The Affordable Care Act

Recent Developments

By David Valent, Esq.

Provided herein is an update and analysis of recent developments regarding the Affordable Care Act ("ACA").

Status of Open Enrollment for 2015 Coverage

Open enrollment for individuals to find health insurance on the federal health insurance exchange, aka “marketplace,” began on November 15, 2014. Open enrollment will close on February 15, 2015. If an individual is looking for health coverage in 2015, through a private health insurance plan available under the ACA, coverage must be obtained by Feb. 15. Only those individuals who have special qualifying events can obtain coverage for 2015 after this date. For more information on the private health insurance options available under the ACA, please direct your patients to: www.healthcare.gov.

For those individuals who remain uninsured in 2015, the government penalty/tax is higher than it was for 2014. It is now 2% of your income or $325 per adult/$162.50 per child, whichever is more—but not to exceed $975 per family, per year.

Recent reports suggest that in the first week of open enrollment (starting Nov. 15) approximately 460,000 individuals nationwide selected health insurance plans through healthcare.gov. Of that number, approximately 222,000 were first-time enrollees in the insurance marketplace. The other approximately 240,000 individuals were returning to healthcare.gov to obtain coverage for a second year in a row. The Department of Health and Human Services touts this as a “solid start” to enrollment for 2015.

It should further be highlighted that this open enrollment period applies only to health insurance obtained through the federal marketplace. Many states, such as Ohio, also have expanded Medicaid options under the ACA.

An individual may apply for Medicaid or coverage through the Children’s Health Insurance Program (CHIP) at any time during the year, if the individual/family is qualified to obtain coverage. Your Ohio patients can learn more about whether they qualify for Medicaid and/or can apply for Medicaid at: www.benefits.ohio.gov. For those interested in obtaining Medicaid coverage by January 1, 2015, applications must be submitted and approved by December 15, 2014.

Uninsured Still Unaware

According to a poll released in November 2014, the Kaiser Foundation reported that approximately 90% of uninsured individuals recently surveyed were unaware of the current open enrollment deadlines that apply to individuals seeking health insurance through the ACA online marketplace. Despite not knowing of these important deadlines, 70% of the uninsured individuals agreed that “health insurance was something they needed.”

The comparison of these numbers brings light to the fact that further education is needed to help inform the public of these deadlines. Indeed, a primary goal of the ACA was to significantly reduce the number of uninsured Americans, by creating better access to health insurance, and by making insurance more affordable. At least according to this recent Kaiser Foundation study, those who are uninsured remain undereducated with regard to the options available for obtaining health insurance coverage.

ACA Insurance Marketplace for Ohioans

In 2015, 16 insurance carriers will sell individual private insurance plans to Ohioans through the federal marketplace at: healthcare.gov. This is an increase from only 12 carriers in this market space in 2014. As such, for Ohioans, their insurance options under the ACA are expanding this year.

Heading into the new year, Ohioans are expected to again turn out in large numbers to take advantage of those health plans offered under the ACA. In 2014, Ohioans represented nearly 3% of the total private plan enrollees, in states using healthcare.gov.

Based on numbers release from the first week of open enrollment, it appears that Ohio is on at least the same pace for enrollment as last year. It is estimated that nearly 16,000 Ohio residents have already enrolled, during the first week of open enrollment.

For 2014, it is estimated that approximately 646,000 Ohioans obtained health insurance coverage through the ACA marketplace.

With some new options being offered for Ohioans, the Ohio Department of Insurance has announced that the overall average cost of the plans available under the ACA will increase in Ohio by 12% for 2015—and by 5% nationwide. That said, certain coverage plans are available, particularly including some of the most popular Ohio plans that will actually see a decrease in premium costs for 2015.

To the extent it is beneficial for you to understand the options available to your patients, the benchmark plan for a 40-year-old non-smoker, will cost on average $247/month in 2015. This amount is down $2, from $249, in 2014. Thus, while the overall average cost of the plans available is rising, you can calm your patients by letting them know that many of the most popular plans are actually dropping slightly in price.

Continued Challenges Expected In 2015

As the ACA remains a reality impacting patients and providers alike, we can continue to anticipate opposition to the law in the new year.

Indeed, in recent weeks, the House Republicans sued President Obama over the ACA—arguing that he exceeded his executive authority, specifically with regard to delaying a section of the health law that requires large employers to provide health insurance coverage to their employees, or face a penalty.

The ACA mandated that beginning in 2014 employers with 50 – 99 employees must offer health insurance to its full-time workers or pay penalty. The Obama Administration however delayed the implementation of that controversial aspect of the law until 2016. The recent lawsuit filed against Obama takes the position that the Constitution does not permit this type of modification to the law—as it exceeds Executive Branch authority. Although the House Republicans may in fact prefer the mandate be delayed and/or never go into effect at all—they are nonetheless challenging the President’s use of power on this issue.

This recent lawsuit is yet another attempt aimed at trying to defeat the ACA that has now become a reality impacting so many facets of our healthcare system. While the ACA’s full impact is not yet realized in our healthcare system, whether it is for better or worse, it is certain that the law will continue to be under a microscope in 2015. This is true particularly in light of the changes in political powers in Congress during the recent midterm elections.

For further information regarding the ACA and/or issues that may be specific to your practice, please do not hesitate to contact David A. Valent, Esq. at Reminger Co., LPA: 216-430-2196, dvalent@reminger.com, 101 Prospect Ave. W, Suite 1400, Cleveland, Ohio 44115.

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