The Affordable Care Act Finally Unrolls the Carpet

How you can find health insurance coverage for 2014.

September 2, 2013 By Benjamin Ryan

The revolution has arrived. Since Congress passed the Affordable Care Act (ACA, or "Obamacare") in March 2010 and the Supreme Court validated most of the law in June 2012, the federal and state governments have been steadily laying the groundwork for a massive expansion of health insurance coverage. A signature goal is to greatly reduce the number of uninsured Americans, which in 2011 was a staggering 48.6 million, or 15.7 percent of the population.

The law requires all eligible Americans to obtain health coverage. In 2014, those who do not are subject to a fee of either $95 or 1 percent of their annual income, whichever is larger. The fee will increase significantly over the next few years. You may qualify for an exception, however.

The ACA is particularly game-changing for people living with the HIV, since almost 30 percent are uninsured and only 17 percent have private insurance.

Also, because the ACA requires insurers to provide coverage of certain preventative health screenings at no cost to the consumer, HIV screening now will be available for free.

As of October 1, the open enrollment period for the long-awaited Medicaid expansion and the new insurance marketplace private health plans has begun. Coverage will start as early as January 1, 2014 for people who enroll by December 15. For those with smaller incomes, subsidies will be available to help pay the monthly premium costs for the marketplace plans offered in each individual state. And for those who live in states that have decided to expand Medicaid (the Supreme Court gave states the option not to), most state residents who make less than 138 percent of Federal Poverty Level will qualify for the expanded system.

John Peller, vice president of policy at AIDS Foundation of Chicago, strongly cautions people with HIV, especially those who are eligible for a marketplace plan, to wait until mid-October to select a plan. He anticipates rumples such as computer glitches during the first couple of weeks of enrollment. Also, it may take time to bring up to speed those who are being trained to help people who are seeking new health coverage. However, Peller stresses that the federal government shutdown won't impact the health care reform rollout.

Peller says it is imperative that anyone with HIV find assistance choosing a plan because the AIDS Drug Assistance Program (ADAP) can only help cover costs for certain plans; it may take some time for experts to figure out which plans are included in this category. Be sure to connect with your local AIDS service organization for information on how you can get assistance.

Keep reading to get sense of what to expect for health coverage in 2014. You can click on any of the highlighted words for hyperlinks to more information and for other online resources.

Also, note that the ACA does not extend these insurance benefits to undocumented immigrants.

Where to begin:

A good place to start to learn about your options and to begin the application process is this website. The web site will ask you various key questions and will give you a sense of what your options are for health coverage. It will also link you to available information on your state's expanded Medicaid program and available marketplace plans.

What's your income? Do you qualify for Medicaid or private insurance?

Income is defined as your expected "modified adjusted gross income" in 2014. This is the last number on the first page of your 1040 federal tax return (a figure that factors in certain deductions such as business expenses), minus deductions such as IRA contributions, student loans and tuition. You'll have to estimate what you expect to make in 2014.

If your modified adjusted gross income is less than 138 percent of Federal Poverty Level (FPL)—in 2013, that's $15,856 for an individual and $26,951 for a family of three—then you most likely will qualify for the expanded Medicaid coverage and will no longer need an AIDS diagnosis to do so. (See this chart for 2013 FPL figures by family size, and then multiply the first column by 1.38. The 2014 figures, which will probably be somewhat higher, haven't been released yet.) However, you can only access expanded Medicaid if you live in one of the 25 states, including the District of Columbia, that have decided to expand Medicaid coverage. The states that haven't are largely those with Republican governors; Pennsylvania and Florida have not yet decided whether to expand.

If you live in a state that has not expanded its Medicaid program and you are otherwise eligible with an income less than 138 percent FPL, you are exempt from the fee charged to those who do not obtain insurance. Additionally, ADAP may be able to pick up the tab for a marketplace insurance plan for you. (See the section below on ADAP.)

Anyone younger than 65 who does not have access to insurance through Medicaid, Medicare or his or her employer may purchase one of various private health plans made available through the new health insurance marketplace system (sometimes known as "insurance exchanges"). To visit your state's marketplace website, click here.

How much will this cost me?

ADAP may help defray costs:

ADAP is known as “payer of last resort,” meaning that if there is any other source that can pay for health coverage for people with HIV, that source must be prioritized. Consequently, if you are currently receiving ADAP coverage, you may find yourself shifted into either an expanded Medicaid program or an insurance marketplace plan. However, ADAP may still be able to help pay for premiums or other cost sharing, such as co-pays, involved in your new health coverage.

Medicaid:

Cost sharing in Medicaid programs will vary state by state. Monthly premium charges are unlikely, and any out-of-pocket costs cannot exceed 5 percent of your annual family income. You can be charged up to $4 for medication on the state expanded Medicaid program’s list of preferred drugs, and up to $8 for non-preferred drugs. An outpatient visit to the doctor can cost up to $4 for those making less than 100 percent FPL and up to 10 percent of the cost Medicaid pays for the visit for those with incomes above 100 percent FPL. However, those with incomes below 100 percent of FPL cannot be denied services for their failure to pay.

Marketplace Plans:

Insurance exchange plans are priced on a “medal tier” system with each representing an average percentage of medical expenses consumers will be responsible for through cost sharing: bronze (60 percent average cost sharing), silver (70 percent), gold (80 percent) and platinum (90 percent). There are caps on cost sharing. The lower tiers will have smaller monthly premiums but will have higher cost sharing per service or treatment. Meanwhile the top tiers will have higher premiums and less cost sharing. So, in general, those people who have higher health expenses will likely pay less money overall if they choose a higher-tiered plan, and someone who rarely or never uses his or her health insurance would probably save the most with a bronze plan. A major exception is the fact that silver plans qualify some people for assistance with cost-sharing expenses (see below). Each plan will have an annual out-of-pocket expense cap.

If your adjusted gross income for 2014 is between 100 and 400 percent of FPL ($11,490 to $45,960 for an individual and $19,530 to $78,120 for a family of three), there will be tax credits available to subsidize your monthly premium in any of the plan tiers. You can have this credit paid directly to the plan to lower your monthly premiums, or you can receive the money in a lump sum when you file your 2014 taxes. However, if you select to have the credit paid directly to the plan and your 2014 income ends up being higher than what you estimated when you started the plan, you may wind up owing money back. To receive a rough estimate of your premium costs, factoring in a potential tax credit, use this calculator. For more information about this tax credit, click here.

For those with incomes up to 250 percent of FPL, marketplace plans must lower the cost for certain essential health benefits. For those in this income bracket who opt for the silver plan, there

also will be subsidies available to reduce the expense of any cost sharing.

Can I be charged more for having HIV or for other lifestyle factors?

Your health status will not change the cost of your marketplace insurance premium. Smoking, however, may subject you to very substantial surcharges—up to a 50 percent increase. Some states may have blocked the surcharge. (For information about quitting smoking, click here.) Marketplace plans can also charge higher premiums based on family size, age and location, but not for your sex.

Will I be rejected for coverage because I have HIV?

No. Starting January 1, 2014, it will be illegal for any insurer to deny coverage to anyone because of a pre-existing medical condition, or to cancel your insurance for any health problem that may arise. The ACA already prevents lifetime caps on insurance coverage, and now it will ban annual caps as well.

Will my plan pay for my antiretroviral regimen?

Each state has picked an existing "benchmark plan" off of which to base all of the marketplace plans' benefits and drug formularies in that state. In the case of HIV antiretrovirals (ARVs), it appears that most plans should cover a majority of the available drugs. By law, each plan will at a minimum have to cover at least one drug in each of four therapeutic classes: nucleoside reverse transcriptase inhibitors (NRTIs, or "nukes"), non-nucleoside reverse transcriptase inhibitors (NNRTIs, or "non-nukes), protease inhibitors (PIs) and "other," a category which includes Fuzeon (enfuvirtide), Isentress (raltegravir) and Selzentry (maraviroc). Depending on the formulary in each state's benchmark plan, the coverage will likely be far broader than just a single drug in each class.

The expanded Medicaid programs will operate their drug formularies similarly to the insurance marketplace plans.

Make sure get assistance picking a health plan!

The ACA provides funding to train people who will assist you in selecting a health plan. Make sure you get in contact with someone who is trained to help people with HIV. Your local AIDS service organization is a good place to start. Click here for more information on assistance, or check your state's insurance marketplace website.

What if I'm already covered through my employer or through Medicaid?

You can keep your same health plan. However, you may switch to an insurance marketplace plan if you like. For more information, click here.

Most traditional state Medicaid programs should remain the same.

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