



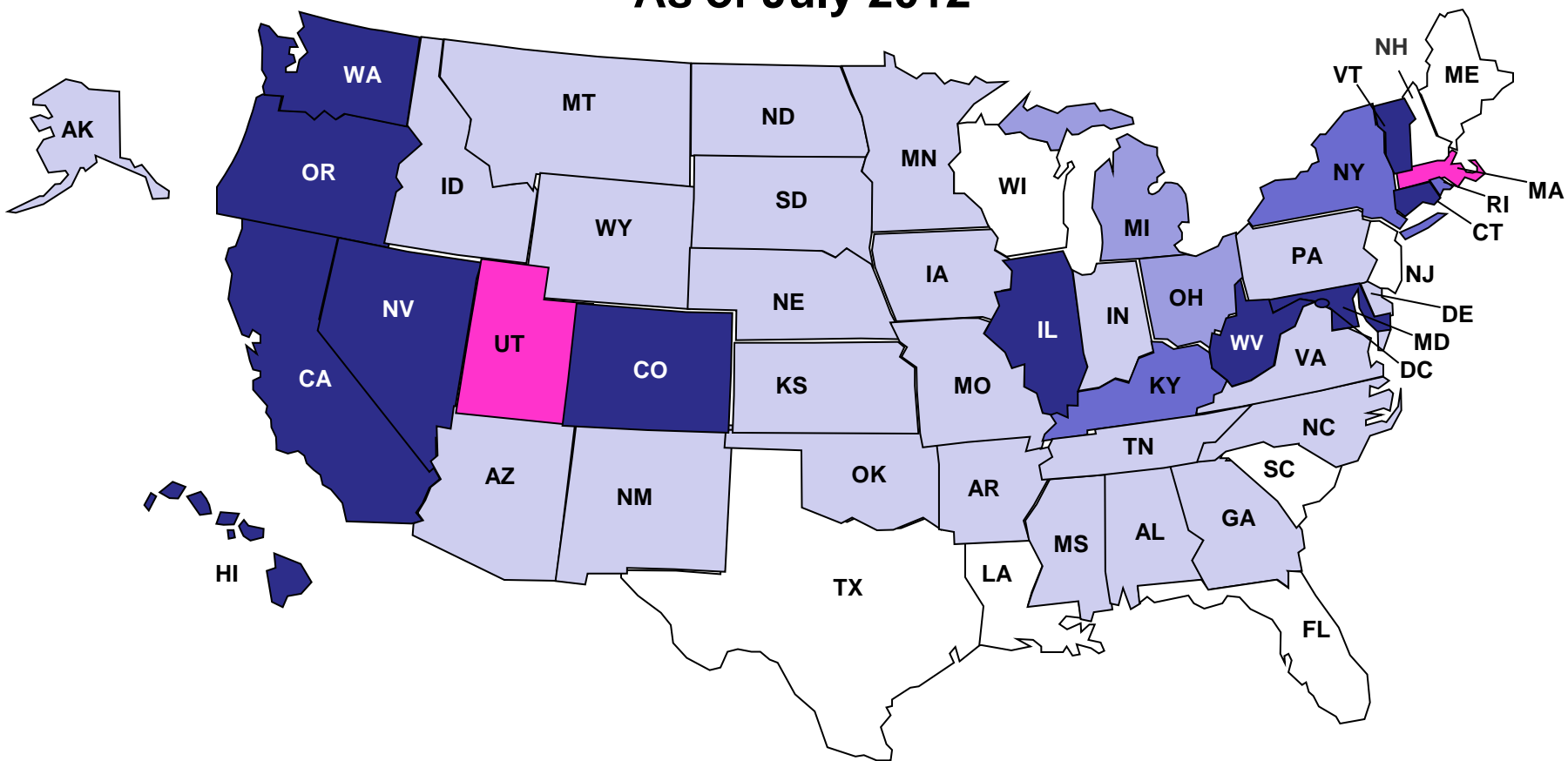
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Health Insurance Exchanges and the Medicaid Expansion After the Supreme Court Decision: State Actions and Key Implementation Issues

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**Alliance For Health Reform Briefing on State Progress
on Insurance Exchanges and the Medicaid Expansion in
the Wake of the Supreme Court Decision
Washington, DC.
July 27, 2012**

State Action to Establish Exchanges, As of July 2012



Pink State exchange in existence prior to passage of ACA (2)

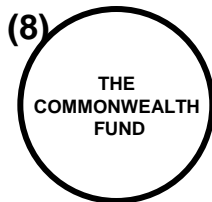
Dark Blue Exchange established through signed legislation (12)

Medium Blue Exchange established through executive order (3)

Light Blue Legislation passed one or both houses or pending (2)

White No active exchange legislation or executive order, but received federal level one grant, studying exchange establishment, or governor pursuing alternative options (24)

White Will not pursue state-run exchange (8)



Source: National Conference of State Legislatures, Federal Health Reform: State Legislative Tracking Database. <http://www.ncsl.org/default.aspx?TabId=22122>; Politico.com; Commonwealth Fund Analysis.

HHS Exchange Establishment Grants

Level I Establishment Grants: Thirty-four States and the District of Columbia

State	Grant Amount	State	Grant Amount
Alabama	\$8,592,139	Minnesota	\$4,168,071; \$26,148,929
Arkansas	\$7,665,483	Mississippi	\$20,143,618
Arizona	\$29,877,427	Missouri	\$20,865,716
California	\$39,421,383	Nebraska	\$5,481,838
Colorado	\$17,951,000	Nevada	\$4,045,076; \$15,295,271; \$4,397,926
Connecticut	\$6,687,933	New Jersey	\$7,674,130
Delaware	\$3,400,096	New Mexico	\$34,279,483
District of Columbia	\$8,200,716	New York	\$10,774,898; \$48,474,819
Hawaii	\$14,440,144	North Carolina	\$12,396,019
Idaho	\$20,376,556	Oregon	\$8,969,600; \$6,682,701
Illinois	\$5,128,454; \$32,789,377	Pennsylvania	\$33,832,212
Indiana	\$6,895,126	Rhode Island	\$5,240,668
Iowa	\$7,753,662	South Dakota	\$5,879,569
Kentucky	\$7,670,803; \$57,896,810	Tennessee	\$1,560,220; \$2,249,945; \$4,300,000
Maine	\$5,877,676*	Vermont	\$18,090,369
Maryland	\$27,186,749	Washington	\$22,942,671
Massachusetts	\$11,644,938	West Virginia	\$9,667,694
Michigan	\$9,849,305		

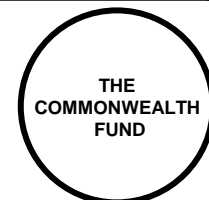
Level II Establishment Grants: Two States

Rhode Island	\$58,515,871	Washington	\$127,852,056
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*State of Maine notified HHS that it decided against developing a state exchange and would not utilize its grant.

Source: Healthcare.gov Fact Sheet, *Creating a New Competitive Marketplace: Affordable Insurance Exchange Establishment Grants Awards List*, Updated May 16, 2012,

<http://www.healthcare.gov/news/factsheets/exchanges05232011a.html>.




State Action Addressing the Early Market Reforms

As of January 2012

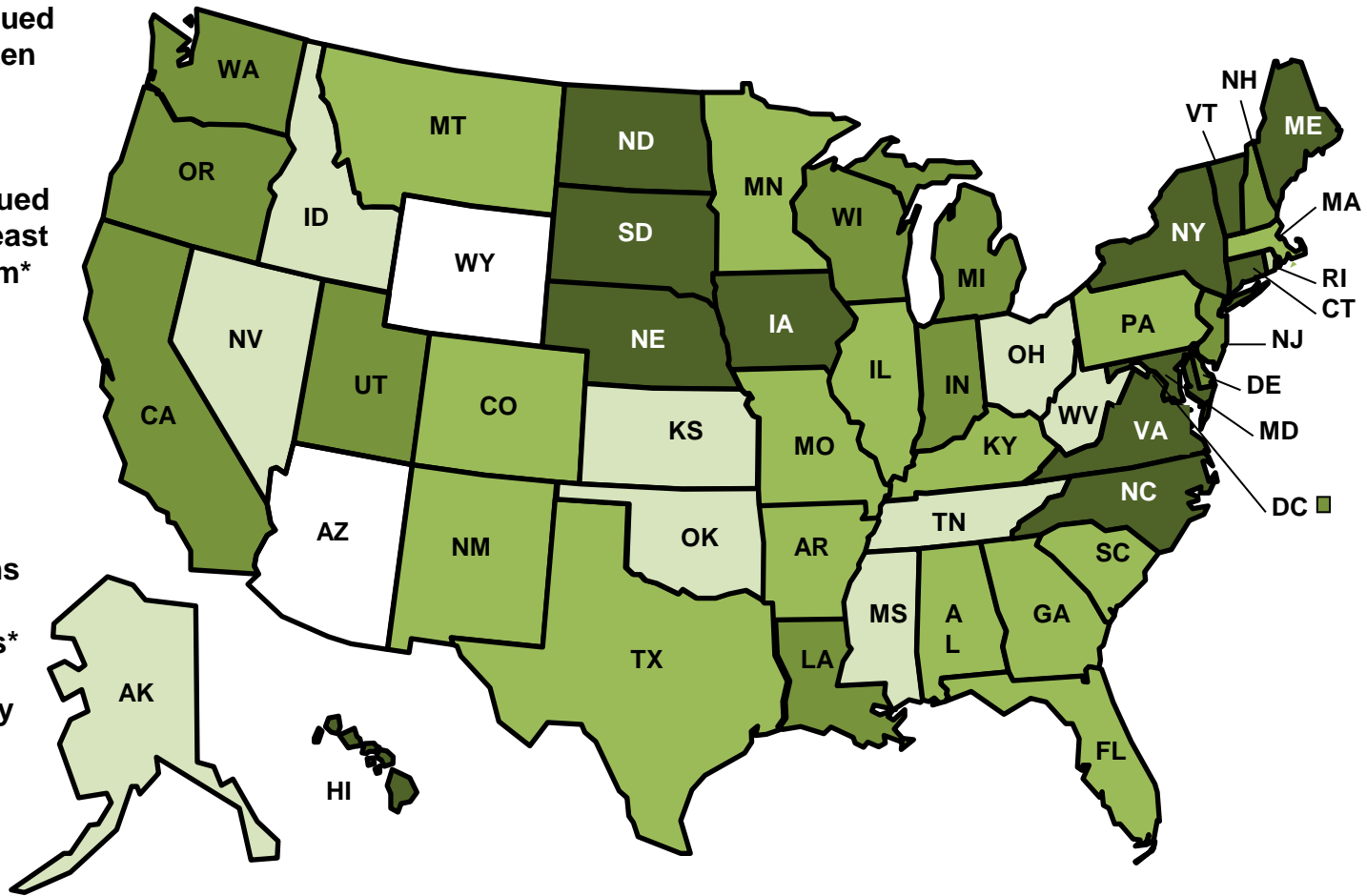
 Passed new law or issued new regulation on all ten early market reforms*

 Passed new law or issued new regulation on at least one early market reform*

 Issued subregulatory guidance on early market reforms*

 Took no official action on early market reforms but is reviewing insurance policy forms*

 Took no action on early market reforms*



*States may have existing state law (which is not reflected in the exhibit) that could be consistent with the federal early market reforms. If state law is consistent with an early market reform, the state may have decided not to address a particular early market reform provision in its laws, regulations, or guidance.

Source: K. Keith, K. W. Lucia, and S. Corlette, Implementing the Affordable Care Act: State Action on Early Market Reforms, The Commonwealth Fund, March 2012.

Premium Tax Credits and Cost-Sharing Protections Under the Affordable Care Act

Poverty level	Income	Premium contribution as a share of income	Out of Pocket limits	% Medical Costs Covered On Average: Silver plan
100% - 132%	Single: <\$14,856 Family: <\$30,657	2% (or Medicaid)	Single: \$1,983 Family: \$3,967	94%
133%- 149%	Single: \$14,856 - <16,755 Family: \$30,657 - <34,575	3.0%–4.0%		94%
150%–199%	Single: \$16,755 - <22,340 Family: \$34,575 - <46,100	4.0%–6.3%		87%
200%–249%	Single: \$22,340 - <27,925 Family: \$46,100 - <57,625	6.3%–8.05%	Single: \$2,975 Family: \$5,950	73%
250%–299%	Single: \$27,925 - <33,510 Family: \$57,625 - <69,150	8.05%–9.5%		70%
300%–399%	Single: \$33,510 - <44,680 Family: \$69,150 - <92,200	9.5%	Single: \$3,967 Family: \$7,933	70%
400%+	Single: \$44,680+ Family: \$92,200+	—	Single: \$5,950 Family: \$11,900	—

All Plans Cover Essential Health Benefit Package at Four Levels

of Cost-sharing: 1st tier (Bronze) actuarial value: 60%
2nd tier (Silver) actuarial value: 70%
3rd tier (Gold) actuarial value: 80%
4th tier (Platinum) actuarial value: 90%

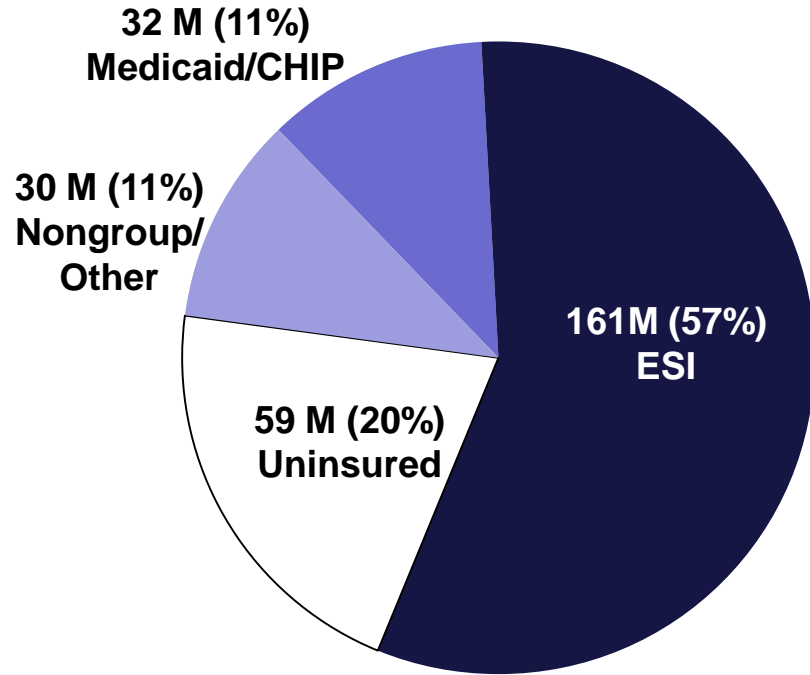
Catastrophic policy with essential health benefits package available to young adults and people whose premiums are 8%+ of income

Note: Premium and cost-sharing credits are for silver plan.

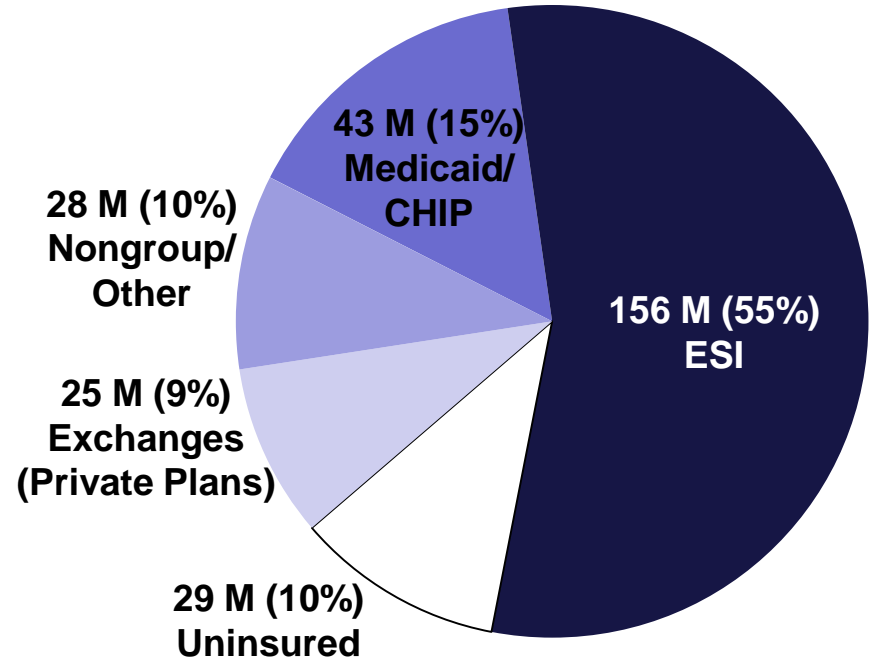
Source: Federal poverty levels are for 2012; Commonwealth Fund Health Reform Resource Center: What's in the Affordable Care Act? (PL 111-148 and 111-152), <http://www.commonwealthfund.org/Health-Reform/Health-Reform-Resource.aspx>.



Source of Insurance Coverage Pre-Reform and Under Affordable Care Act, 2020



Under Prior Law



Affordable Care Act

Among 282 million people under age 65

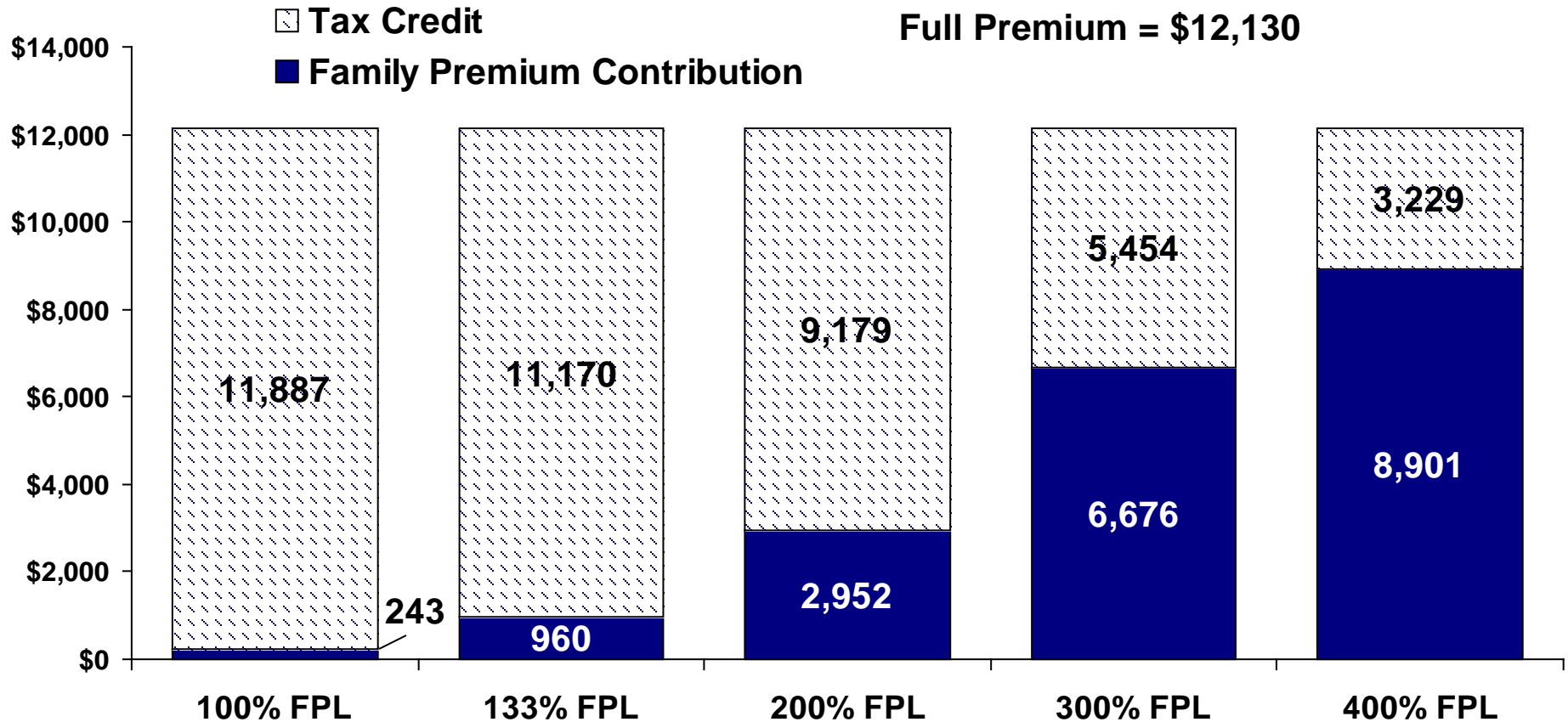
* Employees whose employers provide coverage through the exchange are shown as covered by their employers. Note: ESI is employer-sponsored insurance; "Other" includes Medicare.

Source: Congressional Budget Office, CBO and JCT's Estimates of the Insurance Coverage Provisions of the Affordable Care Act Updated for the Recent Supreme Court Decision, July 2012. <http://www.cbo.gov/sites/default/files/cbofiles/attachments/43472-07-24-2012-CoverageEstimates.pdf>



Annual Premium Tax Credit and Contribution by Families in Exchanges *

Annual premium tax credit and premium contribution by family



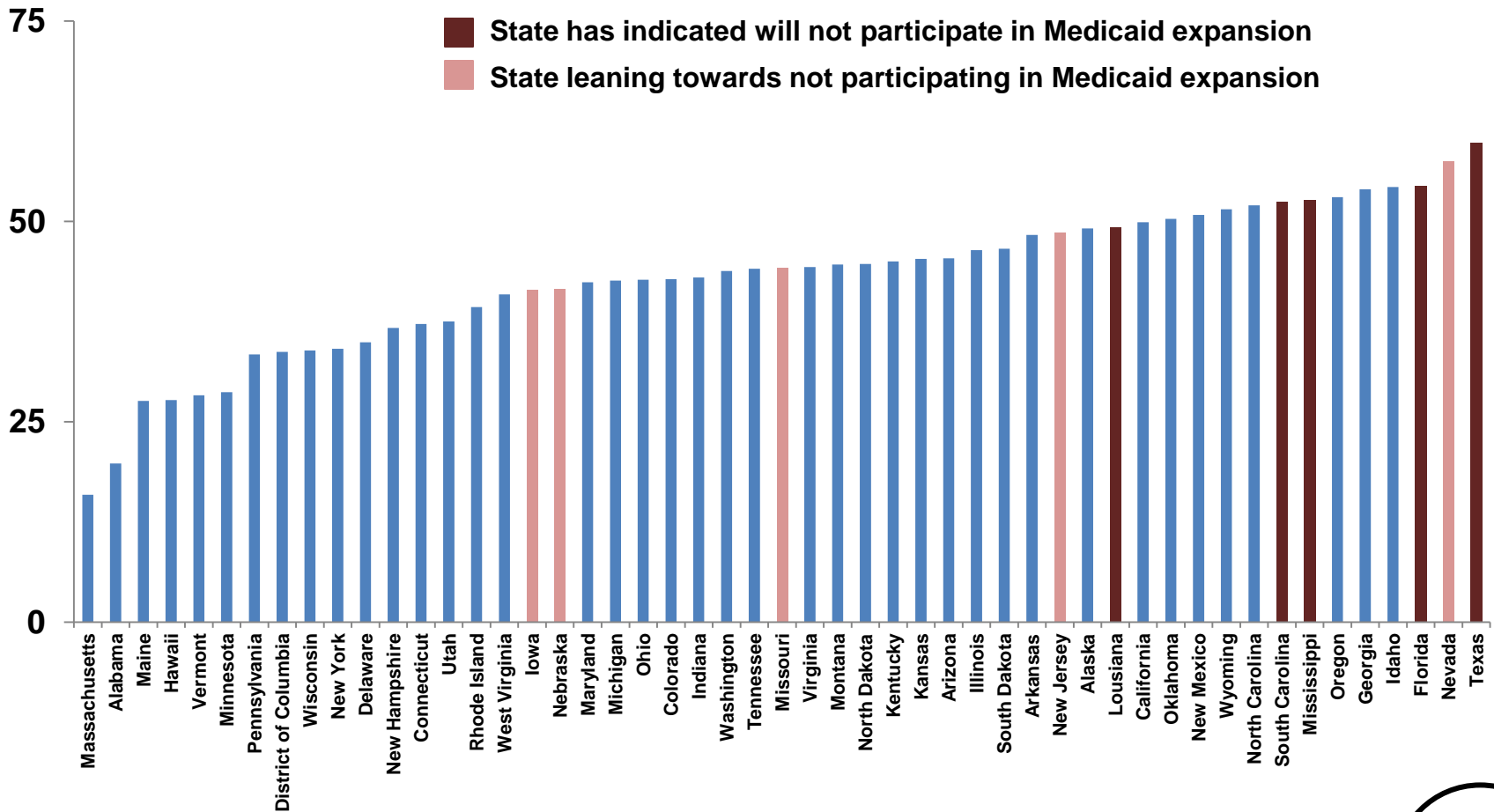
* For a family of four in a medium-cost area in 2010 (age 40). Premium estimates are based on an actuarial value of 0.70. Actuarial value is the average percent of medical costs covered by a health plan. FPL refers to Federal Poverty Level.

Source: Premium estimates are from Kaiser Family Foundation Health Reform Subsidy Calculator – Premium Assistance for Coverage in Exchanges, <http://healthreform.kff.org/Subsidycalculator.aspx>.



Nearly Half of Adults ages 19-64 With Incomes Under 100% Poverty are Uninsured Nationally

Percent of those <100% FPL who are uninsured, ages 19-64



Note: FPL refers to Federal Poverty Level

Source: American Health Line <http://ahlalerts.com/2012/07/03/medicaid-where-each-state-stands-on-the-medicaid-expansion/>

Accessed July 16, 2012. Analysis of March 2011 Current Population Survey by N. Tilipman and B. Sampat of Columbia University for The Commonwealth Fund.



Looking Forward: Key Implementation Issues

State Health Insurance Exchanges – Open Enrollment Begins October 2013

- **Next steps for state and federal governments**
 - 14 states and D.C. with authority to establish exchanges
 - Additional states to pursue state-run exchanges or partnership models
 - Identification of essential health benefit package
 - State implementation of 2014 insurance market reforms
 - Remaining federal rule-making and guidance
 - Establishment of federal exchanges

Medicaid Expansion – Aftermath of the Supreme Court Decision

- **State participation and implications for:**
 - Coverage of lower income families
 - Exchange enrollment, affordability, and federal premium tax credits
 - Providers, especially safety-net
 - State and local government spending on Medicaid and uninsured
- **Federal and state policy options if state participation is delayed**

