



HEALTH REFORM AND THIP: FREQUENTLY ASKED QUESTIONS

For 15 years, the Texas Health Insurance Pool (THIP) has been one of the few choices for health insurance for thousands of Texans, like you, with pre-existing health conditions. Now, federal health insurance reforms taking effect in January 2014 are providing you with new insurance options. We know that you have many questions about these reforms. The following questions and answers can help you better understand how these changes will affect you.

How does federal health insurance reform affect my coverage options?

As of January 1, 2014, you cannot be denied coverage based on a pre-existing health condition and you cannot be charged more than others in your age group because of your health condition.

Is THIP closing?

Yes, THIP health insurance coverage will end at 11:59 pm March 31, 2014, and thereafter the program will close after claims have been processed.

Where can I look for new health insurance coverage?

You can compare and purchase plans through www.healthcare.gov, the online Health Insurance Marketplace (for coverage starting January 1, 2014). You can also buy a plan directly from an insurance company, either on your own or with the assistance of an insurance agent.

What is Healthcare.gov and when do I need to have new coverage in place?

Healthcare.gov is the online Marketplace where you will can shop for and purchase individual health insurance. The Marketplace will allow you to make apples-to-apples comparisons, so you can select the best plan for you. If you enroll after December 23, the earliest effective date for your new coverage will be February 1, 2014, as long as you enroll by January 15. The open enrollment period for plans offered both on and off the exchange Marketplace ends March 31, 2014, but in order to have coverage effective April 1, 2014, you must enroll in a new plan by March 15, 2014. If you enroll after March 15, your new plan will not be effective until May 1, 2014 and you will have a gap in coverage because your Pool coverage ends March 31, 2014.

Will I be able to find a plan similar to THIP?

Your new coverage, whether purchased through www.healthcare.gov or directly from the private insurance market, will provide more benefits than you currently have and, in most cases, at a lower cost. THIP premiums, by law, are twice the cost of individual policies in the private market, and Pool premiums are expected to increase March 1, 2014. Under health insurance reform, you cannot be charged a higher premium rate based on your health status. You now have the opportunity to choose your coverage; you can shop around for the best plan for you, at the best market premium rate.

THIP currently assists with my premiums through its subsidy program. Will I get a subsidy with my new policy?

The THIP subsidy program assists policyholders with household incomes up to 300% of the federal

poverty level (FPL). In the new insurance Marketplace next year, more people will qualify for premium subsidies, as well as new cost-sharing assistance. If your household income is between 100% and 400% of FPL, you will qualify for financial assistance, but only if you buy your new policy through the www.healthcare.gov exchange Marketplace. (An individual earning \$45,960, and a family of four earning \$94,200, have incomes at 400% of the poverty level.) And depending on your income, your share of covered medical expenses, including deductibles, could be reduced if you purchase a “Silver” plan on the www.healthcare.gov Marketplace exchange.

But if your income is too high or too low to make you eligible for a federal premium subsidy, you can purchase your new plan directly from the insurance company of your choice, without accessing the Marketplace enrollment systems.

What should I consider when looking for a new plan?

Consider these questions when reviewing your coverage options:

1. Is your doctor or specialist in the plan’s network?
2. Is your clinic or hospital in the plan’s network?
3. Are your medications covered under the plan’s approved list of prescription drugs, and does your specialty drug require preauthorization?
4. Are you eligible for financial assistance through the www.healthcare.gov Marketplace to help you pay for your premiums and limit your claim costs? If not, you may want to also explore additional coverage options outside the Marketplace.
5. What level of coverage works for you: Bronze, Silver, Gold or Platinum (the four standardized levels of plans offered)? What fits your budget, a higher deductible with a lower monthly premium, or a higher monthly premium payment with lower out-of-pocket costs?
6. If you are currently receiving specialized services such as durable medical equipment (wheelchair, CPAP, etc.), does the plan cover your equipment and do you need preauthorization?
7. What other services might be offered through this plan? Does it offer health club discounts, wellness programs or a nurse telephone assistance line?
8. Does this plan fit with your future needs?

What is the difference between the Bronze, Silver, Gold and Platinum plans?

All plans will be offered using four “metallic” tiers of coverage. For easier comparisons among benefit plans, the plans available to individuals and families, both on and off the healthcare.gov website, will be categorized according to the percent of medical costs the insurance company will pay: Bronze (60%); Silver (70%); Gold (80%); and Platinum (90%). Your plan name will include its metal level. Generally, the higher the percentage tier of plan coverage, the higher the premium and the lower the deductible. Higher deductible “catastrophic” coverage plans will also be available to individuals under age 30, but will not be eligible for premium or cost-sharing assistance.

Where can I get help in looking for a new plan?

Healthcare.gov offers a variety of resources to assist you with the application process through the new Marketplace, including referrals for certified in-person assistance, if needed. You can learn more about these resources by visiting the website or calling the customer service center at 1.800.318.2596. A licensed health insurance agent can also help you shop for and purchase a new plan, both through the exchange Marketplace as well as directly from an insurance company. The THIP website, www.txhealthpool.org, also provides helpful links at its Marketplace Resource Center, including an agent finder tool.