Navigating Health Insurance:
What Non-Profits Need to Know

Presented in partnership with NEW CANAAN COMMUNITY FOUNDATION

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Presented by Don Moyle
Founder and General Manager, Insurance Navigation
Health Insurance today:

“On-Exchange”          “Off-Exchange”

Health Insurance Mandate

Premiums, Subsidies & Out-of-Pocket Maximums

“SHOP”

Open Enrollment vs. Special Election Period

Provider Networks - Application Process

Tax Penalties

Group vs. Individual Coverage

Health Insurance today = Expensive and Confusing
Brave New World

How does this apply to non-profits?

• It depends on the entity
• Large groups have different needs than small groups
• Small groups: Do you “need” to offer health insurance?
• Financials matter – Health insurance is expensive
• Different organizations have different needs
• NEW! Group vs. Individual option
• Various approaches, new strategies available
A question for non-profits:

“To offer coverage or not to offer coverage…that is the question”

…and you have options
Some more detail: Small group

• A good selection of “small group” plans available
• Plan Tiers – Bronze, Silver, Gold, Platinum, but with varying plan designs *(8 insurers in CT, 100+ plans)*
• The “business entity” holds – and controls - the contract
• Benefits – and premiums – are slightly more robust than in the individual market
• SHOP Exchange & other platforms
  • CBIA
  • AccessHealthCT Small Biz*
  • Other “private” exchanges
Questions for non-profits to ask…

Do we need to offer benefits?

If so, which ones, and how?

How much will it cost?

Who manages the plan?

Do we want the obligation?

What about other benefits, such as dental?

Various options, creative approaches
Options in the individual market

“With the advent of the ACA, there are more options than ever for individual consumers – but navigating the choices can be a maze”

Peter Drucker
“On exchange” vs. “Off exchange”

- “On exchange”: AccessHealthCT (4 carriers, 38 plans)
- “Off exchange”: Go “direct” (8 carriers, 75+ plans)

The only reason to go through the exchange is if you qualify for a federal premium subsidy or HUSKY (Medicaid)

Applying through the exchange can be a detailed process – government programs / funding involved – but the “carrot” could be a significant cost reduction through tax credits

Applying directly with an insurance company is reasonably streamlined process – however you pay full price
A word on premium subsidies

Only available through the Exchange, based on 2015 income

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<th># People in Family / Household</th>
<th>Income* threshold</th>
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*Modified Adjusted Gross Income

Subsidies can range from $100 to over $2,000 per month!

Note: Premium Subsidies = Advanced Premium Tax Credits
Case Study #1: “On-exchange” broker-assisted review and application through AccessHealthCT:

- Client: Family of 3, parents age 55 and one child age 15; self-employed
- Expected 2015 income $70,000 (“MAGI”) - approved for a $958 per month Advance Premium Tax Credit
- Result: Enrolled in a United Healthcare Silver plan for $641 per month
- Total premium for this plan would have been $1,599 per month; the $958 federal premium subsidy reduces the billed premium to $641
Case Study #2: “Off-exchange” broker-assisted review of health plans available in the direct market:

• Client: Family of 4, parents age 50 and two children ages 12 and 14; currently between jobs

• Expected 2015 income is unclear and did not want to enroll in HUSKY. Their COBRA coverage costs $1,650 per month and they wanted to switch during Open Enrollment

• Result: Enrolled in an off-exchange ConnectiCare plan with a similar deductible for $1,028 per month

• The family was delighted to save $622 per month by shopping around
Glossary of Acronyms

**ACA** = Affordable Care Act (aka “Obamacare”)

**QHP** = Qualified Health Plan

**APTC** = Advance Premium Tax Credit (aka subsidy)

**EHB** = Essential Health Benefits

**HUSKY** = CT Medicaid Program

**QHP Issuer** = Health Insurance Company

**PDP** = Prescription Drug Plan (Medicare)

**MA** = Medicare Advantage Plan (aka “Part C” plan)
In closing…with Health Insurance...

“Everything’s changing…
...all the time”

Thank you!

Presented by:
Don Moyle - Insurance Navigation – dmoyle@insurancenav.com
203-966-7472