Health Insurance Exchanges Are Coming

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One of the key components of the Affordable Care Act (ACA) requires the creation of health insurance exchanges. These exchanges—which the U.S. Department of Health & Human Services (HHS) refers to as marketplaces—will enable individuals and small businesses to purchase health insurance policies subject to certain requirements, and they will provide those consumers who meet income-based thresholds with tax credits to make the insurance more affordable. The exchanges are expected to be operational in each state on October 1, 2013, whether or not the state is participating in their creation or operation. The Congressional Budget Office estimates 7 million people will acquire exchange coverage next year. The effect for occupational therapy practitioners is that millions of previously uninsured people will soon be insured by policies that include coverage for occupational therapy services.

The ACA allows for significant variation in terms of the creation and operation of exchanges. Each state must have its own exchange, selling plans that comply with that state’s insurance laws. However, a state agency or the federal government may be managing the exchange, or in some cases, a partnership between the two will facilitate a division of responsibilities. These different exchange models have been labeled state, federally facilitated, and partnership respectively. In certain cases, the arrangement between the state and federal government does not fit neatly into one category. In the case of state exchanges, they will often be given unique names. Some examples include Covered California (California), kyneX (Kentucky), and MNsure (Minnesota). In almost all cases, there will be separate exchanges for individuals and small businesses. For a map of what type of exchange each state will have, see Figure 1.

Every plan sold on every exchange must include coverage of the essential health benefits (EHBs). The EHBs include 10 broad categories of benefits, such as hospitalization, mental and behavioral health services, and rehabilitative and habilitative services. In virtually every case, occupational therapy services are covered under the rehabilitation and habilitation benefit, albeit typically with a limit on the number of visits. Coverage of habilitative services in particular creates an opportunity for occupational therapy clients to receive services that have often been excluded by private health insurance in the past.

Exchanges will categorize plans into metal levels (i.e., platinum, gold, silver, bronze). Each metal level represents an actuarial value, or the percentage of costs that the plan will cover based on the projected needs of an average beneficiary. For example, a silver plan’s premiums, co-pays, and deductibles will be structured so that the plan will pay for 70% of the expected costs that an average consumer incurs. The purpose of establishing the metal levels is to simplify comparisons between plans by clustering them according to the richness of their benefits. In some states, the cost-sharing for all metal levels has been standardized and only the premiums will vary. In many states, plans from some metal levels may not be available, and in some cases, there may be an additional catastrophic plan.

Consumers will have a variety of avenues to apply for coverage, including online, on the phone, via mail, or in person. In all states, traditional insurance agents and brokers will be eligible to sell exchange plans. In addition, the ACA provides funding for navigators and assisters in every state (i.e., specially trained community-based individuals or organizations that will help consumers enroll in exchange plans and determine if they are eligible for premium or cost-sharing subsidies).

AOTA has partnered with state occupational therapy associations to ensure exchange plans cover occupational therapy services. We will continue to do so as exchanges evolve in the coming years.

Figure 1. Varying Health Insurance Exchange Models

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