

## Common Conditions of Enrollment in Major Medical ACA Plans

ACA plan may be purchased through Exchange/Marketplace or off-Exchange directly from the carrier who offers. However, if you expect subsidy for premiums for qualifying income level related to your family size and income, you have to purchase a plan available on Exchange/Marketplace.

With coming of Individual HRA and Excepted Benefit HRA, the employees are required to purchase ACA compliant plan and then setup HRA account with the employer. Subsidy of premium, called Advance Premium Tax Credit is not available for qualified applicant employee if the employee wishes to enroll with the employer in Individual HRA account.

It is nevertheless good to know what all is available to a potential buyer of ACA plan through Marketplace/Exchange and how to shop.

## Cost Structure of Qualified Health Plans

There are four categories of plans. The given names to these four categories of plans are Platinum, Gold, Silver, and Bronze. The characteristics of these four levels are related to geographic area the plans are offered, and the maximum Out-of-Pocket cost for the year based on in-network and out-of-network healthcare service providers. Typically, the relatively more expensive the area, the more the Actuarial Value of the plan due to costs of service, and hence higher the premium. All categories of plans specify that defined 'Deductible' is to first borne by the consumer before there is cost sharing of bills with the insurance company. These four categories of plans are having split of **coinsurance** are as follows:

- **Platinum:** 90/100. Means insurance picks up 90%, consumer picks up 10% after deductible is met.
- **Gold:** 80/20. Means insurance picks up 80% and consumer picks up 20% after deductible is met.
- **Silver:** 70/30. Means insurance picks up 70% and consumer picks up 30% after deductible is met.
- **Bronze:** 60/40. Means insurance picks up 60% and consumer picks up 40% after deductible is met.

**Out-of-Pocket Maximum:** This is the specified amount in the Qualified Health Plan that sets ceiling limit for the consumer to bear with costs of healthcare services. Thereafter, the insurance company picks up 100% coinsurance of costs of services.

## What are the basic costs of an individual and family plan?

Here are the terms you must be familiar with, and preferably understand them with some hypothetical examples:

- Deductible: The amount you pay first before insurer comes to share your expenses with coinsurance.

- Coinsurance: This is what you and insurer split for the medical expenses after you have cleared your 'deductible' threshold.
- Copayment: You pay this fee upfront when you check in for a doctor.
- Out-of-Pocket Maximum: This critical threshold that is all has to go out of your pocket of preceding three items before the insurer picks up underwriting 100% of your medical expenses. Note, that there are two such Out-of-Pocket maximum: for in-network based expenses, and out-of-network. All medical care providers in the in-network have contracts with the insurer, and they have discounted rates of service for you as the beneficiary of your membership in the Plan.
- Out-of-Pocket limits: The Out-of-Pocket limit of Marketplace plans varies, but it cannot go over a set amount each year. For year 2020, the ACA has capped upper limit to \$8,150 for individual, and \$16,300 for family. However, if one member of the family crosses its individual threshold, insurer picks up 100% of expenses. These Out-of-Pocket limits increase every year.
- Out-of-Network: If you take medical services that fall out of your 'in-network' providers, you are exposed to much higher rates of service that you have to pick up, unless the Plan you purchased has upper ceiling of 'Out-of-Network' services. Look out for this financial risk. HMO plan do not cover Out-of-Network at all. If you have PPO plan, it will be set out in the Plan.
- Balance Billing: When the medical services charge you for your Out-of-Network services, and what your insurance plan picks up to pay them, the rest is on you. There is generally no limit on it. These can be high voltage financial shocks.
- Prescription Drugs Plan: Now, add to expected cost of prescription medications. They have their own deductible and coinsurance, and generally will not have maximum Out-of-Pocket. If you have to take branded medications, the costs can be substantial.

## Eligibility for APTC and Cost Sharing Reductions Federal Poverty Levels

Plans published on the [Marketplace/Exchange](#) offer Advance Premium Tax Credit (APTC) and Cost Sharing Reductions (CSR) based on criteria of: i) size of the family and ii) family income for the year related to the Federal Poverty Level (FPL). Eligibility of qualifying criteria for is as follows:

- The qualifying eligibility for APTC on Marketplace plans is income level between 100% to 400% of [Federal Poverty Level \(FPL\)](#).
- If your income is below 138% of FPL, and your state has expanded Medicaid coverage, you qualify for Medicaid based only on your income.
- If the income level falls between 138% to 250% of the Federal Poverty Line (FPL), there may be further reduction of your share of coinsurance with the insurance company, called **Cost Share Reduction**.

| % FPL          | 0%          | 100% | 138%     | 150%     | 200%     | 213%     | 250%     | 266%      | 300%      | 322%      | 400%      | 600%      |           |
|----------------|-------------|------|----------|----------|----------|----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Household Size | 1           | \$0  | \$12,490 | \$17,609 | \$18,735 | \$24,980 | \$27,179 | \$31,225  | \$33,942  | \$37,470  | \$41,088  | \$49,960  | \$74,940  |
|                | 2           | \$0  | \$16,910 | \$23,792 | \$25,365 | \$33,820 | \$36,722 | \$42,275  | \$45,859  | \$50,730  | \$55,513  | \$67,640  | \$101,460 |
|                | 3           | \$0  | \$21,330 | \$29,974 | \$31,995 | \$42,660 | \$46,264 | \$53,325  | \$57,776  | \$63,990  | \$69,939  | \$85,320  | \$127,980 |
|                | 4           | \$0  | \$25,750 | \$36,156 | \$38,625 | \$51,500 | \$55,806 | \$64,375  | \$69,692  | \$77,250  | \$84,364  | \$103,000 | \$154,500 |
|                | 5           | \$0  | \$30,170 | \$42,339 | \$45,255 | \$60,340 | \$65,349 | \$75,425  | \$81,609  | \$90,510  | \$98,790  | \$120,680 | \$181,020 |
|                | 6           | \$0  | \$34,590 | \$48,521 | \$51,885 | \$69,180 | \$74,891 | \$86,475  | \$93,526  | \$103,770 | \$113,216 | \$138,360 | \$207,540 |
|                | 7           | \$0  | \$39,010 | \$54,704 | \$58,515 | \$78,020 | \$84,434 | \$97,525  | \$105,443 | \$117,030 | \$127,641 | \$156,040 | \$234,060 |
|                | 8           | \$0  | \$43,430 | \$60,886 | \$65,145 | \$86,860 | \$93,976 | \$108,575 | \$117,360 | \$130,290 | \$142,067 | \$173,720 | \$260,580 |
|                | add'l. add. | \$0  | \$4,420  | \$6,183  | \$6,630  | \$8,840  | \$9,543  | \$11,050  | \$11,916  | \$13,260  | \$14,426  | \$17,680  | \$26,520  |

\*\* Chart shows Household Size vs. Percentage of FPL for qualifying income criteria.

An employee while evaluating what the employer offers in Individual Coverage HRA may opt out if he/she finds taking APTC is beneficial.

## Comparison of Plans and Selection of a Plan

Even though there is time window for open enrollment from [November 01 to December 15](#), the plans and prices are available to see comparison of ACA plan for purpose of planning and shopping. If you are outside this window of open enrollment, and you have claim for a special event that justifies enrollment under category of Special Enrollment Period (SEP), you may enroll using open window of SEP. This is described in succeeding paragraph below.

### Special Enrollment Period [SEP]

If you could not enroll in regular open enrollment season mentioned above, you may qualify for enrollment to health plan if you qualify for any of the following **qualifying life events**:

- Loss of minimum essential coverage due to any reason. Note that consumers enrolled in non-calendar year health insurance policies that end outside of the annual open enrollment period may also qualify for an SEP.
- Marriage, birth, adoption, placement in foster care, or through a child support or other court order.
- Loss of dependent status, like... legal separation, divorce, or death of enrollee or his/her dependent.
- Gaining status such as citizen, national, or lawfully present individual.
- Error in enrollment, misinterpretation, or misrepresentation.
- Any material violation by the issuer of policy.
- Changes in household income that makes a consumer eligible for advance payments of the premium tax credit.
- Changes in employer sponsored coverage that makes a consumer eligible for premium tax credit.
- Due to permanent move like changes in address, that affects the service area of the insurer.
- Other exceptional circumstances that can be identified and acceptable to Marketplace.

## Check your situation to buy ACA Plan on Exchange/Marketplace.

It is good to start with self-help to get to know generally what kind of ACA compliant major medical insurance plans are available and whether you should be buying a plan for yourself and your family based on your situation. Here are steps to follow:-

- a. Open website [Healthcare.gov](https://www.healthcare.gov)
- b. Under tab **See Topics**, and sub-heading ENROLL IN HEALTH INSURANCE, click on **Picking a plan**.
- c. Click on Your total costs for health care: Premium, deductible, & out-of-pocket cost, and browse over this page to understand basics elements of an insurance plan.
- d. Click on Health insurance plan & network types: HMO, PPOs, and more. It is recommended that you choose a plan, which has Preferred Provider Organization (PPO). This gives you most flexibility. If PPO is not available, your next best choice is to select Exclusive Provider Organization (EPO).
- e. Click on “3 things to know before you pick a health insurance plan”. Scroll down and click on button: SEE PLANS.
- f. Click on button SEE PLANS. A page “See plans & prices” opens. Follow the screens by entering some basic information about yourself and your family. This is your preliminary sense of what plan you would like to choose by answering a few questions.
- g. Based on your: i) age or ages of your family, (the range of age is between ‘just born to under 125), and ii) income of family (based on your estimated AGI for the year), a page “Estimated savings overview” appears if you qualify for an Advance Premium Tax Credit (APTC). Click on button “View Plans”. A popup “Help comparing plans” appears to show what you can do for comparing plans. The main page “View health & dental plans” appears.
- h. Click on button “Filter Plans”. Place values in fields like: i) Maximum yearly deductible [leave it blank], ii) Health plan types [PPO or EPO], iii) Health plan categories [check Silver to start with]; iv) Insurance companies {skip the selection here}. Click on button ‘Apply Filters’. When filtered plans appear, sort them out by under button ‘Sort by’ and select Deductible.
- i. Sorting the plans by ‘Deductible’ and its corresponding Out-of-pocket maximum’ gives you narrowed criteria for comparing plans. Click on button ‘Estimate total yearly costs’
- j. Compare plans for least deductible and least premium to narrow down to three plans by checking box ‘Compare’, then click on button ‘Compare 3 Plans’. Scroll down to see comparison of benefits and cost.
- k. Note the row ‘Estimated monthly premium’ which has three components: the premium for the plan, the advance premium tax credit you may get if your income falls between 138% to 400% of Federal Poverty Level (FPL)\*\*, and the credit or subsidy you may get, and what the real premium cost is.
- l. When you have selected the plan to enroll in, make note of the Plan ID Number and click on button ‘Like This Plan’, and follow the prompts. When you reach a field NPN, enter 19209590, and complete the application. We will be on the standby to assist you.

- m. If your income falls below 138% of FPL, you may be qualified for Medicaid or CHIP (Children Health Insurance Program), a Federal and State program. Follow the prompts.

ACA plans are available up to age 125, a rare age to reach!

## Renewal of Coverage

- Enrollment must be renewed during open enrollment November 1<sup>st</sup> to December 15<sup>th</sup>.
- Valid enrollment in ACA plan by employees having Individual HRA from employer must be substantiated for setting up Individual HRA account with the employer including family members. Enrollment may be on Exchange or Off-Exchange. No premium subsidy of APTC is available.