Health Care Reform in Indian Country

Self-Governance Communication & Education

Self-Governance Tribes Striving Towards Excellence in Health Care

Securing Health Insurance Coverage for Tribal Members – Use of Tribal Sponsorship and the Health Insurance Marketplace –

ACA/IHCIA In-Person Training Session
Mohegan Sun
Uncasville, Connecticut
November 19, 2024

TribalSelfGov.org/healthreform

Presented by Doneg McDonough, CEO, Health System Analytics
DonegMcD@outlook.com

Tribal Sponsorship Basics

- **Tribal Sponsorship is the purchase of health insurance coverage by a Tribe or THO on behalf of Tribal citizens or other IHS-eligible individuals**
  - For this Webinar, focus is on payment of premiums for coverage secured through a Health Insurance Marketplace
  - Tribal Sponsorship can involve other coverage, such as Medicare Parts B and D
- **Goals of Tribal Sponsorship**
  - Access additional resources to meet the health care needs of otherwise uninsured IHS-eligible individuals
    - ✓ Federal premium subsidies (premium tax credits (PTCs))
    - ✓ Federal cost-sharing protections (reduced out-of-pocket costs)
  - Make health services more accessible to IHS-eligible individuals
- **Mechanism for generating additional resources through Tribal Sponsorship**
  - Sponsoring Tribe/THO pays net premium costs (after application of any PTCs) to secure health insurance coverage purchased through Marketplace; coverage provides comprehensive, Indian-specific cost-sharing protections (for Tribal citizens)
    - Generates additional patient revenues for services provided by THO
    - Reduces Purchased/Referred Care (PRC) costs
  - **Typical return to Sponsoring Tribes of $4 - $5 in health resources generated for each $1 invested in program**

Federal Poverty Level (FPL), by Household Size

2024 FPL for Use with (1) Medicaid Eligibility Determinations in 2024 & Early 2025 and (2) Marketplace (PTC/CSR) Eligibility Determinations for All of 2025

48 Contiguous States and the District of Columbia					
	2024 FPL Level (Effective January 17, 2024, Until New Guidelines Issued in Early 2025)				
Persons in Household	100%	138%	250%	300%	400%
1	$15,060	$20,783	$37,650	$45,180	$60,240
2	$20,440	$28,207	$51,100	$61,320	$81,760
3	$25,820	$35,632	$64,550	$77,460	$103,280
4	$31,200	$43,056	$78,000	$93,600	$124,800
5	$36,580	$50,480	$91,450	$109,740	$146,320
6	$41,960	$57,905	$104,900	$125,880	$167,840
7	$47,340	$65,329	$118,350	$142,020	$189,360
8	$52,720	$72,754	$131,800	$158,160	$210,880

- Federal poverty levels are twenty-five percent (25%) higher in Alaska and fifteen percent (15%) higher in Hawaii
- Other resources available at https://www.tribalselfgov.org/2024-health-actions/

Health System ANALYTICS

Where Does Marketplace Coverage Fit In?

Funding Source, by Insurance Type

Current

Funding Source, by Insurance Type
Core Package of "Essential Health Benefits"

100%
80%
60%
40%
20%
0%

Employer Sponsored Insurance
Medicaid
Medicare
Uninsured
Marketplace

Federal / State / Employer
Federal / Marketplace
IHS Appropriation/IHS Revenues
Tribe / Individual / Not Funded

Health System ANALYTICS

Comparison of Annual Premium for Subsidized Marketplace Coverage vs. One PRC Payment

Cost of Subsidized Annual Premium for Marketplace Plan[1] vs. Cost of One MRI Procedure for PRC Program[2]

(Example of 45-Year-Old Moderate-Income Tribal Member; 2025)

	Value
Cost of Subsidized Annual Premium for Marketplace Plan	$142
Cost of One MRI Procedure for PRC Program	$348

An average of $9,828 in health service payments made for Marketplace enrollees ==========>

$0 $1,000 $2,000 $3,000 $4,000 $5,000 $6,000 $7,000 $8,000 $9,000 $10,000

Notes:

[1] "Cost of subsidized annual premium for Marketplace plan" figure is the net premium for a 45-year-old non-smoker who has an annual income of 275% FPL ($41,415) and enrolls in the lowest-cost bronze PPO available in Uncasville, Connecticut (New London County), in 2025.

[2] "Cost of One MRI procedure for PRC program" figure is the Medicare price for a mid-cost procedure performed in Uncasville, CT, in 2024 and assumes the provider performs both the technical and professional components of the procedure.

Health System ANALYTICS

Trends in Marketplace Enrollment of AI/ANs

All Enrollments over Year: All Marketplaces

- Through Tribal Sponsorship and individual initiative of Tribal members, enrollment of Tribal citizens and non-Tribal member AI/ANs in Marketplace coverage has continued to grow
- Total Marketplace enrollment of enrolled Tribal citizens and non-Tribal member AI/ANs at some point during the year *increased* by 14.5% in 2023 (versus 2022), according to CMS-reported data

Total Enrollments of Enrolled Tribal Members and Non-Tribal Member AI/ANs; All Marketplaces, 2015-2023 (all enrollments during year)

	2015	2016	2017	2018	2019	2020	2021	2022	2023
	47,663	55,785	98,950	98,703	99,602	102,303	105,881	114,522	131,111
SBM: Enrolled Tribal Members			6,258	6,874	7,566	8,801	9,756	11,185	11,485
FFM: Non-Tribal Member AI/ANs	24,474	28,627	48,730	43,271	37,453	35,331	33,810	36,645	45,384
FFM: Enrolled Tribal Members	23,189	27,158	43,962	48,558	54,583	58,171	62,315	66,692	74,242

Health System ANALYTICS

Eligibility for Marketplace Subsidies:
PTCs and CSRs

Eligibility for PTCs (American Rescue Plan provisions shown in red)

In addition to general Marketplace eligibility requirements:

- Have household income ~~between 100% and 400%~~ **at least 100%** of the federal poverty level (FPL) **for 2021 and 2022 (income cap removed)** **(provision extended through 2025 by Inflation Reduction Act enacted in August 2022)**
- Not be eligible for Medicare, Medicaid, or "affordable" employer-sponsored insurance (through employer or employer of a family member)
- Veterans can be eligible for, but cannot enroll in, the Veterans Health Care Program (VHCP)
- There are no Indian-specific eligibility criteria for PTCs
- A Tribe / THO might wish to Sponsor a Tribal citizen or other IHS-eligible individual even if the individual is not eligible for PTCs

Eligibility for Indian-Specific Cost-Sharing Protections

- ***All*** Tribal citizens who enroll in Marketplace coverage are eligible for one of the two comprehensive Indian-specific cost-sharing protections

Health System ANALYTICS

Net Premium Costs of Marketplace Coverage

(Example of family of three; bronze level coverage)

Net Marketplace Plan Premiums in Connecticut for AI/AN Enrollees with and Without American Rescue Plan Act of 2021 (HR 1319)

3-Person HH, Two 45-Year-Olds & One 20-Year-Old Enrolled, Bronze PPO Pathway HSA; Uncasville, CT (2025)

$25,000
$20,000
$15,000
$10,000
$5,000
$0

100% 150% 200% 250% 300% 350% 400% 450% 500% 550% 600% 650% 700%

With ARP (HR 1319) Without ARP (HR 1319) Full Premium

Note: “Without ARP” net Marketplace plan premiums for 2025 were estimated based on the required household contribution for enrollees (pre-ARP) in 2021

Health System ANALYTICS

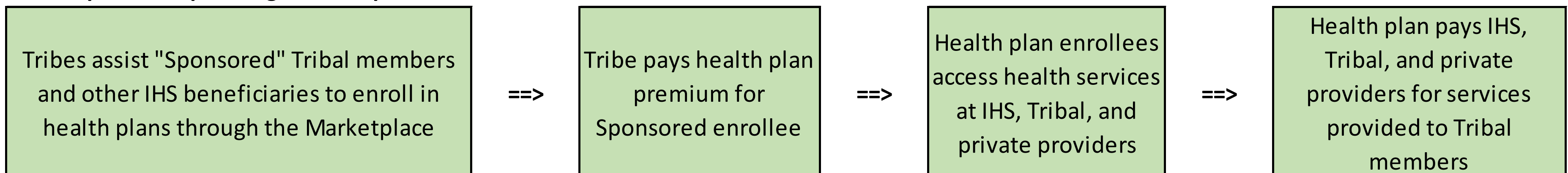
Mechanics of Tribal Sponsorship Implementation

with Marketplace Coverage

- Tribal Sponsorship through a Marketplace follows a similar process as Medicaid enrollment, with primary additional step being payment of a portion of health plan premium

Medicaid Enrollment

Tribal Sponsorship through Marketplace



- There are a series of operational issues that make Tribal Sponsorship more complex than Medicaid enrollment
- Tribes and THOs are able to establish their own eligibility criteria for a Tribal Sponsorship program, within parameters of funding sources

Health System ANALYTICS

Repayment of Excess Premium Tax Credits

- Marketplace enrollees who receive advance PTC payments during a given year must reconcile these payments with the amount of PTCs for which they qualify based on their actual income for the year (as reported on their federal tax return)
- If advance PTC payments exceed the amount of PTCs for which Marketplace enrollees ultimately qualify based on their actual income, they must repay the excess amount, subject to certain limits (as shown below)

Advance Premium Tax Credit (PTC) Repayment Limits; 2020-2024

Household Income (% FPL)	2020 (2019 tax year)		2021 (2020 tax year)		2022 (2021 tax year)		2023 (2022 tax year)		2024 (2023 tax year)	
	Single	Other	Single	Other	Single	Other	Single	Other	Single	Other
0%-200%	$300	$600	$0	$0	$325	$650	$325	$650	$350	$700
201%-300%	$800	$1,600	$0	$0	$800	$1,600	$825	$1,650	$900	$1,800
301%-400%	$1,325	$2,650	$0	$0	$1,350	$2,700	$1,400	$2,800	$1,500	$3,000
401%+	No Cap	No Cap	$0	$0	No Cap	No Cap	No Cap	No Cap	No Cap	No Cap

Source: IRS, Instructions for Form 8962, 2019-2023.

Note: For tax year 2020, section 9962 of the American Rescue Plan Act eliminated the requirement to repay excess advance PTCs.

- **NOTE: Individuals who enroll in Marketplace coverage through a Tribal Sponsorship program assume any tax liability resulting from advance PTC payments, not their Tribal sponsors; Tribal sponsors, however, can establish policies of reimbursing sponsorship program enrollees for any repayments of PTCs for which these individuals are liable**

Health System ANALYTICS

Increasing Value of Medicare Part D Coverage

The Inflation Reduction Act included several measures designed to improve access to prescription drugs under Medicare Part D; the law will:

- **Beginning in 2023**, cap out-of-pocket costs for insulin products at $35 per month for Medicare Part D enrollees, including AI/AN enrollees
- **Beginning in 2024**, expand eligibility for full-premium subsidies under the Medicare Part D Low-Income Subsidy (LIS) program to enrollees, including AI/AN enrollees, with an income at or less than 150% FPL (currently 135% FPL)*; and
- **Beginning in 2025**, cap prescription drug costs at $2,000 per year for Medicare Part D enrollees, including AI/AN enrollees, with the amount of the cap indexed annually in subsequent years**

* Currently, under the LIS program, Medicare Part D enrollees with an income between 135% and 150% FPL receive a partial premium subsidy, with the amount of the subsidy varying by income level

** Medicare Part D currently has no hard cap on out-of-pocket prescription drug costs; in 2022, Medicare Part D enrollees pay a $480 deductible and 25% coinsurance until their total out-of-pocket prescription drug spending reaches $7,050, after which they pay either 5% of their total drug costs or $3.95/$9.85 for each generic and preferred/other drug, respectively

Dilemma of a Full Plate

Health System ANALYTICS

Full Presentation

Health System
ANALYTICS

Presentation Content

1. Tribal Sponsorship basics
2. Trends in Marketplace enrollment of American Indians/Alaska Natives
3. Eligibility criteria for Marketplace coverage
4. Net cost of coverage (with American Rescue Plan/Inflation Reduction Act)
   - Health insurance premiums
   - Patient cost-sharing
5. Final federal rule to fix "family glitch"
6. Mechanics of Tribal Sponsorship with Marketplace coverage
7. Tribal FQHC rates under Marketplace coverage
8. Increased value of Tribal Sponsorship under Medicare Part D
9. New option to provide (Tribal) employer-sponsored coverage via Marketplace
   - Individual coverage health reimbursement arrangements

Disclaimer: *This analysis is for informational purposes only and is not intended as tax or legal advice*

Health System ANALYTICS

Acronyms

- AI/ANs: American Indians and Alaska Natives, comprised of enrolled Tribal members in federally-recognized Tribes and other IHS-eligible individuals
- IHS: Indian Health Service
- HHS: (Federal) Department of Health and Human Services
- CMS: Centers for Medicare and Medicaid Services, HHS
- CCIIO: Center for Consumer Information and Insurance Oversight, CMS/HHS
- IHCP: Indian health care provider, sometimes referred to as I/T/U
- I/T/U: IHS, Tribe or Tribal health organization, and urban Indian organization
- THO: Tribal health organization
- **ACA: Patient Protection and Affordable Care Act**
- **ARP: American Rescue Plan Act**
- **IRA: Inflation Reduction Act**
- PTCs: Premium tax credits
- APTCs: Advanced payment of premium tax credits
- CSRs: Cost-sharing reductions
- L-CSV: Limited cost-sharing variation
- Z-CSV: Zero cost-sharing variation
- QHP: Qualified health plan
- FFM: Federally-Facilitated Marketplace
- ECP: Essential community providers
- PRC: Purchased/Referred Care Program

Health System ANALYTICS

Federal Poverty Level (FPL), by Household Size

2024 FPL for Use with (1) Medicaid Eligibility Determinations in 2024 & Early 2025 and (2) Marketplace (PTC/CSR) Eligibility Determinations for All of 2025

48 Contiguous States and the District of Columbia					
	2024 FPL Level (Effective January 17, 2024, Until New Guidelines Issued in Early 2025)				
Persons in Household	100%	138%	250%	300%	400%
1	$15,060	$20,783	$37,650	$45,180	$60,240
2	$20,440	$28,207	$51,100	$61,320	$81,760
3	$25,820	$35,632	$64,550	$77,460	$103,280
4	$31,200	$43,056	$78,000	$93,600	$124,800
5	$36,580	$50,480	$91,450	$109,740	$146,320
6	$41,960	$57,905	$104,900	$125,880	$167,840
7	$47,340	$65,329	$118,350	$142,020	$189,360
8	$52,720	$72,754	$131,800	$158,160	$210,880

- Federal poverty levels are twenty-five percent (25%) higher in Alaska and fifteen percent (15%) higher in Hawaii
- Other resources available at https://www.tribalselfgov.org/2024-health-actions/

Health System ANALYTICS

#1: Tribal Sponsorship Basics

- **Tribal Sponsorship is the purchase of health insurance coverage by a Tribe or THO on behalf of Tribal citizens or other IHS-eligible individuals**
  - For this Webinar, focus is on payment of premiums for coverage secured through a Health Insurance Marketplace
  - Tribal Sponsorship can involve other coverage, such as Medicare Parts B and D
- **Goals of Tribal Sponsorship**
  - Access additional resources to meet the health care needs of otherwise uninsured IHS-eligible individuals
    - ✓ Federal premium subsidies (premium tax credits (PTCs))
    - ✓ Federal cost-sharing protections (reduced out-of-pocket costs)
  - Make health services more accessible to IHS-eligible individuals
- **Mechanism for generating additional resources through Tribal Sponsorship**
  - Sponsoring Tribe/THO pays net premium costs (after application of any PTCs) to secure health insurance coverage purchased through Marketplace; coverage provides comprehensive, Indian-specific cost-sharing protections (for Tribal citizens)
    - Generates additional patient revenues for services provided by THO
    - Reduces Purchased/Referred Care (PRC) costs
  - **Typical return to Sponsoring Tribes of $4 - $5 in health resources generated for each $1 invested in program**

Health System ANALYTICS

Comparison of Annual Premium for Subsidized Marketplace Coverage vs. One PRC Payment

Cost of Subsidized Annual Premium for Marketplace Plan[1] vs.
Cost of One MRI Procedure for PRC Program[2]
(Example of 45-Year-Old Moderate-Income Tribal Member; 2025)

Cost of Subsidized Annual Premium for Marketplace Plan
$142
An average of $9,828 in health service payments made for Marketplace enrollees ==========>

Cost of One MRI Procedure for PRC Program
$348

$0 $1,000 $2,000 $3,000 $4,000 $5,000 $6,000 $7,000 $8,000 $9,000 $10,000

Notes:

[1] "Cost of subsidized annual premium for Marketplace plan" figure is the net premium for a 45-year-old non-smoker who has an annual income of 275% FPL ($41,415) and enrolls in the lowest-cost bronze PPO available in Uncasville, Connecticut (New London County), in 2025.

[2] "Cost of One MRI procedure for PRC program" figure is the Medicare price for a mid-cost procedure performed in Uncasville, CT, in 2024 and assumes the provider performs both the technical and professional components of the procedure.

Health System ANALYTICS

Where Does Tribal Sponsorship Fit In?

Funding Source, by Insurance Type

Current

Funding Source, by Insurance Type
Core Package of "Essential Health Benefits"

100%
80%
60%
40%
20%
0%

Employer Sponsored Insurance
Medicaid
Medicare
Uninsured
Marketplace

Federal / State / Employer
Federal / Marketplace
IHS Appropriation/IHS Revenues
Tribe / Individual / Not Funded

Health System ANALYTICS

Illustration of Potential Impact of Sponsorship Through Marketplace: Insurance Coverage and Funding Sources

With Sponsorship: Insurance Status and Funding Percentages,
All Health Services and Interventions

Goal

Core Package of "Essential health Benefits"

100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%

Prevention & Community Health
Employer Sponsored Insurance
Medicaid
Medicare
Uninsured
Marketplace
Long-term Support Services

Federal / State / Employer
Federal / Marketplace
IHS Appropriation / IHS Revenues
Tribe / Individual / Not Funded

Health System
ANALYTICS

#2: Trends in Marketplace Enrollment of AI/ANs

All Enrollments over Year: All Marketplaces

- Through Tribal Sponsorship and individual initiative of Tribal members, enrollment of Tribal citizens and non-Tribal member AI/ANs in Marketplace coverage has continued to grow
- Total Marketplace enrollment of enrolled Tribal citizens and non-Tribal member AI/ANs at some point during the year *increased* by 14.5% in 2023 (versus 2022), according to CMS-reported data

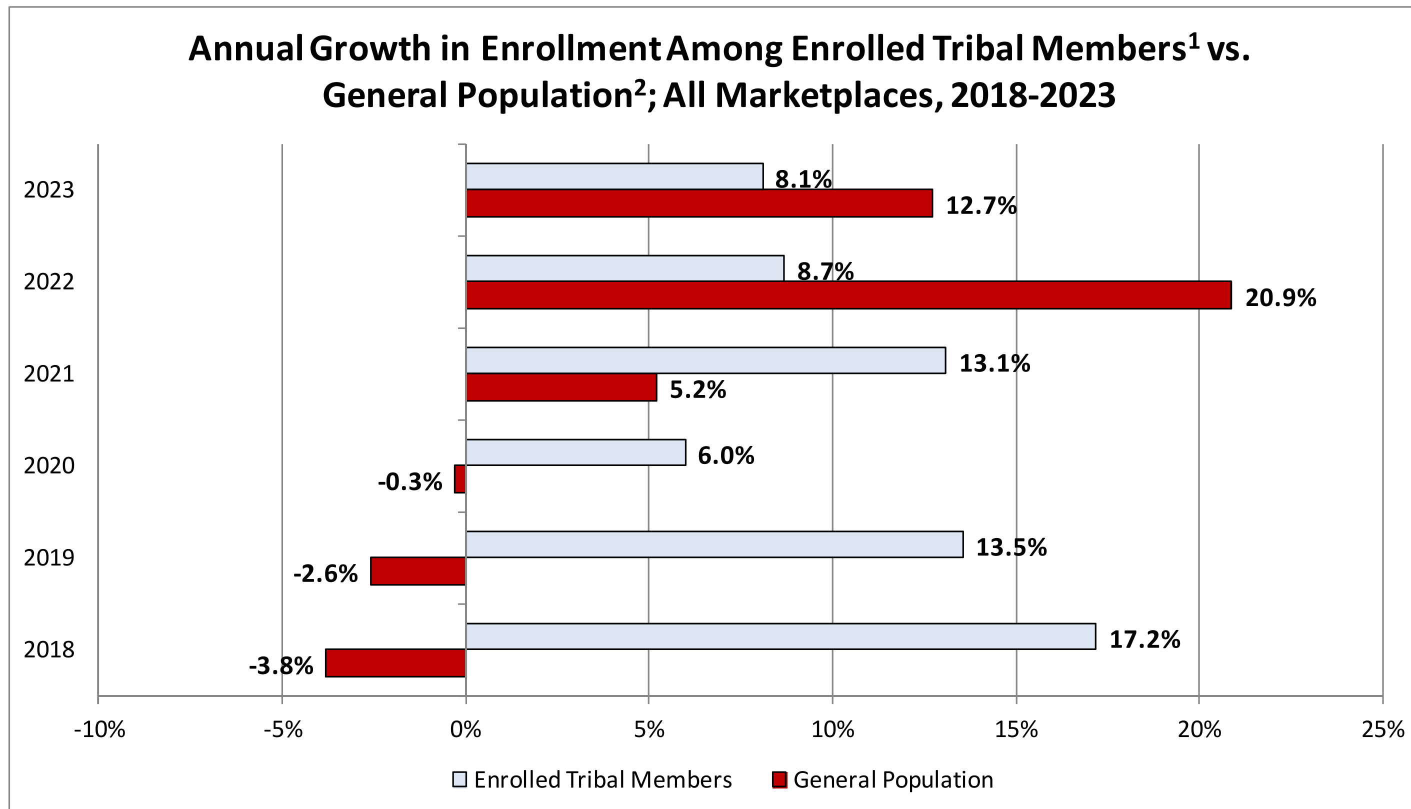
Total Enrollments of Enrolled Tribal Members and Non-Tribal Member AI/ANs; All Marketplaces, 2015-2023 (all enrollments during year)

	2015	2016	2017	2018	2019	2020	2021	2022	2023
	47,663	55,785	98,950	98,703	99,602	102,303	105,881	114,522	131,111
SBM: Enrolled Tribal Members			6,258	6,874	7,566	8,801	9,756	11,185	11,485
FFM: Non-Tribal Member AI/ANs	24,474	28,627	48,730	43,271	37,453	35,331	33,810	36,645	45,384
FFM: Enrolled Tribal Members	23,189	27,158	43,962	48,558	54,583	58,171	62,315	66,692	74,242

Health System ANALYTICS

Marketplace Enrollment Growth Among Tribal Members vs. General Population

- Across all Marketplaces, annual enrollment growth among enrolled Tribal members historically has outpaced growth among the general population; that trend has reversed in more recent years, although enrollment growth among Tribal members has continued



Notes:

[1] Growth for enrolled Tribal members is based on Marketplace enrollment on the date that CMS ran a report for a given year (*i.e.,* October 2018, November 2019, January 2021, January 2022, January 2023, and January 2024). The change in report run dates from October/November to January between 2019 and 2020 might have resulted in undercounting of Tribal member Marketplace enrollees. The typical pattern of Marketplace enrollment levels for Tribal members is a decline between December and January (of approximately 15%), followed by a rebuilding of enrollment over the following months.

[2] Growth for the general population is based on Marketplace enrollment during the open enrollment period for a given year.

Health System ANALYTICS

Marketplace Enrollment of AI/ANs in Federally-Facilitated Marketplaces

- In the 33 states operating Federally-Facilitated Marketplaces, overall enrollment of Tribal citizens in health insurance coverage through a Marketplace increased by 9.2% from 2022 to 2023

Enrolled Tribal Members[1] with Coverage
Through the Federally-Facilitated Marketplace (FFM), by State; 2022 and 2023[2,3]
(Suppress Cells <=11)

State	2022	2023	% Change	State	2022	2023	% Change
Alabama	592	608	2.7%	Montana	1,270	1,405	10.6%
Alaska	1,122	1,226	9.3%	Nebraska	545	546	0.2%
Arizona	1,175	1,462	24.4%	New Hampshire	37	40	8.1%
Arkansas	1,054	1,314	24.7%	North Carolina	1,225	1,179	-3.8%
Delaware	53	63	18.9%	North Dakota	673	745	10.7%
Florida	1,498	1,562	4.3%	Ohio	148	182	23.0%
Georgia	494	512	3.6%	Oklahoma	30,428	32,209	5.9%
Hawaii	68	92	35.3%	Oregon	1,033	1,102	6.7%
Illinois	323	340	5.3%	South Carolina	341	372	9.1%
Indiana	175	182	4.0%	South Dakota	1,256	1,583	26.0%
Iowa	93	123	32.3%	Tennessee	454	526	15.9%
Kansas	1,206	1,273	5.6%	Texas	4,970	6,208	24.9%
Louisiana	213	261	22.5%	Utah	1,838	2,047	11.4%
Michigan	1,259	1,334	6.0%	Virginia	378	409	8.2%
Mississippi	109	121	11.0%	West Virginia	32	60	87.5%
Missouri	998	1,065	6.7%	Wisconsin	1,027	1,097	6.8%
				Wyoming	381	397	4.2%
				All States:	**56,468**	**61,645**	**9.2%**

Source:

CMS, "Table 1: American Indian and Alaska Native Applicants and Enrollees in the Federally-Facilitated Marketplace," coverage year 2022-2023 data

Notes:

[1] An enrolled Tribal member is an individual who meets the definition of Indian under the Affordable Care Act as a member of an Indian Tribe or shareholder in an Alaska Native regional or village corporation.

[2] Figures are for January 2023 and January 2024. Totals include values in suppressed cells.

[3] The FFM includes State-Based Marketplaces on the Federal Platform and State-Partnership Marketplaces.

Health System ANALYTICS

Marketplace Enrollment of AI/ANs in State-Based Marketplaces

- In the 18 states operating their own Marketplaces (referred to as State-Based Marketplaces), overall enrollment of Tribal citizens in health insurance coverage through a Marketplace increased by 2.7% from 2022 to 2023

Table 2: Enrolled Tribal Members[1] with Zero or Limited Cost-Sharing Reductions (CSRs) in State-Based Marketplaces, 2022-2023[2]
(Suppress Cells <=11)

State	Tribal Members with Zero CSRs			Tribal Members with Limited CSRs			All	
	2022	2023	% Change	2022	2023	% Change	2023 vs. 2022	% Change
California	4,388	4,215	-3.9%	1,674	1,812	8.3%	-34	-0.6%
Colorado	470	462	-1.7%	236	261	10.4%	16	2.3%
Connecticut	96	82	-14.3%	20	16	-16.2%	-17	-14.6%
District of Columbia	**	**	--	**	**	--	--	--
Idaho	341	412	20.8%	124	98	-21.1%	45	9.7%
Kentucky	44	36	-18.2%	**	11	--	--	--
Maine	90	93	3.1%	33	34	1.5%	3	2.7%
Maryland	66	59	-10.6%	**	20	--	--	--
Massachusetts	119	105	-11.9%	68	73	7.1%	-9	-5.0%
Minnesota	190	176	-7.6%	165	182	10.3%	3	0.7%
Nevada	417	431	3.4%	88	89	1.3%	15	3.0%
New Jersey	170	126	-25.6%	61	46	-24.8%	-59	-25.4%
New Mexico	344	432	25.4%	178	206	15.6%	115	22.1%
New York	103	98	-5.2%	86	92	7.8%	1	0.7%
Pennsylvania	160	150	-6.2%	41	46	11.9%	-5	-2.5%
Rhode Island	28	30	7.1%	**	**	--	--	--
Vermont	12	13	6.8%	**	**	--	--	--
Washington	937	1,080	15.3%	438	500	14.1%	205	14.9%
Totals	7,975	8,000	0.3%	3,210	3,485	8.5%	299	2.7%

Source:

CMS, "Average Effectuated Enrollment (as of December 2022)"; CMS, "Average Effectuated Enrollment (as of December 2023)"

Notes:

[1] An enrolled Tribal member is an individual who meets the definition of Indian under the Affordable Care Act as a member of an Indian Tribe or shareholder in an Alaska Native regional or village corporation.

[2] Figures are for December 2022 and December 2023.

Health System ANALYTICS

#3: Eligibility Criteria for Marketplace Coverage

General Eligibility for Marketplace Enrollment

- Reside in area served by Marketplace (*e.g.*, state of Arizona)
- Reside in the United States legally
- Not be incarcerated

Health System ANALYTICS

Eligibility Criteria for Premium Tax Credits

Eligibility for PTCs (American Rescue Plan provisions shown in red)

In addition to general Marketplace eligibility requirements:

- Have household income ~~between 100% and 400%~~ **at least 100%** of the federal poverty level (FPL) **for 2021 and 2022 (income cap removed)** **(provision extended through 2025 by Inflation Reduction Act enacted in August 2022)**
- Not be eligible for Medicare, Medicaid, or "affordable" employer-sponsored insurance (through employer or employer of a family member)
  - How "affordable" is defined will change in 2023 (referred to as "family glitch fix") **(see below)**
- Veterans can be eligible for, but cannot enroll in, the Veterans Health Care Program (VHCP)
- There are no Indian-specific eligibility criteria for PTCs
- A Tribe / THO might wish to Sponsor a Tribal citizen or other IHS-eligible individual even if the individual is not eligible for PTCs

Health System ANALYTICS

Repayment of Excess Premium Tax Credits

- Marketplace enrollees who receive advance PTC payments during a given year must reconcile these payments with the amount of PTCs for which they qualify based on their actual income for the year (as reported on their federal tax return)
- If advance PTC payments exceed the amount of PTCs for which Marketplace enrollees ultimately qualify based on their actual income, they must repay the excess amount, subject to certain limits (as shown below)

Advance Premium Tax Credit (PTC) Repayment Limits; 2020-2024

Household Income (% FPL)	2020 (2019 tax year)		2021 (2020 tax year)		2022 (2021 tax year)		2023 (2022 tax year)		2024 (2023 tax year)	
	Single	Other	Single	Other	Single	Other	Single	Other	Single	Other
0%-200%	$300	$600	$0	$0	$325	$650	$325	$650	$350	$700
201%-300%	$800	$1,600	$0	$0	$800	$1,600	$825	$1,650	$900	$1,800
301%-400%	$1,325	$2,650	$0	$0	$1,350	$2,700	$1,400	$2,800	$1,500	$3,000
401%+	No Cap	No Cap	$0	$0	No Cap	No Cap	No Cap	No Cap	No Cap	No Cap

Source: IRS, Instructions for Form 8962, 2019-2023.

Note: For tax year 2020, section 9962 of the American Rescue Plan Act eliminated the requirement to repay excess advance PTCs.

- **NOTE: Individuals who enroll in Marketplace coverage through a Tribal Sponsorship program assume any tax liability resulting from advance PTC payments, not their Tribal sponsors; Tribal sponsors, however, can establish policies of reimbursing sponsorship program enrollees for any repayments of PTCs for which these individuals are liable**

Health System ANALYTICS

Eligibility Thresholds, by State

- Medicaid/CHIP eligibility overrides eligibility for premium tax credits through a Marketplace

Medicaid and CHIP Eligibility; Marketplace Operations in Selected States (as of May 1, 2024)						
	Connecticut	**Montana**	**North Dakota**	**Oregon**	**South Dakota**	**Washington**
Medicaid income eligibility for adults	Covers all adults up to 138% FPL	Covers all adults up to 138% FPL	Covers all adults up to 138% FPL	Covers all adults up to 138% FPL	Covers all adults up to 138% FPL (as of July 1, 2023)	Covers all adults up to 138% FPL
Medicaid/CHIP income eligibility for children (0-18)	Covers all children up to 323% FPL	Covers all children up to 266% FPL	Covers all children up to 205% FPL	Covers all children up to 305% FPL	Covers all children up to 209% FPL	Covers all children up to 317% FPL
Tribal FQHC option under Medicaid	Yes	Yes	Yes	No	No	Yes
Marketplace type	State-Based Marketplace	Federally-Facilitated Marketplace (state conducts plan management activities)	Federally-Facilitated Marketplace	State-Based Marketplace on the Federal Platform	Federally-Facilitated Marketplace (state conducts plan management activities)	State-Based Marketplace
CCIIO ECP contracting requirements apply	No	Yes	Yes	No	Yes	No
Number of enrolled Tribal members with Marketplace coverage (as of January 2024)	98	1,405	745	1,102	1,583	1,580

Health System ANALYTICS

Eligibility Criteria for Indian-Specific Cost-Sharing Protections

All Tribal citizens who enroll in Marketplace coverage are eligible for one of the two comprehensive Indian-specific cost-sharing protections

Type 1: Eligibility for Zero Cost-Sharing Variation

- Enroll in health insurance coverage through a Marketplace
- Tribal citizen (requires uploading documentation of enrollment status)
- *Eligibility for premium tax credits*
- *Household income between 100% and 300% of federal poverty level*

Type 2: Eligibility for Limited Cost-Sharing Variation

- Enroll in health insurance coverage through a Marketplace
- Tribal citizen (requires uploading documentation of enrollment status)
- *No requirement for eligibility for PTCs*
- *Any household income level*
- A "Referral for Cost-Sharing" is needed to secure protections outside Tribal/IHS system

Health System ANALYTICS

Expanded Premium Subsidies Under American Rescue Plan Act (ARP)

- **For CY 2021 and CY 2022, the ARP expanded ACA premium subsidies (extended through 2025 by Inflation Reduction Act enacted in August 2022)**
  - Made additional individuals eligible for PTCs: Extended PTC eligibility to Marketplace enrollees with household income higher than 400% FPL
  - Provided more generous subsidies for currently-eligible individuals: Reduced amount of required household contribution to Marketplace plan premiums for PTC-eligible enrollees

Table 1: Percent of Income Paid for Marketplace Benchmark Silver Premium, by Income

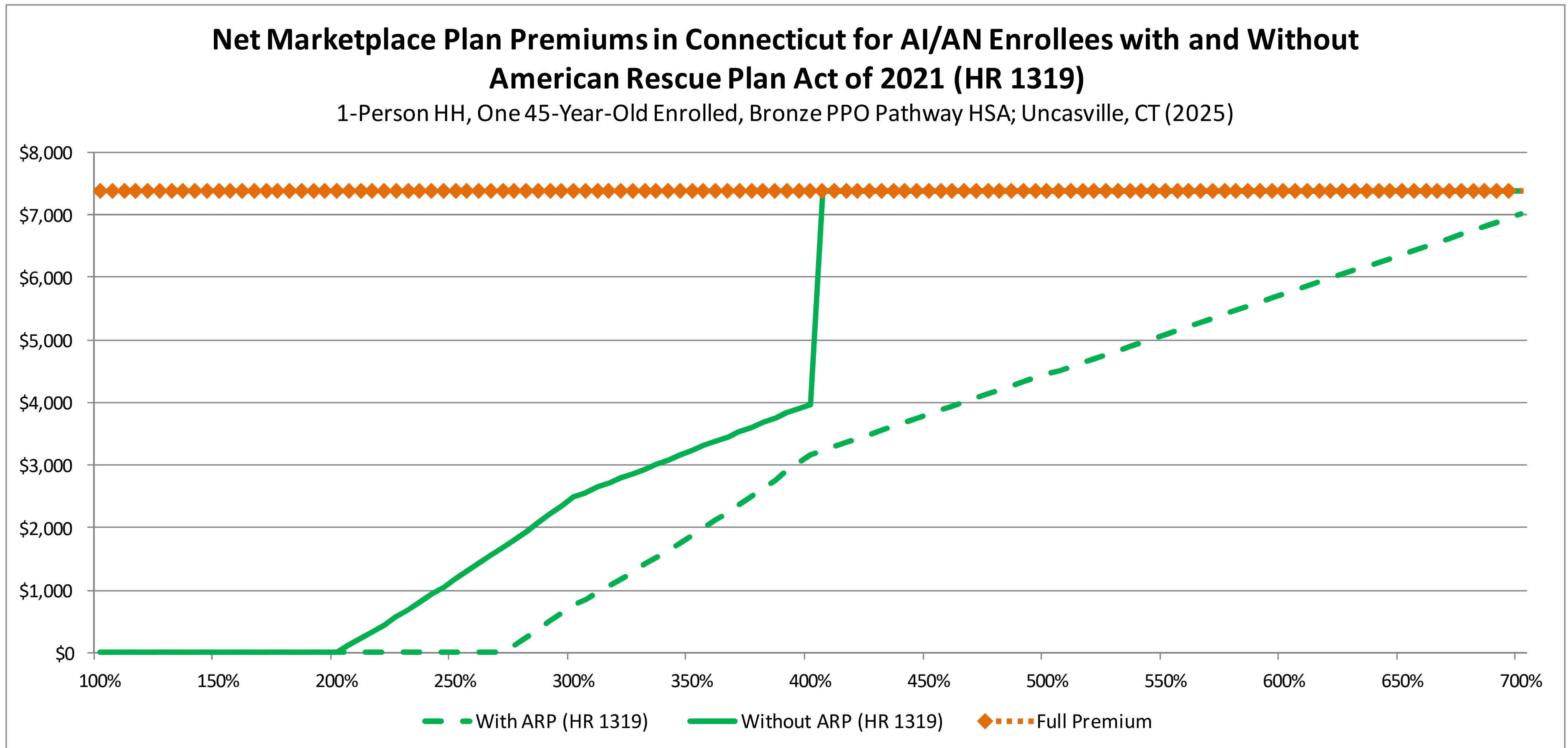
Income (% of poverty)	**Affordable Care Act** (before legislative change)	**COVID-19 Relief (current law 2021-2022)**
Under 100%	Not eligible for subsidies*	Not eligible for subsidies**
100% – 138%	2.07%	0.0%
138% – 150%	3.10% – 4.14%	0.0%
150% – 200%	4.14% – 6.52%	0.0% – 2.0%
200% – 250%	6.52% – 8.33%	2.0% – 4.0%
250% – 300%	8.33% – 9.83%	4.0% – 6.0%
300% – 400%	9.83%	6.0% – 8.5%
Over 400%	Not eligible for subsidies	8.5%

- For 2021, the ARP established special provisions for individuals with at least one week of unemployment compensation (UC)

Health System ANALYTICS

Significant Additional Savings Under ARP/IRA: Net Premium Costs of Marketplace Coverage

(Example of single individual; bronze level coverage)



Note: "Without ARP" net Marketplace plan premiums for 2025 were estimated based on the required household contribution for enrollees (pre-ARP) in 2021

Health System ANALYTICS

Significant Additional Savings Under ARP/IRA: Net Premium Costs of Marketplace Coverage

(Example of family of three; bronze level coverage)

Net Marketplace Plan Premiums in Connecticut for AI/AN Enrollees with and Without American Rescue Plan Act of 2021 (HR 1319)

3-Person HH, Two 45-Year-Olds & One 20-Year-Old Enrolled, Bronze PPO Pathway HSA; Uncasville, CT (2025)

$25,000
$20,000
$15,000
$10,000
$5,000
$0

100% 150% 200% 250% 300% 350% 400% 450% 500% 550% 600% 650% 700%

With ARP (HR 1319) — Without ARP (HR 1319) — Full Premium

Note: "Without ARP" net Marketplace plan premiums for 2025 were estimated based on the required household contribution for enrollees (pre-ARP) in 2021

Health System ANALYTICS

#4: Net Cost of Coverage – Resources Made Available Through the ACA

(Example of family of four Tribal citizens; $109,200 in household income in Connecticut)

Source and Distribution of Funding for Marketplace Coverage, 2025
- American Indian or Alaska Native Family -
Four-person household; annual income $109,200 (350% FPL)
(4 enrollees[1]; Uncasville, New London County, Connecticut; bronze-level coverage)

$40,000
$35,000
$30,000
$25,000
$20,000
$15,000
$10,000
$5,000
$0

$0
$12,398
$1,834
$21,413

Cost-sharing: 40% of base
Premiums: 60% of base

Total federal contribution: $33,811 95% of total

Enrollee cost-sharing contribution
Federal cost-sharing reductions
Enrollee premium contribution
Federal premium payments

Total Funding/Expenditures: $35,645

[1] Two 45-year-old adults and two 15-year-old children enroll in the Marketplace.

In this example of four enrollees in a four-person household with household income at 350% FPL:

- Federal government covers 95% of the total funding/ expenditures for Marketplace coverage ($33,811)
  - $21,413 in premium tax credits
  - $12,398 in cost-sharing reductions (no cost-sharing for Tribal members)
- Enrollee/Tribal sponsor contributes $1,834 per year
  - $459/yr per family member

Health System ANALYTICS

Net Premium Costs of Marketplace Coverage

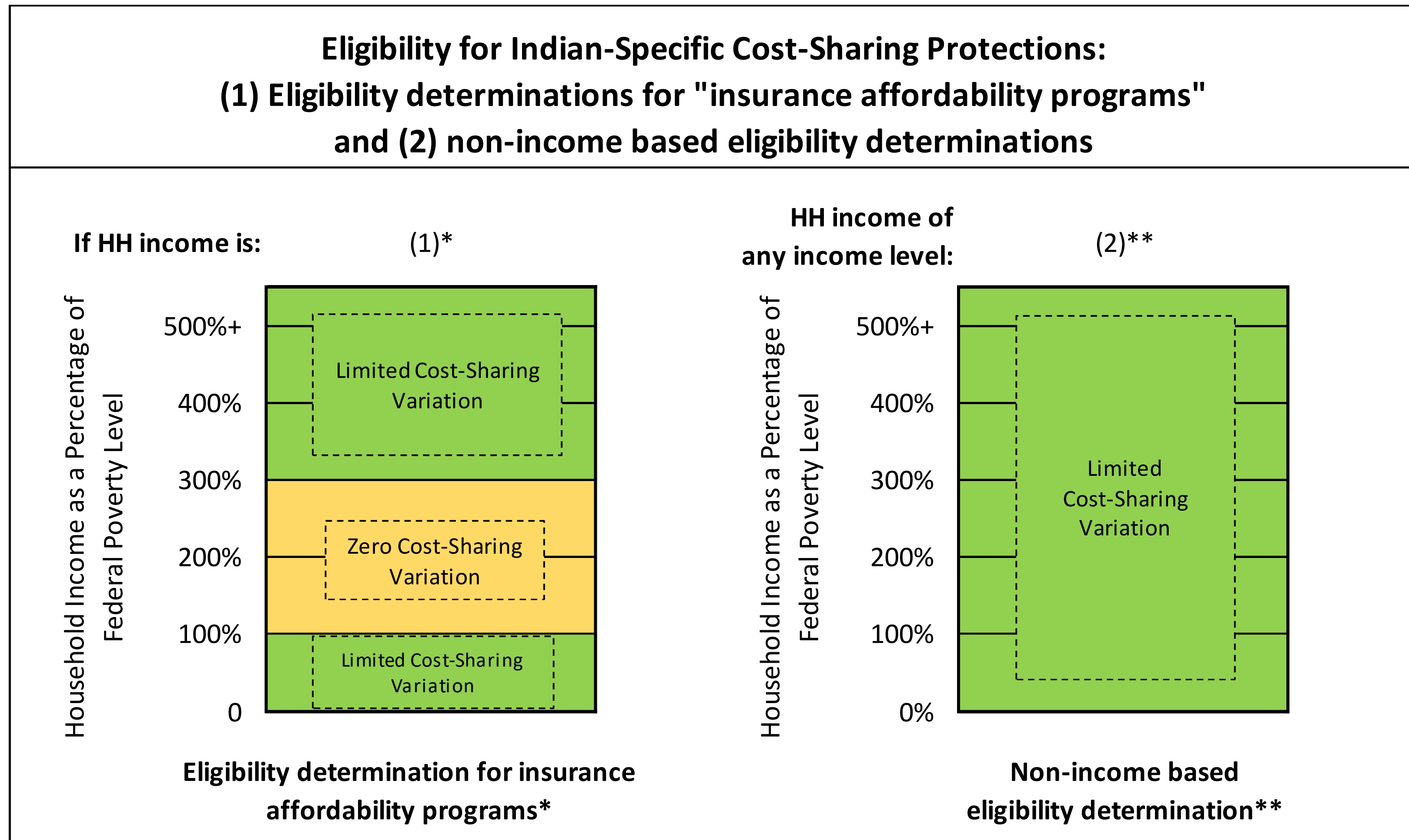
(with ARP-expanded federal subsidies; bronze level coverage)

Net Annual Household Marketplace Premium Contribution for Selected Bronze Plan: Example of Uncasville, CT, and Surrounding Region; 2025 (Under American Rescue Plan Act)[1]						
	Household (HH) size:	1-person HH	2-person HH	2-person HH	3-person HH	4-person HH
	Number enrolled:	1 enrollee	2 enrollees	1 enrollee	3 enrollees[2]	4 enrollees[2]
	FPL	**Total Net Household Annual Premiums, with Premium Tax Credits**				
Medicaid	0%-138%	$0	$0	$0	$0	$0
Premium tax credit (PTC) eligible	**139%**	**$0**	**$0**	**$0**	**$0**	**$0**
	150%	**$0**	**$0**	**$0**	**$0**	**$0**
	175%	**$0**	**$0**	**$0**	**$0**	**$0**
	200%	**$0**	**$0**	**$0**	**$0**	**$0**
	225%	**$0**	**$0**	**$0**	**$0**	**$0**
	250%	**$0**	**$0**	**$95**	**$0**	**$0**
	300%	$762	$0	$1,730	$749	$1,717
	350%	$1,872	$1,288	$3,237	$1,529	$1,769
	400%	$3,171	$3,051	$5,000	$3,756	$4,460
	500%	$4,451	$4,788	$6,738	$5,950	$7,112
	600%	$5,731	$6,526	$7,371	$8,145	$9,764
	700%	$7,011	$8,263	$7,371	$11,464	$14,665
	800%	$7,371	$10,001	$7,371	$13,659	$17,317
	900%	$7,371	$11,738	$7,371	$15,854	$19,969
	1000%	$7,371	$13,475	$7,371	$18,048	$22,621
No PTCs	Non-PTC eligible	$7,371	$14,742	$7,371	$18,994	$23,247

[1] Bronze PPO Pathway HSA (Anthem Blue Cross Blue Shield) is the selected bronze plan. Premiums in 1- and 2-person HH are for 45-year-old enrollees. Premiums in 3-person HH are for two 45-year-old enrollees and one 15-year-old enrollee. Premiums in 4-person HH are for two 45 year-old enrollees and two 15-year-old enrollees.

[2] In 3- and 4-person HH, 15-year-olds are assumed to enroll in Medicaid/CHIP, rather than the Marketplace, if HH income is at or less than 323% FPL.

Securing Indian-Specific Cost-Sharing Protections: Tribal Citizens



45 CFR § 155.350(a) Special eligibility standards and process for Indians.

* 45 CFR § 155.350(a) Eligibility for cost-sharing reductions.

** 45 CFR § 155.350(b) Special cost-sharing rule for Indians regardless of income.

Health System ANALYTICS

Summary of Benefits and Coverage (SBC) (Zero Cost-Sharing Variation)

- Summary of Benefits and Coverage (SBCs) documents explain things like what a health plan covers, what it does not cover, and what a patient's share of costs will be
- SBCs are approximately 9 pages and include 2-3 sample medical events (such as having a baby, managing diabetes, and treating a broken leg)

Summary of Benefits and Coverage: What this Plan Covers & What it Costs **Coverage for:** Individual + Family | **Plan Type:** PPO

Common Medical Event	Services You May Need	Your Cost If You Use an In-network Provider	Your Cost If You Use an Out-of-network Provider	Limitations & Exceptions
If you need drugs to treat your illness or condition More information about **prescription drug coverage** is available at www.modahealth.com	Value drugs	$0 copay	$0 copay	Covers up to a 90-day supply retail and mail order drugs. Copay per 30 day supply. Covers up to a 30-day supply specialty drugs. Prior authorization may be required.
	Select tier drugs	$0 copay	$0 copay	
	Preferred brand drugs	0% coinsurance	0% coinsurance	
	Non-preferred brand drugs	0% coinsurance	0% coinsurance	
	Specialty drugs	0% coinsurance	0% coinsurance	
If you have outpatient surgery	Facility fee (e.g., ambulatory surgery center)	0% coinsurance	0% coinsurance	Prior authorization required to avoid a penalty of 50% up to a maximum deduction of $2,500.
	Physician/surgeon fees	0% coinsurance	0% coinsurance	
	Emergency room services	0% coinsurance	0% coinsurance	-----------none-----------

http://www.bcbsmt.com/PDF/sbc/30751MT0570008-01.pdf

Health System ANALYTICS

Required SBC Language for Referrals for Cost-Sharing (Limited Cost-Sharing Variation)

- As of 2021, in response to concerns from Tribes about errors in some SBCs, CMS/CCIIO began requiring health insurance issuers to use language provided in sample SBCs for Indian-specific zero and limited cost-sharing variation plans
- Sample SBCs use the following phrase to explain the "limited cost-sharing variation" protections: "Cost sharing waived at non-IHCP with IHCP referral"

Common Medical Event	Services You May Need	What You Will Pay: Network provider (You will pay the least)	What You Will Pay: Indian Health Care Provider (IHCP)	What You Will Pay: Out-of-network provider (You will pay the most)	Limitations, Exceptions, & Other Important Information
If you visit a health care provider's office or clinic	Primary care visit to treat an injury or illness	$60 copay / visit	No charge	Not covered	Cost sharing waived at non-IHCP with IHCP referral. If an out-of-network provider charges more than the allowed amount, you may have to pay the difference (balance billing).
	Chiropractic care	$60 copay / visit	N[illegible]	[illegible]	
	Specialist visit	50% coinsurance after deductible	N[illegible]	[illegible]	
	Preventive care/screening/ immunization	No charge	No charge	Not covered	You may have to pay for services that aren't part of the preventive health guidelines. Ask your provider if these services you need are preventive. Then check what your plan will pay for. Cost sharing waived at non-IHCP with IHCP referral. If an out-of-network provider charges more than the allowed amount, you may have to pay the difference (balance billing).

Cost sharing waived at non-IHCP with IHCP referral. If an out-of-network provider charges more than the allowed amount, you may have to pay the difference (balance billing).

https://www.sanfordhealthplan.com/-/media/plan-documents/2020/HP_2961_i_sd_true_6000_lcs

Health System ANALYTICS

#5: Final Federal Rule to Fix 'Family Glitch'

IRS on October 13, 2022, issued a final rule that will fix the "family glitch":

- **Under current regulations**: *If employer offer of coverage is considered affordable to the employee (as single coverage), "family offer" is also considered affordable.*
  - Employee:
    - An employee is considered to have an offer of affordable coverage if the employee's self-only premium cost for the least expensive employer plan does not exceed the threshold "contribution percentage" (9.61% in 2022) of the employee's ***total*** household income
  - Family member:
    - When an individual (*e.g.*, a spouse or dependant*) is offered health insurance through the employer of a family member, the individual is considered to have an offer of affordable coverage **if self-coverage for the employee is considered affordable**—meaning the cost does not exceed a certain percentage of total household income (9.61% in 2022)—even though family coverage would require a larger contribution of household income ("family glitch")
    - If an individual is considered to have an offer of affordable coverage, he or she, even if otherwise eligible, **would not qualify** for premium tax credits (PTCs) if obtaining health insurance through the Marketplace**

* IRS defines "dependent" as a child who will not turn 19 (or a student who will not turn 24) during the tax year

** Individuals who meet the ACA definition of "Indian" and enroll in Marketplace coverage qualify for comprehensive cost-sharing protections regardless of whether they qualify for PTCs

Health System ANALYTICS

Final Federal Rule to Fix 'Family Glitch' (cont.)

- **Under the new rule, beginning in 2023**: *Two calculations: (1) is employee coverage affordable?; and (2) is family coverage affordable?*
  - Employee (no change):
    - The determination of whether the employee is considered to have an offer of affordable coverage (*i.e.*, whether self-coverage for the employee is considered affordable for the household) remains unchanged
    - An employee is considered to have an offer of affordable coverage if the employee's self-only premium cost for the least expensive employer plan does not exceed the threshold "contribution percentage" (9.61% in 2022) of the employee's ***total*** household income
  - Family member (fix of family glitch):
    - An individual offered health insurance through the employer of a family member is considered to have an offer of affordable coverage **only if family coverage is considered affordable** for the household
    - Family coverage is considered affordable for the household if the total premium cost to the family does not exceed the contribution percentage (*e.g.*, 9.61%) of the (employee's) total household income
    - If family coverage is considered *unaffordable*, the individual, if otherwise eligible, **would qualify** for PTCs if obtaining health insurance through the Marketplace
  - Exceptions
    - The premium cost (and income) of individuals who are eligible to enroll in an employer's family coverage but are not part of the tax household (*e.g.*, non-dependent children under age 26) is not counted when determining affordability of employer coverage ("non-tax household individuals")
    - Non-tax household family members who are eligible but do not enroll in employer coverage of the family member are not considered to have an offer of affordable coverage

Health System ANALYTICS

Final Federal Rule to Fix 'Family Glitch' (cont.)

The examples below show how the determination of whether employer-sponsored health insurance is considered affordable will work under the new rule:

(*1*) *Example 1: Basic determination of affordability*. For all of 2023, taxpayer C works for an employer, X, that offers its employees and their spouses a health insurance plan under which, to enroll in self-only coverage, C must contribute an amount for 2023 that does not exceed the required contribution percentage of C's 2023 household income. Because C's required contribution for self-only coverage does not exceed the required contribution percentage of C's household income, under paragraph (c)(3)(v)(A)(*1*) of this section, X's plan is affordable for C, and C is eligible for minimum essential coverage for all months in 2023.

(*2*) *Example 2: Basic determination of affordability for a related individual*. (*i*) The facts are the same as in paragraph (c)(3)(v)(D)(*1*) of this section (Example 1), except that C is married to J, they file a joint return, and to enroll C and J, X's plan requires C to contribute an amount for coverage for C and J for 2023 that exceeds the required contribution percentage of C's and J's household income. J does not work for an employer that offers employer-sponsored coverage.

(*ii*) J is a member of C's family as defined in § 1.36B-1(d). Because C's required contribution for coverage of C and J exceeds the required contribution percentage of C's and J's household income, under paragraph (c)(3)(v)(A)(*2*) of this section, X's plan is unaffordable for J. Accordingly, J is not eligible for minimum essential coverage for 2023. However, under paragraph (c)(3)(v)(A)(*1*) of this section, X's plan is affordable for C, and C is eligible for minimum essential coverage for all months in 2023.

$$\frac{\text{(1) Employee ("C") -or- (2) Family ("C\&J") Premium Contribution}}{\text{Total (C\&J) Household Income}} \leq \text{9.61\% of household income} = \text{"Affordable Coverage"}$$

1. Employee Coverage

$$\frac{\$108/\text{month}}{\$50{,}000} = 2.6\% \leq 9.61\% = \text{"Affordable" for employee}$$

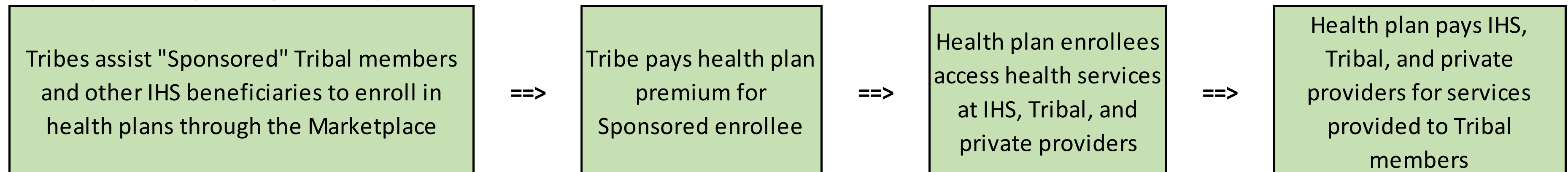
2. Family Coverage

$$\frac{\$500/\text{month}}{\$50{,}000} = 12\% > 9.61\% = \text{"Unaffordable" for family members}$$

Health System ANALYTICS

#6: Mechanics of Tribal Sponsorship with Marketplace Coverage

- Tribal Sponsorship through a Marketplace follows a similar process as Medicaid enrollment, with primary additional step being payment of a portion of health plan premium



- There are a series of operational issues that make Tribal Sponsorship more complex than Medicaid enrollment
- Tribes and THOs are able to establish their own eligibility criteria for a Tribal Sponsorship program, within parameters of funding sources

Health System ANALYTICS

New Marketplace Special Rule for Enrollment of Individuals Losing Medicaid/CHIP Coverage

- On December 21, 2022, CMS issued a proposed rule that would allow Marketplaces to implement a new special rule for individuals who qualify for a special enrollment period (SEP) due to a loss of Medicaid or CHIP coverage
  - Marketplaces could implement the special rule beginning on January 1, 2024
  - Under the special rule, individuals could enroll in Marketplace coverage as early as 60 days before, or as late as 90 days after, their loss of Medicaid or CHIP coverage
  - The special rule is designed to help facilitate the transition to Marketplace coverage for the higher numbers of individuals anticipated to lose Medicaid or CHIP coverage when the COVID-19 public health emergency (PHE) ends
- SEP for Marketplace-eligible individuals who meet the ACA definition of “Indian” remains in place
  - Allows Tribal citizens to enroll in Marketplace coverage at any time of the year and change plans as often as once per month
  - Allows Tribal citizens to change plan metal levels
  - Applies to immediate family members, provided that they enroll on the same application and at the same time as the enrolled Tribal member

Health System ANALYTICS

#7: Tribal FQHC Rates Under Marketplace Coverage – OMB Encounter Rate Potentially Available

- Federal rules require Marketplace plans to pay federally qualified health centers (FQHCs) for covered services at least the same rate they would receive under Medicaid
  - **Tribal clinics have the option to participate in Medicaid as a Tribal FQHC in some states**
  - FQHCs typically receive Medicaid payments based on a rate determined by a state using a prospective payment system (PPS) methodology
  - However, federal rules allow states and FQHCs to agree to use an alternative payment methodology (APM) in determining the Medicaid FQHC payment rate, meaning that states can use the OMB encounter rate to set payments for Tribal FQHCs (rather than the PPS rate); **a number of states use the OMB encounter rate to set payments for Tribal FQHCs**

For background on a Tribal clinic billing as an FQHC, see the TSGAC issue brief "CMS Restrictions on Billing Medicaid for Services Outside Four Walls" at https://www.tribalselfgov.org/2021-health-actions/

- Under federal rules, Marketplace plans, when contracting with Tribal FQHCs that are paid the encounter rate under Medicaid, generally must pay these facilities at the encounter rate for covered services (but Marketplace plans and Tribal FQHCs can negotiate a different rate)

For background on payment protections for IHCPs, see the TSGAC issue brief "Requirements for Payment and Other Protections to Indian Health Care Providers under Marketplace Health Plans" at https://www.tribalselfgov.org/2021-health-actions/

Health System ANALYTICS

New Protections for Tribal FQHCs and Other ECPs

On December 21, 2022, CMS issued a proposed rule that would increase protections for ECPs:

- Current federal regulations require QHP issuers to contract with at least 35% of available ECPs in the service area of their plan(s)
  - **For 2024 and subsequent years, the rule also would require QHP issuers to contract with at least 35% of available FQHCs, including Tribal FQHCs, and at least 35% of available family planning providers that qualify as an ECP in a plan service area**
- Current federal regulations require QHP issuers to offer contracts in good faith to at least one ECP in each ECP category in each county in the service area of their plan(s), where an ECP in that category is available and provides services covered by the issuer plan type
  - **IHCPs, which include Tribal FQHCs, constitute one of the ECP categories**
  - **For 2024 and subsequent years, the rule would establish two additional ECP categories for mental health facilities and substance use disorder treatment centers**
- Under current federal regulations, **in states with a Marketplace operating on the federal platform, QHP issuers must make good faith contract offers to all available IHCPs (on HHS ECP List), including Tribal FQHCs**, in the service area of their plan(s), applying the special terms and conditions necessitated by federal law and regulations as referenced in the recommended model QHP Addendum
  - **The rule would retain this protection for Tribal FQHCs and other IHCPs**

Health System ANALYTICS

#8: Inflation Reduction Act Increased Value of Tribal Sponsorship under Medicare Part D

The Inflation Reduction Act included several measures designed to improve access to prescription drugs under Medicare Part D. The law will:

- **Beginning in <u>2023</u>**, cap out-of-pocket costs for insulin products at $35 per month for Medicare Part D enrollees, including AI/AN enrollees
- **Beginning in <u>2024</u>**, expand eligibility for full-premium subsidies under the Medicare Part D Low-Income Subsidy (LIS) program to enrollees, including AI/AN enrollees, with an income at or less than 150% FPL (currently 135% FPL)*; and
- **Beginning in <u>2025</u>**, cap prescription drug costs at $2,000 per year for Medicare Part D enrollees, including AI/AN enrollees, with the amount of the cap indexed annually in subsequent years**

* Currently, under the LIS program, Medicare Part D enrollees with an income between 135% and 150% FPL receive a partial premium subsidy, with the amount of the subsidy varying by income level

** Medicare Part D currently has no hard cap on out-of-pocket prescription drug costs; in 2022, Medicare Part D enrollees pay a $480 deductible and 25% coinsurance until their total out-of-pocket prescription drug spending reaches $7,050, after which they pay either 5% of their total drug costs or $3.95/$9.85 for each generic and preferred/other drug, respectively

#9: New Option to Provide (Tribal) Employer-Sponsored Coverage via Marketplace

- Since 2019, federal rules allow integration of employer-sponsored health reimbursement arrangements (HRAs) and individual health insurance coverage (*e.g.*, Marketplace coverage)
- Characteristics of an HRA:
  - Type of account-based group health plan funded solely by employer contributions
  - Provides reimbursement for medical care expenses incurred by employees (or their spouse or dependents); "medical care expenses" includes health insurance premiums
  - Reimbursements excluded from employee income and wages for federal income tax and employment tax purposes
- Under the rule, employers (including Tribes) can make deposits into individual coverage HRAs in order to offer Marketplace coverage to employees (and, at employer option, their families)
- Tribal citizen employees (and their Tribal citizen family members) who participate in an individual coverage HRA (IC-HRA) and enroll in Marketplace coverage qualify for comprehensive, Indian-specific cost-sharing protections
- Individuals who participate in an individual coverage HRA and enroll in Marketplace coverage do not qualify for federal premium subsidies

For background on individual coverage HRAs, see the TSGAC issue brief "Update on Final Rule Regarding Health Reimbursement Arrangements (HRAs) and Other Account-Based Group Health Plans (CMS-9918-F/TD 9867)" at https://www.tribalselfgov.org/wp-content/uploads/2020/05/TSGAC-Brief-Health-Reimbursement-Arrangements-2020-05-19c.pdf

Health System ANALYTICS

Potential Advantages of Offering an Individual Coverage HRA

- **Average health insurance premiums for the Marketplace coverage could be substantially lower** than the average premium costs the employer (and employee) currently pay—particularly given that enrolled Tribal members can enroll in the lower-cost bronze plans and not have out-of-pocket costs (as they are eligible for comprehensive cost-sharing protections)

Example 1:

- The annual premium for self-only coverage under the existing employer-sponsored health insurance offered by a Tribal employer in Washington state averaged **$10,618** for the 2022 plan year
- In contrast, the annual premium for a selected Marketplace bronze plan (Bronze Care on Demand 8500, offered by Regence BlueShield) for a 45-year-old in the same location was only **$4,321** for the 2022 plan year (**a difference of $6,297**)

Example 2:

- The annual premium for self-only coverage under the nationwide Blue Cross Blue Shield (BCBS) Basic plan offered through the Federal Employees Health Benefits Program (FEHBP) was **$9,006** in the 2023 plan year open enrollment period
- In contrast, the annual premium for a selected Marketplace bronze plan (Blue Preferred Bronze PPO 701, offered by BCBS of Montana) for a 45-year-old individual living in Hill County, Montana, was **$5,701** for the 2023 plan year (**a difference of $3,305**)

Health System ANALYTICS

Potential Advantages of Offering an Individual Coverage HRA (cont.)

- **Out-of-pocket (OOP) costs (deductibles and co-payments) are eliminated for Tribal citizens** (i.e., enrolled Tribal members)
  - And health care providers—including Tribal and IHS health care providers—receive full payment of covered charges without deduction for patient OOP costs
- Federal regulations require QHP issuers to offer contracts in good faith to all available IHCPs located in a plan service area
- And, a **Tribal clinic** that has chosen to bill Medicaid as a Tribal federally-qualified health center (Tribal FQHC), under an alternative payment methodology established by a state that provides for payment of the OMB encounter rate for clinic services, **would receive no less than the OMB encounter rate (unless the provider negotiated a different rate with a QHP issuer)**
  - See the TSGAC issue brief "Requirements for Payment and Other Protections to Indian Health Care Providers under Marketplace Health Plans" at https://www.tribalselfgov.org/2021-health-actions/

Health System ANALYTICS

Federal Employees Health Benefits Program vs. Individual Coverage HRA

Comparison of Premiums and Cost-Sharing for Federal Employees Health Benefits Program (FEHBP) vs. Individual Coverage HRA (Marketplace Coverage)			
One-Person Household in Connecticut; 2025[1]			
	FEHBP		ICHRA
	Selected FEHBP Plan		Selected Bronze Plan
Issuer	BCBS	BCBS	Anthem BCBS
Plan	Basic Option	Standard Option	Bronze PPO Pathway HSA
Plan Type	PPO	PPO	PPO
Monthly Premium	$891	$1,025	$614
Annual Premium	$10,692	$12,295	$7,371
In-Network Cost-Sharing[2]:			
Deductible	$0	$350	$0
Copay/Co-Insurance	Varied copays	15%	$0
OOP Maximum	$7,500	$6,000	--
Out-of-Network Cost-Sharing[3]:			
Deductible	No coverage	No separate deductible	$0
Copay/Co-Insurance	No coverage	35%	$0
OOP Maximum	No coverage	$8,000	--

Notes:

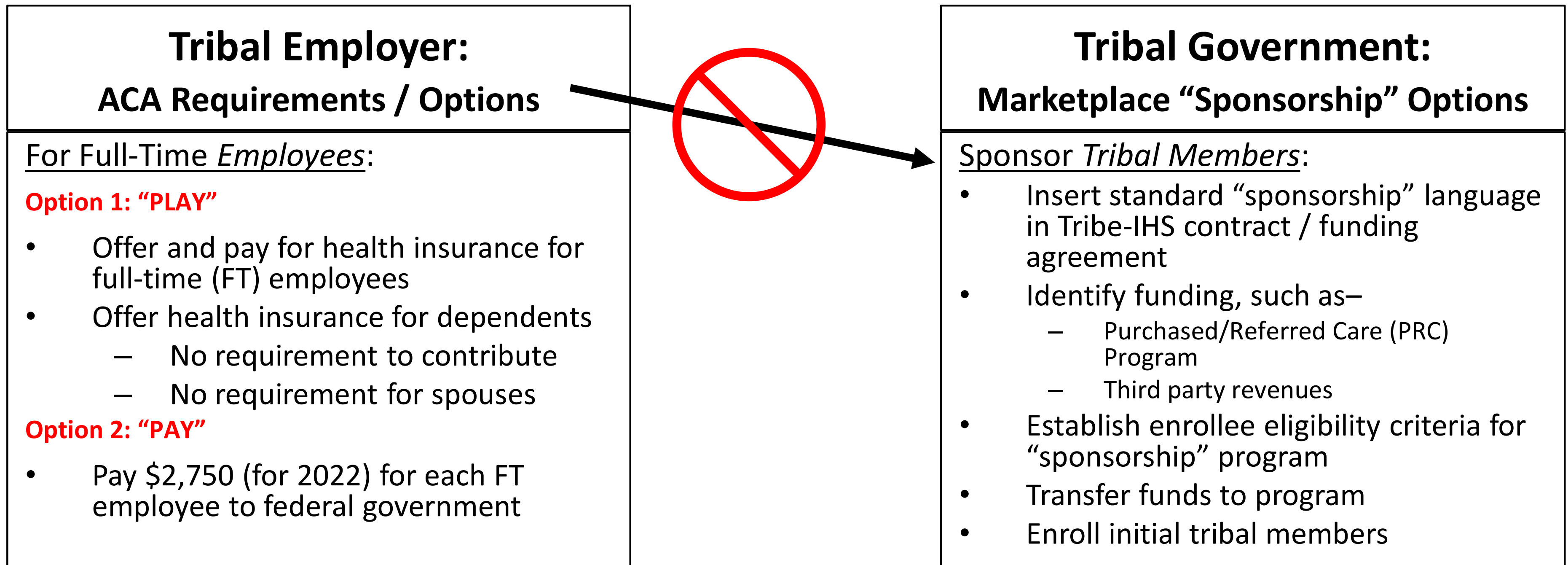
[1] The one-person household consists of one 45-year-old Tribal member.

[2] Tribal members who enroll in a Marketplace plan incur no-cost sharing for covered services.

[3] Tribal members who enroll in a Marketplace plan incur no-cost sharing for out-of-network covered services. However, these Tribal members might incur "balance billing" charges if an out-of-network provider does not accept the combined health plan payment and patient cost-sharing as payment in full and charges an additional amount.

Health System ANALYTICS

Modification to Prohibition on Employers Paying for Employee Coverage in (Individual) Marketplace



- Prior to new federal regulation implemented in late 2019, there was a clear demarcation between employer-sponsored coverage and the (individual market) Marketplace
- Except under new HRA rules, Tribal employers and other employers are not permitted to meet their requirements as employers by paying for premiums of employees—as employees—enrolled in coverage through a Marketplace (potential section 4980D violation)
  - Potential fine of $100 per day per employee if employer sponsoring Marketplace enrollees

Health System ANALYTICS

Highlights of Tribal Sponsorship: Marketplace

ENROLLMENT IN MARKETPLACE COVERAGE

- Enrollment of Tribal citizens in health insurance coverage through a Marketplace continues to increase
  - Significant premium subsidies through Marketplace coverage are available to eligible individuals
    - Many enrollees experience $0 premiums, particularly when enrolling in bronze-level coverage
  - ***All*** Tribal citizens who enroll in Marketplace coverage continue to be eligible for one of the two comprehensive Indian-specific cost-sharing protections
- Tribes (in their role as a Tribal government) continue to be authorized to purchase Marketplace coverage for IHS-eligible individuals under Tribal Sponsorship programs
  - Authority applies to Title I (Direct Service) and Title V (Self-Governance) Tribes
- Tribes (in their role as a Tribal employer) can now access *individual market* Marketplace coverage for employees through newly authorized employer options
  - Comprehensive Indian-specific cost-sharing protections through a Marketplace are available to Tribal member employees through a newly defined type of employer-sponsored coverage

Health System ANALYTICS

Highlights of Tribal Sponsorship: Marketplace (cont.)

<u>Significant Benefits from Health Insurance Premium and Cost-sharing Subsidies</u>

- Increased third-party revenues to IHS and Tribal health facilities, as I/T providers are paid for services to previously uninsured individuals
- Savings to PRC program, as previously PRC-funded health services for uninsured IHS beneficiaries are funded by health plan
- And, under the American Rescue Plan Act, for 2021 and 2022, premium subsidies for Marketplace coverage were increased and the 400% FPL cap on household income for PTC eligibility was eliminated

<u>Maximizing Other Benefits Under Marketplace Coverage</u>

- Tribal clinics are entitled to (1) be offered a contract by all health plans; and (2) if billing as a Tribal FQHC under Medicaid, receive OMB encounter rates from Marketplace plans
- When serving Tribal citizens under Marketplace coverage, Tribal providers receive full payment, without deduction for patient deductibles and copayments