Health Reform in Rhode Island: Countdown to Coverage

Rhode Island Health Coverage Project

An initiative of The Economic Progress Institute and Rhode Island KIDS COUNT
About Us

• A joint project of The Economic Progress Institute and Rhode Island KIDS COUNT

• The state has many decisions to make as it implements the Affordable Care Act.

• Our goals are to make sure that health insurance coverage is
  - high-quality,
  - comprehensive,
  - easy to access,
  - affordable for all children, adults and families in Rhode Island.
Overview of the ACA


- Expands:
  - consumer protections,
  - helps more Rhode Islanders have high-quality, affordable health coverage.

- Changes have started.

The Health Coverage Landscape Today

Rlers under age 65*

- Rte Care/ Medicaid
  - 171,200
  - 19.3%
- Uninsured
  - 120,500
  - 13.6%
- Insurance through employer
  - 557,300
  - 63%

* People age 65+ have insurance through Medicare, Medicaid.
Consumer Protections in commercial insurance

- Young adults can stay on their parents’ health insurance plan until they are 26.

- Children cannot be denied coverage because of pre-existing or chronic conditions, like cancer or diabetes. In 2014 this protection will apply to adults, too.

- People cannot be dropped from coverage when they become sick or because they have spent too much on their coverage in their lifetime.
Consumer Protections in commercial insurance

• No-Cost Preventive Care:
  – Check ups
  – Cancer Screening
  – Vaccinations

• Women can not be charged more for insurance than men.

http://reason.com/blog/2011/07/26/will-obamares-consumer-prote
Consumer Protections

• Seniors who fall into the “Donut Hole” coverage gap can get discounts on their prescription drugs.

• “Donut Hole” closed fully by 2020.
Expanding Access to Coverage

- Requirement to have health insurance beginning 2014.
- Most people will continue to have insurance through their employer.
- Help for Small Business.
- Nearly all legally residing individuals can obtain some form of coverage.
Pathways for Expanding Coverage

- **Medicaid coverage** for most low income individuals.
- **Health Benefits Exchange** where people can buy insurance.
- **Tax credits** for moderate income individuals to help pay for insurance purchased through the Exchange.
- **Basic Health Program** possible for people with low income.
Significant drop in Number of Uninsured

Uninsured Today 120,500

- 16,000 (Enroll in Medicaid)
- 21,000 (Subsidized Exchange)
- 8,000 (Exchange)
- 19,000 (Sign up through employer)

55,000 (Uninsured)
Medicaid Now…

Medicaid Coverage Now
Qualifying Income Levels (for a family of 3)

- Children under 19: $10,000.00, $20,000.00, $30,000.00, $40,000.00, $50,000.00
- Parents: $20,000.00, $40,000.00, $60,000.00
- Pregnant Women: $10,000.00, $20,000.00, $30,000.00
- Seniors & People w/ Disabilities: $10,000.00, $20,000.00, $30,000.00

Percentage:
- 250%: $50,000.00
- 175%: $40,000.00
- 250%: $60,000.00
- 100%: $30,000.00
Medicaid Now…

- Citizens – Eligible
- Refugees, granted asylum – Eligible
- Lawful permanent residents
  - Children: Eligible
  - Adults: 5 year waiting period
- Other lawfully present immigrants – Children
- Undocumented – Pregnant women
Medicaid Expansion Under the ACA

Adults without children in their care are eligible
Income below 138% FPL - $15,500/year

14,000 Rhode Islanders

Young adults aging out of foster care eligible up to age 26 (currently age 21)
No income limit

Medicaid Under the ACA

Children:

– No change in eligibility for children under age 19.

– Coverage remains at 250% FPL. $47,725 for family of 3.
Medicaid Under the ACA

Parents:

– Could “roll back” eligibility from current level to “the floor” (138% FPL).

– Family of 3: From $33,407 to $26,344.

Pregnant women:

– Could “roll back” eligibility from current level to 185% FPL.

– Single woman: $27,925 to $20,147.
Advanced Premium Tax Credits
(making private insurance affordable)

• If no affordable health insurance coverage from employer- buy coverage through new Exchange.
• If income is less than 4 times the poverty level, ($76,360 for family of 3) can qualify for tax credits to help pay for coverage.
• Consumer pays 2% – 9.5% of income.
• Legally present immigrants can purchase coverage through the Exchange.
Buying Insurance Through the Exchange: Tax Credits Help Make Insurance Affordable

John

- Hourly Income: $10.74
- Gross Yearly Income: $22,340 (twice the poverty level)
- Employer Sponsored Health Insurance: Not available

Insurance Bought Through the Exchange:

Unsubsidized health insurance cost: $4,128/year
Required premium payment from John: $1,407 (6.3% of income)
Tax credit: $2,721 ($4,128 - $1,407)

John pays $117/month and the government pays $227
Basic Health Program Option

• Basic Health Program would provide Rite Care-like coverage for individuals not eligible for Medicaid with income less than twice the poverty level.

• Coverage would be more affordable than buying through the Exchange with a tax credit.

• State is considering this option. There has been no decision yet.
Putting It All Together
Insurance Affordability Programs Now and in 2014

*Note: Parents’ eligibility guidelines for Medicaid in 2014 are yet to be determined by the State*
Health Benefits Exchange

Help individuals and families find coverage

- Create a new “marketplace” to compare and purchase qualified health insurance plans
- Determine eligibility for publicly subsidized coverage:
  - Medicaid
  - Subsidies for commercial coverage

Help small businesses afford coverage for their employees

- Provide access to tax credits for qualified small employers

“No Wrong Door” Access for Consumers
RI Health Benefits Exchange

Established by Executive Order (9/19/11)

Creates the Division of the Rhode Island Health Benefits Exchange in the Governor’s Office.

Exchange Director is appointed by Governor

13 member Board
- 4 agency directors
- 9 community members
  - 2 representing consumer organizations and 2 representing small business

State of Rhode Island and Providence Plantations
State House, Room 224
Providence, Rhode Island 02903
401-222-3080

Lincoln D. Chafee
Governor

EXECUTIVE ORDER
11-99
September 19, 2011

ESTABLISHMENT OF THE RHODE ISLAND HEALTH BENEFITS EXCHANGE
RI Health Benefits Exchange

• The Exchange is deciding types of health plans that will be sold in the Exchange.

• How the SHOP (for small businesses) will work.

• Creating the new, integrated web portal through which people will shop for and purchase health insurance and apply for Medicaid and/or the tax credit.

• Establishing a Consumer Support System.
The Consumer Support System includes:

1. Outreach and education
2. Navigators
3. A contact center
4. An appeals process
Implementation Concerns

Who Decides?

Ensure coverage is affordable
Governor and General Assembly

Ensure easy to navigate web-based application and strong Consumer Support System
The RI Health Benefits Exchange
Keep coverage affordable:
No change in parent eligibility for RIte Care

Eliza and 2 children - Earns $28,000/year (150% FPL)

Coverage today:
  RIte Care for family
  Cost: $61/month

If RIte Care coverage for parents is “rolled back”:
  The children have RIte Care: $61
  Eliza buys coverage through the Exchange: $95

Total cost of coverage: $156/month
Ensure coverage is affordable for families enrolled in RIte Care and Exchange

**Joan** works as a dental assistant and has 2 children

Yearly Income: **$38,100** (twice the poverty level)

- **Now**: Joan’s children are covered by RIte Care, but she is not eligible and she is uninsured.

**After January 2014:**

RIte Care: $77  
Exchange: $200  
Total: $277 (8.3% of income)

Ensure the web portal and web-based application are easy to use

- Meets the needs of
  - people who do not read English
  - people who have low literacy
  - people who have disabilities
  - families with members eligible for RIte Care and members who qualify for Exchange subsidy
  - families with mixed immigration and citizenship status
Ensure the Consumer Support System is responsive to diverse needs

- The contact center (phone and web-based support) and navigators (in-person support) provide high quality culturally appropriate services

- There is a vibrant outreach program designed to help all Rhode Islanders enroll in health care coverage and provides information about access to health care for those who are not eligible to enroll

- The appeals process is easy to use
Getting Involved

- Health Benefits Exchange Advisory Board meetings are open to the public

- Exchange stakeholder workgroup of the RI Health Care Reform Commission

- Upcoming legislative session (January – June 2013)
For more information, please visit:

[link to website]

OR

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