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Dear Community Partners,

This letter provides information regarding changes created by the Patient Protection and Affordable Care Act (also known as the Affordable Care Act or Obamacare). To ensure that you have the most current information about these changes, there is a set of materials available regarding the Patient Protection and Affordable Care Act and Virginia's Medicaid and FAMIS programs. These materials will assist you in answering questions from individuals.

If you would like more information regarding the Patient Protection and Affordable Care Act and how it may affect Medicaid and FAMIS eligibility or the Federal Health Insurance Marketplace, please visit the links below.

Thank you for your continued commitment as we work with these new federal requirements.

- [What is the Patient Protection and Affordable Care Act?](#)
- [How to access health insurance through the Patient Protection and Affordable Care Act](#)
- [How does the Patient Protection and Affordable Care Act affect medical assistance eligibility?](#)
- [Who can help?](#)

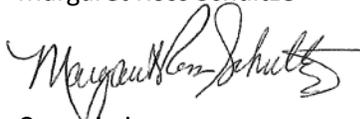
In addition, the Federal government has expressed that the Federal Health Insurance Marketplace (formerly referred to as the "exchange") should be available for Virginians to purchase health insurance beginning October 1, 2013. Insurance coverage through the Federal Health Insurance Marketplace is currently set to begin under federal law on January 1, 2014.

Beginning on October 1, 2013, the Virginia Medicaid (primarily impacting pregnant women, children under age 19, and parents of dependent children under age 19) and Family Access to Medical Insurance Security (FAMIS) programs will implement several federally mandated changes, including:

- Modified Adjusted Gross Income (MAGI), a new national standard for calculating financial eligibility for Medicaid and FAMIS
- a new application to determine eligibility for health insurance affordability programs (application forms can be ordered in bulk at [www.coverva.org](http://www.coverva.org))
- a new electronic enrollment and eligibility system ([www.commonhelp.virginia.gov](http://www.commonhelp.virginia.gov))
- and the new Cover Virginia call center to accept phone applications for Medicaid and FAMIS (855-242-8282 effective October 2013)

As with any large change of this nature, it is common to experience an adjustment period. We appreciate your patience during this transition.

Margaret Ross Schultze



Commissioner  
Virginia Department of Social Services

Cynthia Jones



Director  
Virginia Department of Medical Assistance Services

## *What is the Patient Protection and Affordable Care Act?*

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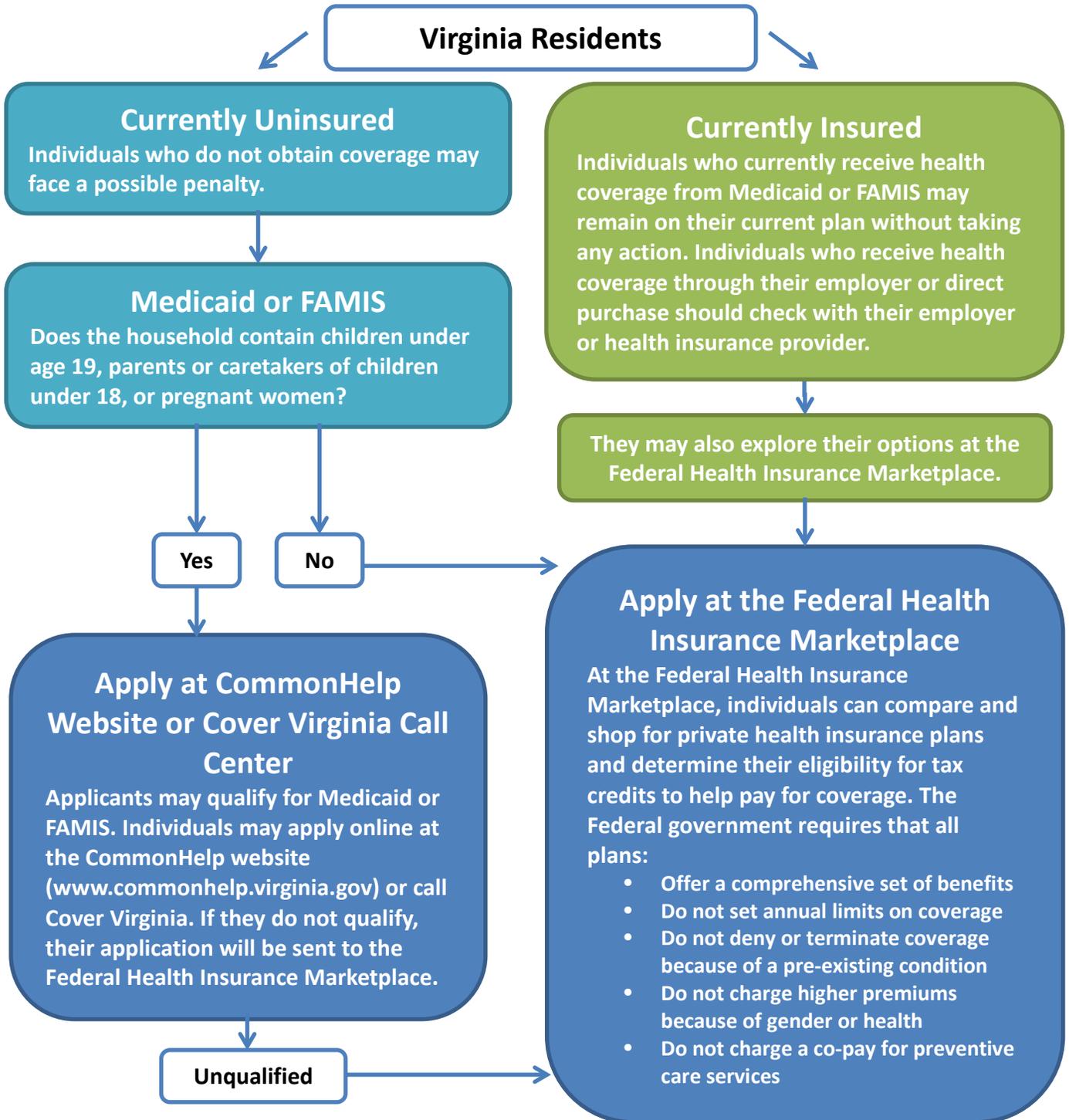
- The Patient Protection and Affordable Care Act (also known as the Affordable Care Act or Obamacare) became federal law on March 23, 2010. Its stated goal is to increase health insurance coverage for uninsured and underinsured Americans. The Patient Protection and Affordable Care Act attempts to meet this goal by increasing availability, setting coverage mandates and providing subsidies and tax credits for the purchase of health insurance.

## *How does the Patient Protection and Affordable Care Act affect Virginians?*

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- The Federal Health Insurance Marketplace – The Patient Protection and Affordable Care Act requires individuals have access to an online marketplace of private insurance plans. The Federal government is creating the online marketplace in the Commonwealth. Virginia residents will be able to access the Federal Health Insurance Marketplace, which the Federal government has scheduled to open October 1, 2013. Individuals will be able to shop for health insurance online and compare private plans through the Marketplace. Virginians will also be able to determine if they qualify for federal subsidies to help offset the cost of insurance. The Marketplace can be accessed by visiting [www.healthcare.gov](http://www.healthcare.gov).
- Coverage options for young adults – Health plans are now required to permit parents to keep their dependent children under age 26 without employer-provided coverage on their family plan.
- Coverage options for individuals with pre-existing conditions – No health insurance plan will be allowed to deny coverage to an individual due to a pre-existing condition.
- Coverage for preventive services with no deductible or co-pay – The Patient Protection and Affordable Care Act requires most insurance plans to offer coverage for a variety of preventive services without the enrollee being responsible for a co-pay. The law also makes a number of preventive services free for most people on Medicare. Examples include: colonoscopy screenings, Pap smears, mammograms, well-child visits and flu shots for all children and adults.
- Medicaid and FAMIS impact – There will be very little impact on current Medicaid or FAMIS enrollees in Virginia. The methodology used to determine families' and children's eligibility is changing, but with few exceptions, individuals who are currently eligible for Medicaid or FAMIS should remain eligible. When a current enrollee's case is up for renewal, the local Department of Social Services (LDSS) will review the case, contact the enrollee if more information is needed and communicate in writing any changes to the case.
- Expanded prescription drug coverage for seniors – Currently, a coverage gap, commonly referred to as the doughnut hole, exists for Medicare Part D (prescription) beneficiaries who do not qualify for low-income subsidies through the Social Security Administration. Under the Patient Protection and Affordable Care Act, coverage for brand name and generic drugs is expected to increase as the federal government contributes more to the cost of prescription drugs incrementally over the next seven years until the gap is closed.
- Insurance availability for employees – Starting in 2015, the federal government may require businesses with 50 or more full-time employees who do not provide affordable health insurance for their employees to pay a fine.

How to access health insurance through the Patient Protection and Affordable Care Act



For more information, go to [www.commonhelp.virginia.gov](http://www.commonhelp.virginia.gov), [www.coverva.org](http://www.coverva.org), [www.healthcare.gov](http://www.healthcare.gov), or [www.kff.org/health-reform](http://www.kff.org/health-reform)

## *How does the Patient Protection and Affordable Care Act affect medical assistance eligibility?*

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- The Patient Protection and Affordable Care Act (also known as the Affordable Care Act or Obamacare) introduces a new assistance program in the form of the Advanced Premium Tax Credit (APTC). Along with Medicaid and Family Access to Medical Insurance Security (FAMIS) (Virginia's Children's Health Insurance Program or CHIP), the three programs are collectively called Insurance Affordability Programs.
- The Patient Protection and Affordable Care Act requires a "no wrong door" approach to eligibility. There will be a single application used to determine eligibility for all three Insurance Affordability Programs so that the state can electronically transfer applications and verifications for individuals who are not eligible for Medicaid or FAMIS to the Federal Health Insurance Marketplace without any action on the applicant's part. These changes move Virginia toward the goal of making real-time eligibility determinations for health care coverage in the shortest possible time.
- Because the same application will be used to apply for all three Insurance Affordability Programs, Virginia is required to begin using the Modified Adjusted Gross Income (MAGI) methodology to calculate an individual's income. The Patient Protection and Affordable Care Act changes the way eligibility for Medicaid (primarily impacting pregnant women, children under age 19, and parents of dependent children under age 19) and FAMIS is determined.
- Virginia has updated its application for the Medicaid, Plan First, and FAMIS programs from previous versions.

## *How does this affect FAMIS?*

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- Because FAMIS currently uses a gross income calculation to determine eligibility, very little should change during the transition to the shared methodology with Medicaid and the Federal Health Insurance Marketplace.
- Impacts to FAMIS include:
  - Some children who currently qualify for FAMIS but not Medicaid may now qualify for Medicaid due to the change in eligibility calculation and vice versa. Transitions between Medicaid and FAMIS are expected to be seamless with no disruption in receipt of medical services.
  - Currently, FAMIS applications and cases are processed and maintained by a central processing unit managed by the Virginia Department of Medical Assistance Services. On October 1, 2013, all new applications will be processed and maintained at the local Department of Social Services office in the county or city where the applicant lives. Beginning in April 2014, FAMIS cases up for renewal will be sent or transferred to the local Department of Social Services office in the county or city where the enrollee lives to complete the annual renewal process and for ongoing case maintenance.
  - New enrollment in the FAMIS MOMS program is being eliminated effective January 1, 2014, because individuals above the Medicaid limit for pregnancy coverage are generally eligible to purchase subsidized private coverage. FAMIS MOMS recipients enrolled as of January 1, 2014 will retain coverage through their pregnancy and post-partum period.

## *How does this affect Plan First?*

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- Plan First is a program for eligible men and women that covers birth control and services to help prevent unplanned pregnancies.
- The income limit for Plan First will be reduced to 100% of the Federal Poverty Level (FPL) effective January 1, 2014, because individuals above 100% FPL are generally eligible for purchase of subsidized private coverage. Individuals who lose Plan First benefits as a result of this change will be notified and their application will be referred to the Federal Health Insurance Marketplace.

## *What is MAGI?*

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- Beginning January 1, 2014, Medicaid (primarily impacting pregnant women, children under age 19, and parents of dependent children under age 19) and FAMIS eligibility will be determined using Modified Adjusted Gross Income (MAGI), a new methodology defined in the Federal Tax Code.
  - “Modified” means that income will be the adjusted gross income as reported on the previous year’s federal tax return, plus any non-taxable interest or foreign earnings.
  - Child support income and certain disability benefits paid through the Department of Veterans’ Affairs benefits will no longer be counted.
- MAGI will simplify the eligibility determination for most Medicaid and FAMIS populations by eliminating many disregards and deductions that reduce countable income.
- Medicaid and FAMIS eligibility will continue to be determined at the individual level, but the filing assistance units will be based on tax units. This means that groups of people who file or are claimed as dependents on tax returns, including individuals living outside the home, will determine the family size and what income is counted for each individual. There are also rules for those who do not file income taxes.
- In addition, current deductions (such as the standard \$90 and dependent care) will no longer be allowed.
- Many of the verifications needed to determine eligibility will be obtained using electronic data exchanges or based on an applicant’s statement. The Patient Protection and Affordable Care Act mandates adults under age 26 who age out of Foster Care in Virginia will be eligible effective January 1, 2014.

## Who can help?

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- With the implementation of the Patient Protection and Affordable Care Act (also known as the Affordable Care Act or Obamacare), there are resources to help individuals understand their coverage options and apply.
- Outside of the Commonwealth resources for assistance (the local Department of Social Service offices and the Cover Virginia website), additional resources have been established in the form of Navigators and Certified Application Counselors, Brokers and Agents, and Community Partners, many of which already exist.

## Navigators and Certified Application Counselors

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- Navigators and Certified Application Counselors are resources available to help individuals understand and apply for health care coverage.
- On August 15, 2013, Health and Human Services announced the two Navigator entities selected for Virginia:
  - The Virginia Poverty Law Center will have about 20 navigators working statewide to identify and assist uninsured Virginians who may qualify for new health insurance options through their “ENROLL Virginia!” project ([www.ENROLL-Virginia.com](http://www.ENROLL-Virginia.com)).
  - Advanced Patient Advocacy LLC will work out of specific hospitals to assist patients and others interested in applying for health insurance ([www.enrollapa.com](http://www.enrollapa.com)).
- Navigators will be trained and certified to provide unbiased information in a culturally competent manner to consumers about health insurance, the Federal Health Insurance Marketplace, qualified health plans and public programs including Medicaid and FAMIS. Navigators can also help Virginians prepare electronic and paper applications to the Federal Health Insurance Marketplace. They will refer individuals to health insurance ombudsman and consumer assistance programs when necessary.
- Certified Application Counselors are typically community health centers and other providers, certified to assist applicants with the process.

## Brokers and Agents

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- Commercial health insurance brokers and agents are being trained on working with the Federal Health Insurance Marketplace and will be available to anyone ineligible for Medicaid or FAMIS to assist in the application process. The service fee for using a broker or agent will not be paid by the applicant.

## Existing Community Partners

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- The existing community partners that provide assistance to Medicaid and FAMIS applicants will continue to offer their valuable assistance.