Patient Protected Affordable Care Act (PPACA) in Virginia - October 2013

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Virginia will not develop State Exchanges and therefore will default to the Federal Exchanges for uninsured Virginians October 2013. Exchanges are the online "marketplace" that lists all of the available health insurance plans.

Virginia will not expand Medicaid coverage at this time, but has mandated (3/2013) that Medicaid reforms be put in place before Medicaid expansion is considered. A committee called the Medicaid Innovation and Reform Commission has been formed (met in March, August, and October 2013) to study Medicaid programs and make recommendations for reform or reorganization.

Virginia has been approved (by the Department of Health and Human Services (HHS 3/2013) to allow the Virginia Insurance Bureau to provide "plan management" functions for plans in the Federal Exchange offered to Virginia residents. As a result, the Virginia Insurance Bureau will provide oversight of how the health plans function in Virginia.

Essential Health Benefits (EHBs) will go into effect October 2013. Habilitative services are included in this list. (Habilitative services assist persons in learning new skills.) Plan coverage for EHB's will be tiered at Bronze (60%), Silver (70%), and Gold (80%). The policies will vary in premium cost based on the coverage levels. The Federal Government has set forth a Minimum Cost coverage and Minimum Value. Insurers must have their plans approved by HHS offering no less than "minimum value coverage of 60%." There will be a limit placed on out-of-pocket costs, including copays and deductibles, for individuals and families.

The Patient Protection and Affordable Care Act (PPACA) has a "limited impact on self-insured and large insured plans." Why? *Private policies in existence before March 23, 2010 are "grandfathered" in and do not have to cover the EHB's. They do have to follow:

- No annual or lifetime limits of coverage
- Caps annual out-of-pocket spending
- Waiting periods are limited to 90 days
- Cannot deny coverage or charge for any reason based on health status or gender.
- Covers kids on parent's policies until age 26

*Grandfathered plans are eligible based on when they were developed, not when you joined. They must disclose to the consumer that they are "grandfathered."

Any insurance company who wants to offer a plan through the federal or state exchanges must offer a comparable plan in the open marketplace.