Covered Clips

A Weekly Summary of News and Activities for the Cover Arizona Coalition

Weeks of November 16th – 30th

**Marketplace Enrollment, November 1 – December 12**

HHS

|  |  |
| --- | --- |
| **Week 6** | **Cumulative****Nov 1 – Dec 12** |
| Alabama | 88,108 |
| Alaska | 9,344 |
| Arizona | 94,928 |
| Arkansas | 26,608 |
| Delaware | 11,139 |
| Florida | 834,938 |
| Georgia | 229,552 |
| Hawaii | 8,060 |
| Illinois | 154,947 |
| Indiana | 73,943 |
| Iowa | 24,442 |
| Kansas | 50,000 |
| Louisiana | 88,175 |
| Maine | 37,210 |
| Michigan | 138,765 |
| Mississippi | 33,773 |
| Missouri | 129,536 |
| Montana | 25,103 |
| Nebraska | 43,944 |
| Nevada | 43,876 |
| New Hampshire | 21,277 |
| New Jersey | 121,592 |
| New Mexico | 22,440 |
| North Carolina | 280,080 |
| North Dakota | 9,344 |
| Ohio | 97,786 |
| Oklahoma | 58,621 |
| Oregon | 74,523 |
| Pennsylvania | 212,605 |
| South Carolina | 112,745 |
| South Dakota | 13,905 |
| Tennessee | 125,777 |
| Texas | 474,616 |
| Utah | 80,887 |
| Virginia | 178,465 |
| West Virginia | 15,615 |
| Wisconsin | 112,457 |
| Wyoming | 12,588 |

**Marketplace Consumers Given Extra 48 Hours to Sign Up for January 1 Effective Date**

Because of the unprecedented demand and volume of consumers contacting our call center or visiting www.HealthCare.gov, we are extending the deadline to sign-up for January 1 coverage until 11:59pm PST December 17. Hundreds of thousands have already selected plans over the last two days and approximately 1 million consumers have left their contact information to hold their place in line. Our goal is to provide access to affordable coverage, and the additional 48 hours will give consumers an opportunity to come back and complete their enrollment for January 1 coverage.

**Americans Who Don’t Buy Health Coverage Face Heftier Fine in ’16, Analysis Finds**

New York Times

Americans who remain uninsured in 2016 despite having the option of buying health coverage through an Affordable Care Act marketplace will owe an average tax penalty of $969 per household, a new analysis has found.

That amount is substantially higher than the average estimated penalty of $661 for those who went uninsured in 2015, according to the analysis by the [Kaiser Family Foundation](http://kff.org/). But it remains to be seen how effective the rising fine will be in persuading the roughly 10.5 million uninsured Americans who are eligible for marketplace coverage to buy it.

The health law requires people without [health insurance](http://topics.nytimes.com/top/news/health/diseasesconditionsandhealthtopics/health_insurance_and_managed_care/index.html?inline=nyt-classifier) to either pay a penalty when they file taxes or to claim an exemption. Last year, the penalty was $95 per adult or 1 percent of household income, whichever was greater. This year it is rising to $325 per adult or 2 percent of household income, and for 2016, it will increase to $695 per adult or 2.5 percent of household income.

Open enrollment for 2016 started on Nov. 1, and this week the Obama administration began stepping up efforts to draw attention to the growing penalty for those remaining uninsured. In a blog post on Monday, Kevin Counihan, chief executive of the federal insurance marketplace, stressed that the penalty was increasing.

“I believe your best option is to learn about the tax credits that are available and to visit Healthcare.gov to enroll in a plan,” Mr. Counihan wrote.

He also announced that a special enrollment period around the April 15 tax filing deadline would not be offered in 2016, as it was this year.

The administration has walked a fine line over the penalty — while it may motivate people to sign up for health insurance, it is also reviled. Tracking polls conducted by the Kaiser Family Foundation have consistently found the requirement to have health insurance or pay a fine to be the most unpopular part of the health law.

“It’s a conundrum for the administration,” said Larry Levitt, a senior vice president of the foundation. “It might be a great way of getting people signed up, but the politics aren’t good.”

Despite the growing penalty, the Obama administration’s stated goal for enrollment in marketplace plans next year is modest. Sylvia Mathews Burwell, the secretary of health and human services, has predicted that 10 million people would have marketplace coverage by the end of 2016, up only about 100,000 from recent levels. Millions of uninsured people can qualify for exemptions from the penalty, mainly because they are too poor to afford health insurance or because they live in a state that refused to expand [Medicaid](http://topics.nytimes.com/top/news/health/diseasesconditionsandhealthtopics/medicaid/index.html?inline=nyt-classifier) under the health law. The Kaiser analysis estimates that 78 percent of people who are uninsured and eligible for marketplace plans will be subject to the individual mandate penalty if they remain uninsured in 2016, and the rest will qualify for exemptions.

The analysis also found that for about 3.5 million of the remaining uninsured, who would qualify for generous federal premium subsidies, it would cost less to buy the cheapest category of marketplace coverage than to pay the penalty. But it pointed out that that level of coverage comes with high deductibles — the amount people have to pay for medical care before their coverage kicks in.

Kaiser’s calculations did not include uninsured people who are eligible for health benefits through an employer.

According to preliminary data from the [Internal Revenue Service](http://topics.nytimes.com/top/reference/timestopics/organizations/i/internal_revenue_service/index.html?inline=nyt-org), about 7.5 million Americans paid an average penalty of $200 in 2014 for going without insurance. An additional 12 million received exemptions. The penalty generally comes out of people’s tax refunds.

http://www.nytimes.com/2015/12/09/us/americans-who-dont-buy-health-coverage-face-heftier-fine-in-16-analysis-finds.html?emc=edit\_tnt\_20151209&nlid=58462464&tntemail0=y&utm\_campaign=KHN:+First+Edition&utm\_source=hs\_email&utm\_medium=email&utm\_content&tr=y&auid=16299958&\_r=0

**Health Choice Information on Healthcare.gov May Be Incorrect**

Health Choice

* Health Choice Insurance Co. offers quality physicians in our networks who will be there to serve our members.
* A listing of all Health Choice Insurance Co. network physicians can be found on our website at [www.HealthChoiceEssential.com/MyProvider](http://www.HealthChoiceEssential.com/MyProvider).
* Health Choice Insurance Co. enrollees may have seen some incorrect information on the Healthcare.gov website while they were enrolling that indicated that there was out-of-network coverage in addition to our in network benefits.  This information was displayed in error.
* No plan offered by Health Choice has an out-of-network coverage option (except for Emergency Services).
* If members wish to make a different plan selection because of this, they can do so before December 15, 2015 for coverage beginning January 1, 2016.
* Members with questions or concerns can call Health Choice Insurance Co.’s Member Services team, toll-free, at 855-452-4242.

**Marco Rubio Quietly Undermines Affordable Care Act**

The New York Times

A little-noticed health care provision that Senator [Marco Rubio](http://www.nytimes.com/interactive/2015/04/14/us/elections/marco-rubio.html?inline=nyt-per) of Florida slipped into a giant spending law last year has tangled up the Obama administration, sent tremors through [health insurance](http://topics.nytimes.com/top/news/health/diseasesconditionsandhealthtopics/health_insurance_and_managed_care/index.html?inline=nyt-classifier) markets and rattled confidence in the durability of [President Obama](http://topics.nytimes.com/top/reference/timestopics/people/o/barack_obama/index.html?inline=nyt-per)’s signature health law.

So for all the Republican talk about [dismantling the Affordable Care Act](http://www.nytimes.com/2014/11/07/us/politics/a-post-election-day-certainty-new-scrutiny-for-the-affordable-care-act.html), one Republican presidential hopeful has actually done something toward achieving that goal.

Mr. Rubio’s efforts against the so-called risk corridor provision of the health law has hardly risen to the forefront of the race for the Republican presidential nomination, but his plan limiting how much the government can spend to protect insurance companies against financial losses has shown the effectiveness of quiet legislative sabotage.

The risk corridors were intended to help some insurance companies if they ended up with too many new sick people on their rolls and too little cash from premiums to cover their medical bills in the first three years under the health law. But because of Mr. Rubio’s efforts, the administration says it will pay only 13 percent of what insurance companies were expecting to receive this year. The payments were supposed to help insurers cope with the risks they assumed when they decided to participate in the law’s new insurance marketplaces.

Mr. Rubio’s talking point is bumper-sticker ready. The payments, he says, are “a taxpayer-funded bailout for insurance companies.” But without them, insurers say, many consumers will face higher premiums and may have to scramble for other coverage. Already, some insurers have shut down over the unexpected shortfall.

“Risk corridors have become a political football,” said Dawn H. Bonder, the president and chief executive of Health Republic of Oregon, an insurance co-op that announced in October it would close its doors after learning that it would receive only $995,000 of the $7.9 million it had expected from the government. “We were stable, had a growing membership and could have been successful if we had received those payments. We relied on the payments in pricing our plans, but the government reneged on its promise. I am disgusted.”

Blue Cross and Blue Shield executives have warned the administration and Congress that eliminating the federal payments could have a devastating impact on insurance markets.

Twelve of the 23 nonprofit insurance cooperatives created under the law have failed, disrupting coverage for more than 700,000 people, and co-op executives like Ms. Bonder have angrily cited the sharp reduction in federal payments as a factor in their demise.

But Mr. Rubio is pressing forward, demanding a provision in the final spending bill now under negotiation that continues the current risk corridor restrictions, or even eliminates the program altogether. That enormous spending bill is being worked out as [Congress slides toward](http://www.nytimes.com/politics/first-draft/2015/12/07/congress-seeks-to-keep-momentum-ahead-of-funding-deadline/)a deadline of Friday, when much of the federal government’s funding runs out.

 “If you want to be involved in the exchanges and you lose money, the American taxpayer should not have to bail you out,” Mr. Rubio said on the Senate floor on Thursday.

A White House spokeswoman, Katie Hill, declined to offer the administration’s position on proposals that she said were still theoretical. “We are not going to weigh in on the possible inclusion of proposals floated by members of Congress” in potential legislation, she said.

Congress established the program in 2010 to protect insurers against the uncertainties they faced in setting the level of insurance premiums when they did not know who would sign up for coverage under the Affordable Care Act. Under the law, the federal government shares risk with insurers, limiting their gains and losses on insurance sold in the public marketplaces from 2014 through 2016. If consumer payments to an insurer exceed the company’s medical expenses by a certain amount, the insurer pays some of that profit to the government. But if premium payments fall short of medical expenditures by a certain amount, the insurer is eligible for payments from the government.

The hope was that payments into the program would be in balance with payments out, shielding taxpayers from responsibility.

Mr. Rubio latched on to the issue in late 2013, recognizing not only the importance of risk corridors to the operation of the Affordable Care Act but also the political potency of a program he labeled crony capitalism — putting taxpayers “on the hook for Washington’s mistakes,” as he said when he reintroduced his risk corridor bill in January.

The “bailouts” of big banks and other financial firms during the economic crisis of 2008 and the rescue of the Big Three automakers that year and the next remain politically unpopular.

Then the numbers rolled in from the insurance exchanges’ first year of operation: Losses were so steep that insurance-company requests for risk corridor payments were $2.9 billion, compared with only $362 million paid into the program by profitable plans.

Mr. Rubio says he “saved taxpayers $2.5 billion” — the difference between those two amounts — because his measure prevented the government from using other sources of money for the risk corridor payments.

The administration has repeatedly told insurers that it will explore other funding sources to keep its commitment to companies losing money in the exchanges, but Mr. Rubio effectively tied the hands of federal health officials this year.

Like many other observers of the health law, the Obama administration initially failed to appreciate the impact of the Rubio restrictions. Kevin J. Counihan, the chief executive of the federal insurance marketplace, told state officials in July that money collected from insurance companies would be “sufficient to pay for all risk corridor payments.” More recently, the administration consoled insurers by telling them that it would make additional risk corridor payments from money collected in 2015 and 2016.

But in a new report, the credit ratings agency Standard & Poor’s says that money will not be there.

Mr. Rubio says Mr. Obama compounded his problems by diverting risk corridor funds to quell a 2013 furor over canceled insurance policies. That year, the president announced that states could let insurers renew canceled plans and continue coverage for several years even if those policies did not meet the requirements of the federal health law.

Insurers were shocked by the sudden change. They had set 2014 premiums on the assumption that healthy people with old insurance policies would move into the new marketplace, but Mr. Obama allowed many of them to stay out. In a letter to state insurance commissioners in November 2013, the administration said “the risk corridor program should help ameliorate unanticipated changes in premium revenue.”

Five days later, Mr. Rubio introduced his bill to kill the risk corridor program.

Insurers now are lobbying to get more of the money they say they were promised, or to get relief in some other form.

Mr. Rubio has highlighted the role of [Marilyn B. Tavenner](http://www.nytimes.com/2015/07/16/us/ex-medicare-chief-marilyn-tavenner-top-lobbyist.html), the former Obama administration official in charge of rolling out HealthCare.gov who is now president of the trade group America’s Health Insurance Plans.

“The former Obama administration official who led the rollout of Obamacare’s exchanges and now runs the health insurance lobby is working with her White House allies to secure a new bailout by providing more funding for the law’s risk corridor program,” Mr. Rubio said last week.

Clare Krusing, a spokeswoman for the insurance group, said the federal payments were not a bailout for the industry, but a way of stabilizing the market and thus protecting consumers. “When health plans cannot rely on the government to meet its obligations,” she said, “individuals and families are harmed.”

<http://www.nytimes.com/2015/12/10/us/politics/marco-rubio-obamacare-affordable-care-act.html?hp&action=click&pgtype=Homepage&clickSource=story-heading&module=second-column-region&region=top-news&WT.nav=top-news>

**HHS Guidance on State Waivers Sets Strict Rules Preventing Limited or Expensive Coverage**

Modern Healthcare

HHS is working to ensure that the poor maintain coverage in states that end up seeking a 1332 waiver through new guidance posted Friday.

According to a statute in the Affordable Care Act, beginning Jan. 1, 2017, states can request that the federal government waive basically every major coverage component of the ACA, including exchanges, benefit packages, and the individual and employer mandates.

In the [19-page final guidance](https://www.federalregister.gov/articles/2015/12/16/2015-31563/guidance-waivers-for-state-innovation), HHS clearly states it would deny any proposals that would result in loss of coverage, especially to the most vulnerable populations such as low-income and elderly individuals, those with serious health issues or those susceptible to developing serious health issues.

The language for the waivers was written by Sen. Ron Wyden (D-Ore.), who aimed to let states keep ACA funds while creating a more customized approach to coverage for their residents.

“Today, HHS has taken an important step to support states that want to use State Innovation Waivers to tailor their health programs to best serve their constituents,” Wyden said in a statement after the guidance was released. “When I authored this provision, the intent was clear: allow states to innovate while still achieving the objectives of the Affordable Care Act—to bring high-quality, affordable healthcare to millions of Americans who previously did not have access.”

Arkansas, California, Hawaii, Massachusetts, Minnesota, New Mexico and Rhode Island have already expressed some interest in seeking a 1332 waiver.

HHS will approve a waiver if it finds that it would provide coverage to a comparable number of residents of the state as would be provided coverage absent the waiver, would provide coverage that is at least as comprehensive and affordable as would be provided absent the waiver, and would not increase the federal deficit.

If the waiver is approved, the state may receive funding equal to the amount of forgone federal financial assistance that would have been provided to its residents pursuant to specified ACA programs, according to the guidance.

To meet the affordability requirement, healthcare coverage under the waiver must be as affordable overall for state residents as coverage absent the waiver. The aim of this is to prevent excessive cost-sharing from being imposed on beneficiaries.

A 1332 waiver can not decrease the amount of people receiving the 10 essential health benefits as outlined in the ACA, and it cannot reduce the amount of people in Medicaid or the Children's Health Insurance Program.

HHS informed states relying on HealthCare.gov to enroll people into coverage that the federal platform cannot accommodate different rules for different states.

For example, waivers that would require changes to the calculation of exchange financial assistance, for example, would not be feasible due to operational limitations, the waiver said.

The guidance also appears to forbid a state from getting rid of the individual or employer mandate, noting that “certain changes that affect Internal Revenue Service administrative processes may make a waiver proposal not feasible to implement.”

“At this time, the IRS is not generally able to administer different sets of rules in different states,” the guidance adds.

http://www.modernhealthcare.com/article/20151211/NEWS/151219956?utm\_source=modernhealthcare&utm\_medium=email&utm\_content=20151211-NEWS-151219956&utm\_campaign=am

**Tobin Lands Third Agency Director Post of 2015**

Ducey today named Andy Tobin as the interim superintendent of the Dept of Financial Institutions. This marks the third time this year that the governor has tapped the former House speaker to run an agency. Tobin initially joined the administration as Weights and Measures director and was later named Dept of Insurance director. At Weights and Measures, Tobin spearheaded Ducey’s push to abolish the agency and farm out its duties to other departments. A similar effort could be underway at DFI, as some railbirds expect it and DOI to be combined in the near future. Ducey has touted agency consolidation as a way to streamline government, but Scarpinato declined to comment on whether Tobin’s appointment is a sign of a pending consolidation of DOI and DFI. “We’re always going to look for ways to make government more efficient. But no determinations have been made here,” Scarpinato said. Dept of Agriculture Director Mark Killian is heading up Weights and Measures as the agency phases out. The agriculture department is also absorbing many of Weights and Measures’ responsibilities. Tobin replaces Lauren Kingry, who resigned after nearly six years as DFI superintendent. Brewer appointed Kingry to the post in 2010.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Have something you want us to possibly add to next week’s newsletter? Email Kim VanPelt at kim.vanpelt@slhi.org.