

Patient Protection & Affordable Care Act (PPACA)

Post-Legislative Update

House Select Committee on PPACA

January 9, 2014

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Continuing Objectives of the Office Post-PPACA Marketplace

- Maintain market stability
 - Collaborative Arrangement
- Expedite the product approval process
 - Form filing approvals /rate filing informational
- Monitoring 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 one year
- Individual mandate – “delayed for certain individuals”
- PPACA taxes and fees take effect
- Exchange subsidies for 100% - 400% of poverty level



SB 1842 --- Primary Provisions

- Rate filings informational for Major Medical products during plan years 2014/2015
- Dissolution of Florida Comprehensive Health Association (FCHA)
- Allows nongrandfathered individual policies to be non-renewed
- Authorized a State/Federal Collaborative Arrangement
- Different pooling for grandfathered/non-grandfathered plans
- September 1, 2013 - PPACA premium notice requirement



Consumer Premium Impact Notice

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 Post SB 1842

Florida is a Prior Approval State:

- **Form Review** - All policy forms (large group, small group and individual)
- **Rate Review** - Suspended rate approval review for 2014/2015



Update on Florida's PPACA Filings

- Individual Exchange - 11 carriers
- SHOP Exchange (delayed a year) - 5 carriers
- Market consolidation
- Premium increases will vary dramatically depending on the benefits of the original plan
 - 30% - 40% average premium increase for individuals
(The rate increase can be as high as 240%)
 - 5% - 20% average premium increase for small groups
(The rate increase can be as high as 202%)
- A portion of the market will be grandfathered plans



PPACA Exchange: Silver Plan Premium Estimates

Scenario 1

Family of 4 - 2 adults @ 45 years of age, 2 children under 18
\$42,000 household income

SILVER PLAN	MIAMI-DADE COUNTY		ORANGE COUNTY		LEON COUNTY	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
Adult 1 @ 45 yoa	\$405	\$4,856	\$359	\$4,309	\$327	\$3,919
Adult 2 @ 45 yoa	\$405	\$4,856	\$359	\$4,309	\$327	\$3,919
Child x 2	\$356	\$4,271	\$316	\$3,789	\$287	\$3,446
TOTAL:	\$1,165	\$13,983	\$1,034	\$12,407	\$940	\$11,283
Federal Subsidy	-\$690	-\$8,284	-\$708	-\$8,499	-\$769	-\$9,228
COST TO FAMILY:	\$475	\$5,698	\$326	\$3,908	\$171	\$2,055

*Results are based on the “average” premium for metal level plans filed in the respective FL county, smoking surcharges & out-of-pocket expenses not included. Assumes all family members live in the same county.



PPACA Exchange: Platinum Plan Premium Estimates

Scenario 2

Family of 4 - 2 adults @ 45 years of age, 2 children under 18
\$42,000 household income

PLATINUM PLAN	MIAMI-DADE COUNTY		ORANGE COUNTY		LEON COUNTY	
	Monthly	Annual	Monthly	Annual	Monthly	Annual

Adult 1 @ 45 yoa	\$509	\$6,106	\$439	\$5,273	\$440	\$3,919
Adult 2 @ 45 yoa	\$509	\$6,106	\$439	\$5,273	\$440	\$3,919
Child x 2	\$447	\$5,370	\$386	\$4,638	\$387	\$3,446
TOTAL:	\$1,465	\$17,581	\$1,265	\$15,185	\$1,267	\$15,202
Federal Subsidy	-\$690	-\$8,284	-\$708	-\$8,499	-\$769	-\$9,228
COST TO FAMILY:	\$775	\$9,297	\$557	\$6,686	\$498	\$5,974

*Results are based on the “average” premium for metal level plans filed in the respective FL county, smoking surcharges & out-of-pocket expenses not included. Assumes all family members live in the same county.



PPACA Exchange: Silver Plan Premium Estimates Scenario 3

Single Adult - 45 years of age
\$32,000 household income

SILVER PLAN	MIAMI-DADE COUNTY		ORANGE COUNTY		LEON COUNTY	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
Adult 1 @ 45 yoa	\$405	\$4,856	\$359	\$4,309	\$327	\$3,919
TOTAL:	\$405	\$4,856	\$359	\$4,309	\$327	\$3,919
Federal Subsidy	-\$68	-\$810	-\$74	-\$884	-\$95	-\$1,138
COST TO INDIVIDUAL:	\$337	\$4,046	\$285	\$3,424	\$232	\$2,781

*Results are based on the “average” premium for metal level plans filed in the respective FL county, smoking surcharges & out-of-pocket expenses not included.



Office “Federal Health Care Reform” Web Page

Charts & Other Resources:

- Individual and Small Group Market Monthly Premiums Before and After PPACA
- Metal Level Plan Distribution by Company
- Number of Plans Available in the Individual and Small Group Markets by County
- Health Insurance Companies Offering Plans in the Individual and Small Group Markets By County



President's Transitional Policy Announcement

November 14, 2013

- Potential affect on policies issued after March 23, 2010 and prior to October 1, 2013
- Creates new category of “Grandmothered Plans” renewed between January 1, 2014 and October 1, 2014
- Must notify policyholders of rights and options

Does Not Affect:

- Grandfathered Plans
- New consumers, including:
 - Policies purchased on the Exchange
 - Policies intended to be ACA-compliant (1/1/14 reforms)



President's Transitional Policy Announcement (cont.)

Minimal Impact in Florida:

- Florida has a significant number of “grandfathered plans” unaffected by the transitional policy
- Florida already allowed “early renewals” for non-grandfathered plans and had a large uptake by consumers
- 370,000 individual policies were scheduled for cancellation
 - 40,000 notices sent for January 1 cancellations
- Potential affect on “3 R’s” – federal guidance to follow



Questions?

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