Affordable Care Act: Impact on Dentistry and Patients with Special Health Care Needs

Special Care Advocates in Dentistry
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American Dental Association®
ACA Basics: Increase Coverage

- A key objective is to increase health insurance coverage.
- Drivers to increase coverage:
  - Individual mandate to purchase private coverage
  - Medicaid expansion (adults) and outreach
  - Employer mandate (50 or more FTEs) to offer coverage (delayed until 2016)
ACA Basics: Individual Mandate

• After March 31, 2014, with few exceptions, everyone is expected to have enrolled in one of the following:
  – Government health insurance program (Medicare, Medicaid, CHIP, FEHBP, Tricare, VA, etc.)
  – Large group plans (about 160 million enrollees)
  – Individual or small group plans inside or outside Health Care Marketplaces (Exchanges)
  – Individual or small group grandfathered plans
  – States given latitude to allow purchase of non-conforming plans until October 2016 (“keep your own plan”)
Most individuals are required to have “minimum essential coverage” or pay a penalty by January 1, 2014 (mid April).

• Exemptions: religious conscience, Indian tribes, income below IRS filing requirement, hardship, affordability (premiums more than 8% of income), not lawfully present in country, etc.

• Penalties, in general terms: Greater of either a flat dollar amount or a percentage of the taxpayer’s income.
  – Percentage will be 1.0% in 2014, **2.0% in 2015**, and 2.5% thereafter.
  – A flat dollar amount assessed on each taxpayer and any dependents: $95 in 2014, **$325 in 2015**, and $695 in 2016 and beyond assessed for each taxpayer and any dependents.
Coverage consisting solely of “excepted benefits”, such as Stand-alone dental plans, do NOT qualify.

Virtually all other plans do:

• Employer-sponsored /government sponsored program
• Health plan offered in the individual market within a State
• Grandfathered health plan
• Other health benefits coverage that the Secretary of Health and Human Services recognizes
ACA Basics: New “rules for the road” for plans in the Individual and Small Group Markets

- A health care purchasing marketplace (exchange) has been created for each state.
- Plans competing in this market have to be approved by the marketplace.
- Each plan must offer an “essential health benefit” package that applies to all products inside and outside the state’s marketplace.
The EHB package includes ten broad categories of services, including pediatric oral health coverage.

- Pediatric dental coverage available up to age 19 (state option to expand).
- Except for Utah, all states have a benchmark dental benefit modeled after their CHIP program or the FEDVIP plan with largest enrollment.
- Both options provide a benefits package with a range of services including preventive and diagnostic and restorative. The Utah EHB provides only preventive services.
ACA Basics: Benchmark Choices by State

Essential Health Benefit (EHB) by State

ACA Basics: Health Care Marketplaces

A Marketplace is a clearinghouse or virtual market to allow consumers to view, compare, shop and enroll online for private health insurance coverage.

- Each state has a Marketplace for individuals and small businesses.
- Fourteen states and D.C. run their own marketplaces. The rest are run by the federal government.
- Marketplaces are available to individuals without coverage, without affordable coverage and small businesses.
- Large businesses (over 100 employees) after 2017.
Dental Plans

Stand-alone dental plan (SADP)

Bundled plan option
• Medical and dental policy are tied together.
• Dental plan tied to a specific medical plan option. No state has this option available in 2014.

Embedded dental benefit
• One policy and pediatric dental benefit embedded in medical plan option.
• Cost-sharing limits will vary in applicability (medical/dental/combined)
Dental Plans: ADA’s HPI Analysis

- ADA’s Health Policy Institute (HPI) analyzed 41 marketplaces
- Including all 34 federally-facilitated marketplaces and ID, NM, CA, MN, NV, VT, WA
- 3,180 medical plans
- 697 SADPs
  - 42% offer pediatric-only
  - 58% offer family coverage: can include child-only, family, adult
  - No adult-only SADPs, per ACA requirements
### HPI’s Analysis – Embedded Dental Plans

#### Percentage of Medical Plans with Embedded Pediatric Dental Benefits

<table>
<thead>
<tr>
<th>Percentage</th>
<th>States</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
<td>AR, CA*, MS, MT, NJ, NM, UT</td>
</tr>
<tr>
<td>&lt;50%</td>
<td>AL, AZ, FL, GA, IA, ID, IL, IN, KS, ME, MI, MN, MO, NV, NH, OH, OK, SC, SD, TX, VA, WI</td>
</tr>
<tr>
<td>50-99%</td>
<td>AK, DE, LA, NC, ND, NE, PA, TN, WA, WY</td>
</tr>
<tr>
<td>100%</td>
<td>VT, WV</td>
</tr>
</tbody>
</table>

Data from all medical plans offered in 36 states operating under FFM and 5 state-based marketplaces.
* In 2015, all medical plans in CA will offer children’s dental. Dental will not be subject to medical deductible.
## HPI’s Analysis: Consumer Information

### Information Available to Consumers on Plan Characteristics

<table>
<thead>
<tr>
<th>Plan Type</th>
<th>Medical w/embedded pediatric dental</th>
<th>Stand-alone Dental Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Separate <strong>dental</strong> deductible</td>
<td>14% yes with amount shown/6% yes with amount not shown/80% unclear</td>
<td>100% with amount shown</td>
</tr>
<tr>
<td>Coverage of preventive services</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>If Yes, consumers can determine coinsurance level</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>If Yes, consumers can determine if deductible applies to preventive services</td>
<td>14%</td>
<td>18%</td>
</tr>
<tr>
<td>Ortho coverage</td>
<td>8% Yes/92% unclear</td>
<td>96% Yes/2% No/2% unclear</td>
</tr>
<tr>
<td>List of in-network providers</td>
<td>76% yes and list accessed / 24% no</td>
<td>100% and list accessed</td>
</tr>
</tbody>
</table>

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## HPI’s Analysis: Plan Characteristics

### Summary of Plan Characteristics

<table>
<thead>
<tr>
<th>Feature</th>
<th>Medical w/embedded pediatric dental</th>
<th>Stand-alone Dental Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Separate deductible</td>
<td>42% Yes</td>
<td>100% Yes</td>
</tr>
<tr>
<td>Average dental deductible</td>
<td>$34.21 (of the 42%)</td>
<td>$41.10</td>
</tr>
<tr>
<td>No separate deductible</td>
<td>34%*</td>
<td>0%</td>
</tr>
<tr>
<td>Average deductible (when no separate dental)</td>
<td>$2,935.29</td>
<td>N/A</td>
</tr>
<tr>
<td>Ortho Covered</td>
<td>64% Yes/32% unclear/4% no</td>
<td>96% Yes/4% No</td>
</tr>
<tr>
<td>Average Plan Pay for Ortho.</td>
<td>55%</td>
<td>50%</td>
</tr>
<tr>
<td>Is there copayment for any service?</td>
<td>16% Yes/52% No/32% Unclear</td>
<td>16% Yes/84% No/0% Unclear</td>
</tr>
<tr>
<td>Random sample of 50 Embedded/50 SADPs from the FFM</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
How is enrollment going?

- In 2014: Over 7.3 million purchased insurance via marketplaces; 8 million enrolled in Medicaid
- In 2015 (projected): Add 6 million uninsured residents to marketplaces; add 4 million to Medicaid

About 30-40 million remain uninsured in US.
About 5 million fall into “coverage gap” in states where Medicaid not expanded; making too much for Medicaid and too little for tax credits.
Impact on Patients with Special Health Care Needs
Impact on Special Needs Patients: Facts to Consider

According to the Association of Maternal and Child Health Programs, the challenges facing families with special needs children are maintaining continuous coverage, while ensuring the coverage is adequate and affordable.

• Relatively few (less than 4%) special needs children lack coverage but many face gaps in coverage. Prior to the ACA, preexisting conditions exclusions was a problem when parents changed jobs.
• Many plans do not cover (or they place a cap) on certain essential health services.
• High out-of-pocket costs (premiums, deductibles, co-pays) can make even covered services expensive.
Impact on Special Needs Patients: What does the ACA do to ameliorate these barriers?

Changes in Private Insurance Market

- Insurance companies are prohibited from denying coverage based on **preexisting conditions**. Applies to all policies except grandfathered individual policies (in effect on March 23, 2010 and unchanged).
- Independent young adults can be covered on their parent’s plan up to the age of **26** assuming the parent’s plan has dependent coverage. Applies to all policies.
- Policies **cannot be rescinded** because of a mistake or inadvertent omission on an application, except for fraud. Applies to all plans.
- **Guaranteed issue and renewal** that prohibits a denial of coverage or non-renewal of coverage because of health status or high utilization, except for grandfathered individual and group plans. Not applicable to self-insured plans.
- Insurance companies **cannot impose any lifetime or annual benefit cap on “essential” benefits** based on a total dollar amount. But insurers can still cap individual benefits, such as limiting the number of mental health visits during a year. Does not apply to grandfathered individual plans.
Impact on Special Needs Patients: What does the ACA do to ameliorate these barriers?

Additional Changes Applicable to Individual and Small Group Markets

- Pediatric dental coverage must be purchased in the individual and small group markets outside the ACA Marketplace. It need only be offered inside the Marketplace, except for NV, KY, and WA where it must be purchased. DC, CT, WV and CA (2015) offer all embedded plans.
- Possible help with paying for coverage but only if plan purchased inside the Marketplace:
  - Advance premium tax credits available for individuals between 100-400 % FPL.
  - Additional cost-sharing reductions available for individuals at or below 250% FPL.
  - Limits on out-of-pocket expenditures with additional limits for those under 400% of FPL who purchase a silver plan.
- Well child visits and certain preventive services without cost sharing.
- Medically necessary orthodontia included in EHB if benchmark includes benefit (CHIP programs vary/FEDIP includes).
Impact on Special Needs Patients: What does the ACA do to ameliorate these barriers?

Medicaid and CHIP Coverage

• ACA expanded Medicaid to anyone with income under 138% of FPL but the Supreme Court decision made this expansion optional for the states. To date, 27 states and DC have expanded.
• Maintenance of effort for Medicaid and CHIP: states cannot reduce eligibility levels or make enrollment/renewal more difficult for children through 9/20/2019.
• Enhanced coordination between Medicaid, CHIP and marketplaces in determining eligibility to ameliorate “churning” issues.
• Eligibility simplification: the income criteria for Medicaid/CHIP previously determined by the state is replaced by a national standard.
Effect on Dentists
Effect on Dentists: Employers

• There is no mandate to offer coverage for employers with fewer than 50 fulltime employees. Tax credits are available for small businesses if they decide to offer coverage.

• A Department of Labor notice should be given to employee that informs the employee of ACA Marketplaces. There is no penalty for failing to do so.
Effect on Dentists: Health Care Consumers

Like most citizens, the “individual mandate” to purchase medical coverage applies to dentists.

- Plans in the individual and small group markets cannot impose pre-existing condition limits, there’s guaranteed issue and renewability and other consumer protections.

The ACA affects the ability of constituent dental societies to continue to offer health benefits to their members. The ADA recently agreed to co-brand a website with JLBG Health to offer ADA members access to both public exchange plans and ACA-compliant plans in their respective states. See Heath Insurance Resource at ada.org.
Effect on Dentists: Health Care Professionals

- More individuals (not employers) will be making the dental plan purchasing decision.
- Purchasers will increasingly turn to value-based plans, such as Accountable Care Organization (ACOs).
- More people covered by Medicaid will increase pressure to “fix” the program.
Additional Relevant Market Forces

• Growth in Private Marketplaces
  – Smaller networks to reduce cost in ACA and private marketplaces; could affect larger employer-provided coverage market
  – Greater need to educate the consumer on need to seek dental services to maintain health (with or without coverage) and what to look for in a good dental plan.
• Accountable Care Organizations
  – Paying for outcomes; not procedures
• Medical Homes
  – Employers contract directly with hospitals, physician groups, etc.
• HealthCare.com will compete with HealthCare.gov.
Looking Ahead

What will the dental products look like?

• Many large employers may still offer similar products.
• All employers looking for “value” in purchasing decision with move toward more evidence-based plans.
• There will be more embedded products with potentially high deductibles.
• Out-of-pocket costs will be a high priority for individuals buying coverage.
• Carriers will limit network size to control costs.
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