



Patient Protection and Affordable Care Act: Timeline for Implementation

Commissioner Kim Holland

Oklahoma Insurance Department



There are Many Unanswered Questions



Effective 2010

- **Coverage for Children with Preexisting Conditions**
- **Guarantee Issue for Children**
- **Temporary High Risk Pool Funds**
 - Provides **\$5 Billion** to states to pay claims for individuals with Pre-X who have been without coverage **for at least 6 months**
 - Premium Required — **100%** of Standard Risk Rate
- **Coverage for Preventive Services**
 - Requires plans to provide coverage without cost sharing for:
 - Preventive services, Immunizations recommended by CDC, and preventive screenings for infants, children, adolescents & women



Effective 2010

- **Adult Dependent Coverage**
 - Requires plans that provide dependent coverage to extend coverage to adult children **up to age 26**
- **Prohibition of Lifetime Dollar Limits**
 - Applies to plans on their first renewal date after September 23, 2010
- **Tax Credits for Small Business**
 - Employers with **25 or fewer** employees and annual wages **< \$50k/yr**



Effective 2010

- **What is a Grandfathered Plan?**
 - A plan in existence on **3-23-2010**
- **Grandfathered Plans are Excluded From:**
 - Covering young adults to age 26 if they have other employer coverage
 - Waiver of pre-x for individual plans only
 - Annual limit provisions for individual plans only
 - Choice of provider requirements
 - Pre-authorization restrictions for emergency room services
 - Preventive care coverage requirements
 - New claims and appeal processes



Effective 2010

- **Causes for Loss of Grandfathered Status:**

- Entering into a new policy, contract or certificate on or after **3-23-2010** (fully insured)
- Eliminating all or most benefits to diagnose or treat a particular condition
- Increasing coinsurance percentage
- Increasing a deductible or out-of-pocket limit more than **15% + medical CPI**
- Increasing a copay by the greater of: **more than \$5** or **15% + medical CPI**
- Decreasing the employer contribution for any tier of coverage by **more than 5%**
- Any change to annual limits (includes adding or deleting)



Effective 2014

- **Guarantee Issue & Renewability**
 - Standards developed by HHS
- **Prohibition of Excessive Waiting Periods**
 - Group plans may not impose waiting periods that exceed **90 days**
- **Prohibition of Annual Dollar Limits on Plans**
- **Include Essential Benefits**



Effective 2014

- **Individual Mandate**

- Penalty for Noncompliance:

- **Greater of \$695/yr** (3X that \$ for family) **OR 2.5% of household income**
 - \$95 in 2014 (or 1% taxable income)
 - \$325 in 2015 (or 2% taxable income)
 - \$695 in 2016 (or 2.5% taxable income)
 - After 2016, penalty will be increased at COLA rate

- **Individual Incentives**

- **Advanceable Premium Credits**

- Available for those making between **133-400% FPL**

- **Cost-sharing Subsidies**

- Available for those making between **100-400% FPL**
 - Native Americans **<300% FPL**— No cost sharing (**Approx. 8% of Population**)
 - Available only for Exchange purposes



Effective 2014

- **State-Based Exchanges**
 - Would allow individuals and small businesses with **up to 100** employees to purchase coverage
 - Beginning in 2017, businesses with **more than 100** employees would be allowed to purchase coverage
- **Benefit Tiers Established for Exchange Plans**
- **Rating Standards**



Q & A

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