

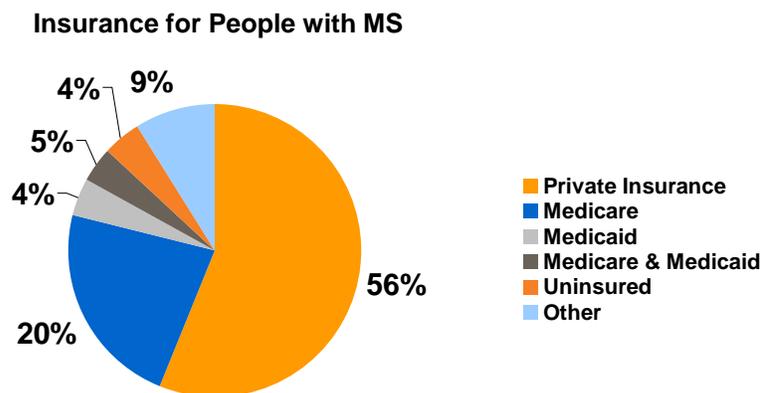


National
Multiple Sclerosis
Society

The Impact of Health Insurance on Career Decisions

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Primary Source of Coverage for People with MS Before the ACA



Source: Iezzoni & Ngo. Health, disability and life insurance experiences of working-age persons with multiple sclerosis. *Multiple Sclerosis* 2007; 13:534-546.



Coverage status among people with MS, 2006

- **People with MS more likely to have health insurance than the general population**
- **BUT they experience major problems in several ways**
 - Risk of falling through the cracks, becoming un-insured high
 - Transitioning from one source of coverage to another possible with knowledge of insurance laws (COBRA, HIPAA, Medicare) and enough money to pay premiums
 - Significant risk of being under-insured, medically bankrupt high



Affordable Care Act Brings Major Improvements in Coverage

- **Denials of coverage based on pre-existing conditions prohibited for all as of January 2014**
- **Medicaid as safety net more accessible**
- **Consumer protections prohibit worst insurer practices**
 - No rescissions other than non-payment or fraud
 - No lifetime caps on benefits, annual benefit caps minimized
 - Premiums subject to new standards: 80/20 rule, rate increases must be justified
 - 'Plain language', standardized glossary and use of terms make coverage easier to use



Employer- Based System *Before* Healthcare Reform

- **Employers determine eligibility rules for workers and their families**
 - Larger employers historically offered coverage, especially in white collar jobs, but percentage declining
 - Smaller employers less likely to offer coverage due to cost, often limited with few protections for workers
 - Those ineligible for group coverage suffered worst consequences because health insurers free to deny or limit coverage to individuals, charge unlimited premiums
 - Federal laws COBRA HIPAA provided ability to stay covered after leaving group coverage *IF* you knew how to use them and could afford 100% of premiums during COBRA



Employer- Based System *After* Healthcare Reform

- Employers still not *required* to provide coverage, but more likely to do so – we hope
- Large employers (50 or more) penalized if employees must buy their own coverage to comply with federal “individual mandate”
- Smaller employers incentivized to offer coverage through tax advantages, subsidies
- Uncertainty about how many employers will cover spouses ???
- COBRA still needed to avoid loss of coverage during transition from one group plan to another, or face tax penalty if un-insured for more than three months
- FMLA guarantees job and benefits secure for up to 12 weeks of unpaid medical leave per calendar year for worker, caregivers



What benefits will be covered?

- NEW individual and small group health plans must cover “essential health benefits”
- New standards for minimum coverage
- Generally, like a typical employer-based plan today
- But today’s trends also continue:
 - Higher deductibles and use of high deductible plans with health savings accounts
 - More cost-shifting to enrollees
 - But major preventive services covered with no deductible, copays
 - Wellness programs may provide further savings
 - Value-based insurance designs may benefit some too



Understanding your costs

PREMIUMS

- employees’ portion of job-based coverage; or
- up to 100% for individual coverage

DEDUCTIBLE-

- increasing use of high deductible health plans with health savings accounts

COPAYS, CO-INSURANCE, UN-COVERED BENEFITS, OUT-OF- NETWORK USE

LIMITS

- No premium limits for employees’ share
- tax credits for individual policy if income at/below 400% FPL
- Cap on small group deductible amount
- Caps on annual out-of-pocket costs varied



Bottom lines

Health insurance accessible to all, risk of being un-insured gone Employers more likely to provide coverage to workers, some uncertainty about spouses

- Any **not** eligible for employer coverage can buy their own with no limits on pre-existing conditions
- Premium tax credits create sliding scale for premiums for incomes from 138% to 400% of FPL
- Medicaid as safety net for those at/below 138% (in all states?)
- Medicare eligibility unchanged: age 65 and up, or on SSDI for 24 or more months

But risk of being under-insured still great



Your planning opportunities

- **Plan ahead for changes in coverage**
 - Use COBRA to stay covered after leaving group coverage
 - After three months, can buy individual policy through insurance exchange with premium subsidy if needed
 - Young adults can stay on parents' group plan to a 26
- **Plan for the longer term too –**
 - Life, long term, and private disability insurance un-changed by ACA
 - ALWAYS accept any employer or group offer for disability, LTC coverage immediately to avoid more medical underwriting
 - Understand implications of early retirement, plan wisely



Demand the best value from coverage and care

- Only use out-of-network providers when absolutely necessary
- Use generic drugs whenever possible
- Take advantage of preventive and wellness benefits
- Be an informed healthcare consumer regarding the use of all health services
- When and what is 'medically necessary', effective, too little or too much? (sometimes insurers are right!)
- Understanding your coverage and costs will be easier
- Demand, expect transparency
- Use your appeal rights effectively

