

UUA Health Plan/Office of Church Staff Finances 25 Beacon Street, Boston, MA 02108

Summary: Over the six weeks since our first Alert, the Office of Church Staff Finances has tracked developments in the implementation of the Affordable Care Act. Much of the activity over that time has focused on funding, timing, the difficulty of establishing the exchanges, measuring public understanding of the ACA's impact, changes in cost projections, and public posturing by both Democrats and Republicans on the viability of the law.

Implementation issues that have surfaced since the March Alert --

- Less than half of the states have made any progress on setting up an Exchange, which by law are scheduled to begin marketing insurance in five months.
- A Kaiser Family Foundation poll released March 16 showed that 57% of respondents overall and 67% of the uninsured feel they do not have enough information about how the ACA will affect them personally. Sen. Max Baucus (D-Mont.), an architect – and supporter -- of the ACA, said April 17 that he fears a "train wreck", and personally took Health and Human Services Secretary Kathleen Sebelius to task for lack of action on promoting the law.
- The debate over states implementing a Medicaid expansion has taken an uglier turn, with some states moving to trim their Medicaid rolls, while taking federal ACA money to privatize access to the Exchanges for their poorest citizens. This is a story that will continue to unfold.
- Massachusetts, which can legitimately claim to be the model on which the ACA Exchanges are based, lost on a request for a rules exemption that would have allowed the state to continue to use rating factors that the state felt were needed to create a fair, viable small business insurance market. Instead, the Centers for Medicare and Medicaid Services ruled that Massachusetts must play by the same set of rules as other states. Massachusetts business leaders were left scratching their heads.
- At about the same time, Health and Human Services issued (and is still reviewing) a decision that would limit small businesses buying coverage on the Exchanges to choosing only one plan for their employees for 2014. The original proposal was for employer choice of multiple plans, but the implementation of choices has proved to be impossible for Exchange builders. Multiple plans may be an option in 2015.
- The projected costs for a network of Exchanges swelled to \$4.4 billion for fiscal 2012 and 2013, and will reach \$5.7 billion in 2014, according to President Barack Obama's budget sent to Congress on April 11, more than double the original projections, even though less than half the states are participating. At the same time, Republicans are pushing aggressively to *defund* as much of the implementation as possible.

Plan and pricing issues that have surfaced since the March Alert –

- A University of Chicago study indicated that less than half of the individual health insurance policies currently marketed meet the minimum coverage standards imposed by the ACA,

That means that many people, possibly some of your staff, will be looking to either join your UUA Health Plan or other group plan, or will look to the Exchange for coverage.

- Coverage on the Exchanges will not be cheap though --- A study sponsored by the Society of Actuaries projects that people coming onto the Exchanges for their coverage will, on average, cost 31.5% more than people who already have coverage, which will significantly drive up the cost of insurance on the Exchanges. There are wide regional differences as well. These findings are consistent with the Highmark projections we reported earlier.

The above information is provided to assist congregational leaders, religious professionals, and other staff in their decision-making. However, the staff members of the UUA Office of Church Staff Finances are not attorneys or accounting professionals, and we encourage congregations to seek the services of their own advisers in dealing with unusual cases or individual circumstances.

For follow-up questions, email: HealthInsurance@uua.org, or phone:

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