

MEMORANDUM

To: Health Connector Board of Directors
Cc: Glen Shor, Ed DeAngelo
From: Kaitlyn Kenney, Director of Policy and Research, National Health Reform Coordinator
Date: March 2, 2012
Re: 2012 Affordability Schedule: Public Comments Summary and Massachusetts Cost of Living Adjustments

Public Comments Summary

The Health Connector issued the draft 2012 Affordability Schedule for public comment on February 9, 2012, as voted on by the Board. This schedule reflected a 1.5% increase in the maximum allowable premium contribution amounts across all income categories, which represents about half of the inflation in the schedule due to Federal Poverty Level (FPL) updates and Massachusetts Cost of Living Adjustments (COLA).

The Health Connector received comments from one entity, the Affordable Care Today (ACT!) Coalition. The ACT! Coalition comments indicated support for the recommended Affordability Schedule for 2012. The ACT! Coalition highlighted their continued interest in being involved in discussions pertaining to how the state should move forward with its affordability standards, given new federal affordability standards included in the Affordable Care Act (ACA).

The Coalition also emphasized that the following principles identified by the Health Connector Board and staff align with those of the ACT! Coalition:

- 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.

Adjustments to the Draft Affordability Schedule

As discussed at the February 9, 2012 Board meeting, Massachusetts incorporates very modest COLA adjustments to the FPL guidelines. The FPL guidelines for 2012 were released in January, enabling the draft schedules voted on by the Board to reflect these guidelines (updated from 2011). At that time, the state had not yet finalized the MA COLA figures. However, since that meeting, these numbers have been finalized.

As a result, the tables below incorporate the finalized income brackets and constitute the final Affordability Schedule recommended for Calendar Year (CY) 2012. Please note that inclusion of the COLA represents a very minor change to that which was presented in February (i.e., the

greatest change is an \$11 increase in the upper bound of an income bracket). Incorporation of these adjustments does not materially change the draft schedules voted on in February; the calculation of the percentage of income one is required to pay remains the same across all income brackets.

Please see the tables below for the recommended Affordability Schedule for CY 2012. Staff will be requesting a Board vote on these schedules at our meeting on Thursday, March 8, 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		

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		

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		