



Update on the Affordable Care Act (a.k.a. Obama Care) – November 2013

Here are a few important issues regarding the ACA that are likely to impact you now. You've heard it said, "The only thing constant is change itself," and that applies to many aspects of the ACA. What we know today is different from a week ago, and we expect the rules and regulations to remain very fluid for some time to come.

- Important Dates: Non-grandfathered plans must meet the new requirements of the ACA starting January 1, 2014. If you want coverage to start January 1, 2014, applications need to be in to us before December 15, 2013. Open enrollment continues until March 31, 2014. Once the initial open enrollment ends March 31, 2014, unless you have a special qualifying event, you will not be able to make changes to your plan until the open enrollment for 2015.
- The recent announcement by the Obama Administration giving States and carriers the option of allowing you to keep your current plan may be too late as carriers have been scrambling to meet the changes. In addition, California has stated that they will not allow it.
- Clients enrolled in grandfathered plans (those which were started before March 24, 2010) and have not had substantial changes, likely will be receiving 2014 rate increase notices. Regardless, in most cases, it may be best to hang on to what you have.
- Like the federal exchange, the California exchange (Covered California) has experienced problems and on-line applications are proving difficult to utilize and in many cases are untraceable. Unless you are eligible and want to claim an individual tax credit or subsidy, you do not need to apply for medical plans through Covered California.
Are you subsidy eligible? Individuals and families making less than 138% of the Federal Poverty Level will be eligible for Medi-Cal in California. For those between 138% and 400% of the poverty level, tax credits and/or subsidies are available. For example, an individual with expected 2014 income of \$45,960 or less will qualify for assistance, as will a family of 4 making \$94,200 or less. Individual tax credits are applied immediately to reduce the insurance premiums. Income estimates are verified using 2012 tax data and you must notify the government promptly if expected 2014 income changes. When your tax return is filed, the actual income is rectified against your credit/subsidy. See https://www.coveredca.com/PDFs/English/Covered_California_Getting_Financial_Help_fact_sheet_English.pdf for more.
- Coverage can be purchased in or out of the exchange through us but due to the problems, we will work outside the exchange unless it appears you qualify for a subsidy. It does not cost more to use an agent and for similar plans in/out of the exchange, the premiums are the same. Simply call us and we can help you select a subsidized or a non-subsidized plan.

- **When considering a new plan:**

- 1) Do you need or want access to a Sutter, U.C., or other favorite facility? Let us know.

- 2) Speak with us to narrow down your choice of plan(s) for 2014. HMO's, PPO's, EPO's?

Are you willing to consider high deductible lower premium plans?

- 3) Verify if your doctor is in the network. You can do this on the various carrier websites or you may call the carrier direct. Networks are now plan and network carrier specific. See links below.

Some links to help determine whether your provider is part of the network for your 2014 medical plan:

Anthem Blue Cross - <https://www.anthem.com/ca/health-insurance/home/overview>

On the right hand side of the screen you will see: **Find a Doctor Alert!**

PLEASE READ BELOW, click on doctor finder. Click on the county you live in. A list will load. Hit Ctrl F on your key board. A small blue box will pop up in right corner, type in doctors last name, hit next. A blue outline will appear around any doctors with that last name, double click and it will enlarge list.

Blue Shield - <https://www.blueshieldca.com/fap/app/search.html>

The EPO health plans offered by Blue Shield use the Exclusive EPO Provider Network.

This network consists of participating doctors and hospitals. Visit

<https://www.blueshieldca.com>. Under/fap/app/search.html to see if your providers are in the network. As networks are plan specific, please be sure you know which plan you are considering before you sign into the Provider Finder. Under Select a plan, choose the 2014 Individual and Family EPO Network. You can then choose any sub plan.

The PPO Health Plans offered by Blue Shield use the Exclusive PPO Provider Network.

The network consists of participating doctors and hospitals. Visit

<https://www.blueshieldca.com> Under/fap/app/search.html to see if your providers are in the network. As networks are plan specific, please be sure you know which plan you are considering before you sign into the Provider Finder. Under Select a plan, choose the 2014 Individual and Family PPO Network. You can then choose any sub plan.

Health Net - <https://www.healthnet.com/portal/providerSearch.action>

Be sure you select the 2014 Individual and Family PPO options under the select a plan drop down box.

- Applications available on our Mitchell and Mitchell website:

http://www.mitchellandmitchell.com/california_medical_coverage/default.aspx

- The provider networks for non-grandfathered ACA compliant medical plans will be significantly different in 2014. This means the doctor and hospital in your current network may not be in the new networks. For example, it is our current understanding that non-grandfathered Anthem Blue Cross plans will no longer have access to the Blue Card System, and therefore, you will only be able to access Blue Card emergency care when you are out of state.

- We in the broker community are extremely busy due to the changes and technical problems California, the Federal government, and the carriers are experiencing, but are doing our best to take care of all our clients and requests. Please be patient but also know that individual policies must be applied for by December 15, 2013 in order to have January 1, 2014 effective dates.
- If you have a non-grandfathered plan, you should have received a letter from your carrier which “maps” you into an ACA compliant plan effective January 1, 2013. If you have been mapped to an EPO (Exclusive Provider Organization) plan, you should consider whether a PPO (Preferred Provider Organization) available to you makes more sense. Generally, if you need care outside of the EPO network, only emergency care is covered. This may have implications for family members traveling or living outside the EPO network area.
- Some of you are providing “stipends or extra funds” on a tax advantaged basis for your employees, allowing them to purchase their own individual medical plans. A recent IRS ruling seems to imply that those tax advantages will no longer apply, so you should talk to your tax accountant about these changes.

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