STARTING STRONG FOR COMMUNITY HEALTH! WEBINAR

King v Burwell Supreme Court decision: What does it mean for IL Consumers?

June 30, 2015
QUESTIONS?
ASK QUESTIONS USING THE CHAT BOX FEATURE

- Ask questions at any time using the Chat Box Feature
- We will answer as many questions during the webinar as possible.
- A recorded copy of the webinar will be posted on EverThrive IL's website in the coming days: http://everthriveil.org/resources/starting-strong-webinars

For questions related to this and other Starting Strong webinars: asiani@everthriveil.org
Today’s Presenters:

• Alicia Siani, Coordinator, Health Reform Initiative, EverThrive IL

• Stephani Becker, Senior Policy Specialist, Sargent Shriver Center on National Poverty Law

• Amanda Kozar, Get Covered Illinois

• Jack Cardinal, Communications Manager, Community Catalyst
Agenda

I. Recap of the Case— and what the decision means for Illinois consumers
II. National perspective
III. Moving forward in Illinois
IV. Q&A
RECAP OF THE CASE
Setting the Stage - The Health Insurance Marketplace

- March 2010: Congress passed and President Obama signed into law the Patient Protection and Affordable Care Act (ACA)

- ACA provides for the establishment of “exchanges”

- Exchange = (online) Marketplace
Establishing a Marketplace

- **State-based Marketplace (13 states and DC)**
- **Federally-supported State-based Marketplace (3 states)**
- **Partnership Marketplace (7 states)**
- **Federally-facilitated Marketplace (27 states)**

*Slide Credit: Kaiser Family Foundation*
34 States Using HealthCare.gov

Source: Kaiser Family Foundation
State-by-State Effects of a Ruling for the Challengers in King v. Burwell
Premium Tax Credits

ADVANCE PREMIUM TAX CREDIT

JANUARY
FEBRUARY
MARCH
APRIL
MAY
JUNE
JULY
AUGUST
SEPTEMBER
OCTOBER
NOVEMBER
DECEMBER

APPLY IT TO NEXT YEARS TAX RETURN

YEAR END RETURN
Over 6.4 million Americans in Federal Marketplace Use Tax Credits

- 232,000 Illinois consumers receive tax credits
- 80% of consumers enrolled in the Marketplace
- Average tax credit amount in IL: $211/month
- Anticipated # of Illinoisans receiving tax credits in coming years: 450,000
King v. Burwell: What Was The Case About?

- One provision of the ACA indicates that subsidies are only available to people who purchase their health insurance on an exchange “established by the State.”

- The plaintiffs in King argued that this means that subsidies are not available to the millions of people who purchased their health insurance on an exchange that was created by the federal government, because the federal government is not a “State.”
“SEC. 36B. REFUNDABLE CREDIT FOR COVERAGE UNDER A QUALIFIED HEALTH PLAN.

“(a) In General.—In the case of an applicable taxpayer, there shall be allowed as a credit against the tax imposed by this subtitle for any taxable year an amount equal to the premium assistance credit amount of the taxpayer for the taxable year.
“(b) Premium Assistance Credit Amount.—For purposes of this section—

“(1) In General.—The term ‘premium assistance credit amount’ means, with respect to any taxable year, the sum of the premium assistance amounts determined under paragraph (2) with respect to all coverage months of the taxpayer occurring during the taxable year.
“(2) Premium Assistance Amount.—The premium assistance amount determined under this subsection with respect to any coverage month is the amount equal to the lesser of—

“(A) the monthly premiums for such month for 1 or more qualified health plans offered in the individual market within a State which cover the taxpayer, the taxpayer’s spouse, or any dependent (as defined in section 152) of the taxpayer and which were enrolled in through an Exchange established by the State under 1311 of the Patient Protection and Affordable Care Act, or
By a vote of 6 to 3, the Court agreed with the Obama administration (i.e., Burwell) [http://www.supremecourt.gov/opinions/14pdf/14-114_qol1.pdf](http://www.supremecourt.gov/opinions/14pdf/14-114_qol1.pdf)

Subsidies are available for everyone who bought health insurance through an exchange, no matter whether that exchange was created by a state or the federal government.
What did the Court say?

- Supreme Court affirmed decision of lower court (e.g., Fourth Circuit), but on different grounds.
- Fourth Circuit held that the statute was ambiguous & therefore it should defer to interpretation of the statute by the IRS under the Chevron rule.
- However, Supreme Court held that availability of tax credits was one of those “extraordinary cases,” of “deep “economic and political significance” and “central to this statutory scheme,” so that Congress would not have left the question to the administrative agency.
Court proclaimed tax credits as one of three major reforms in the ACA, along with individual mandate and guaranteed issue/community rating. The Court said that if the petitioners were right, “only one of the Act’s three major reforms would apply in States with a Federal Exchange.”

In deciding what Congress intended by the language “established by the state” the Court found that when read in context of the ACA as a whole, Congress meant for tax credits to be available in both federal and state exchanges.

“Congress passed the Affordable Care Act to improve health insurance markets, not to destroy them. If at all possible, we must interpret the Act in a way that is consistent with the former, and avoids the latter. Section 36B can fairly be read consistent with what we see as Congress’s plan, and that is the reading we adopt.”
What does the opinion mean?

- The opinion is a very strong, definitive endorsement of the law.
- The opinion concludes that there is only ONE proper interpretation based on the statute’s text, structure, and purpose.
- Only Congress, not a future administration’s IRS, can change the law.
King v. Burwell Decision

Amanda Kozar
Get Covered Illinois
What the U.S. Supreme Court Decision Means for Illinois

• The United States Supreme Court recently announced its decision in the *King v. Burwell* case.

• At issue in the case was the legality of federal financial help to lower the cost of coverage for eligible individuals in states that have not set up a State Based Marketplace, including Illinois, and instead use the federally Facilitated Marketplace (FFM) HealthCare.gov.

• This decision will have no impact on consumers’ health coverage, but included in this webinar are a few questions and answers to help you better understand the decision.
What does the *King v. Burwell* ruling mean for consumers?

- The Supreme Court ruled that financial help will continue to be available to all eligible consumers, including Illinoisans, who purchase health coverage on the Health Insurance Marketplace.

- There is no change to the amount of financial help (federal premium tax credits or cost-sharing reductions) consumers may receive to pay for their coverage.
Will consumers’ benefits change?

• No. The Supreme Court’s ruling in *King v. Burwell* does not change their plan benefits.
Are consumers still required to have health coverage?

• Yes. The ruling in *King v. Burwell* did not change the requirement to have health coverage under the federal Affordable Care Act (ACA). The ACA requires most people to have health coverage or pay a fine if they can afford health coverage but choose not to buy it.

• Consumers still can apply for a hardship exemption from the penalty if the cost of premiums exceeds 8 percent of their household income.
Do consumers need to do anything now?

• No. Because there were no changes to the ACA, there are no new requirements for consumers.

• The next Open Enrollment Period begins on November 1, 2015. At that time we encourage consumers to return and find out what new options are available or sign up for coverage if they are still uninsured.
NATIONAL PERSPECTIVE
King v. Burwell Next Steps: Communications

JACK CARDINAL
COMMUNICATIONS MANAGER

King v. Burwell Supreme Court Decision: What Does it Mean for IL Consumers?
Tuesday, June 30, 2015
AGENDA

1. National Messages
2. Next Steps: How Can You Help?
Huge Win for Consumers
This is a *Decisive Victory*

6-3

**MAJORITY**
- Sotomayor
- Kagan
- Ginsburg
- Breyer
- Kennedy
- Roberts

**DISSENT**
- Scalia
- Alito
- Thomas
It’s Time to Move On

- Pivot (Depends on State):
  - Medicaid Expansion/Defense
  - Health System Transformation
  - Open Enrollment: Year Three
National News Coverage:

– NY Times: “Thank God,” said Ms. McElwain, 64, of Mooresville, N.C., who was on her way to a chemotherapy appointment when she heard about the ruling.

– Chicago Tribune: "It means I don't have to worry about my insurance premium going up," said Duffy, 46.

– Washington Post: “Thank God, hallelujah. That is so awesome,” said Sievers, a 46-year-old resident of Sioux Falls, S.D.
How Can You Help?

COLLECT

ALL THE STORIES
QUESTIONS?
MOVING FORWARD IN ILLINOIS
Now Enrolled in Illinois:

**Medicaid Enrollment:**
- 633,757 as of May 2015

**Marketplace Enrollment:**
- 293,661 Illinoisans enrolled in Marketplace plans (up from 217,000 last year)
  - 79% are receiving financial assistance

Illinois uninsured rate drops by 4 points to 11%
Who is still eligible for coverage in IL?

- Compare Actual vs. Potential Signups By Local Area

http://kff.org/interactive/mapping-marketplace-enrollment/
National polling of uninsured reveals:

- The uninsured are experiencing many challenges and transitions.

- Affordability is the top barrier to enrollment in coverage.

- Many uninsured remain unaware of the availability of financial assistance.

  - “Six in 10 are confused about or have not heard of the tax credit, and more than 7 in 10 want one-on-one help understanding their insurance options.”

- Understanding the Uninsured Now” Perry Undem Research /Communication, as commissioned by the Robert Wood Johnson Foundation June 2015

What is a Certified Application Counselor (CAC)?

- What is a CAC and a CAC organization?
  - A CAC is a Certified Application Counselor. They work for organizations approved by CMS to provide enrollment assistance for Marketplace applications.
    - CMS will only certify organizations through the CAC process, though those organizations must designate at least one staff person or volunteer to provide application support.
    - Agents and brokers cannot be certified as CACs.

- CAC organizations should:
  1. Have a process in place to screen staff to make sure they protect consumer information,
  2. Engage in services that position you to help those you serve with health coverage issues, and
  3. Have experience providing social services to the community.
How do you become a CAC?

- What is the process to become a CAC?
  2. Once approved, complete the online federal training
  3. Complete online state training modules, (CACs are not required to attend in person training)
  4. Complete the National Insurance Producer Register (NIPR) application
  5. Print NIPR Receipt with “Resident Transaction License Number” and send to DOI with your Federal Training ID Number (CAC ID Number)

- Learn more about the process for becoming a CAC in IL here: https://getcovered.illinois.gov/en/cac-toolbox
Sign Up for HelpHub

Announcements

URGENT! Share feedback by 8/20 to improve the ABE experience!
August 14, 2014
The Illinois Department of Healthcare and Family Service (HFS) will be making a series of improvements to ABE—the Application for Benefits Eligibility. As such, they are in the process of...

10,300 Consumers in Illinois With ID Verification Issues Could be At Risk
August 12, 2014
Please see the very important information below from CMS about the approximately 310,000 individuals enrolled in FFM or Partnership states whose citizenship or immigration status has still not been...

New SEP Guidance from CMS
August 11, 2014
CMS announced in its Assister Newsletter a new SEP that might affect your clients: Medicaid ineligible consumers who qualified for an “in line” SEP in April but were referred to...

View more announcements »

Key Resources for Assistors:

- **NEW ABE Toolkit** by the Cook County Benefits Access workgroup with training materials, forms, best practices and other helpful information for advocates navigating the ABE system.
- List of immigration statuses that qualify for Marketplace coverage.

helphub.povertylaw.org/
Success story 14 months in the making

We recently closed out a case that was a long time in the making involving many steps and government agencies - and a very dear friend we were delighted to help.

In April, J called to tell us she got her LINK card - and to thank us for our help. Since meeting her in 2014, we've signed her up for private insurance (July 2014), intervened with the Medicaid office (April - August 2014), gotten her Medicaid reinstated (September 2014), cancelled her private insurance (September 2014), helped her with taxes (March 2015) and got her food stamp denial overturned (April 2015). We even helped her find a photo restoration service (she was a Haitian entrant who fled the earthquake in 2010 with very few possessions - this picture was...
Starting Strong Webinars

- We host Starting Strong Webinars on a monthly basis.

- To download previous webinars and register for upcoming programs, visit EverThrive IL’s website: http://www.everthriveil.org/resources/starting-strong-webinars

- Have an idea for an upcoming webinar? We want to hear from you! Contact Alicia Siani (asiani@everthriveil.org) letting us know what you’d like to see!

- Next webinar: Health Coverage for Justice-involved Populations in August
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