

What is the Affordable Care Act (ACA)?

The Affordable Care Act (ACA), or Federal Healthcare Reform, is a federal statute that has grabbed headlines since its passing in 2010. ACA aims to extend health insurance to approximately 32 million uninsured Americans through healthcare reform. The law itself is very complicated and goes into effect through multi-year phased roll-out. To inform you of the potential impact on your healthcare benefits, OPSU Human Resources will provide a series of communications.

As stated, ACA provides for a multi-year phased roll-out. This roll-out of various requirements began in 2011. The following shows what has gone into effect thus far.

- Continued coverage
 - Young adults may stay on their parents' plans until age 26 regardless of student or marital status.
 - Insurance companies can no longer drop coverage over claims.

- No lifetime limits on Essential Health Benefits
 - There are 10 benefit categories within an Essential Health Benefits package:
 - Ambulatory patient services
 - Emergency services
 - Hospitalization
 - Laboratory services
 - Maternity and newborn care
 - Mental health and substance abuse services, including behavioral health treatment
 - Prescription drugs
 - Rehabilitative and habilitate services and devices
 - Preventative and wellness services and chronic disease management
 - Pediatric services, including oral and vision care
 - OSU is not required to provide these benefits; however, our benefit plans are rich and have been covering these services for years.

- Easier access to insurance
 - Insurance companies can no longer deny coverage to children under age 19 due to pre-existing conditions.

- Increased access to preventative services
 - Free mammograms, colonoscopies, immunizations and other services that find or prevent health problems before they become serious are available.

OPSU is committed to providing competitive benefits that support the health and wellness of you and your family. While there are still a lot of unknowns as government agencies work to interpret the complex law, OSU/A&M and BlueCross BlueShield are working together to provide the best healthcare benefits available at the lowest cost.

What Changes will ACA bring in 2014?

The first communication on the Affordable Care Act (ACA) covered what has already changed in the multi-year phased implementation of health care reform. While the implementation of the Affordable Care Act (ACA) has brought significant changes, 2014 will once again bring major activity to American health care.

Requirements Effective January 1, 2014

- **Plans**
 - Maximum 90-Day Waiting Periods for new employees to be added to health plans.
 - No Pre-Existing Condition Exclusions for anyone.
 - No Annual Limits to what a plan will pay for those enrolled in their plans.
 - Out-of-Pocket Maximums – deductible and co-pay amounts paid will go towards the annual out-of-pocket maximums. (Some portions delayed until 2015).
 - Out of Pocket for in-network services and out-of-network emergency services cannot exceed \$6,350 for individual plans or \$12,700 for family plans
- **Employers**
 - Increases in maximum wellness incentives up to 50% of the cost of the coverage allowed to be passed to employee.
- **Individual**
 - Individual health care coverage mandate or penalty tax for no coverage.
- **Nationwide**
 - Creation of health exchanges; a marketplace that allow individuals and eligible employers to purchase health insurance.

Also effective January 1, 2014, new federal fees will be passed down through insurance companies to those insured through increased premiums.

- **Annual Fee on Health Insurers**
 - This is an annual fee that will fund some of the ACA provisions such as premium subsidies or cost-sharing reductions for coverage through the exchanges. The fees will increase from year to year. Currently the estimated impact on increased premiums will be 2-2.5 % in 2014 and later as much as 3-4%.
- **Reinsurance Fee**
 - This is a temporary fee from 2014 to 2016 that will fund a transitional reinsurance program to help stabilize premiums for coverage in the individual market. For 2014, this fee will be \$5.25 per participant per month.
- **Patient-Centered Outcomes Research Institute Trust Fund Fee (PCORI)**
 - An eight-year fee that will fund comparative clinical effectiveness research. In 2014, the fees will be \$2 per the average number of covered participants.

These fees are expected to increase 2014 premiums by at 4%. This will be in addition to any other premium increase required due to claims experience.

What Potential Changes will ACA bring in 2014 to OPSU Health Plans?

The first communication on the Affordable Care Act (ACA) covered what has already changed in the multi-year phased implementation of health care reform. The second communication went over the required changes effective January 1st, 2014. Due to the increased costs associated with ACA, employers nationwide are making strategic changes to plan designs to help keep overall costs at a minimum. Examples of some of those changes are:

- excluding spouses that have coverage with their employers
- adding outcome-based programs to drive employee accountability through penalties and incentives
- simplifying benefit portfolios by removing options
- increasing deductibles

OPSU strives to provide superior health care coverage for our employees and their families while continuing to focus on keeping health care cost increases at a minimum. To accomplish this goal, OPSU Administration and the OSU Healthcare Taskforce are looking at many options.

Pending Healthcare Taskforce approval, PROPOSED 2014 OPSU Health Plan changes are as follows:

- Simplify plan choices by eliminating BlueChoice; offering only BlueOptions and BlueEdge
- Include the \$250 deductible credit for participation in Well on Target Health Assessment for BlueEdge participants (previously only available to BlueOptions participants)
- Provide a tobacco-free premium incentive – due to ACA fees, premiums will increase; however, if an employee is tobacco-free or has recently participated in a tobacco cessation program, his/her premiums would be reduced and potentially see no increase
- Increase out-of-pocket maximums – co-pays and deductibles will now go towards out-of-pocket-expenses

OSU/A&M's are still negotiating with BCBS to determine final rates for 2014. We are determined to keep premium increases at a minimum; however, we are anticipating that an increase in premiums will occur due to ACA related fees/taxes. The national average, with both ACA related fees/taxes and increases in paid claims, has been reported at 8% - 12%. It is our hope to negotiate rate increases below this amount.