



**INSURANCE SERVICES, INC.**  
PROTECTING YOUR HEALTH & WEALTH



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Quarter 2, 2013

Volume 4, Issue 2

## The Pinellas Protector eNewsletter



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**INSURANCE SERVICES, INC.**  
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### *Greetings to Our Clients and Friends*

Happy Mid-Year to all! And a Happy Fourth of July - a great time to reflect on the importance of freedom and liberty - and to celebrate what's left of those here in America!

We are pleased to report that the popular Medicare Advantage program (also known as

Medicare Part C) is not doomed, at least for the meantime. CMS reversed course and increased the payment rate to these plans by 3.3 percent for 2014, reversing a 2.3 percent reduction announced earlier this year. For more information, [read our April blog post](#).

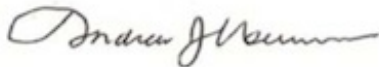
While the Medicare market has been impacted only minimally by Obamacare, the under age 65 market will see dramatic changes as we wind down the year. Health insurance state exchanges, or marketplaces, are scheduled to open on October 1st for enrollments effective on 1/1/2014. Not all carriers will be participating in the state exchanges, so you may need to shop off the exchanges to find all of the available health plans.

The health insurance plans sold under Obamacare guidelines will provide federal subsidies to a large number of people who do not qualify for Medicaid assistance. These new subsidies include reduced monthly premium and a stepped-up benefit level if your income falls within the specified percentages of the Federal Poverty Level (FPL). For details on who will qualify for a subsidy, [read on to the lead article below](#).

For those who follow this eNewsletter to read our health care reform update, [please enjoy this quarter's health care reform highlights](#) following the lead article.

And in keeping with the spirit of our tagline "Protecting Your Health & Wealth", this quarter's eNewsletter concludes with a new section "[Tips For Your Good Health](#)". In this section, I'll offer my suggestions along with selected links to reading materials for living in the best of health. Readers, please contact me with any ideas you wish to share!

Until next quarter,



Andrew Herman  
AH Insurance Services, Inc.

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### Quarterly Quotation

*It is health that is real wealth and not pieces of gold and silver.*

- Mahatma Gandhi  
1869-1948

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**[Who Qualifies for a Federal Subsidy under Obamacare?](#)**

**Individual** with annual income of \$11,490 to \$45,960

Or

**Family of 2** with annual income \$15,510 to \$62,040

Or

**Family of 3** with annual income \$19,530 to \$78,120

Or

**Family of 4** with annual income \$23,550 to \$94,200

★ FINANCIAL ASSISTANCE

Must purchase **ON the exchange** in order to receive government subsidy, or may be eligible for Medicaid coverage, depending on your state

The table above outlines current income requirements in order to receive financial assistance when purchasing a new health care reform plan. Federal subsidies will be provided only when purchasing a plan on the state exchanges.

There are two types of financial assistance available:

1. Premium Subsidies, also known as Advance Premium Tax Credits, are available at 100% to 400% of the Federal Poverty Level (FPL) (see table above for dollar amounts, subject to change annually). Premium Subsidies are intended to ensure that those eligible don't have to pay more than a set percentage of their income for health insurance.
2. Cost-Sharing Subsidies, available at 100% to 250% FPL, are intended to protect those eligible from high out-of-pocket costs at point of service.

So let's run through an example of a Premium Subsidy available on the exchange.

John is a single, 49-year old male with \$20,108 household income. In his area, the second lowest cost "Silver" health plan on the exchange is projected to cost \$4,000 (about a fifth of his total household income).

First, we calculate John's percent of FPL - this comes to 175% ( $\$20,108/\$11,490$ ). Next, we check the government's sliding scale of maximum cost percentages that range from 2% of income for 133% FPL, up to 9.5% of income for 300% - 400% FPL. At John's 175% FPL, the cost percentage is 5.15% - this figure is multiplied by his income to find the maximum amount he has to pay for the second lowest cost silver plan. Multiplying 5.15% times \$20,108, we determine an amount of \$1,036 (\$86/month) - this is what John will have to pay on the exchange for a plan that normally sells for \$4,000 (\$333/month).

But wait, that's not all! John also qualifies for a Cost-Sharing Subsidy at 175% FPL. If he opts to purchase the Silver cost-sharing plan, he'll receive a subsidized plan that covers an estimated 87% of health care costs rather than the standard 70% of costs targeted for non-subsidized Silver level plans. He will have the option to purchase a subsidized plan in addition to benefiting from his Advance Premium Tax Credit. If John does not choose to buy the Silver cost-sharing plan, he won't receive any Cost-Sharing Subsidy; however, he is still eligible for the Advance Premium Tax Credit for any plan sold on the exchange.

Here is a recap of John's health care reform subsidies:

FPL: 175%

Advance Premium Tax Credits: \$2,964 (\$247/month)

Cost-Sharing Silver plans available: 87% coverage (rather than standard 70%)

Congratulations, John! I wouldn't be surprised if he is a fan of Obamacare. Others who face higher costs in order to subsidize his premium may not feel quite as enthusiastic.

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### ***Quarterly Health Care Reform Update***

Those interested in the implementation of health reform will want to review the following:

#### ***1. Health Care Reform Law's Unpopularity Reaches New Highs***

According to a very recent poll by NBC News and the Wall Street Journal, only 37 percent of Americans believe the reform law is a good idea; 49 percent say it's a bad idea. NBC says that's the highest disapproval rate since it began polling on the reform law in 2009.

At AH Insurance Services, Inc., we have a host of concerns related to Obamacare. First, we find the legislation to be unduly complicated with its huge volume of new regulations that undoubtedly will be costly to enforce. Second, we disagree with the strategy to penalize individuals not purchasing coverage while at the same time rewarding corporations (insurance companies) with the promise of a new stream of customers and more profits. Finally, it seems clear that the law does more to shift costs around than it will do to bring about a reduction in health care costs. Recent actuarial projections show that for those not receiving a federal subsidy, average Obamacare plans will cost \$200 more per year for individual plans and \$500 more for family plans. For people above the Federal Poverty Level, Obamacare isn't likely to reduce health care expenditures.

Nearly everyone agrees it's a good thing that starting next January, insurance companies will no longer be permitted to deny health coverage to applicants due to pre-existing conditions. This is an important premise under Medicare, and I say why not expand Medicare to all Americans instead of implementing the behemoth 2010 health care reform legislation? Buying-in could be made optional, with premiums scaled down based on percentage of Federal Poverty Limit as currently proposed under Obamacare. The popular Medicare Advantage program could be greatly expanded, allowing more companies to seek innovative ways to deliver cost-effective health care to their plan members. And if the federal government wants to expand Medicaid, it can pay for 100% of the expansion.

I believe the idea to expand Medicare to all Americans is a great one. Medicare already serves 50 million Americans, with private insurance companies working in tandem with the Original Medicare program. If it were expanded, of course Medicare should apply to Congress and the President so our politicians are in the same health care boat. Then, as a nation we could focus on bringing down health care costs such as by having Medicare



negotiate prices with drug companies; or by putting boundaries on the allowable cost of services (similar to regulating public utilities), U.S. health care costs are much higher compared to other nations. In fact, [The New York Times reports](#) the average price of Lipitor is \$124 in the U.S. vs. \$6 in New Zealand; and that the average price of a Hip replacement is \$40,000 in the U.S. vs. under \$8,000 in Spain.

So why now, could it be that the health care reform law's unpopularity is reaching new heights? Are consumers thinking more about how they will be impacted personally?

California health care reform premiums have been made available and provide a first glimpse into how much individuals there should expect to pay on the health exchange. It has now been reported that for healthy, young males the rates charged by Kaiser Health plans will be increasing by about 62% compared to current market rates. This stems from the Obamacare community rating requirements, which likely will yield slightly lower premiums at older ages - but much higher premiums for the young and healthy.

In Ohio, the Department of Insurance recently estimated that the increase in premium for health insurance plans sold on the exchange will be dramatic - on average 88% higher compared to current market rates. Apparently, the impact of Obamacare on health premiums is going to vary quite a bit across the nation.

It stands to reason that as more people learn they will be charged higher premiums under the new Obamacare plans, the health care reform law's popularity goes down.

## *[2. Obama Administration Issues Final Rules on Contraceptive Coverage](#)*

[In its June 28th Press Release](#), the Department of Health and Human Services (HHS) announced the issuance of final rules intended to balance the goal of providing women with coverage for preventive contraception services at no cost-sharing with the goal of respecting concerns of non-profit religious organizations that object to contraceptive coverage. These rules simplify the definition of religious organizations that are exempt from coverage requirements - basically, houses of worship - although the final rules clarify that these organizations also could be operating a soup kitchen, for instance, and still be exempt from providing contraceptive coverage.

The final rules lay out accommodation for other non-profit religious organizations, such as non-profit religious hospitals and institutions of higher education. These organizations won't have to contract, arrange, pay for or refer contraceptive coverage to which they object on religious grounds, but such coverage will be separately provided to women enrolled in their health plans at no cost.

With respect to both insured health plans (including student plans) and self-insured health plans, the non-profit religious organization is to provide notice to its insurer (or third-party administrator, for self-insured plans) that it objects to contraception coverage. The insurer or administrator then notifies enrollees in the health plan that it is providing them separate no-cost payments for contraceptive services.

Not surprisingly, religious groups have expressed their dissatisfaction with the final rules. Eric Rassbach, an attorney with the Becket Fund for Religious Liberty, a public interest law firm challenging the contraception coverage rule in federal court, said "it doesn't really change the overall way they're trying to do this."

"As we said when the proposed rule was issued, this doesn't solve the religious conscience problem because it still makes our non-profit clients the gatekeepers to abortion and provides no protection to religious businesses," Rassbach said in a statement.

### *3. Medicaid Expansion*

To date, 23 states and the District of Columbia have said they will expand their Medicaid programs, as the health reform law incents them to do. Twenty states have indicated they are unlikely to expand their programs, and seven remain undecided or undeclared.

Earlier this month, Arizona voted to expand its Medicaid program, which health reform advocates consider a huge victory. The effort was led by Gov. Jan Brewer, a conservative Republican from a conservative state who had fought health reform from the start. Expansion means 300,000 more low-income Arizona residents will have health coverage.

Also, the state of California passed legislation to extend Medicaid coverage to 1.4 million more low-income Californians. Included in the law is a provision that allows future legislatures to reconsider the expansion if the share the federal government pays drops below 70 percent.

The reform law says the federal government will pay 100 percent of the cost of expansion for the first three years and 90 percent after that. State expansion is optional

If expanded here in the Sunshine State, under the new federal health care law, Medicaid will cover adults with incomes up to 138 percent of the Federal Poverty Level. Just last week, House Democratic Leader Perry Thurston and a delegation of Broward County Democrats voted to pen another letter to Gov. Rick Scott demanding he call a special session to discuss expanding Medicaid coverage to 1.1 million residents, promising constituents they would not just let the issue quietly die.

"We need to let it be known that we will not tolerate this ...we've missed an opportunity but the opportunity has not slipped through our fingers yet," Thurston told a packed room full of a few hundred residents and activists. "It's time to act. It's time to act decisively and the time is now."

Florida lawmakers ended their Legislative session last month without reaching an agreement on Medicaid expansion and passed up more than \$50 billion in federal funds.

In an unusual alliance, Scott, Senate Republicans, Democrats, Florida hospitals, health advocates and a diverse mix of business and labor groups all supported a Senate proposal that would have taken the federal money and allowed Floridians to purchase private insurance. But leaders in the GOP-led Florida House refused to consider that proposal, saying they didn't want to take funds tied to Obamacare.

Florida's Gov. Scott, who started his political career buying political ads criticizing the health care reform law, made an about-face decision earlier this year when he expressed his support for Medicaid expansion, calling it the compassionate, commonsense step. But Sen. Chris Smith said the governor "did not do a thing to help" pass Medicaid expansion.

May we live in interesting times!

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*Tips For Your Good Health*

Dear Readers,

I'm on a journey to achieve optimal health, and in this section of The Pinellas Protector I plan to share some of the things I'm doing to get there in one piece!

I believe it is critical to place focus on three areas of healthy lifestyle: (1) maintaining proper diet; (2) following a regular regime of stress reduction, such as exercise, yoga or massage; and (3) taking necessary measures to keep the physical body in homeostasis, which is the internal balance of one's internal electromagnetic and chemical systems.

Personally I am working very hard to regain homeostasis, which in my best estimate has evaded me recently due to staying in a perpetual "fight or flight" state; and also due to excessive intake of sugar. In the next issue, I'll talk more about the hazards of sugar.

So, drum roll please, what is this quarter's Tip For Your Good Health?

### ***It's juicing!***

I received my introduction to juicing by reading Farnoosh Brock's "The Healthy Juicer's Bible." I strongly recommend this excellent resource to anyone who is considering buying a juicer (not a blender) and getting started juicing fresh vegetables and fruit.

So far, I've found that carrots and oranges are great juiced together, and with just about everything else. Some of the green vegetables I've tossed down my juicer's chute are: Bok Choy, Broccoli, Carrot Tops, Kale, Romaine Lettuce and Spinach. And, I was surprised when I learned that Sweet Potatoes can be juiced - they are quite tasty too!

Often, I'll add in powdered greens and/or vegetable based protein powder to my juicing concoctions and shake it all up in a tumbler. It gives me an amazing energy boost, and after only two weeks of daily juicing I am feeling great.

Perhaps, Farnoosh wouldn't approve of my powder additives as she writes about gulping down her fresh juice in its purest form, without adding water or ice. But I'll bet she would be pleased to hear that with each passing day, I'm becoming a more avid juicer.

[Click here to view Farnoosh Brock's public profile on Linked in.](#)

Thanks for reading Tips For Your Good Health!

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