



Connecticut's Health Insurance Marketplace

Board of Director's Meetings

April 18, 2013

- a. Welcome and Introductions
- b. Public Comment
- c. Review and Approval of Minutes
- d. Operations and Information Technology Update
- e. Finance Update
- f. Rate Review and Analysis
- g. Adjournment

WELCOME AND INTRODUCTIONS

PUBLIC COMMENT

REVIEW AND APPROVAL OF MINUTES

OPERATIONS AND INFORMATION TECHNOLOGY UPDATE

Agenda

- Program Summary
- Risks
- Operations Update
- Information Technology Update
- DSS Integration
- Preventive Care and Prenatal Services Update

PROGRAM SUMMARY: Yellow

Schedule Risks	Overall				
Resource Risks					
Quality Risks					
Scope Risks					
Issues					
	Not started	Started and on track	Minor risk / issue	Major risk / issue	Complete
					

Schedule Risk: The agreed-upon or required schedule will not be met.

Resource Risk: Resources such as people, budget, equipment, or other limited assets are not leveraged efficiently and effectively to achieve program success.

Quality Risk: Product (deliverables/solution) of the program will not meet the intended requirements or needs.

Scope Risk: Objectives of the program are not well defined/understood and progress/completion can not be effectively measured.

Issues: Critical concerns that impact above risks and require Board guidance

SCHEDULE RISKS

Level	Risk Definition	Remediation Approach	Resolution Date	Responsible Party
	Due to the project's tight timeframe, completion of code development may not be complete in time for Systems Integration Testing scheduled on 5/31/13.	AHCT continues to closely monitor development progress via ongoing daily updates with the Systems Integrator and other stakeholders.	05/31/13	AHCT CIO
	The technical and environmental complexities and dependencies may impact the timely availability of the environments for the scheduled User Acceptance and Performance testing phases.	BEST, DSS and AHCT to closely monitor the progress of the required environmental deployments.	05/31/13	AHCT CIO
	Need access to Department of Labor data for eligibility verification.	AHCT Legal developing a high-level MOU with DOL.	05/15/13	AHCT CEO

QUALITY RISKS

Level	Risk Definition	Remediation Approach	Resolution Date	Responsible Party
	System Integrator deliverables have not met quality expectations.	Although quality of deliverables still remains a concern, AHCT has initiated iterative deliverable reviews in order to proactively resolve quality issues. AHCT requires the System Integrator to provide progress updates on deliverables and to submit partial drafts ahead of deliverable due dates to allow for earlier comments and feedback.	Ongoing	AHCT CIO
	Emerging operational questions may impact system design.	Disciplined process to identify and answer questions	4/30/13	AHCT COO
	Due to the lack of robust testing tools, processes and support at the Federal Data Services Hub (FDSH), AHCT may not achieve the expected quality for the FDSH services.	AHCT continues to monitor and escalate to the Connecticut CMS Technical Lead as appropriate.	Ongoing	AHCT CIO

SCOPE RISKS

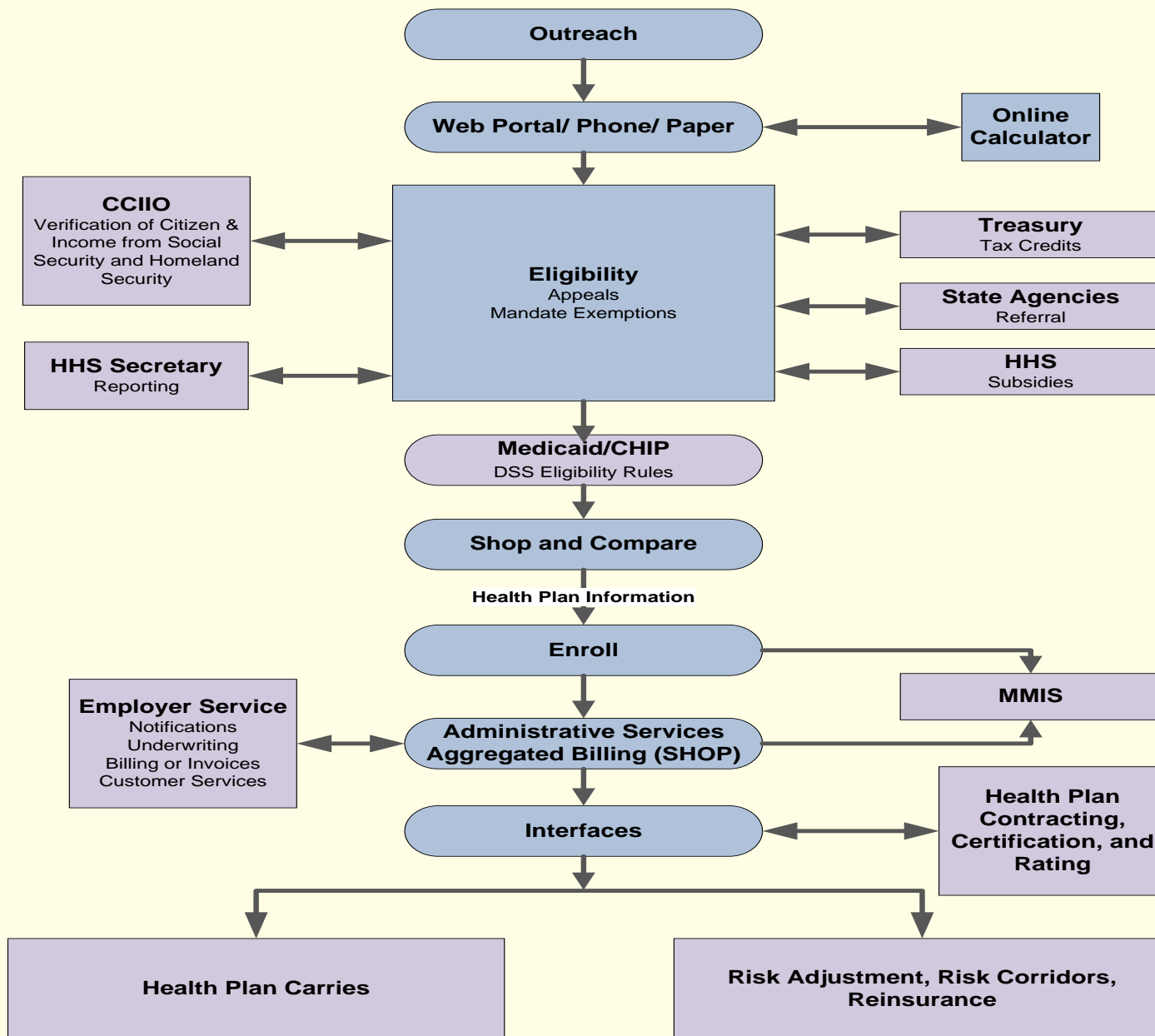
Level	Risk Definition	Remediation Approach	Resolution Date	Responsible Party
	Operational and systems integration with DSS not finalized.	System modifications to streamline transfer of data between the DSS and AHCT systems are being developed.	Ongoing	AHCT COO

- Operating Model
 - Planning and implementing people and process to handle paper, call center, web, and walk-ins.
 - Continuing to work with DSS on appropriate division of labor, e.g. appeals
- Partners
 - Maximus, our call center vendor, is integrated into our program management.
 - SHOP vendor, HealthPass, is on board.
- Plan Management
 - Standard Plan Designs completed and shared with carriers.
 - Qualified Health Plan (QHP) solicitation completed.
 - QHP Contract in development
- Human Resources
 - Hiring continues in operations, plan management and communications

- Advisory Committee Consumer Website presentation held on 3/20 at Middlesex Community College
 - Live application demonstration scheduled for May Board of Director's meeting
- Federal onsite security team review conducted on 3/19 - 3/21
- FDSH Wave I testing started on 3/28
- Federal Detailed Design Review conducted on 3/27 & 3/28. Federal Team's feedback: 'detailed design approved with comments forthcoming'
- Site visit to System Integrator development facility on 4/9
- Independent Verification and Validation vendor on-boarded 4/10
- Completion of code development for Release 1 (Plan Management) tracking on schedule for drop into Systems Integration Testing environment on 4/15

- Integrated Eligibility and Enrollment System
- In Person Assister (IPAs) and Navigators
- Web Portals and Interactive Voice Response (IVR)
- Call Center Operations
- Appeals
- Printing of Notices to Applicants
- Vendor Management
- Operational Implementation
- ahCT-DSS Memorandum of Agreement (MOA)

Anatomy of “No Wrong Door” Environment

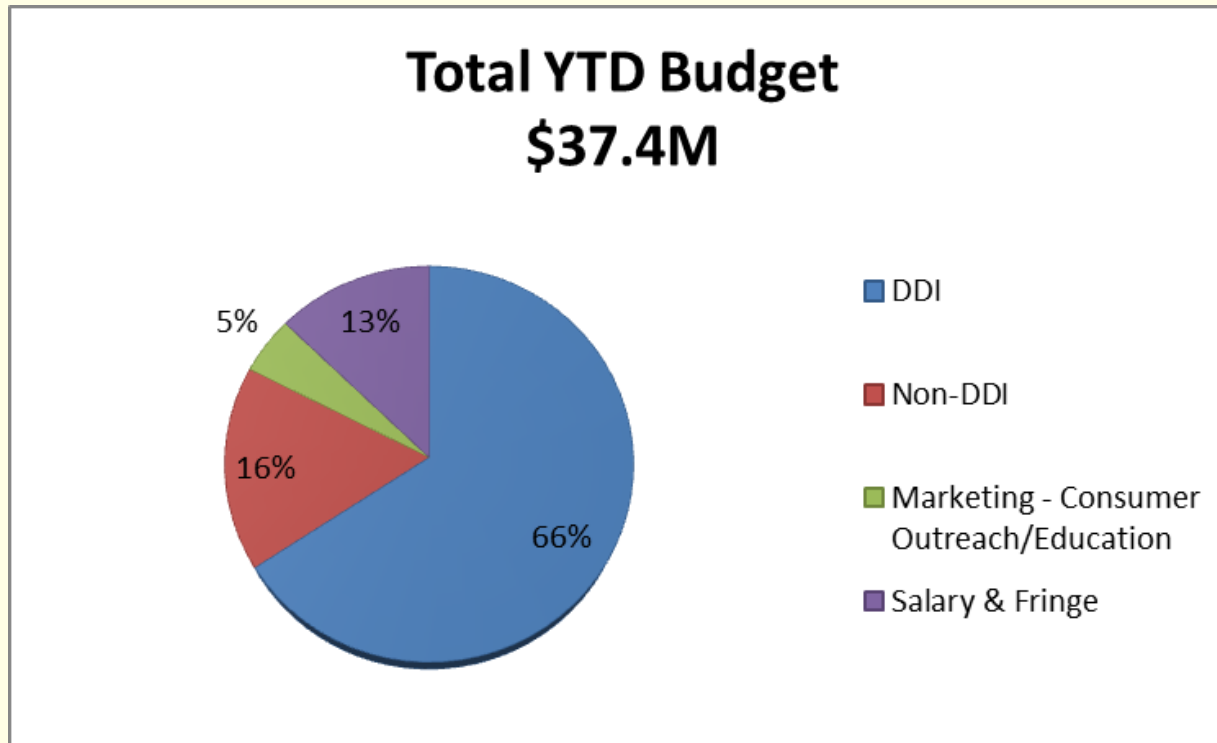


FINANCE UPDATE

- Completed procurement of all employee benefit plans
- Completed the financial and Federal Single Audits for FY2012
- Completed Finance organization with hiring of Controller
- Developing procedure for the “Acquiring Operating Funding” policy
- Enhancing existing finance processes and procedures including financial metrics

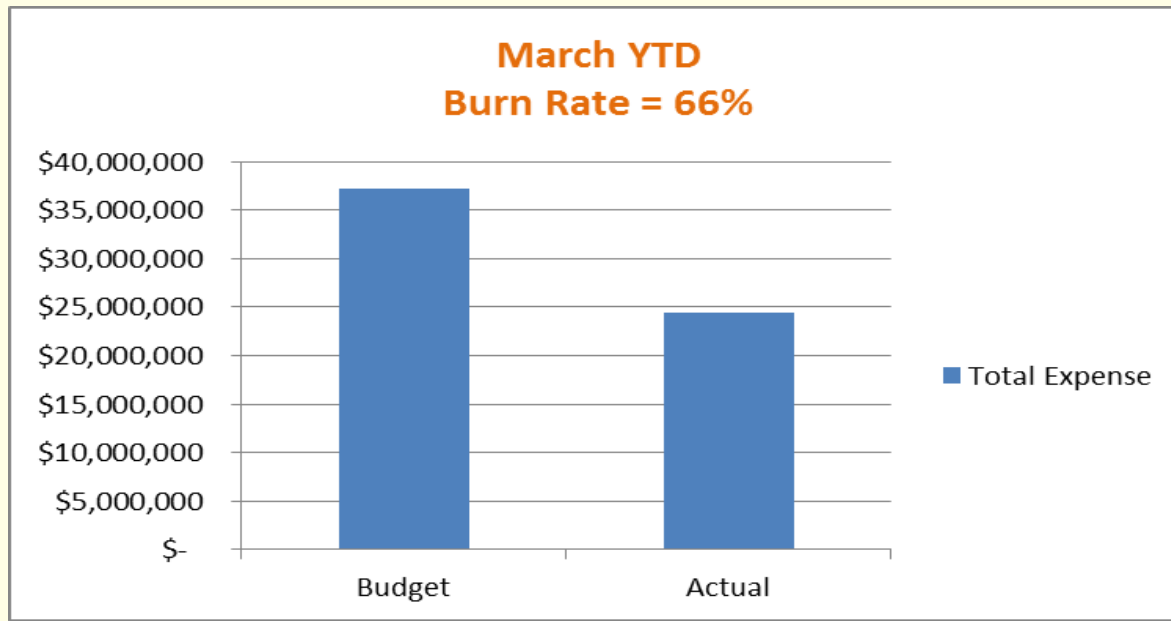
March 2013 Expense Dashboard

March YTD Budget Snapshot



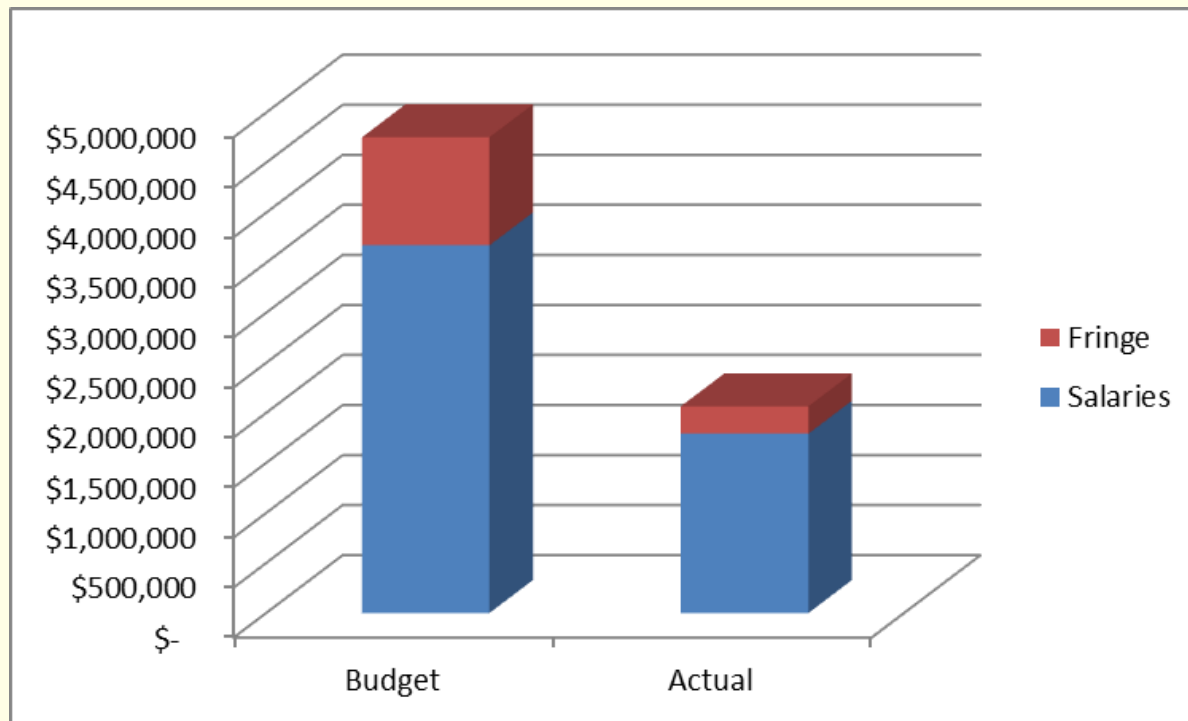
YTD Overall Expense Narrative/Exhibit Budget vs. Actual

- **Actual Spend is Behind Budget Trend**
 - Level 1 Grant will be expended
 - Staffing ramp-up slower than projected



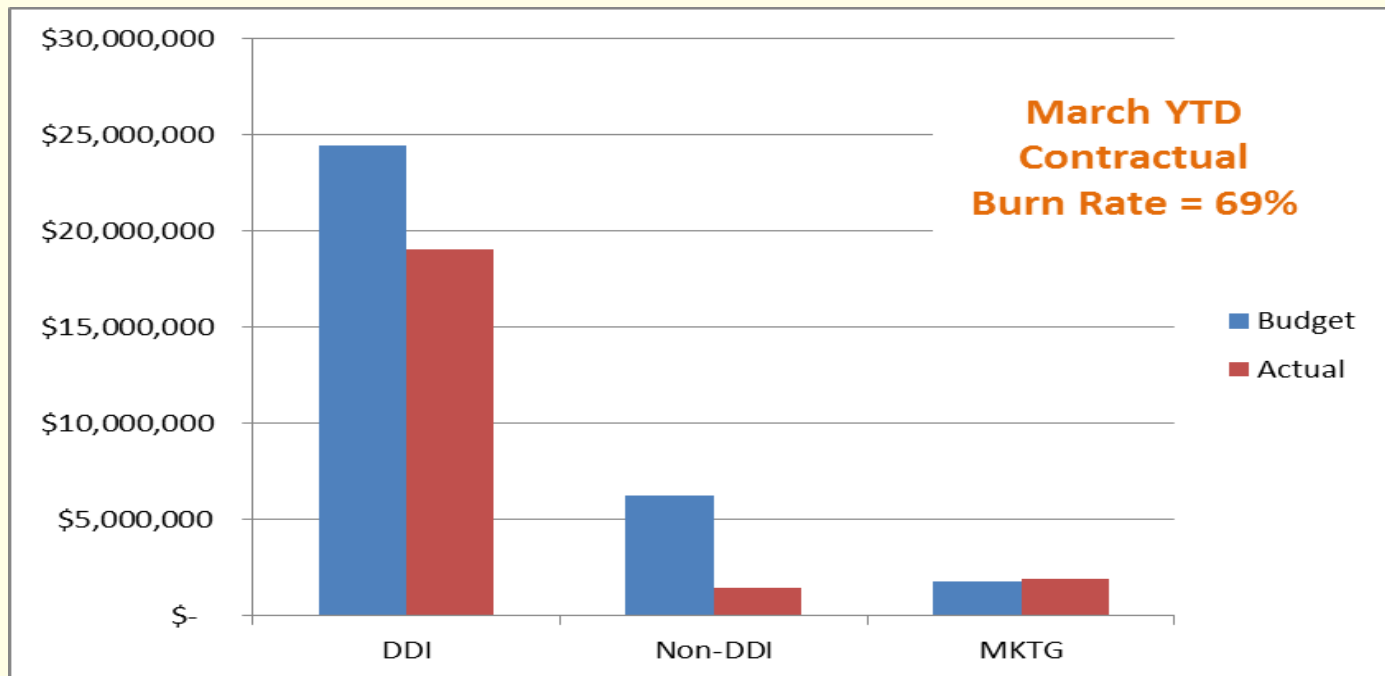
YTD Personnel Cost Budget vs. Actual

- **Actual Spend is Behind Budget Trend**
 - Staffing ramp-up slower than projected

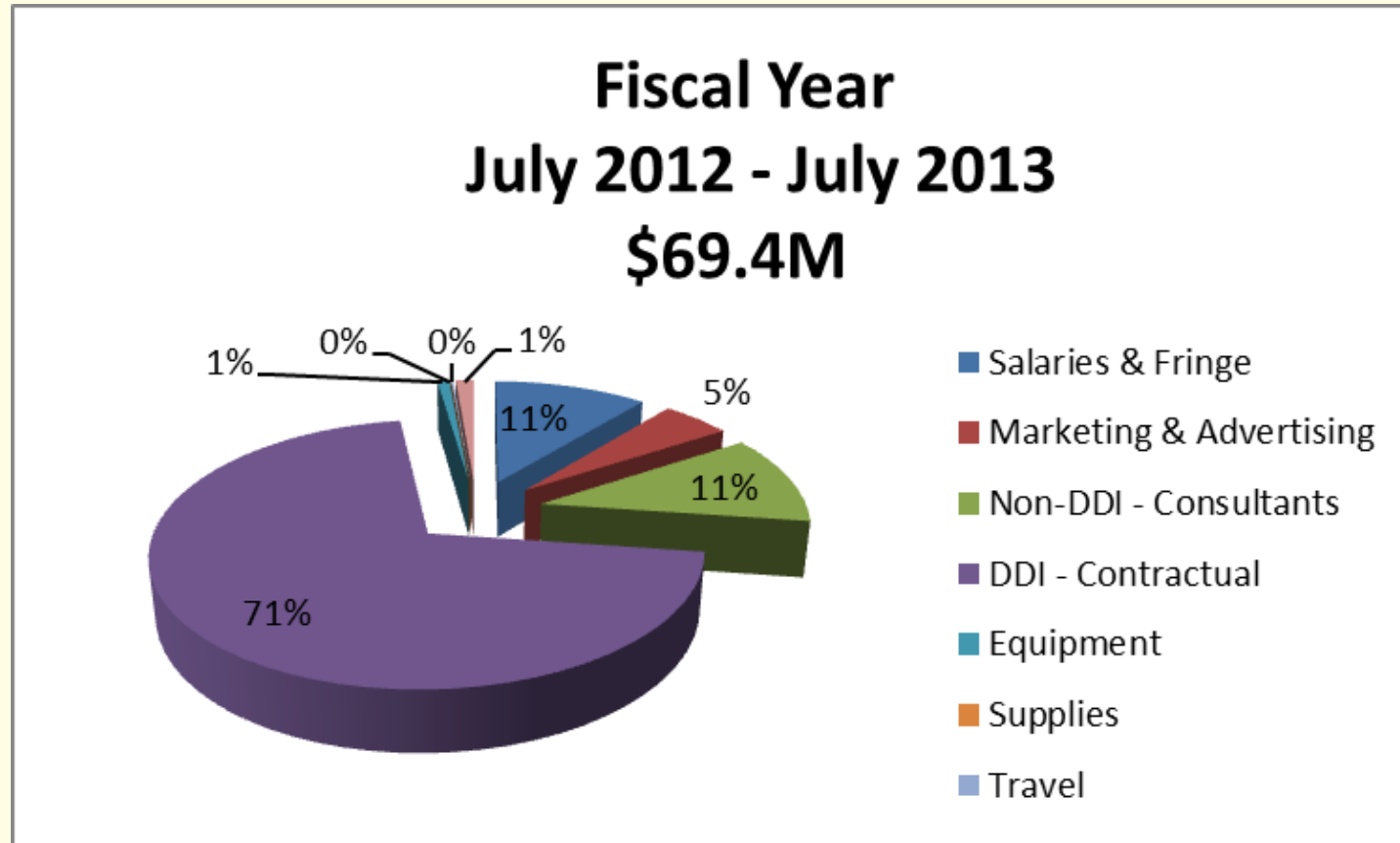


Project Expense Narrative/Exhibit Budget vs. Actual

- Marketing Campaign Spend Slightly Above Expected Levels
- Level 2 Grant – Development ramp-up slower than projected
 - SDLC follows Waterfall Methodology vs. Agile Methodology



Fiscal Year July, 2012-June, 2013 Budget Snapshot



RATE REVIEW AND ANALYSIS



Access Health CT

3 R's and the Impact to Rate Setting

April 18, 2013

Julia Lambert, FSA, MAAA
President & Senior Consulting Actuary

Goals of the 3Rs

- **Risk Adjustment** - Encourage enrollment of higher risk individuals in small group and individual markets
- **Transitional Reinsurance** – Stabilize (lower) premiums in the individual market
- **Risk Corridors** – Protect QHP issuers against uncertainty in setting premium rates

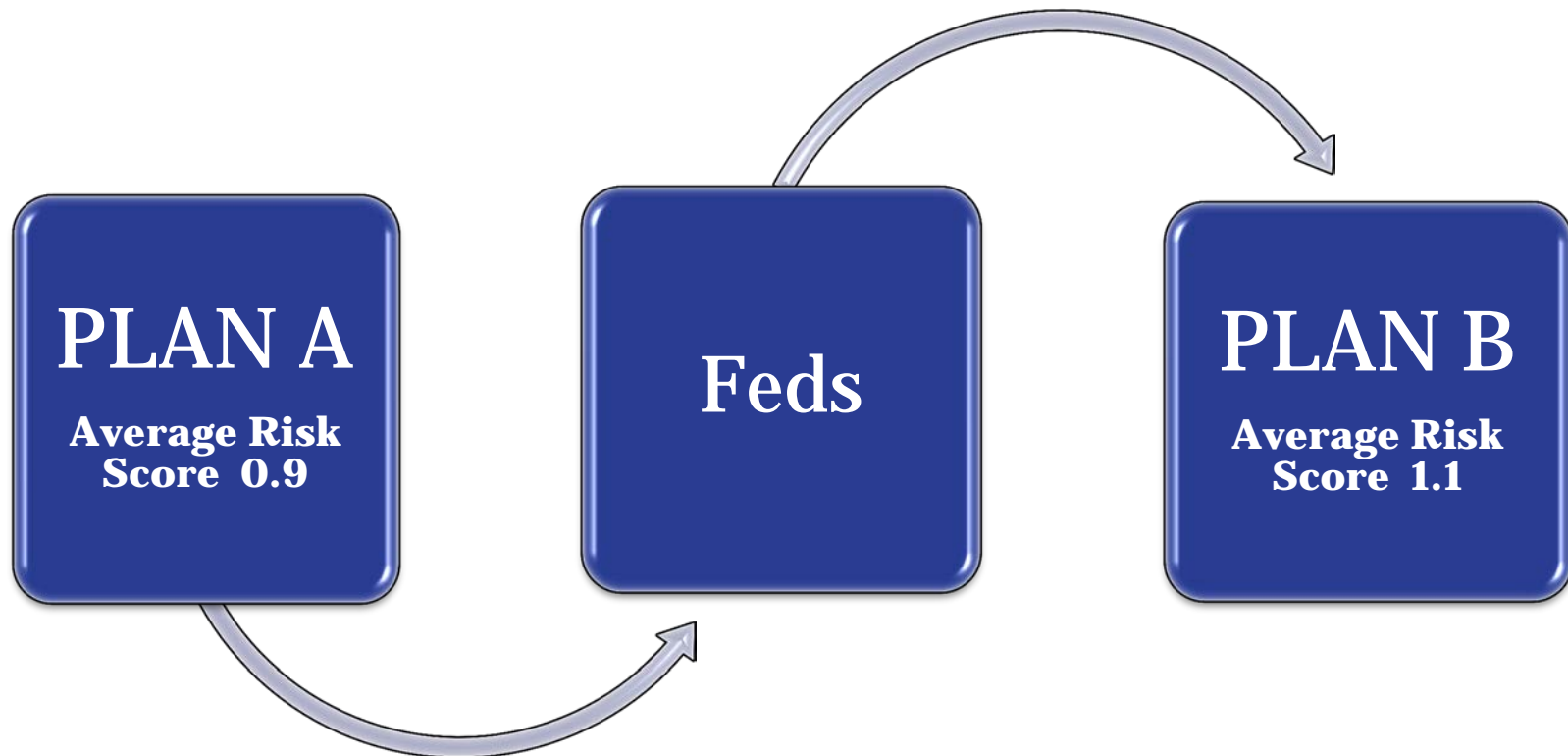
3Rs: Where do they apply?

	Plans that benefit from the provision					Who Administers	
ACA Program	In the Exchange		Outside the Exchange				
	IND	SG	IND Non-Grand-fathered	SG Non-Grand-fathered	Grand-fathered	State Run Exchange	Federal Run Exchange
Risk Adjustment	Yes	Yes	Yes	Yes	No	State or HHS [1]	HHS
Transitional Reinsurance	Yes	No	Yes	No	No	State	State or HHS [1]
Risk Corridor	Yes	Yes	No [2]	No [2]	No	HHS	HHS

[1] State can decide to administer or allow HHS to administer. If HHS administers, all parameters will be federal.

[2] Plans outside the exchange that are substantially similar to plans inside the exchange also qualify for risk corridor protection.

3Rs: What is Risk Adjustment? (At Plan Level)



Average Premium Rate = \$500 PMPM

Plan A pays Plan B \$50 PMPM

3Rs: What is Risk Adjustment? (At Member Level)

Example 1: John Smith, 32, has the following medical history:

Risk Marker	Risk Weight
Male, Age 32	0.22
Diabetes with significant co-morbidities	1.32
Asthma/COPD	0.96
Low cost dermatology	0.30
Total Risk Score	2.80

If the average risk score is 1.0, John Smith is expected to be 180% more costly than the average enrollee.

Source: American Academy of Actuaries: Issue Brief, "Risk Assessment and Risk Adjustment," 5/2010

Example 2: Mark Johnson, 32, has no medical history:

Risk Marker	Risk Weight
Male, Age 32	0.22
Total Risk Score	0.22

If the average risk score is 1.0, Mark Johnson is expected to be 78% less costly than the average enrollee.

3Rs: Risk Adjustment

- 2014+ (not temporary)
- Budget neutral by market (i.e., by risk pool)
- Concurrent approach (at least initially): current year diagnoses predict current year costs
- Diagnosis grouping logic similar to HCCs used for Medicare
- HHS proposes using models that adjust payment transfers for cost factors of plan metal tier, geography, induced demand, and age
- Preliminary findings (first round of simulations): Overall, significant revenue transfer even in relatively stable small group markets (10%+)
- User fees: <\$1 PMPY, collected at same time as payment and charge for processing
- Data submission due April 30 following plan year
- Notified by June 30 following plan year of payments and charges

3Rs: Transitional Reinsurance Program

- 2014 – 2016
- Recoveries only for Individual markets, in and out of Exchange
- Proposed parameters (federal):
 - \$60,000 attachment point
 - \$250,000 reinsurance cap
 - 80% coinsurance
- Quarterly recovery estimates provided
- Payments to issuers made annually (notified by June 30 following plan year)
- Assessments of \$5.25 PMPM will be collected annually beginning late 2014
- National recoveries and national assessments

3Rs: Transitional Reinsurance Program - Premium Impact

Program Year	Estimated Market Assessment ¹	Estimated Impact to National Individual Market Premium ²	
		Low Scenario	High Scenario
2014	\$5.25 PMPM	-10%	-15%
2015	0.6%	-6%	-9%
2016	0.4%	-4%	-6%

¹ High and Low scenarios utilize different estimates for the current individual market membership. Net of Treasury funding

² While impact is measured as a percent of premium, actual impact will vary by issuer and be based on actual claims reimbursed. Also note this impact is relative to premiums had the program not been in place, NOT current 2012 premiums.

3Rs: Risk Corridors

- HHS (Feds) share in profits/losses of QHPs
- July 31 risk corridor reporting deadline
 - June 30: notification date re: risk adjustment and reinsurance
- Plan-level calculation
- Not budget neutral

3Rs: Risk Corridors

- Target: Total earned premium reduced by admin expense
- Allowable administrative costs
 - Up to 20% of earned premium, non-claim costs
 - Direct sales salaries, workforce salaries and benefits, fees and commissions, cost-containment expenses that do not target improvement of healthcare outcomes
- Generally Target = 80% of Premium
- Compare actual Claims Expense to Target, HHS Shares when actual claims significantly different than target.
- Plan level allocation
 - Important to consider plan-specific risk adjustment calculations

3Rs: Risk Corridors

- Sum of incurred claims, including adjustment for expenditures that improve health care quality
 - Direct claims paid to providers, capitation payments, claim reserves, contract reserves, medical claim portion of lawsuits
 - Direct care, case management, disease management, quality reporting, health information technology
 - Adjustments: prescription drug rebates, overpayment recoveries from providers, risk adjustment transfers, reinsurance payments, provider incentives and bonus payments, administrative fees paid to third party vendors, etc.

3Rs: Risk Corridors

Allowable/ Target	Action	Amount Paid
Greater than 108%	HHS pays QHP	2.5% of Target + 80% of amount in excess of 108%
103% to 108%	HHS pays QHP	50% of amount in excess of 103%
97% to 103%	No action	No payment transfer
92% to 97%	QHP pays HHS	50% of difference between 97% of target and allowable cost
Less than 92%	QHP pays HHS	2.5% of Target + 80% of difference between 92% of target and allowable cost

Illustrative Rate Setting Methodology: Where the 3Rs come into play

Risk Adj

Historical Information				Small Group	Non-Group	
Claim Cost (Net Paid) PMPM				\$300	\$200	
IBNR				1.02	1.02	
Risk Score				0.95	1.02	
Average Actuarial Value				70%	60%	
Average Geographic Rating Adjustment				1.2	1.1	
Allowed Claim Cost PMPM for a 1.0 risk				\$383	\$303	
Projection Adjustments				Small Group	Non-Group	Market Applicability
Trend				1.100	1.100	Both
Change in Market Morbidity				0.980	1.200	Both
Reinsurance Assessment				1.010	1.020	Both
Reinsurance Recoveries				1.000	0.830	Non-Group
Impact of EHBs				1.030	1.050	Both
Market Adverse Selection (Employee Choice in SHO)				1.000	1.000	Small Group
Issuer Fee				1.020	1.020	Both
Exchange User Fee				1.040	1.040	Both
Risk Adjustment User Fee				1.000	1.000	Both
Allocated Composite Premium Methodology				1.010	1.000	Small Group
Pent-up Demand				1.000	1.000	Non-Group
Change in Provider Contract Rates				1.000	1.020	Both
Admin				11%	11%	Both
Contribution to Surplus/Margin for Risk				5%	5%	Both
Projected Base Rate (Index Rate)				\$549	\$455	

Reinsurance

Transitional Reinsurance

Timeline for 2014 Plan Year

- Oct 2013-Mar 2014: Open enrollment period
- Quarterly throughout 2014: HHS provides reinsurance recovery estimates
- Late 2014: Issuers submit \$5.25 PMPM reinsurance assessment to HHS
- April 30, 2015: Risk adjustment data submission due to HHS
- June 30, 2015: Issuers receive notification of risk adjustment payments and charges (including user fees due), and reinsurance recovery amounts
- July 31, 2015: Risk corridor and MLR reporting deadline
- Sep 30, 2015: MLR rebate disbursement deadline

MAKING HEALTHCARE AFFORDABILITY

The Cost of Obtaining Coverage

Access Health CT is designed to make obtaining health coverage easier and more affordable. Starting in 2014, this new health insurance marketplace will allow individuals and families to find out if they are eligible for either:

- public health programs like Medicaid and the Children's Health Insurance Program (CHIP), or;
- **affordability subsidies** that will lower the cost of private insurance

Medicaid Expansion

In Connecticut, the ACA expands Medicaid coverage to an additional **150,000** adult residents with incomes **below 133% of poverty**—among this Medicaid expansion population, about 87,000 residents with incomes less than 53 or 65% of poverty are already enrolled.

Federal Affordability Subsidies

An estimated **205,000** Connecticut residents with incomes **between 133 and 400% of poverty** will be eligible for federal affordability subsidies available through Access Health CT.

These subsidies will reduce the cost of obtaining private insurance coverage and accessing care and come in two forms:

- **advanced premium tax credits** that will lower cost of monthly premiums
- **cost sharing reductions** that will lower out of pocket cost

BACKGROUND: Understanding FPL

What is the Federal Poverty Level (“FPL”) of a household?

- FPL is defined by Department of Health and Human Services
- A household’s FPL is based on the number of members in tax household and the household’s income
- For the 2014 plan year, the federal poverty tables for 2013 will be used:

Household Size	100% of poverty
1	\$11,490
2	\$15,510
3	\$19,530
4	\$23,550
5	\$27,570
For each additional child, add	\$4,020

Married couple with 2 children, earning \$52,500. Income Equivalent to:

223% of FPL

(i.e. $\$52,200 \div 23,550 = 2.23$)

ANNUAL Income Thresholds by Household Size and Poverty Level

% of Federal Poverty Level	Household Size					
	Individual	2	3	4	5	6
133	15,282	20,628	25,975	31,322	36,668	42,015
150	17,235	23,265	29,295	35,325	41,355	47,385
200	22,980	31,020	39,060	47,100	55,140	63,180
250	28,725	38,775	48,825	58,875	68,925	78,975
300	34,470	46,530	58,590	70,650	82,710	94,770
400	45,960	62,040	78,120	94,200	110,280	126,360

Advanced Premium Tax Credits

- Federal **advanced premium tax credits (“APTC”)**, paid on a monthly basis directly to the carriers, will be available through Access Health CT to subsidize the cost of a household’s monthly premiums
 - for household’s with income **between 133 and 400% of FPL**, a household will only be expected to pay **between 3 and 9.5% of their income** toward the premiums of the qualified health plan
 - The required contribution will be capped as a fixed amount that is determined in relationship to a household’s income
 - the value of tax credits will be variable and based on the age/region-adjusted premium of the 2nd-lowest costing Silver plan applicable to the household
- An applicant can use their advanced premium tax credit to “buy up” or “buy down” coverage

Range of Household Incomes Eligible for Tax Credits and Required Contributions (for 2nd Lowest Cost Silver)

		Household Size						
		Individual	2	3	4	5	6	7
133% of FPL	Annual Income:	15,282	20,628	25,975	31,322	36,668	42,015	47,361
	Monthly Contribution (3%):	38	52	65	78	92	105	118
400% of FPL	Annual Income:	45,960	62,040	78,120	94,200	110,280	126,360	142,440
	Monthly Contribution (9.5%):	364	491	618	746	873	1,000	1,128

Cost Sharing Reductions

- Additional federal subsidies, known as **cost sharing reductions (“CSR”)**, will be available, exclusively, to households with incomes between 133 and 250% of FPL
- Whereas the advanced premium tax credits will lower a member’s monthly premiums, the cost sharing reductions will lower the out-of-pocket costs associated with obtaining care:
 - deductibles, copays and coinsurance rates, and max OOP may be lowered, sometimes significantly
 - actuarial values of plan will increase from 70% (+/- 2 percent) to one of three specified levels.
- **CSRs are exclusive to the three (3) alternative Silver plans**
- The alternative Silver QHPs will raise the effective benefit level (i.e. actuarial value) of the Silver QHP, according to the following household income thresholds:
 - Silver CSR-94: available to households with incomes between 100 and 150% of FPL:
e.g. copays of \$5/\$15 for PCP/Specialist; \$250/day (max 2 days) for hospital care; no deductibles; max OOP limited to \$2,000
 - Silver CSR-87: available to households with incomes between 150 and 200% of FPL:
e.g. copays of \$10/\$30 for PCP/Specialist; \$250/day (max 2 days) for hospital care after deductible; \$500 hospital-only deductible; max OOP limited to \$2,250
 - Silver CSR-74: available to households with incomes between 200 and 250% of FPL:
e.g. copays of \$30/\$45 for PCP/Specialist; \$500/day (max 2 days) for hospital care after deductible; \$2,500 hospital-only deductible and \$300 Rx deductible; max OOP limited to \$5,200

BACKGROUND: Required Contributions for 2nd-Lowest Cost Silver QHP

Annual Income, \$	Monthly Income, \$	Household Size						
		Individual	2	3	4	5	6	
12,000	1,000	ELIGIBLE FOR MEDICAID						Family of 3 \$42,000 = 215% of FPL \$239 = 6.8% of Income
18,000	1,500							
24,000	2,000	65	< 133% of FPL					
30,000	2,500	132						
36,000	3,000	209	84	104				
42,000	3,500	285	150	167				
48,000	4,000	333	223	186	124	144		\$78,000 = 399% of FPL \$342 = 9.5% of Income
54,000	4,500		303	239	186	204	164	
60,000	5,000		380	316	257	275	223	Eligible for <u>both</u> Tax Credits and Cost Sharing Reductions (on Silver Plan)
66,000	5,500		428	397	330	346	292	
72,000	6,000		475	475	409	422	364	
78,000	6,500			523	491	502	437	
84,000	7,000			570	570	585	516	Eligible for Tax Credits only
90,000	7,500			618	618	665	596	
96,000	8,000				665	713	680	
102,000	8,500				713	760	760	
108,000	9,000					808	808	NOT ELIGIBLE FOR TAX CREDITS
114,000	9,500					855	855	
120,000	10,000						903	
126,000	10,500						950	

BACKGROUND: Standard Cost Sharing Reduction Plans

Actuarial Value Final AV Calculator)
Deductible(s)
Medical
Prescription Drugs
Out-of-Pocket Maximum
Medical Benefits
Office Visits
Preventive Care/Screening/Immunization
Primary Care Visit
Specialist Visit
Emergency Room Services
Inpatient Admission
Apply Copayment per Day (max days per admission specified)
Outpatient Surgery
Prescription Drug Benefit
Tier 1 (i.e. Generics)
Tier 2 (i.e. Preferred Brand Drugs)
Tier 3 (i.e. Non-Preferred Brand Drugs)
Specialty Tier (i.e. Specialty High-Cost Drugs)

COST SHARING REDUCTION PLANS			
SILVER	SILVER - CSR-73	SILVER - CSR-87	SILVER - CSR-94
72.0%	73.8%	87.8%	93.3%
3,000	2,500	500	0
400	300	0	
6,250	5,200	2,250	2,000
<i>Subject to Medical Deductible</i>	<i>Subject to Medical Deductible</i>	<i>Subject to Medical Deductible</i>	<i>No Deductible</i>
0	0	0	0
30	30	10	5
45	45	30	15
150	150	100	75
500 ✓	500 ✓	250 ✓	250
yes - max 4	yes - max. 2	yes - max. 2	yes - max 2
500 ✓	500 ✓	250 ✓	250
<i>Subject to Rx Deductible</i>	<i>Subject to Rx Deductible</i>	<i>No Rx Deductible</i>	<i>No Rx Deductible</i>
10	10	5	5
25 ✓	25 ✓	15	15
40 ✓	40 ✓	30	30
40% ✓	40 ✓	40	40

BACKGROUND: Impact of Cost Sharing Reductions on Out of Pocket Costs

Scenarios:

		Annual + Monthly Cost			
		SILVER ALTERNATIVE – Cost Sharing Reduction Plans			
Scenario	Description of Utilization	SILVER >250% of FPL	94% CSR 100-150% of FPL	87% CSR 150-200% of FPL	73% CSR 200-250% of FPL
Young adult with asthma	2 preferred-brand drugs/month; 2 PCP visits/year; 1 specialist visit/year	\$105/year + \$400 Rx ded + \$50/mo after Rx ded	\$25/year + \$30/mo	\$60/year + \$30/mo	\$85/year + \$300 Rx ded + \$50/mo after Rx ded
Accident	2 generic drugs/year; 1 preferred-brand drug/year; 12 rehabilitative visits/year; 4 specialist visits/year (or 1 ER + 2 specialist) 2 PCP visits/year	\$620 -\$680/accident + cost of preferred Rx	\$155-200/accident	\$325-365/accident	\$585-645/accident + cost of preferred Rx
Hospital Stay	4 days hospital/year; 4 specialist visits/year; 2 PCP visits/year; 1 high-tech imaging; 12 rehabilitative visits/year 4 preferred-brand drugs/year; 2 generic drugs/year;	\$5,715/hospital stay + cost of preferred Rx	\$750/hospital stay	\$1,450/hospital stay	\$4,195/hospital stay + cost of preferred Rx
Chronic Health Complication	multiple hospital stays i.e. Maximum OOP	\$6,000	\$2,000	\$2,250	\$5,200


Eligibility Examples

Eligibility scenarios provide hypothetical “real life” examples of how much obtaining coverage through the Exchange would cost an individual

Beta Calculator available at:

<http://www.egporter.com/calculator>

- All examples are hypothetical and assume a **base rate of \$295** for the 2nd Lowest Costing Silver
- base rate is defined as the premium for a 21-year old
- Actual premium would reflect age-adjustment factors (3:1 age rating band) and geographic factor
 - No other rating factors are allowed

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Savings Calculator

SEE IF YOU QUALIFY FOR SAVINGS ON YOUR HEALTH INSURANCE COSTS.

If you are a resident of Connecticut who is in need of health insurance for yourself or for your family, did you know that you may be able to get a discount on health insurance? It's true. Beginning in 2014 new government discounts will be available to help you pay for your health insurance and Access Health CT is the only place where you can apply.

Health Insurance Savings Calculator

Find out now if you can get financial help, and how much:

Individuals and Families

Depending on your income and the number of people living in your house, you may be able to get free public health insurance (Medicaid) or a discount on a private health plan. For example, if you're single and making up to \$45,960, or in a family of four making up to \$94,200, you may qualify for some discounts.

Find out what you could save with some basic information about your household

Type of Coverage:

Indicate whether you need a health plan to cover just yourself, or you and your whole family.

Number of family members in your household:
Include only yourself, your spouse, and any children that you claim as tax dependents.

Your age:

Enter income (before taxes) as:

Your household income as percent of poverty:

Regional cost factor:

Re-Calculate

Please note that results are only an estimate.

About the Calculator

Your Results

About Your Tax Household

Household size: **4**

Household income: **\$54,165/year**
230% of poverty

About Your Exchange Coverage

Type of Coverage: **individual**

Your premium: **\$426/month**
estimation of the **unadjusted** cost of the second-lowest costing Silver plan rated for the ages of the 4 family members eligible for coverage

Your required contribution: **\$332/month**
which equals 7.35% of your household income

Your expected savings: **\$94/month**
\$1,128/year
which covers 22% of your overall premiums

About Your Exchange Benefits

Your benchmark plan: **Silver Cost Sharing Reduction Plan**
i.e. 73% actuarial value

Your plan's benefits: [click here for more information on your benefits](#)

Eligibility Example 1: Household with children who are NOT eligible for Medicaid/CHIP

A married couple with no access to employer-sponsored insurance earns \$70,650 annually. They have two children under the age of 19.

Individuals and Families

Depending on your income and the number of people living in your house, you may be able to get free public health insurance (Medicaid) or a discount on a private health plan. For example, if you're single and making up to \$45,980, or in a family of four making up to \$94,200, you may qualify for some discounts.

Find out what you could save with some basic information about your household

Type of Coverage: **Family**

Indicate whether you need a health plan to cover just yourself, or you and your whole family.

Your age: **42**

Are you married? **Yes**

Your spouse's age: **47**

Do you have any children? **Yes**

Children up to age of 26 can remain on a parent's policy.

CHILD ONE Child's Age: **12**

CHILD TWO Child's Age: **13**

[\[add child\]](#)
[\[remove child\]](#)

Enter income (before taxes) as: **2014 dollars**

Your household income in dollars: **70650**

Regional cost factor: **Typical Cost**

Re-Calculate



Your Results

About Your Tax Household

Household size: **4**

Household income: **\$70,650/year**
300% of poverty

About Your Exchange Coverage

Type of Coverage: **family**
4 family members will be covered by this policy

Your premium: **\$1,227/month**
estimation of the ~~unadjusted~~ cost of the second-lowest costing Silver plan rated for the ages of the 4 family members eligible for coverage

Your required contribution: **\$559/month**
which equals 9.5% of your household income

Your expected savings: **\$668/month**
\$8,011/year
which covers 54% of your family's overall premiums

About Your Exchange Benefits

Your benchmark plan: **Silver Plan**
i.e. 70% actuarial value

Your plan's benefits: [click here for more information on your benefits](#)

Eligibility Example 2: Household with children who are eligible for Medicaid/CHIP

A married couple with no access to employer-sponsored insurance earns \$70,500 annually. They have two children under the age of 19.

Individuals and Families

Depending on your income and the number of people living in your house, you may be able to get free public health insurance (Medicaid) or a discount on a private health plan. For example, if you're single and making up to \$45,980, or in a family of four making up to \$94,200, you may qualify for some discounts.

Find out what you could save with some basic information about your household

Type of Coverage: **Family**

Indicate whether you need a health plan to cover just yourself, or you and your whole family.

Your age: **42**

Are you married? **Yes**

Your spouse's age: **47**

Do you have any children? **Yes**

Children up to age of 26 can remain on a parent's policy.

CHILD ONE Child's Age: **12**

CHILD TWO Child's Age: **13**

[add child]
[remove child]

Enter income (before taxes) as: **2014 dollars**

Your household income in dollars: **55100**

Regional cost factor: **Typical Cost**

Re-Calculate

Please note that results are only an estimate.

Your Results

About Your Tax Household

Household size: **4**

Household income: **\$55,100/year**
234% of poverty

About Your Medicaid Eligibility

Based on your household income and size, your 2 children under the age of 19 are likely to be eligible for Husky B

Medicaid coverage: **Husky B (Tier 1)**

Medicaid cost: **no cost**

About Your Exchange Coverage

Type of Coverage: **family**

2 family members will be covered by this policy (this excludes 2 children who should be eligible for Husky B)

Your premium: **\$852/month**
estimation of the unadjusted cost of the second-lowest costing Silver plan rated for the ages of the 2 family members eligible for coverage

Your required contribution: **\$344/month**
which equals 7.48% of your household income

Your expected savings: **\$508/month**
\$6,096/year
which covers 80% of your family's overall premiums


About Your Exchange Benefits

Your benchmark plan: **Silver Cost Sharing Reduction Plan**
i.e. 73% actuarial value

Eligibility Example 3.a: Couple seeking health insurance coverage

A couple earns \$48,000 per year, or 309% of poverty.

Scenario A: Neither spouse offered employer-sponsored insurance

**Health Insurance Savings Calculator**
Find out now if you can get financial help, and how much:

Individuals and Families

Depending on your income and the number of people living in your house, you may be able to get free public health insurance (Medicaid) or a discount on a private health plan. For example, if you're single and making up to \$45,960, or in a family of four making up to \$94,200, you may qualify for some discounts.

Find out what you could save with some basic information about your household

Type of Coverage:

Indicate whether you need a health plan to cover just yourself, or you and your whole family.

Your age:

Are you married?

Your spouse's age:

Do you have any children?

Children up to age of 26 can remain on a parent's policy.

Enter income (before taxes) as:

Your household income in dollars:

Regional cost factor:

Re-Calculate

Please note that results are only an estimate.



Your Results

About Your Tax Household
Household size: **2**
Household income: **\$48,000/year**
309% of poverty


About Your Exchange Coverage
Type of Coverage: **family**
2 family members will be covered by this policy
Your premium: **\$852/month**
estimation of the **unadjusted** cost of the second-lowest costing Silver plan rated for the ages of the 2 family members eligible for coverage
Your required contribution: **\$380/month**
which equals 9.5% of your household income
Your expected savings: **\$472/month**
\$5,664/year
which covers 55% of your family's overall premiums

About Your Exchange Benefits
Your benchmark plan: **Silver Plan**
i.e. 70% actuarial value
Your plan's benefits: [click here for more information on your benefits](#)

Eligibility Example 3.b: Couple seeking health insurance coverage

A couple earns \$48,000 per year, or 309% of poverty.

Scenario B: One spouse is offered affordable employer-sponsored insurance



Health Insurance Savings Calculator

Find out now if you can get financial help, and how much:

Individuals and Families

Depending on your income and the number of people living in your house, you may be able to get free public health insurance (Medicaid) or a discount on a private health plan. For example, if you're single and making up to \$45,960, or in a family of four making up to \$94,200, you may qualify for some discounts.

Find out what you could save with some basic information about your household

Type of Coverage:

Indicate whether you need a health plan to cover just yourself, or you and your whole family.

Number of family members in your household:

Include only yourself, your spouse, and any children that you claim as tax dependents.

Your age:

Enter income (before taxes) as:

Your household income in dollars:

Regional cost factor:

Re-Calculate

Please note that results are only an estimate.



Your Results

About Your Tax Household

Household size: **2**

Household income: **\$48,000/year**
309% of poverty

About Your Exchange Coverage

Type of Coverage: **individual**

Your premium: **\$391/month**
estimation of the **unadjusted** cost of the second-lowest costing Silver plan rated for the ages of the 2 family members eligible for coverage

Your required contribution: **\$380/month**
which equals 9.5% of your household income

Your expected savings: **\$11/month**
\$131/year
which covers 3% of your overall premiums

About Your Exchange Benefits

Your benchmark plan: **Silver Plan**
i.e. 70% actuarial value

Your plan's benefits: [click here for more information on your benefits](#)

APPENDIX A

Steps to Determining Cost of
Obtaining Coverage

BACKGROUND: Determining Cost of Coverage

The calculation of an household's expected contribution and the value of its advanced premium tax credits is a multistep process:

1. Determine household's size
2. Determine household's modified adjusted gross income
3. Determine federal poverty level of household
4. Determine if eligible for Medicaid/CHIP

If eligible for affordability subsidies, i.e. advanced premium tax credit ("APTC") and cost sharing reductions ("CSR"):

5. Calculate APTC percentage and required contribution
6. Determine premium of second lowest cost Silver plan
7. Determine APTC amount
8. Use APTC to purchase a qualified health plan

BACKGROUND: Determine Household Size and MAGI

1. Determine household's size:

- Include the following:
 - self
 - spouse
 - » If married, spouses must file separately or ineligible for APTC
 - » domestic partners will have tax credits calculated separately, but can apply for QHP jointly
 - Dependent children
 - » must be under age 18, or
 - » fulltime student under age 24
 - » same rules apply for stepchild(ren), adopted child(ren)
 - Qualifying relative
 - » specific rules apply for whether extended family member and/or older child are considered part of household

2. Determine household's modified adjusted gross income:

- household's MAGI is found by taking a household's adjusted gross income ("AGI") and adding back certain items
- i.e. Line 37 from IRS form 1040 and add tax exempt income from line 8b

Adjusted Gross Income	
23	Educator expenses
24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ
25	Health savings account deduction. Attach Form 8889
26	Moving expenses. Attach Form 3903
27	Deductible part of self-employment tax. Attach Schedule SE
28	Self-employed SEP, SIMPLE, and qualified plans
29	Self-employed health insurance deduction
30	Penalty on early withdrawal of savings
31a	Alimony paid b Recipient's SSN ▶
32	IRA deduction
33	Student loan interest deduction
34	Tuition and fees. Attach Form 8917
35	Domestic production activities deduction. Attach Form 8903
36	Add lines 23 through 35
37	Subtract line 36 from line 22. This is your adjusted gross income

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11320B Form **1040** (2012)

3. Determine Federal Poverty Level of Household

- Based on number of members in tax household and household MAGI, determine household's federal poverty level based on federal poverty table
- Poverty level defined by Department of Health and Human Services
- For the 2014 plan year, the federal poverty tables for 2013 will be used:

Household Size	100% of poverty
1	\$11,490
2	\$15,510
3	\$19,530
4	\$23,550
5	\$27,570
For each additional child, add	\$4,020

Example:

For a married couple with 2 children, a household income of \$52,500 is equivalent to:

223%

$(\$52,200 \div 23,550 = 2.23)$

BACKGROUND: Household Income by % of FPL

ANNUAL Income Thresholds by Household Size and Poverty Level

% of Federal Poverty Level	Household Size					
	Individual	2	3	4	5	6
133	15,282	20,628	25,975	31,322	36,668	42,015
150	17,235	23,265	29,295	35,325	41,355	47,385
200	22,980	31,020	39,060	47,100	55,140	63,180
250	28,725	38,775	48,825	58,875	68,925	78,975
300	34,470	46,530	58,590	70,650	82,710	94,770
400	45,960	62,040	78,120	94,200	110,280	126,360

MONTHLY Income Thresholds by Household Size and Poverty Level

% of Federal Poverty Level	Household Size					
	Individual	2	3	4	5	6
133	1,274	1,719	2,165	2,610	3,056	3,501
150	1,436	1,939	2,441	2,944	3,446	3,949
200	1,915	2,585	3,255	3,925	4,595	5,265
250	2,394	3,231	4,069	4,906	5,744	6,581
300	2,873	3,878	4,883	5,888	6,893	7,898
400	3,830	5,170	6,510	7,850	9,190	10,530

4. Determine if anyone in household is eligible for Medicaid and/or CHIP

- Any applicant qualifying for Medicaid or CHIP will be ineligible for affordability subsidies.
- The ACA expands Medicaid coverage in Connecticut to adult residents with incomes below 133% of poverty.

Household Income Thresholds for Medicaid for January 2014, as Percent of FPL

- Adults: under 133% of FPL, a 5% income disregard may be allowed
 - currently “low income adults” with household income under 53-65% of FPL are eligible for Medicaid
- Parents: under 185% of FPL
 - *Governor’s FY2014 budget proposes eliminating eligibility of parents above 133% of FPL given availability of federal subsidies through Access Health CT*
- Pregnant Women: under 250% of FPL
 - each unborn child counts as +1 for determining the applicant’s household size
- Children under age 19
 - Husky B – Tier 1: under 235% of FPL
 - Husky B – Tier 2: between 235 and 300% of FPL
 - Premiums: 1 child -> \$30/month; more than 1 child -> \$50/month

BACKGROUND: Medicaid/CHIP Eligibility

Maximum Household MAGI Thresholds for Medicaid Eligibility for January 2014

Table 1. Maximum Annual Household Income for eligibility in state's Medicaid programs

	HOUSEHOLD SIZE						
	FPL	1	2	3	4	5	6
Children (Husky B - Tier 1)	235%	n/a	\$36,449	\$45,896	\$55,343	\$64,790	\$74,237
Children (Husky B - Tier 2)	300	n/a	46,530	58,590	70,650	82,710	94,770
Adults	133	\$15,282	20,628	25,975	31,322	36,668	42,015
Pregnant Women	250	n/a	38,775	48,825	58,875	68,925	78,975
Parents [1]	185	n/a	28,694	36,131	43,568	51,005	58,442

Table 2. Maximum Monthly Household Income for eligibility in state's Medicaid programs

	HOUSEHOLD SIZE						
	FPL	1	2	3	4	5	6
Children (Husky B - Tier 1)	235%	n/a	\$3,037	\$3,825	\$4,612	\$5,399	\$6,186
Children (Husky B - Tier 2)	300	n/a	3,878	4,883	5,888	6,893	7,898
Adults	133	\$1,274	1,719	2,165	2,610	3,056	3,501
Pregnant Women	250	n/a	3,231	4,069	4,906	5,744	6,581
Parents [1]	185	n/a	2,391	3,011	3,631	4,250	4,870

Note:

1. Under Governor Malloy's proposed FY2014 Budget, Medicaid coverage for parents with household income between 133 and 185% of poverty is eliminated. These parents will be eligible for federally-subsidized insurance from *Access Health CT*.

BACKGROUND: Determine APTC percentage

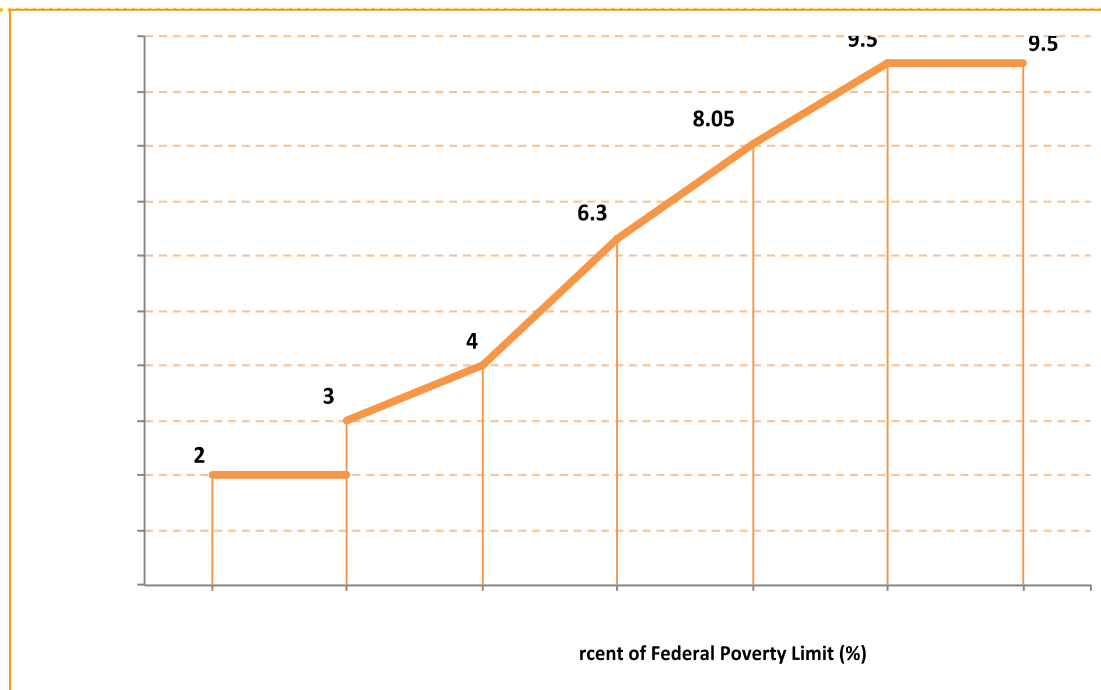
5. Determine advanced premium tax credit (“APTC”) percentage and contribution

- APTC will be offered on a sliding scale based on income, limiting to a specified percentage of a household’s income what a household will be required to contribute to the cost of their coverage
- This required contribution is held constant as percentage of MAGI and determined by federal law and based on assumption that household selects the 2nd lowest costing Silver plan
- **Example:** Married couple with 2 children and income of \$52,500
 - At 223% of FPL, required contribution is 7.11% of income; therefore required contribution is \$311/month ($\$4,375 \times 7.11\%$)

Household Income as % of FPL		Premium Payment as % of Household Income	
FPL equal to or greater than	FPL less than	Initial Percent	Final Percent
0%	133%	2.00%	2.00%
133	150	3.00	4.00
150	200	4.00	6.30
200	250	6.30	8.05
250	300	8.00	9.50
300	400	9.50	9.50

Handwritten annotations: A blue oval highlights the row for 200% FPL. An arrow points from the 200% FPL row to the 250% FPL row, labeled "223%". Another blue oval highlights the 6.30% and 8.05% values in the Premium Payment columns, with "7.11%" written next to the 8.05% value.

BACKGROUND: Required Premium Contribution by % of Federal Poverty Level



MONTHLY Minimum Premium Payments for Second Lowest Cost Silver

% of Federal Poverty Level	Premium Payment by Household Size					
	Individual	2	3	4	5	6
133	38	52	65	78	92	105
150	57	78	98	118	138	158
200	121	163	205	247	289	332
250	193	260	328	395	462	530
300	273	368	464	559	655	750
400	364	491	618	746	873	1,000

6. Calculate Cost of Second Lowest Cost Silver

- The minimum required contribution is fixed relative to: (1) household FPL, (2) APTC percentage, (3) household income
- The amount of APTC is dependent upon the actual premium of the qualified health plan, which in turn will vary based upon: (1) base rate of 2nd lowest costing QHP sold in applicant's region, (2) number of household members who will be insured under the QHP, (3) age of insured members
- **Example:** Married couple with 2 children and income of \$52,500
 - At 223% of FPL, only the parents will be covered (the children will be eligible for CHIP)
 - Therefore, assuming a base rate of \$295/month and ages 45 and 42, the premium for the parents' coverage would be \$817/month

7. Determine APTC amount

- APTC is determined by subtracting the required contribution from the actual premium of second lowest costing Silver QHP
- **Example:** Married couple with 2 children and income of \$52,500
 - Premium: \$817/month
 - Required Contribution: \$311/month provides
 - Therefore, APTC: \$506/month

8. Use APTC to purchase a qualified health plan

- Actual premium payment will be determined by the premium cost of the actual QHP selected and proportion of maximum APTC that an applicant decides to use
- Household may elect not to use the entirety of APTC and receive it as a tax credit or refund at year-end
- An applicant can use their APTC to “buy up” or “buy down”
 - They can “buy down” to a Bronze-level coverage, in which case their tax credits will pay for a greater proportion of the premiums and they could expect a lower monthly cost; but they would be subject to greater out-of-pocket costs if they ever require health care
 - They can “buy up” to a more costly Silver QHP or a Gold or Platinum QHP that would offer greater benefit coverage; but they would need to pay any additional premium costs
- The APTC cannot be used to purchase Catastrophic Coverage



Connecticut's Health Insurance Marketplace

Access Health CT is a new marketplace that offers individuals, families and small employers a range of qualified, approved health insurance plans from brand-name carriers.

Access Health CT is the only place where people and small businesses can qualify for a break on their health insurance costs, in the form of discounts for individuals and tax credits for business owners