



# Health Insurance Marketplace Affordability Initiatives

# Overview: The Health Insurance Marketplace

- The Health Insurance Marketplace is place where New Mexicans can **shop and compare** health plans. You can apply online at [bewellnm.com](http://bewellnm.com), over the phone, by mail, or in-person.
- The Health Insurance Marketplace is **the only place where people who don't qualify for Medicaid can get financial help** to lower their health insurance costs.
- Plans on the Marketplace must cover pre-existing conditions. They cannot charge you more based on your health status and cannot set annual or lifetime caps on benefits.



# Marketplace 101: Premium Assistance

- “Premiums” are monthly payments that you make to keep your health insurance active.
- The Affordable Care Act has premium assistance that lowers how much people have to pay for health insurance.
- Lower-income people pay less than higher-income people.
- Premiums are capped based on your household income.



# Marketplace 101: Eligibility for premium assistance

## Who qualifies?

- Individuals and families who:
  - Do not have access to another form of coverage that meets basic standards, like employer-sponsored insurance, Medicaid, or Medicare;
  - Are citizens or lawfully present immigrants;
  - Are not incarcerated;
  - There are no longer income restrictions to qualify for premium assistance, but lower income people get more help than higher income people.



# Marketplace 101: Assistance with out-of-pocket costs

- “Out-of-pocket costs” are what you pay when you visit the doctor, fill a prescription medication, or use other services under your health plan.
- Types of out-of-pocket costs include co-pays, coinsurance, and deductibles.
- Lower-income people can get assistance to lower how much they pay for services.



# New Mexico's Health Care Affordability Fund

- Even with this assistance, many people still struggle with costs in the Health Insurance Marketplace.
- The state legislature passed a bill that creates a new “Health Care Affordability Fund” that will give New Mexicans more assistance with their costs.
- Today we will discuss OSI's proposals to lower costs and we want your feedback on how to make this program work for New Mexicans.



# What are the main things we can do to lower costs?

- **Better premium assistance:** Lower monthly payments
- **Better cost sharing assistance:** Lower deductibles, co-pays, coinsurance, and maximum out-of-pocket limits
- **Zero dollar options for more Native Americans:** Enhanced assistance for Native Americans

# Federal updates

The federal American Rescue Plan expands and improves premium assistance, but the assistance may end in 2023. OSI is planning for both scenarios.

1. American Rescue Plan premium assistance ends in 2023.
2. American Rescue Plan premium assistance is made permanent.

What if the American Rescue Plan  
premium assistance ends?

# Maintain ARP Premium Assistance for those under 400% FPL

## Monthly Premiums for an Individual

Federal Poverty Level	Annual Income	OSI's Proposed Monthly Premiums	Affordable Care Act Monthly Premiums
Up to 150%	\$0-\$19,140	\$0	\$22-66
150-200%	\$19,140-\$25,520	\$0-43	\$66-139
200-250%	\$25,520-\$31,900	\$43-106	\$139-221
250-300%	\$31,900-\$38,280	\$106-191	\$221-315
300-400%	\$38,280-\$51,040	\$191-361	\$315-\$418
400%+	\$51,040+	N/A	N/A

*What happens if the American Rescue Plan Assistance ends in 2023?*

# Better Out-of-Pocket Assistance

**How much of medical costs will insurance company pay?**

Federal Poverty Level	Annual Income for an Individual	OSI Proposed % of Costs Covered by Insurance	CURRENT % of Costs Covered by Insurance
150-200% FPL	\$19,140-\$25,520	94%	87%
200-250% FPL	\$25,520-\$31,900	87%	73%

*What happens if the American Rescue Plan Assistance ends in 2023?*

# Lower Out-of-Pocket Costs

Federal Poverty Level	150-200%	200-250%
Example of CURRENT Plan Out-of-Pocket Limits*		
Deductible	\$750	\$3,000
Max Out of Pocket	\$2,900	\$6,950
Maximum Percent of Income Spent on Out-of-Pocket Costs	13%	24%
Example of OSI Proposed Out-of-Pocket Limits		
Deductible	\$400	\$750
Max Out of Pocket	\$1,000	\$2,900
Maximum Percent of Income Spent on Out-of-Pocket Costs	6%	13%

\*Based on mid-level Silver plan in 2022 *What happens if the American Rescue Plan Assistance ends in 2023?*

What if the American Rescue Plan premium assistance is made permanent?

# Lower premiums

## Monthly Premiums for an Individual

Federal Poverty Level	Annual Income	OSI's Proposed Monthly Premiums	American Rescue Plan Monthly Premiums
Up to 150%	\$0-\$19,140	\$0	\$0
150-200%	\$19,140-\$25,520	\$0-21	\$0-43
200-250%	\$25,520-\$31,900	\$21-54	\$43-106
250-300%	\$31,900-\$38,280	\$54-161	\$106-191
300-400%	\$38,280-\$51,040	\$151-364	\$191-364
400%+	\$51,040+	\$364+	\$364+

\*OSI is also studying a version that would provide \$0 Silver option for those under 200% FPL

*What happens if the American Rescue Plan Assistance is made permanent?*

# Better Out-of-Pocket Assistance

## How much of medical costs will insurance company pay?

Federal Poverty Level	Annual Income for an Individual	OSI Proposed % of Costs Covered by Insurance	CURRENT % of Costs Covered by Insurance
Up to 150%	\$0-\$19,140	99%	94%
150-200%	\$19,140-\$25,520	95%	87%
200-250%	\$25,520-\$31,900	90%	73%
250-300%	\$31,900-\$38,280	85%	N/A

*What happens if the American Rescue Plan Assistance is made permanent?*

# Lower Out-of-Pocket Costs

Federal Poverty Level	100-150%	150-200%	200-250%	250-300%
<b>Example of CURRENT Plan Out-of-Pocket Limits*</b>				
Deductible	\$400	\$750	\$3,000	\$4,000
Max Out of Pocket	\$1,000	\$2,900	\$6,950	\$8,700
Maximum Percent of Income Spent on Out-of-Pocket Costs	6%	13%	24%	25%
<b>Example of OSI Proposed Out-of-Pocket Limits</b>				
Deductible	\$0	\$50	\$750	\$1,500
Max Out of Pocket	\$200	\$1,500	\$2,000	\$3,000
Maximum Percent of Income Spent on Out-of-Pocket Costs	1%	7%	7%	8%

\*Based on mid-level Silver plan in 2022

# What other changes could we make if the American Rescue Plan assistance is permanent?

- **Better premium & cost sharing assistance**
- **Subsidy Application:** State assistance can only be used to purchase Silver and Gold plans
- **Enrollment and Retention:** Year-round enrollment for everyone under a certain income threshold; automatic retention for anyone with access to a free Silver plan who does not pay a premium for 3 months
- **Benefits Enhancements:** Dental and vision for those under 250% FPL
- **Standard Plans:** All plans must offer a Silver and Gold plan that has standardized out-of-pocket costs