Dental Benefits and the ACA

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The Massachusetts Health Connector
Agenda

- The ACA – Subsidized coverage and Health Insurance Exchanges
  - The Massachusetts Experience
- Essential Health Benefits (“EHB”) and Pediatric Dental Coverage
- Dental Coverage on Exchanges
  - The Massachusetts Approach
- Q&A
The Affordable Care Act (ACA) was signed into law on March 23, 2010

Sweeping health reform initiative that directly or indirectly affects most aspects of the health care delivery system

Goal: to provide accessible health coverage for ~32M Americans who are currently uninsured, and to help people who already have health insurance retain coverage.
ACA Key Policy Features

- Individual mandate
- Expansions of Medicaid (up to 133% FPL) and subsidies for low and middle income individuals (up to 400% FPL)
- Insurance market reforms and consumer protections
- Health insurance exchanges
- Incentives for employers to offer coverage
- Investments in the health care delivery system and public health

Today’s focus: Subsidized coverage, insurance exchanges, and dental coverage
Key Component: Medicaid Expansion

- Medicaid to include non-disabled adults under 65 up to 133% FPL (in 2014, brings enhanced federal matching)
- States can opt to expand sooner (without enhanced match)
- Many states have not opted to expand Medicaid and take advantage of federal matching funds
Coverage for Adults Eligible for Subsidies Under the ACA

**Proposed Structure**

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<th>FPL</th>
<th>Medicaid</th>
<th>QHP</th>
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<tr>
<td>400%</td>
<td>Medicaid offers health coverage to those with incomes between 0-133% FPL.</td>
<td>Federally subsidized at ACA levels through APTCs</td>
<td>ACA federal subsidies (Advance Premium Tax Credits + Cost-Sharing Reductions)</td>
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<td>300%</td>
<td>Insurance exchanges will offer subsidized qualified health plans (QHP) to those with incomes between 134% - 400% FPL (and for Lawfully Present is 0-400% FPL).</td>
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Exchanges Realize ACA’s Vision of Coverage Gains

- Facilitate access to private health insurance for individuals and small businesses

- Distributing subsidies that the ACA makes available to improve affordability
  - Medicaid expansion for low-income individuals just one component of affordability support
  - For most without access to employer sponsored insurance, tax credits towards the purchase of health insurance (for those between 133% and 400% of the federal poverty level – about $45K/year for an individual) are ONLY available on exchanges
Non-Group Coverage through Exchanges

- Subsidized insurance eligibility criteria:
  - Income up to 400% FPL
  - Lawful presence in U.S.
  - Availability of other coverage: ineligible if have access to affordable employer sponsored insurance

- Unsubsidized insurance available to all lawful residents
  - Same premium price inside and outside Exchange
  - Bronze, Silver, Gold, or Platinum tier

- All members in Qualified Health Plans – no separate market for unsubsidized members
Small-Group Coverage through Exchanges

- Initially, only small employers eligible to participate in the Exchange
- Before 2016, states have the option of defining small employers as:
  - 100 or fewer employees, OR
  - 50 or fewer employees
- In 2016, small employers defined as those with 100 or fewer employees
- In 2017, states may allow large employer participation
What else are Exchanges meant to do?

- Break Down Barriers to Coverage
- Act as a Force for Cost Savings and Competition
- Help People Fulfill Individual Mandate
- Drive Innovation in Health Insurance Coverage
The MA Health Connector

• The MA Health Connector is a health insurance exchange created as part of the state’s 2006 health reform law
  – Quasi public agency with eleven-member Board
  – Staff of ~50 FTEs
  – ~240k enrollees

• Policymaking and appeals related to the Massachusetts “individual mandate”

• Outreach and public education about the value of health insurance, where to find it, and the consequences of not having it

• Many other states are modeling their Exchanges on the MA Health Connector
The MA Experience

Breaking Down Barriers to Coverage

• Nearly 240K individuals and small business covered through the MA Health Connector as of late 2012

Force for Cost Savings and Competition

• Annual avg. premium trend <2% in subsidized program
• New market entrants in both subsidized and commercial markets
•Saved $ on health insurance for students and others
The MA Experience Cont’d

Help People Fulfill Individual Mandate

• Only 1.1% of tax filers assessed a penalty (2010)

Driving Innovation in Health Insurance Coverage

• Pioneered an employee choice coverage model
• Wellness Track for small employers
• Laboratory for narrow and tiered networks

Platform for Garnering Support for Reform

• More than 60% of MA residents support MA health care reform
Subsidized Insurance in MA: Commonwealth Care

- Provides subsidized health insurance coverage for adults 0-300% FPL without access to employer-sponsored insurance
  - Likely the only affordable coverage option for this population

- Annual procurements with managed care organizations (MCO’s) to negotiate plan designs and full-risk contracts

- Three plan types based on income level
  - Same plan designs for all MCOs for a given plan type, but premiums may vary by MCO
Commonwealth Choice is a health insurance Exchange that allows individuals and small businesses to choose and enroll in unsubsidized health insurance plans

- Individuals and small business can compare plans and enroll on the web
- Governed by merged market regulations
- Premiums are the same “inside” and “outside” the Exchange for identical products

Periodic Seal of Approval process is conducted to contract with commercial insurance carriers
Currently offer a wide variety of health insurance plans on the Exchange “shelf”
  - Six Benefit Packages (adults) – Gold, Silver High, Silver Low, Bronze High, Bronze Medium, Bronze Low

Four Health Insurance Programs
  - Individual/Non-Group
  - Young Adult Plan (YAP)
  - Voluntary Plan
  - Business Express

Eight commercial insurance carriers
• Make it easier than ever to compare, choose and enroll in innovative health AND dental insurance products

• Promote affordability and competition and reinforce payment and delivery system reform

• Maintain (for medical) and expand (for dental) coverage gains
EHB and “Pediatric Oral Services”

- The ACA requires that for coverage effective on or after January 1st, 2014, all non-grandfathered health plans offered in the small and non-group market include coverage for the Essential Health Benefits.

- Consumers are not required to purchase all Essential Health Benefits, but Exchanges are required to offer plans that incorporate them.

**Major Categories of EHB**

A. Ambulatory patient services
B. Emergency services
C. Hospitalization
D. Maternity and newborn care
E. Mental health and substance use disorder services, including behavioral health treatment
F. Prescription drugs
G. Rehabilitative and habilitative services and devices
H. Laboratory services
I. Preventive and wellness services and chronic disease management
J. Pediatric services, including oral and vision care
Pediatric Oral Services in the ACA

- Each state chooses its own Essential Health Benefit benchmark plan, which defines the scope of benefits that other plans must include.

- In Massachusetts, as in many other states, the benchmark plan is the state’s Medicaid CHIP plan.

- Typically offer a robust set of benefits:
  - Offered by a commercial plan, some concerns about whether these plans may be cost prohibitive.
  - Will people drop family coverage in favor of covering children?
Evidence suggests that lack of dental coverage leads to unmet health needs

People without dental insurance are less likely to seek preventive oral care

- People without dental coverage are:
  - 33% less likely to have had a check up or cleaning in the past 6 months;
  - 25% less likely to get periodontal maintenance treatment; and
  - 30% less likely to take their children to dental visits

There are wide-spread dental health issues due to insufficient care

- 31% of children under 19 in families with income <200% FPL have untreated cavities (14% for families >200% FPL)
- One in four non-elderly adults have untreated tooth decay
- Studies have demonstrated associations between dental diseases and diabetes, cardiovascular diseases, stroke and adverse pregnancy outcomes

(Survey data reflects national statistics)

Dental Insurance on Exchanges

• Many Exchanges are focused on fulfilling ACA requirements to offer plans that include EHB

• Also seeking opportunities to
  – Expand dental coverage
  – Improve population oral health and overall health
  – Improve access to dental care for individuals and small employers

• Exchanges offer opportunity for dental carriers to
  – Pursue more volume through easier access to customers
  – Gain efficiencies through centralized distribution functions
The MA Dental Insurance Market

- Nationally, the dental coverage rate substantially lags the medical coverage rate.
- Dental insurance is more prevalent in Massachusetts compared with national average, but there are still 1.7M people in the state that do not have dental coverage.

US vs. MA Dental Insurance Rate

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<th>MA</th>
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<tr>
<td>Medical</td>
<td>84%</td>
<td>52%</td>
</tr>
<tr>
<td>Dental</td>
<td>52%</td>
<td>74%</td>
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MA Residents without Dental Insurance

- Non-Group (146k)
- No health insurance (150k)
- Groups (428k)
- Medicare & Medicare Advantage (919k)
- Students (108k)

The MA Approach

- Will begin selling dental plans in 2014
  - One stop shopping for individuals/small businesses seeking both medical and dental insurance
- Taking advantage of opportunity to play a constructive role in promoting access to affordable dental coverage
  - Leverage the Exchange platform to promote transparent and consumer-centric shopping
  - Increase competition in the currently limited market for individual insurance
Proposed Approach – Cont’d

• Broad portfolio of products to meet the needs of a diverse and price-sensitive customer base
  – “Low-end” products that cover basic, including preventive services at affordable price points
  – Child-only plans

• Multiple carriers to maximize choice and price competition
  – Adopting existing market practice (e.g., rating methodology, servicing model) to enable easy carrier transition

• Integrated shopping for medical and dental products, plus “dental express” for those seeking dental coverage only
Market Interest

• The majority of leading dental carriers have expressed interest in working with the Health Connector
  – Anticipate being able to offer a wide variety of plans with different networks, carriers, and price points

• Small employers are generally interested in the idea of offering dental coverage to their employees
  – The key barrier to small group dental insurance take-up is affordability
Website and Contact Info

- Visit us at mahealthconnector.org

- Please get in touch with any questions and/or feedback:

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Questions & Answers
Allison Kean

- Allison Kean is the Manager of Strategy for the Massachusetts Health Connector, the nation’s first public health insurance exchange. In this role, Allison is responsible for starting the Health Connector’s dental program, as well as developing other non- and small-group health insurance products. Ms. Kean’s interest is in innovative models of paying for and delivering healthcare.