



## Working to Secure Access to Quality, Affordable Health Coverage for all Pennsylvanians

### Ensuring Quality, Affordable Choices for Pennsylvania Families and Small Business: Priorities for Establishing a Competitive Health Insurance Marketplace

For far too long, Pennsylvania families and small businesses have been on the losing end of a health insurance market slanted to favor the needs of big insurance companies over those seeking coverage. Faced with discriminatory pricing practices, a lack of transparency in the market, excessive rate hikes and a lack of bargaining power, many Pennsylvanians have been forced to drop coverage for themselves and their employees.

Under the Affordable Care Act, states have the opportunity to right these wrongs and establish a new, Competitive Health Insurance Marketplace (an “exchange”), that levels the playing field for working families and small business, giving them real choices that are high-quality, affordable, and easy to compare.

#### Here’s how it works:

In this new marketplace, insurers must offer coverage to everyone who seeks it, and they cannot charge you higher rates because you’ve had a bout with cancer or happen to be female.

Insurers will also compete for your business based on plan quality and value. They will have to provide you with a standardized, easy to understand description of what their plans cover and how much you can expect to pay for covered services so that you can make apples-to-apples comparisons and choose a plan that’s right for you and family -- or your and your small business. You will choose from the same plans available to your Member of Congress.

All plans offered in this new marketplace will have to meet high standards for quality and affordability, and must cover the “essential benefits” you need to stay well, including: ambulatory care, emergency care, hospitalization, prescription drugs, maternity and newborn care, mental health and substance abuse treatment, rehabilitative care, laboratory services, preventive and wellness services, chronic disease management, and pediatric services.

If you work in a low-wage, low-benefit sector where you are “offered” a plan by your employer that’s too expensive and doesn’t cover what you need -- you don’t have to take your employer-based coverage. Instead, you can take the money your employer would have put toward your coverage and use it to sign up for a better, more affordable plan in the new marketplace.

If you earn between 133 and 400% of the federal poverty level in 2014 and purchase coverage in the new marketplace, you will get substantial tax credits to lower your monthly premiums (before you pay them!) and will benefit from caps limiting how much you have to pay in out-of-pocket for health care each year:

FEDERAL POVERTY LEVEL	YOUR INCOME	UNSUBSIDIZED COST OF HEALTH INSURANCE (for average 40 yr old)	NEW TAX CREDIT (value of government subsidy saving you money)	YOUR ANNUAL PREMIUM CONTRIBUTION (estimated dollar amount)	YOUR MONTHLY PREMIUM PAYMENT (estimated dollar amount)	PREMIUM RESPONSIBILITY (as a % of your income)	OUT OF POCKET CAPS (sets a ceiling on how much you have to pay each year)	% OF COSTS PAID BY YOUR PLAN
<133%	Single: < \$15,302 Family of 4: < \$31,155	Medicaid	Medicaid	\$0	\$0	Medicaid	Single: \$1,983 Family: \$3,967	100%
150%	Single: < \$17,258 Family of 4: < \$35,137	Single: \$3,832 Family: \$10,855	Single: \$3,141 Family: \$9,449	Single: \$690 Family: \$1,405	Single: \$58 Family: \$117	No more than 4% of your household income	Single: \$2,083 Family: \$4,167	94%
200%	Single: < \$23,011 Family of 4: < \$46,850	Single: \$3,832 Family: \$10,855	Single: \$2,382 Family: \$7,903	Single: \$1,450 Family: \$2,952	Single: \$121 Family: \$246	No more than 6.3% of your household income	Single: \$2,083 Family: \$4,167	87%
250%	Single: < \$28,763 Family of 4: < \$58,562	Single: \$3,832 Family: \$10,855	Single: \$1,516 Family: \$6,141	Single: \$2,315 Family: \$4,714	Single: \$193 Family: \$393	No more than 8.05% of your household income	Single: \$3,125 Family: \$6,250	73%
300%	Single: < \$34,516 Family of 4: < \$70,275	Single: \$3,832 Family: \$10,855	Single: \$553 Family: \$4,179	Single: \$3,279 Family: \$6,676	Single: \$273 Family: \$556	No more than 9.5% of your household income	Single: \$3,125 Family: \$6,250	70%
350%	Single: < \$40,269 Family of 4: < \$81,987	Single: \$3,832 Family: \$10,855	Single: \$6 Family: \$3,066	Single: \$3,826 Family: \$7,789	Single: \$319 Family: \$649	No more than 9.5% of your household income	Single: \$4,167 Family: \$8,333	70%
400%	Single: < \$46,021 Family of 4: < \$93,700	Single: \$3,832 Family: \$10,855	Single: \$0 Family: \$1,953	Single: \$3,826 Family: \$8,901	Single: \$319 Family: \$742	No more than 9.5% of your household income	Single: \$4,167 Family: \$8,333	70%

## Decisions for Pennsylvania:

The Affordable Care Act lays out the broad guidelines for this new marketplace, but gives Pennsylvania lawmakers the final say on important issues that will determine how well this new marketplace meets the needs of working families and small businesses in our state.

**Pennsylvania's health insurance marketplace should be established with the following guiding principles in mind to ensure that individuals, families and small businesses have quality, affordable choices and are able to make smart decisions about which plan is right for them:**

## State Advocates Supporting PHAN's Priorities:

ACTION United  
Childspace CDI  
Community Legal Services  
Consumer Health Coalition  
Health Federation of Philadelphia  
Keystone Progress  
Lutheran Advocacy Ministry in Pennsylvania  
Maternity Care Coalition  
Mental Health Association of Southeastern Pennsylvania  
Mon Valley Unemployed Committee  
National Alliance on Mental Illness (NAMI) Southwestern PA  
National Physicians Alliance  
New Voices Pittsburgh: Women of Color for Reproductive Justice  
Pathways PA  
Pennsylvania Alliance for Retired Americans  
Pennsylvania Budget and Policy Center  
Pennsylvania Council of Churches  
Pennsylvania Health Law Project  
Philadelphia Unemployment Project  
Planned Parenthood Pennsylvania Advocates  
SEIU PA State Council  
United Food and Commercial Workers, Local 1776  
Women's Law Project  
Women's Way

## Get Involved!

Erin Gill-Ninehouser  
Education & Outreach Coordinator,  
Western PA  
[egill@pahealthaccess.org](mailto:egill@pahealthaccess.org)  
(412) 512-9225

## Competitive and Driven by the Needs of PA Families and Small Business

**The marketplace needs to serve the people of Pennsylvania, not an insurance company's bottom line.** A competitive Pennsylvania exchange should:

- Require insurance **companies of all sizes to compete** for the opportunity to be a part of the marketplace so the exchange includes only those insurers who provide quality plans at an affordable cost.
- Have the authority to **negotiate with insurance companies** to guarantee that folks purchasing insurance get the best prices and value available, rather than letting insurance companies dictate the costs.
- **Protect policyholders against insurer abuses** (like denial of care, discriminatory pricing, unjustified rate hikes, and rescissions of coverage).
- Create a governing board that **includes patient voices, small businesses and insurance experts who don't work for the industry** to ensure that the marketplace is well-functioning and meets the needs of Pennsylvania families and small business.

## Ensures High Quality, Affordable Health Care Choices

To offer the highest quality health care for the best value to Pennsylvania families and small businesses, the health insurance marketplace should:

- Require plans to adhere to **strict quality standards** so folks purchasing insurance can be confident they are getting a good plan.
- Make sure coverage is affordable by providing **income-based tax credits to working and middle class families** and ensure that all eligible individuals and families are protected financially by limiting co-payments, deductibles and other cost-sharing based on a family's income.
- **Prevent insurance companies from raising premiums unreasonably** and require public disclosure of proposed rate increases so insurers are held accountable for the premiums they charge.

## Is Accountable, Transparent and Easy-to-Use

It must be easy for folks purchasing insurance to understand and compare plans so they can choose the one that best meets their needs. A strong marketplace should:

- **Protect against conflicts of interest** and bias; people who are employed by or affiliated with insurers, agents or brokers should not be allowed to serve on the governing board of the exchange.
- **Provide well-trained, independent "navigators"** to help individuals, families and small businesses decide which coverage option is best for them.
- **Use clear, jargon-free language** to summarize plan benefits, covered services and cost-sharing to enable side-by-side comparisons.
- Establish consumer assistance programs to **provide people with a place to turn if they have grievances** about their health plans and to help them navigate the system.
- **Coordinate with the state's Medicaid program** to make it easy for individuals and families to retain coverage and move seamlessly between public and private plans, as a family's financial situation may change.
- **Publicize quality and customer satisfaction ratings for all health plans in the marketplace** online so folks purchasing insurance can make an informed decision when choosing a plan.