



Affordability Schedule: Public Comment Summary and Recommendation for Calendar Year 2012

(VOTE)

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Board of Directors Meeting
March 8, 2012



Agenda

- Review of Rationale and Recommendation for Calendar Year (CY) 2012
- Summary of Public Comments
- Recommendation and Request for Vote



Rationale for CY 2012 Recommendation

- Important for the state to maintain its affordability schedule
 - Federal standard not in effect until 2014
 - Should avoid substantial changes to state schedule until 2014
 - Await federal regulatory guidance and the shift to a new subsidy structure
 - Will need to mesh federal and state mandates for 2014
- The “maximum allowable premium contribution” in the state affordability schedule has not changed for those below 300% FPL since 2008



Rationale for CY 2012 Recommendation (cont'd)

- Through workgroup and Board discussions, emerging consensus that an “affordable” premium contribution should be based on one’s income
 - When income grows, what one can afford may also grow; when income declines, what one can afford may also decline
 - Current structure makes implementation of this concept difficult



Rationale for CY 2012 Recommendation (cont'd)

- For CY 2012, recommend an increase in premium contributions of 1.5% based on the following rationale:
 - Maximum monthly premium contributions have not been adjusted in all brackets in multiple years
 - The FPL guidelines and subsequent MA COLA adjustments result in an approximate increase in upper bounds of income brackets of ~3%
 - A 1.5% increase in premium contribution amounts represents about half of this inflation and balances differential impacts of adjustments resulting from our bracket-based structure



Rationale for CY 2012 Recommendation (cont'd)

- 2014 represents the opportunity for structural changes to our approach
 - Can more closely tie standard to income
 - Conduct comprehensive reassessment of state standards



Summary of Public Comments

- Public comments received from the Affordable Care Today! (ACT!) Coalition
 - Supported the Health Connector’s recommendation for the CY 2012 Affordability Schedule
 - Indicated concurrence with the following principles expressed by the Health Connector Board:
 - The affordability schedule should be updated such that individuals are required to pay a consistent percentage of their income to premiums over time (as is the case with this year’s recommendation);
 - The affordability schedule should be progressive;
 - The affordability schedule should not require a contribution at the low end of the income range; and
 - The affordability schedule should include a ceiling indicating the maximum percentage of income an individual is required to pay for health insurance



Summary of Public Comments (cont'd)

- Public comments received from the Affordable Care Today! (ACT!) Coalition (cont'd)
 - Expressed interest in continued involvement in discussions regarding how to “mesh” the state and federal affordability standards come 2014



Recommendation for 2012

INDIVIDUALS

Income Bracket			Affordability Standard (Maximum Monthly Premium)	Percentage of Income	
% of FPL	Bottom	Top		Bottom	Top
0 - 100%	\$0	\$11,172	\$0		
100.1 - 150%	\$11,173	\$16,764	\$0		
150.1 - 200%	\$16,765	\$22,344	\$40	2.9%	2.1%
200.1 - 250%	\$22,345	\$27,936	\$78	4.2%	3.4%
250.1 - 300%	\$27,937	\$33,516	\$118	5.1%	4.2%
300.1 - 360%	\$33,517	\$40,195	\$178	6.4%	5.3%
360.1 - 408%	\$40,196	\$45,554	\$239	7.1%	6.3%
408.1 - 504%	\$45,555	\$56,273	\$359	9.5%	7.7%
Above 504%	\$56,274		Affordable		



Recommendation for 2012

COUPLES

Income Bracket			Affordability Standard (Maximum Monthly Premium)	Percentage of Income	
% of FPL	Bottom	Top		Bottom	Top
0 - 100%	\$0	\$15,132	\$0		
100.1 - 150%	\$15,133	\$22,704	\$0		
150.1 - 200%	\$22,705	\$30,264	\$80	4.2%	3.2%
200.1 - 250%	\$30,265	\$37,836	\$156	6.2%	4.9%
250.1 - 300%	\$37,837	\$45,396	\$236	7.5%	6.2%
300.1 - 374%	\$45,397	\$56,656	\$320	8.5%	6.8%
374.1 - 446%	\$56,657	\$67,448	\$428	9.1%	7.6%
446.1 - 588%	\$67,449	\$89,032	\$598	10.6%	8.1%
Above 588%	\$89,033		Affordable		



Recommendation for 2012

FAMILIES

Income Bracket			Affordability Standard (Maximum Monthly Premium)	Percentage of Income	
% of FPL	Bottom	Top		Bottom	Top
0 - 100%	\$0	\$19,092	\$0		
100.1 - 150%	\$19,093	\$28,644	\$0		
150.1 - 200%	\$28,645	\$38,184	\$80	3.4%	2.5%
200.1 - 250%	\$38,185	\$47,736	\$156	4.9%	3.9%
250.1 - 300%	\$47,737	\$57,276	\$236	5.9%	4.9%
300.1 - 398%	\$57,277	\$75,899	\$379	7.9%	6.0%
398.1 - 511%	\$75,900	\$97,584	\$595	9.4%	7.3%
511.1 - 625%	\$97,585	\$119,270	\$862	10.6%	8.7%
Above 625%	\$119,271		Affordable		