The Affordable Care ACT (ACA)

Association of State and Territorial Dental Directors Webinar
Wednesday, November 20, 2013
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General Reminders

• This webinar will be recorded and archived on the ASTDD website;
• Questions will be addressed after the speakers are finished. Please type your question into the “chatbox” that will appear at the end of the webinar and then click on the bubble to the right of where you type your question to send it to the moderator;
• Please respond to the polling questions at the conclusion of the webinar.
Objectives

• Understand the dental provisions of the Affordable Care Act (ACA)

• Understand the key reforms made to dental coverage by the ACA

• Identify the key approaches through which dental coverage is addressed in the new health insurance marketplaces
Dental Coverage Under the ACA

ASTDD Policy Committee Webcast
November 20, 2013

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About CDHP

Children’s Dental Health Project

Mission:
Creating and advancing innovative solutions to achieve oral health for all children.

Our Approach:
1. Reduce dental disease burden
2. Improve access to high-quality dental care

Our Goals
• Prevent childhood tooth decay, because cavities are the result of a disease that is overwhelmingly preventable.
• Promote solutions that are grounded in the best available research and support exploration when evidence is lacking
• Engage policymakers and other decision-makers in addressing ongoing inequities in oral health and to implement cost-effective solutions.
Oral Health in the Affordable Care Act (ACA): What Congress Intended
Oral Health and the ACA

• Integrated, comprehensive plan to improve the nation’s oral health
• 23 provisions focusing on:
  – Prevention & health promotion
  – Coverage & financing
  – Delivery system/safety net
  – Infrastructure & surveillance
  – Workforce & training
Coverage: what Congress intended

- Expand dental coverage to nearly all children
- Make dental coverage an integral part of kids’ coverage
- Improve quality and affordability of dental care
- Make prevention-focused, science-based practice a priority
- Bridge the gaps between medical and dental care & providers
- Systematically bolster & improve the entire oral health care system
Essential Health Benefits:
Pediatric Dental Coverage
Essential Health Benefits (EHB)

- Covered by plans in:
  - New health insurance exchanges
  - Small group insurance market
  - Individual insurance market

- 10 **broad** categories of covered services
- Specific services not outlined
- State-selected benchmark plans dictate covered services
- If benchmark did not include pediatric dental state must supplement with either:
  - CHIP or FEDVIP dental benefit
EHB: Pediatric Dental Benefit

- **Category 10**: “Pediatric services, including oral and vision care”
- Part of a comprehensive children’s benefit
- Stand-alone dental plans may provide Exchange coverage
- If a stand-alone participates, Qualified Health Plans (QHPs) exempt from oral care requirement
- Statute treats pediatric dental benefits differently depending on issuer
How will dental coverage be available?

- Pediatric Essential Health Benefits
  - QHP Including Dental
    - Qualified Health Plan (QHP)
    - Contracted/Bundled Dental
  - Stand-Alone Dental
Who’s going to get coverage?
ACA Potential Enrollment Impact

Number of Children and Adults Gaining Dental Benefits Dues to ACA (millions)

- Medicaid Dental Benefits Gained - Emergency Only
- Medicaid Dental Benefits Gained - Limited
- Medicaid Dental Benefits Gained - Extensive
- Private Dental Benefits Gained Through HIXs
- Private Dental Benefits Gained Through ESI
- Medicaid Dental Benefits Eliminated Since 2010

Total: 17.7

Source: Milliman, Inc. analysis commissioned by the ADA; Analysis by the ADA Health Policy Resources Center.
Regulation & Implementation: It Gets Complicated
Major Reforms to Dental Coverage

Major Reforms:

• No annual and lifetime dollar limits
• Out-of-pocket (OOP) maximums
  – Federally-facilitated marketplaces (FFMs): $700/$1,400
  – State marketplaces can define
• Availability of child-only plans
• Availability of premium tax credits (up to 400% FPL)
• Network adequacy requirement
• Quality reporting requirement
Complicating Factors

- No requirement to purchase separate dental inside exchanges
- Outside exchange – QHPs must have “reasonable assurance” of purchase
- Cost-sharing reductions for low-income families don’t apply to stand-alone dental plans
- Regulations allow for separate but additional “reasonable” OOP max for stand-alone dental
  - Does not vary according to income
Premium Tax Credits

- Tax credits available for families up to 400% FPL
- Applicable to pediatric dental coverage
- Tax credit goes to insurers on behalf of enrollees
  - Goes to QHP first, residuals go to stand-alone dental plans
- **IRS Tax Credit Rule:** tax credit amount may be insufficient to cover cost of separate dental
How is the tax credit calculated?

• Tax credit is calculated based on the second-lowest cost silver plan in the Marketplace which may or may not include pediatric dental benefits.

• If second-lowest cost silver plan does not include pediatric dental, tax credit will not be sufficient to cover the cost of this coverage.

• Families purchasing silver-level health coverage and stand-alone pediatric dental coverage may receive a tax credit only large enough to cover the cost of health coverage.
Consumer Protections

• The ACA includes numerous market reforms for all benefits provided through a QHP.
• The ACA removes annual and lifetime dollar limits on health and dental coverage.
• Protections that apply to QHPs but not stand-alone dental plans:
  – Protection against denials for pre-existing conditions
  – Guaranteed issue/renewal
  – Fair insurance premiums (based only on age and geography)
  – Guaranteed premium rates
  – Right to external appeals process
Implications of Regulatory Approach

- Comprehensive benchmark plans
- Some standardization between state-based and FFMs
- Dental coverage not exactly mandatory
- OOP Max issues pose potential affordability barriers
- Tax credit issue could prevent many from purchasing
- Enrollment and outreach becomes complicated
State Decisions
Where States Stand

State, Partnership, or Federal Health Insurance Exchange?
Where States Stand So Far
(as of September 2013)

Key
- Green: 15 states and DC have been conditionally approved for a state-based exchange for 2014
- Orange: 6 states conditionally approved for a partnership exchange for 2014
- Yellow: 2 states will have a state SHOP and federally facilitated individual exchange
- Red: 27 states will have a federal exchange in 2014

KS, ME, MT, NE, OH, SD and VA will take on additional plan management functions in a "Marketplace Plan Management" model

Sources:
- State Refor(u)m Exchange Governance Chart http://statereform.org/exchange-governance-chart
- State Refor(u)m Exchange Blueprint Chart http://www.statereform.org/exchange-blueprint-chart
- State Refor(u)m Exchange Policy Decisions Chart http://statereform.org/exchange-policy-decisions-chart
State Decisions

• **State-based exchanges have broad flexibility in implementing the law**
  
  – What is the EHB benchmark for dental?
  – What types of plans can provide dental coverage?
  – Will plans include essential community providers in their networks? (e.g. community health centers)
  – Will families be required to purchase it?
  – Will adult dental be available and subsidized?*
  – What consumer protections will apply to dental?
  – How will families be informed of their choices?
  – Will Medicaid be expanded and will it include adult dental coverage?
State Decision Snapshots

- **California:**
  - State-based exchange
  - Dental benchmark: CHIP
  - Stand-alone dental only
  - $1,000 OOP max per child
  - No requirement to purchase
  - Nearly all consumer protections apply
  - Plan to revisit purchase requirement and offering of embedded dental benefits for 2015
State Decision Snapshots

- **Washington:**
  - State-based exchange
  - Dental benchmark: CHIP
  - Stand-alone dental only
  - $1,000 OOP max per child
  - Requirement to purchase
  - Most consumer protections do not apply
State Decision Snapshots

- **Connecticut:**
  - State-based exchange
  - Embedded and stand-alone dental available
  - No requirement to purchase stand-alone dental
  - OOP maximum varies by plan
  - Some consumer protections apply
  - Robust training of consumer Navigators on dental
What About Adults?
Medicaid Expansion

• States may expand Medicaid to adults up to 133% FPL
• Millions more adults on Medicaid but no guarantee of dental benefits
• Expansion provides Medicaid Benchmark benefits through one of:
  – FEHBP
  – State EHBP
  – Largest HMO
  – Secretary-Approved (may include adult dental)
Where do we go from here?
Approaching the Starting Line

• January 1 – marketplace coverage begins

• Between now and then, marketplaces will continue:
  – Training navigators & assisters
  – Ensuring IT systems are stable
  – Advertising & conducting outreach

• Monitoring success of implementation & identifying problem areas

• State and Federal fixes will need to be made over next 2 years
Helping families choose coverage

• **Factors to consider**
  – Covered services
  – Plan cost-sharing structures
  – Out-of-pocket (OOP) maximums
  – Cost-sharing reductions
  – Deductibles (especially in embedded plans)
  – Premium rates
  – Availability of tax credits
  – Consumer protections
Monitoring & Implementation

• **What questions should we ask?**
  – What is the consumer/family experience like?
  – Who’s purchasing coverage and why or why not?
  – What barriers are families encountering?
    • Affordability, lack of knowledge, too many choices?
  – Are provider networks sufficient?
  – Are children getting treatment?
  – How is integration of dental into health plans changing the coverage landscape?
  – What needs to change in order to achieve the triple aim?
What we’re seeing on the ground

• Most federally-facilitated marketplaces offer embedded and stand-alone coverage
• Enrollment data unclear at this point
• Navigators still undergoing dental-specific training in many states
• Stand-alone dental premiums vary widely from state to state
• Some states (Utah) lack adequate benefits
Issues on the Horizon

- Dental coverage in Medicaid expansion for adults (ongoing)
- Fixing dental affordability issues in ACA (ongoing)
  - Tax credits, OOP limit issues, etc.
- Fixing dental coverage gaps in ACA (ongoing)
- CHIP Funding/reauthorization (2015)
- Review of Essential Health Benefits (2016)
- ACA Quality measurement/reporting requirements (2016)
Questions?

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