

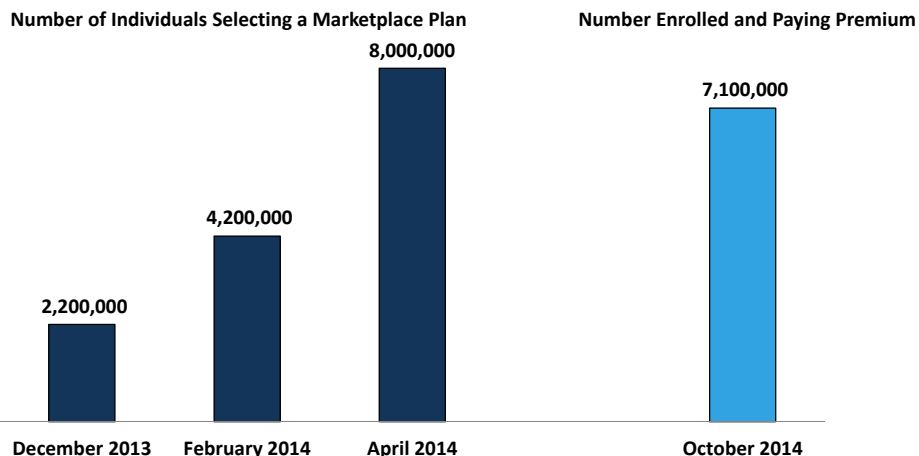


Web Briefing for Journalists:

Consumer Issues Ahead of the ACA's Second Open Enrollment Season

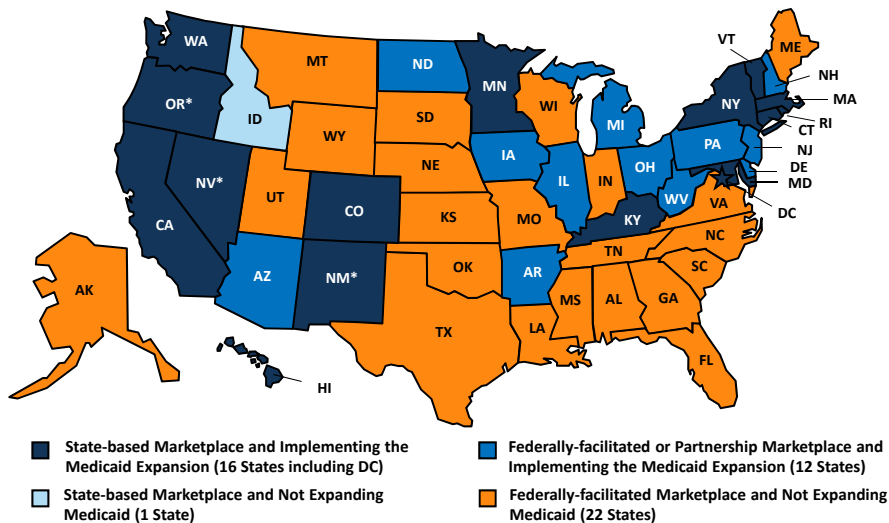
Thursday, November 13, 2014
Presented by the Kaiser Family Foundation

During first open enrollment period, enrollment was slow to ramp up, but surged in final weeks.



NOTE: 85% of marketplace enrollees receive premium subsidies
SOURCE: ASPE, *Health Insurance Marketplace: Summary Enrollment Report For the Annual Enrollment Period* (May 1, 2014), http://aspe.hhs.gov/health/reports/2014/MarketPlaceEnrollment/Apr2014/ib_2014Apr_enrollment.pdf; ASPE enrollment report, November 10, 2014, http://aspe.hhs.gov/health/reports/2014/Targets/ib_Targets.pdf

Few states have made changes in Marketplace and Medicaid expansion decisions.



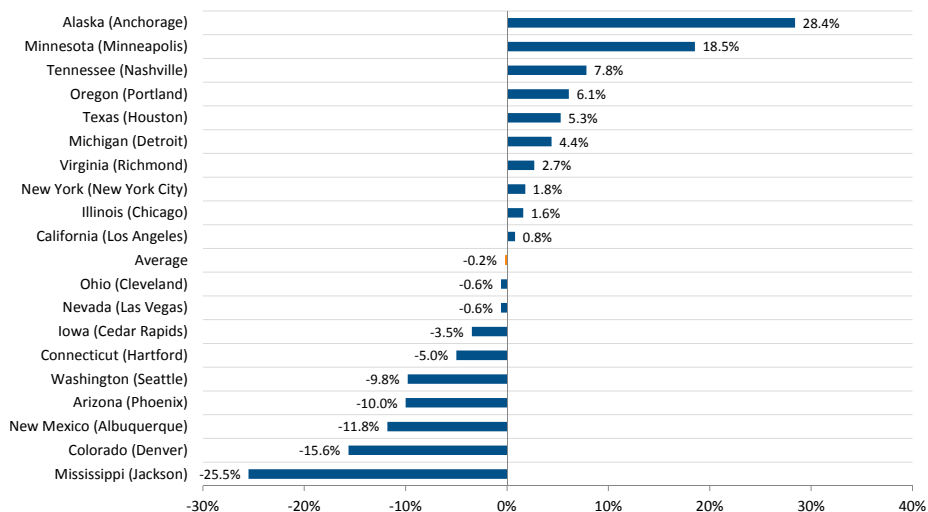
* New Mexico, Nevada, and Oregon are Federally-supported State-based Marketplaces for 2015.
 NOTES: In PA, coverage under the expansion will go into effect January 1, 2015.
 SOURCE: "State Decisions on Health Insurance Marketplaces and the Medicaid Expansion," KFF State Health Facts, as of August 28, 2014:
<http://kff.org/health-reform/state-indicator/state-decisions-for-creating-health-insurance-exchanges-and-expanding-medicaid/>

Premium contribution amounts, out-of-pocket limits, and tax penalties are increasing in 2015.

2014	2015
Premium Contribution Amounts for those Receiving Subsidies	
100% FPL: 2% of income 133% FPL: 3% of income 200% FPL: 6.3% of income 300-400% FPL: 9.5% of income	100% FPL: 2.01% of income 133% FPL: 3.02% of income 200% FPL: 6.34% of income 300-400% FPL: 9.56% of income
Out-of-Pocket Maximum for Individual/Family	
100-150% FPL: \$2,250 / \$4,500 150-200% FPL: \$2,250 / \$4,500 200-250% FPL: \$5,200 / \$10,400 Over 250% FPL: \$6,350 / \$12,700	100-150% FPL: \$2,250 / \$4,500 150-200% FPL: \$2,250 / \$4,500 200-250% FPL: \$5,200 / \$10,400 Over 250% FPL: \$6,600 / \$13,200
Penalty for Not Having Insurance	
\$95 or 1% of income above tax filing threshold	\$325 or 2% of income above tax filing threshold

Overall, premium growth in most areas will be modest in 2015.

Second-lowest-cost silver plan before tax credits for selected cities



Source: Kaiser Family Foundation analysis of premium data from Healthcare.gov and insurer rate filings to state regulators.

Most people in the Marketplace received premium tax credits in 2014, lowering the cost of coverage.

Example: 40 year-old in Denver with income of \$30,000 (261% FPL)

Silver Plan

Unsubsidized premium for benchmark silver plan = \$3,000/year or \$250/month

Individual contribution = \$2,512/year (8.37% of income) or \$209/month

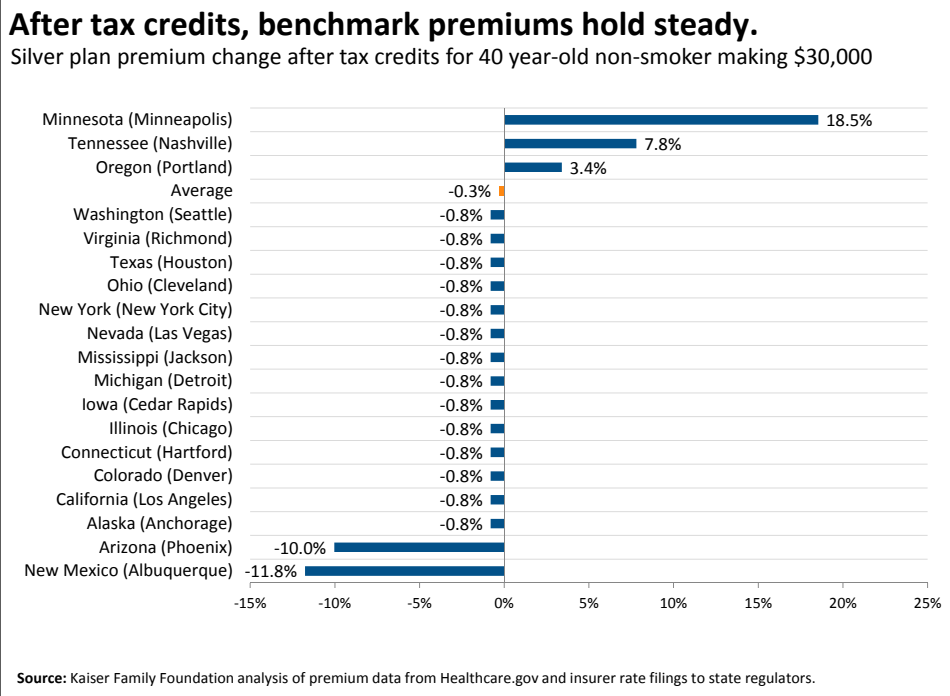
Tax credit = \$488/year or \$41/month

Bronze Plan

Unsubsidized premium for lowest cost bronze plan = \$2,232/year or \$186/month

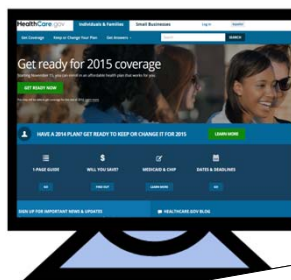
Tax credit = \$488/year or \$41/month

Individual contribution = \$1,744/year or \$145/month



All Marketplace enrollees must renew coverage for 2015.

- Non-group market plans on a calendar year. Even coverage purchased mid-year must be renewed for January 1, 2015
- Renewal notices due before November 15
- Plan/premium changes and renewal process explained
- Shopping around to review new plan choices and premium changes
- Automatic renewal is default option for most consumers



Automatic renewal of coverage is the default option.

- December 15, 2014 is key date
- Consumers who don't take action to renew/change coverage by this date will be automatically renewed for coverage beginning January 1, 2015
 - In same plan if still offered
 - In similar plan offered by same insurer if current plan discontinued
 - No automatic re-enrollment if insurer exits nongroup market entirely
- Consumers who are automatically re-enrolled in coverage for January 1 still have the remainder of Open Enrollment to change plans
 - Plan selection by 15th of the month for coverage effective first day of following month
 - Plan selection after 15th for coverage effective first day of second following month

Marketplace enrollees also must renew premium tax credit.

- Premium tax credits apply on a calendar year. Must be renewed for January 1
- 2015 premium tax credit amounts may change due to changes in
 - consumer's age, income, family status, other characteristics
 - tax credit formula
 - cost of benchmark plan
- To update 2015 APTC, consumers must update their application for financial assistance AND re-select health plan
- December 15, 2014 is key date
- Most consumers who don't take action to update application for financial assistance by this date will have 2014 APTC amount automatically renewed for coverage beginning January 1, 2015, with some exceptions
 - No automatic renewal for consumers who didn't authorize Marketplace to check most recent tax return
 - No automatic renewal for consumers who did authorize Marketplace to check and whose 2013 tax return shows income above 500% FPL

Consumers who auto-renew could face higher costs or receive an incorrect tax credit amount

2014

Second-lowest cost silver plan: Humana (\$250/month for a 40 year-old)
 Tax credit for enrollee making \$30,000 = \$41/month
 Premium for 40-year-old enrollee making \$30,000 = \$209/month

2015

Humana premium for a 40 year-old = \$249/month
 Second-lowest cost silver plan: Colorado Health Insurance (\$211/month for a 40 year-old)
 Tax credit = \$3/month
 Premium to enroll in Colorado Health Insurance = \$208
 (-1% change from 2014)
 Premium to enroll in Humana = \$246
 (18% change from 2014)

Consumers who did not have coverage in 2014 and who are not eligible for an exemption will face penalties.

- In 2014, people must have minimum essential coverage or pay a penalty
- Penalty = greater of \$95 per adult or 1% of income above tax filing threshold
- 1/12 of penalty applies for each month uninsured
- Health insurers, group health plans, other health programs will send form 1095-B by January 31, documenting 2014 coverage
- Exemptions available
 - Apply to Marketplace for certain exemptions (e.g., hardship)
 - Others can be claimed on tax return (e.g., short coverage lapse)

510115
OMB No. 1545-0045
2014

1095-B Health Coverage

Department of the Treasury
Internal Revenue Service

Information about Form 1095-B and its separate instructions is at www.irs.gov/form1095b.

Part I Responsible Individual (Policy Holder)

1. Name of responsible individual
 2. Social Security number (SSN)
 3. Date of birth or SSN is not available
 4. State of residence
 5. Country ZIP or foreign postal code
 6. Small Business Health Care Program (SBCP) identification number, if applicable

7. Enter letter identifying Origin of the Policy and whether SBCP Policy

Part II Employer-Sponsored Coverage (See 1.1, 1.2, or 1.3 of Instructions for Part I)

8. Employer name
 9. Street address (including room or suite no.)
 10. City or town
 11. State or province
 12. Country and ZIP or foreign postal code
 13. Employee identification number (EIN)
 14. Name
 15. Street address (including room or suite no.)
 16. City or town
 17. State or province
 18. Country and ZIP or foreign postal code

Part III Issuer or Other Coverage Provider

19. Employee identification number (EIN)
 20. Contract reference number
 21. Street address (including room or suite no.)
 22. City or town
 23. State or province
 24. Country and ZIP or foreign postal code

Part IV Covered Individuals (Enter the information for each covered individual(s))

All forms of covered individuals	All SSNs	All dates of birth or SSN is not available	All months of coverage												
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
25			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
27			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
28			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat No. 40106 Form 1095-B (2014)

Consumers must reconcile any advance premium tax credit payments received in 2014 with final tax credit eligibility.

- All consumers who received APTC during 2014 must file a 2014 federal tax return
- Advanced premium tax credits (APTC) paid monthly during 2014 based on projected 2014 income, estimated at time of application
- Final eligibility is based on actual 2014 income
- By January 31, consumers who took APTC in 2014 will receive a form 1095-A from Marketplace
- Tax filers must use Form 8962 to reconcile APTC with final premium tax credit eligibility
- Consumers eligible for more tax credit receive difference as tax refund
- Consumers who took too much APTC may be required to repay some or all of difference

8962 Premium Tax Credit (PTC)
 Form 8962 (2014)
 Department of the Treasury
 Internal Revenue Service

Part 1 Annual and Monthly Contribution Amount

Part 2 Annual and Monthly Premium Payment Amount

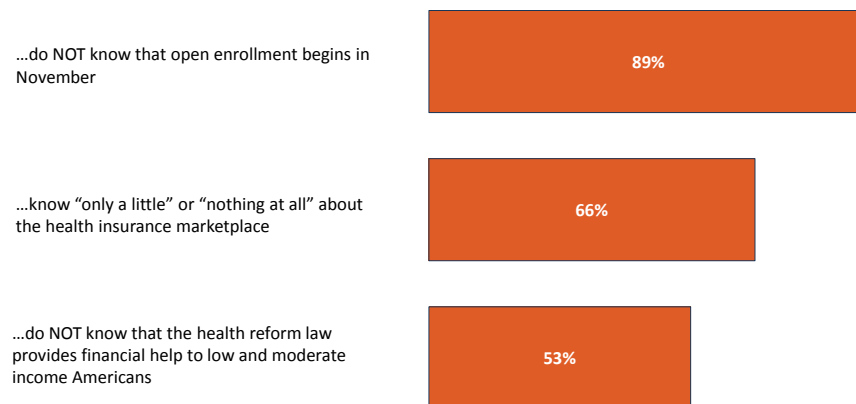
Part 3 Reconciliation of Advance Payment of Premium Tax Credit

Consumers who received tax credits that were too high will have to repay some or all of the difference.

Income as percentage of poverty line	Annual income for an individual	Repayment limit for single taxpayers	Annual income for a family of four	Repayment limit for married taxpayers filing jointly
Under 200%	Under \$22,980	\$300	Under \$47,100	\$600
At least 200% but less than 300%	\$22,980 - \$34,470	\$750	\$47,100 - \$70,650	\$1,500
At least 300% but less than 400%	\$34,470 - \$45,960	\$1,250	\$70,650 - \$94,200	\$2,500
400% and above	\$45,960 or more	Full amount	\$94,200 or more	Full amount

As second open enrollment period approaches, significant challenges remain.

AMONG THE UNINSURED AGES 18-64: Percent of people who say they...



SOURCE: Kaiser Family Foundation Health Tracking Poll (conducted October 8-October 14, 2014)

Key dates for consumers to keep in mind

November 15, 2014	Second open enrollment period begins
December 15, 2014	Consumers must select plan for coverage to begin by January 1, 2015. Currently enrolled consumers must renew coverage and application for financial assistance or current coverage and APTC will be automatically renewed for January 1 in most cases
February 15, 2015	Last day of second open enrollment period. Consumers who select plan on this date will have new coverage take effect by March 1, 2015
April 15, 2015	All individuals who file taxes must indicate coverage in 2014 or face a tax penalty; all individuals who received APTC in 2014 must file federal income tax return and reconcile tax credit amount

KFF Resources for Consumers

Find and share these resources at kff.org/aca

- JUST RELEASED: Health Insurance Marketplace Calculator
- UPDATED: Health Reform FAQs
- NEW: Health Insurance Quiz
- NEW VIDEO: “Health Insurance Explained – The YouToons Have It Covered”
 - Spanish version to be released soon

KFF Resources on the Affordable Care Act

- State Health Facts
 - Marketplace Enrollment as a Share of the Potential Marketplace Population
 - State Decisions on Health Insurance Marketplaces and the Medicaid Expansion
- SURVEY: Health Insurance Marketplace Assister Programs
- ANALYSIS: 2015 Premium Changes in the Affordable Care Act’s Health Insurance Marketplaces
- POLL FINDINGS: Assessing Americans’ Familiarity With Health Insurance Terms and Concepts

Q&A Discussion

Today's Web Briefing Will Be Archived

Today's web briefing and PowerPoint slides will be posted by or before tomorrow morning at

kff.org/newsroom

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Thank you!

Until next time, keep up with the Kaiser Family Foundation online:

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