013



The Office of Insurance Regulation's Continuing Objectives in the Post-PPACA Marketplace

- Maintain Market Stability
Collaborative Enforcement Agreement
- Expedite the Product Approval Process
Form Filing Approvals / Rate Filing Informational
- Promoting Off-Exchange Competition
- Maintain Consumer Transparency in the New Marketplace
Premium Notice Requirement – September 1



PPACA Changes on January 1, 2014

- Guarantee Issue
- Prohibition on Rating for Gender or Pre-Existing Medical Condition
- Compression Ratio for Age Rating (3-to-1)
- Employer Mandate Delayed 1 year
- Individual Mandate
- PPACA Taxes and Fees Take Effect
- ~~Medicaid Expansion up to 133% of Poverty Level~~
- Exchange Subsidies for 133% to 400% of Poverty Level



SB 1842 --- Primary Provisions

- **Rate Filings Informational for Major Medical Products for Plan Years 2014/2015**
- **Dissolution of Florida Comprehensive Health Association (FCHA)**
- **Allows Nongrandfathered Individual Policies to be Non-Renewed**
- **Codified into Law - State/Federal Collaborative Enforcement Agreement**
- **Different Pooling for Grandfathered/Non-grandfathered Plans**
- **September 1, 2013 PPACA Premium Notice Requirement**



Consumer Notice

The Impact of Federal Health Care Reform on Health Plan Costs*

Federal health care reform may change health plan benefits and costs. **After January 1, 2014**, health insurers and HMOs:

- Must offer new benefits.
- Must cover everyone even if they have preexisting medical conditions.
- Must pay new taxes and fees which add to health plan costs.
- Must charge same health plan costs to men and women.
- Must limit how much your age can affect health plan costs.

Below is an **example** using one of our company's most popular plans and the cost of a new plan showing the impact of federal health care reform. This is an example only and it does not show differences in co-payments and deductibles. Your health plan costs may not change in the same way. Your health plan costs may be reduced if you qualify for federal tax credits or subsidies.

This example compares the health plan monthly cost for {Name, most popular plan} before federal health care reform to the health plan monthly cost for the new {Name, new health care plan} health plan offered after health care reform.

	Ages 21-29		Ages 30-54		Ages 55-64	
	Males	Females	Males	Females	Males	Females
{Name, most popular plan} Monthly Health Plan Cost <i>before</i> Federal Health Care Reform	\$ ***	\$ ***	\$ ***	\$ ***	\$ ***	\$ ***
{Name, new health care plan} Monthly Health Plan Cost <i>after</i> Federal Health Care Reform	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Portion of Monthly Health Plan Cost due to federal health care reform:						
Cost of new benefits we must offer	\$ ***	\$ ***	\$ ***	\$ ***	\$ ***	\$ ***
Cost to cover everyone , even those with <i>preexisting medical conditions</i>	\$ ***	\$ ***	\$ ***	\$ ***	\$ ***	\$ ***
New taxes and fees we must pay	\$ ***	\$ ***	\$ ***	\$ ***	\$ ***	\$ ***
Cost to charge the same for men and women and to limit how age can affect plan costs	\$ ***	\$ ***	\$ ***	\$ ***	\$ ***	\$ ***
Dollar Difference in Health Plan Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Percentage Difference in Health Plan Costs	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!

**The Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152, and regulations adopted pursuant to these acts.*

Life & Health Product Review Process after SB 1842

Form Review - Florida is a Prior Approval State:

- For **all** policy forms (large group, small group and individual)

Rate Review - Florida is a Prior Approval State:

- SB 1842 -- Suspended rate approval review for 2014/2015



Update on Florida's PPACA Filings

- 11 carriers have filed to be on the Individual Exchange
- 5 carriers have filed to be on the SHOP Exchange
- Market consolidation
- Premium increases will vary dramatically depending on the benefits of the original plan:
 - Individuals roughly a 30% to 40% premium increase
 - Small groups roughly 5% to 20% premium increases
- A potentially significant portion of the market will be grandfathered plans.



Questions?



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