**Marketplace Basics**
*Course 4*

Topic: 01 | Page: 01

# Marketplace Basics

Exit

Course Introduction

1 of 3

## Introduction

Text Description of Image or Animation

Menu Help Glossary Resources

NEXT >

Long Description:

Animation. Welcome to the Marketplace Basics Course. The Department of Health & Human Services logo. Health Insurance Marketplace logo.

# Marketplace Basics

Exit

Course Introduction



## Overview

This course provides basic information about the Marketplace.

The first module includes definitions and key functions of the Individual Marketplace and Small Business Health Options Program (SHOP) Marketplace.

The second module contains in-depth information on:

- The Individual Marketplace and the SHOP Marketplace
- Key differences between the two ways to access the Marketplace

The third module describes:

- The concept of risk pools and premium aggregation
- Qualified Health Plans (QHPs), essential health benefits (EHB), and health plan categories

The course concludes with an exam on topics covered throughout the course.

*Click **NEXT** to begin.*

Menu Help Glossary Resources BACK NEXT

# Marketplace Basics

Exit

Course Introduction



## How to Navigate this Training

### Navigation

- Use the **BACK** and **NEXT** buttons at the bottom of the page to move forward and backward in a module.
- Use the **Menu** button at the bottom of the page to go to any module in the course.
- Use the **Resources** and **Glossary** buttons for additional information.
- Use the **Help** button for a more detailed explanation of the navigation features in this course.
- Use the **Exit** button at the top right corner to close this course. This course contains a bookmarking feature, which lets you to exit the training at any point and return to the place you left off at a later time.

  Note: If you exit during an exam, any previous answers will be lost and you'll be required to restart the exam from the beginning during your next session.

### About this Course

This course doesn't contain audio. You don't need speakers or a headset unless you are working with assistive technology. For assistance with accessibility options, please select the **Help** button located at the bottom of the page.

This course contains knowledge checks or practice exercises to help prepare you for the exam you're required to take at the end of each course.

Menu Help Glossary Resources BACK NEXT

# Marketplace Basics

Exit

Marketplace Definition and Key Functions



## Introduction to the Marketplace Definition and Key Functions

The Marketplace is a way for consumers to access health coverage that fits their budget and specific needs.

This training will provide you with the skills to:

- Define the Marketplace
- Identify the three ways a Marketplace can be operated
- Distinguish between the Individual Marketplace and the Small Business Health Options Program (SHOP) Marketplace

*Click **NEXT** to continue.*

Menu Help Glossary Resources

NEXT

# Marketplace Basics

Exit

Marketplace Definition and Key Functions



## Definition of the Marketplace

The Marketplace is a resource where individuals, families, small business owners, and their employees, can learn about their health coverage options, compare health insurance plans based on costs and benefits, choose a plan, and enroll in health coverage.

The insurance plans offered in the Marketplace are called qualified health plans (QHPs). The Marketplace certifies each QHP that is sold in a state. The certification of a QHP means that the plan provides a comprehensive benefits package (known as essential health benefits), follows limits on cost-sharing for consumers, and meets other Marketplace requirements.

The Marketplace also provides information on programs that help consumers pay for coverage, including ways to save on monthly premiums and out-of-pocket costs. It also provides information on programs such as Medicaid and the Children's Health Insurance Program (CHIP).

Menu | Help | Glossary | Resources

BACK | NEXT

# Marketplace Basics

Exit

Marketplace Definition and Key Functions



### Your Role in the Marketplace

You're responsible for helping consumers make informed decisions during the eligibility and enrollment process. You should provide consumers with information about the full range of health coverage options and help them through the eligibility and enrollment process. You may *not* offer recommendations to consumers or make eligibility or enrollment determinations.

Menu Help Glossary Resources BACK NEXT

# Marketplace Basics

Exit

Marketplace Definition and Key Functions



### Operation of the Marketplace

The Marketplace can be operated by a state, the federal government, or a combination of both. Each state chooses how it would like to run its Marketplace.

- A state running its own Marketplace is called a State-based Marketplace (SBM).
- Consumers in states that do not participate in the Marketplace can obtain coverage through a Federally-facilitated Marketplace (FFM). In an FFM, the federal government manages all Marketplace functions.
- A state can partner with the federal government to operate a State Partnership Marketplace (SPM). When this happens, the federal government runs some, but not all, Marketplace functions.
    - A state with an SPM can choose to be responsible for plan management activities, consumer assistance activities, or a combination of both.
    - An SPM is a type of FFM.

Topic: 02 | Page: 05

# Marketplace Basics

Exit

Marketplace Definition and Key Functions

5 of 13

## Knowledge Check

**Which of the following are TRUE about the Marketplace?**

Select **all that apply** and then click **Check Your Answer**.

- **A.** The Marketplace is a market where consumers can learn about doctors available in their area and make appointments.
- **B.** The Marketplace is a resource where individuals, families, and small businesses can learn about their health coverage options.
- **C.** The Marketplace offers insurance plans called qualified health plans (QHPs).
- **D.** The Marketplace can be run by a state, the federal government, or a combination of both.

Check Your Answer | Reset

Menu | Help | Glossary | Resources | BACK | NEXT

# Marketplace Basics



Marketplace Definition and Key Functions



## Functions of the Marketplace

The Marketplace performs major functions, including:

- Deciding if consumers are eligible for enrollment in a QHP
- Determining consumers' eligibility for financial assistance in a QHP through a premium tax credit and/or cost-sharing reduction
- Determining or assessing consumers' eligibility for enrollment in Medicaid or CHIP
- Enrolling consumers in a QHP
- Overseeing and monitoring health insurance companies selling QHPs (e.g., to see if health plans meet certification requirements)
- Enrolling eligible employers and their employees in coverage through the SHOP Marketplace

# Marketplace Basics

Exit

Marketplace Definition and Key Functions



## Introduction to Verification and the Federal Data Services Hub

The Marketplace will determine a consumer's eligibility for health coverage and financial assistance for a premium tax credit and/or cost-sharing reductions using information from a consumer's application.

The Centers for Medicare & Medicaid Services (CMS) uses a system called the Federal Data Services Hub (the Hub) to verify that the information entered in the application is correct. The Hub provides a single secure connection between state and federal systems to trusted data sources to verify specific information in consumers' applications.

The Hub isn't a database. It does not retain or store data. It's a routing tool to securely send information from various trusted government databases through secure networks.

# Marketplace Basics

Exit

Marketplace Definition and Key Functions



## Knowledge Check

**Which of the following is NOT a function of the Marketplace?**

Select **the correct answer** and then click **Check Your Answer**.

- **A.** Determining consumers' eligibility for enrollment in a QHP
- **B.** Determining or assessing a consumer's eligibility for enrollment in Medicaid or CHIP
- **C.** Enrolling consumers in job-based health insurance
- **D.** Enrolling eligible employers and their employees in coverage through the SHOP Marketplace

Check Your Answer | Reset

# Marketplace Basics



Marketplace Definition and Key Functions



## Ways to Access the Marketplace

Each state will have a Marketplace for individuals, families, small business owners, and their employees, to purchase and obtain health coverage.

There are two ways to access the Marketplace:

- **Individual Marketplace** for individuals and families
- **SHOP Marketplace** for small business owners and their employees

Enrollment for health coverage through the Marketplace will begin on October 1, 2013. Coverage will begin on January 1, 2014, for consumers who enroll before December 15, 2013, and make their first premium payment.

# Marketplace Basics



Marketplace Definition and Key Functions



**Introduction to the Individual Marketplace**

Individuals and families can enroll in health coverage through the Individual Marketplace and choose a plan that best fits their budget and specific needs.

In addition to individuals and families, self-employed consumers and families can apply for and get coverage in the Individual Marketplace. For example, consumers who operate a profitable business, but have no employees or employ only their family members, are eligible for coverage through the Individual Marketplace.

If consumers are offered job-based coverage and that coverage isn't offered to their dependent(s), the family may apply for coverage in the Individual Marketplace.

# Marketplace Basics

Exit

Marketplace Definition and Key Functions



## Introduction to the SHOP Marketplace

The SHOP Marketplace helps small business owners provide health insurance for their employees. Enrollment in the SHOP Marketplace will be open to employers with 50 or fewer full-time equivalent (FTE) employees starting October 1, 2013, with coverage starting as early as January 1, 2014. Small business owners in the SHOP Marketplace can determine the premium costs they will cover for their employees. Beginning in 2016, the SHOP Marketplace will be open to employers with up to 100 FTEs.

Unlike the Individual Marketplace, small business owners and their employees participating in the SHOP can't qualify for Marketplace programs to lower their costs (e.g., premium tax credits and cost-sharing reductions). However, some employers are eligible to receive small business tax credits through the SHOP Marketplace to help make offering coverage to their employees more affordable.

# Marketplace Basics

Exit

Marketplace Definition and Key Functions



## Knowledge Check

**For 2014, which of the following is a major difference between the Individual Marketplace and the Small Business Health Options Program (SHOP) Marketplace?**

Select **the correct answer** and then click **Check Your Answer**.

- **A.** The Individual Marketplace is for individuals, while the SHOP Marketplace is for large businesses.
- **B.** The Individual Marketplace provides health insurance options for qualified individuals and families, while the SHOP Marketplace provides health insurance options for qualified small businesses and their employees.
- **C.** The Individual Marketplace is run by states, while the SHOP Marketplace is run by the federal government.
- **D.** The Individual Marketplace provides health insurance options for qualified small businesses and their employees, while the SHOP Marketplace provides health insurance options for qualified individuals and families.

Check Your Answer | Reset

Menu | Help | Glossary | Resources

BACK | NEXT

# Marketplace Basics

Exit

Marketplace Definition and Key Functions



**Key Points**

The Affordable Care Act creates the Marketplace to help individuals, families, small business owners, and their employees shop for coverage in a way that allows for easy comparison of available plan options.

Each state may choose to operate its Marketplace as one of three models: a State-based Marketplace, a Federally-facilitated Marketplace, or a State Partnership Marketplace.

There are two ways to access the Marketplace: the Individual Marketplace and the SHOP Marketplace.

You have successfully completed this module.

*Click **NEXT** to return to the main menu.*

Menu Help Glossary Resources

BACK NEXT

# Marketplace Basics

Exit

Individual Marketplace and SHOP Marketplace



## Introduction to Individual Marketplace and SHOP Marketplace

This module provides an overview of the Individual Marketplace and the Small Business Health Options Program (SHOP) Marketplace. It's important for you to understand the difference between the Individual Marketplace and the SHOP Marketplace so you can provide accurate and objective information to help consumers, families, small business owners, and their employees get health coverage.

This training will provide you with the skills to:

- Define the eligibility requirements for the Individual Marketplace
- Define the eligibility requirements for the SHOP Marketplace
- Recognize key differences between the Individual Marketplace and the SHOP Marketplace

*Click **NEXT** to continue.*

Menu Help Glossary Resources

NEXT

# Marketplace Basics

Exit

Individual Marketplace and SHOP Marketplace



## Marketplace and Risk Pools

The Marketplace is open to consumers regardless of their medical history. If consumers who have health conditions or chronic illnesses were the only ones who enrolled into coverage, insurance companies participating in the Marketplace wouldn't have enough funds from healthy consumers to cover the cost of services for chronically or seriously ill consumers. By requiring everyone to maintain health coverage or pay a fee, the Marketplace is large enough to have a risk pool comprised of a mix of high-risk and low-risk consumers.

'Risk pool' is the term used to describe a group of consumers whose estimated medical costs are combined in order to calculate health insurance premiums. A well-balanced risk pool consists of a large group of consumers who rarely use medical services and those who frequently use medical services.

Within the Individual Marketplace and the SHOP Marketplace, health insurance companies will decide how much to charge consumers for premiums based on the makeup of the risk pool.

# Marketplace Basics

Exit

Individual Marketplace and SHOP Marketplace



### Premium Variations in the Marketplace

Private health insurance plans available in the Individual Marketplace and SHOP Marketplace are called qualified health plans (QHPs). Consumers who are enrolled in a QHP will pay a fixed monthly amount, or a premium, to the health insurance company that offers the QHP.

Consumers may be charged different premium rates for the same QHP, based on a limited number of factors including age, family composition, geographic area, and tobacco use. The difference in premiums is limited to a ratio of 3 to 1 for age, family composition, and geographic area, while it is limited to a ratio of 1.5 to 1 for tobacco use. For example, premiums for an older consumer who is not yet 65 years old may be no more than three times higher than that for a younger consumer. Premiums may not be different for a consumer or their dependents based on their gender or medical history.

# Marketplace Basics

Exit

Individual Marketplace and SHOP Marketplace



### Eligibility Requirements for the Individual Marketplace

To get health coverage through the Individual Marketplace, a consumer:

1. Must live in the Marketplace geographical area, usually a state
2. Must be a U.S. citizen or national (or be lawfully present)
3. Can't be currently incarcerated

Your role is to educate consumers about health coverage, assist consumers with their eligibility applications, and describe available health coverage options. You can't advise consumers on which plan to choose and you can't make eligibility determinations.

# Marketplace Basics

Exit

Individual Marketplace and SHOP Marketplace



## Knowledge Check

**Elizabeth is a local florist and she operates her own business. She comes to you to see if she is eligible for health coverage through the Individual Marketplace. Which of the following questions should you ask Elizabeth to determine if she can get coverage through the Individual Marketplace?**

Select **all that apply** and then click **Check Your Answer**.

- **A.** Are you a U.S. citizen or lawfully present?
- **B.** Are you a smoker?
- **C.** How much income does your business generate each year?
- **D.** Are you self-employed?

Check Your Answer Reset

# Marketplace Basics



Individual Marketplace and SHOP Marketplace



## Eligibility Requirements for the SHOP Marketplace

The SHOP Marketplace helps small business owners offer health coverage to their employees. To participate in the SHOP Marketplace, a small business must:

- Be located in a SHOP Marketplace service area (generally a state)
- Offer health insurance coverage to all full-time employees, or those working an average of 30 or more hours per week
- Have at least one eligible employee on their payroll
- Have 50 or fewer full-time equivalent (FTE) employees on their payroll in 2014

Small business owners may count part-time employees, but not seasonal employees (those working fewer than 120 days per year) toward determining their FTEs. For example, two part-time employees can equal one FTE.

Your role in the SHOP Marketplace is to educate small business owners and their employees about health insurance options available to them through the SHOP Marketplace and to assist them with eligibility applications. You cannot advise consumers on which plan to choose and you cannot make eligibility determinations.

# Marketplace Basics

Exit

Individual Marketplace and SHOP Marketplace



### Tax Credits in the SHOP Marketplace for Small Business Owners

Some small businesses participating in the SHOP Marketplace may be eligible for tax credits worth up to 50% of their contribution toward their employees' premium costs (up to 35% for tax-exempt employers).

To qualify for the small business tax credit, an employer must:

- Have an average of fewer than 25 FTEs (based on a 40-hour work week and excluding the business owner(s), their family members, and seasonal employees)
- Have average annual employee wages below $50,000
- Pay the same percentage (at least 50%) of the cost for each employee's health insurance

The tax credit is highest for companies with fewer than 10 FTEs who are paid an average of $25,000 or less. Generally speaking, the smaller the business, the bigger the tax credit will be.

# Marketplace Basics

Exit

Individual Marketplace and SHOP Marketplace



## SHOP Marketplace: Risk Pools

Traditionally, small businesses have had a difficult time offering affordable coverage to their employees because their risk pool was not large enough. The SHOP Marketplace creates a large risk pool by spreading risk across a large number of small businesses. This diversifies the risk to health insurance companies when some consumers in the SHOP Marketplace use a greater amount of medical services than others. With more predictable risk spread across many employers, health insurance companies can make health plans more affordable by lowering premiums for many small business owners and their employees.

Menu Help Glossary Resources BACK NEXT

# Marketplace Basics

Exit

Individual Marketplace and SHOP Marketplace



## SHOP Marketplace: Minimum Participation Rate Requirement

In many states, at least 70% of employees within a small business who are offered coverage must enroll in order for employees to buy insurance through the SHOP Marketplace. It's important to understand who is and isn't factored into this calculation. Employees who buy their own individual, non-group private health insurance coverage are included in the calculation. Employees that have coverage through another job, Medicare, Medicaid, or military or veterans' programs are not included in the calculation for the minimum participation rate requirement.

This percent of employees that must enroll to meet the minimum participation rate requirement may differ by state. Check to see what the participation requirement is in the state in which you are working.

# Marketplace Basics

Exit

Individual Marketplace and SHOP Marketplace



## SHOP Marketplace: Premium Contributions

In 2014, small business owners will be able to choose one QHP to offer to their employees. Small business owners will set the percentage of the QHP cost to contribute toward employee premiums. They'll also be able to determine how employees will pay their portion of the premium.

Menu Help Glossary Resources

< BACK NEXT >

# Marketplace Basics

Exit

Individual Marketplace and SHOP Marketplace



## Knowledge Check

**Duane owns his own auto body shop and is interested in purchasing coverage for his employees in the Small Business Health Options Program (SHOP) Marketplace. What would you describe as the main features of the SHOP Marketplace?**

Select **all that apply** and then click **Check Your Answer**.

- **A.** The SHOP Marketplace creates a larger risk pool amongst small businesses.
- **B.** The SHOP Marketplace offers small businesses flexibility on the amount they contribute to premiums.
- **C.** SHOP Marketplace premiums may not be different based on an employee's medical history.
- **D.** Self-employed consumers can get health coverage through the SHOP Marketplace.

Check Your Answer Reset

# Marketplace Basics



## Key Differences Between the Individual Marketplace and the SHOP Marketplace

The Individual Marketplace and the SHOP Marketplace perform the same set of core functions, such as selling QHPs. However, there are some key differences.

| Individual Marketplace | SHOP Marketplace |
| --- | --- |
| The Individual Marketplace collects and verifies eligibility information from **consumers and their families**, determines their eligibility for enrollment in a QHP, and helps with enrollment. | The SHOP Marketplace collects and verifies eligibility information from **small businesses and their employees**, determines their eligibility for enrollment in a QHP, and helps with enrollment. |
| Consumers and their families may qualify for **premium tax credits** or **cost-sharing reductions** to help them afford the cost of coverage. | Premium tax credits and cost-sharing reductions are not available to employees and their dependents enrolled through the SHOP Marketplace. Instead, some small businesses will be eligible for small business tax credits worth up to 50% of their premium costs. |

Topic: 03 | Page: 13

# Marketplace Basics

Exit

Individual Marketplace and SHOP Marketplace



## Knowledge Check

**How would you describe each of the following key differences between the Individual Marketplace and the Small Business Health Options Program (SHOP) Marketplace?**

Match the correct answers and then click **Check Your Answer**.

| Column A | Column B |
| --- | --- |
| This Marketplace offers qualified health plans (QHPs), collects and verifies eligibility information, determines eligibility for enrollment in a QHP, and processes enrollment. | |
| This Marketplace offers tax credits worth up to 50% of premium costs | |
| This Marketplace offers premium tax credits and cost-sharing reductions to help some individuals and families afford coverage | |

Check Your Answer Reset

Menu Help Glossary Resources

BACK NEXT

Static Options (Left Column):

A. This Marketplace offers qualified health plans (QHPs), collects and verifies eligibility information, determines eligibility for enrollment in a QHP, and processes enrollment.
B. This Marketplace offers tax credits worth up to 50% of premium costs
C. This Marketplace offers premium tax credits and cost-sharing reductions to help some individuals and families afford coverage

Drop Down Options (Right Column):

1. Individual Marketplace
2. SHOP Marketplace
3. Individual Marketplace and SHOP Marketplace

# Marketplace Basics

Exit

Individual Marketplace and SHOP Marketplace



**Key Points**

The Individual Marketplace is where individuals and families, including self-employed individuals, can enroll in health coverage that fits their budget and specific needs.

The SHOP Marketplace is where small businesses can offer health coverage for their employees.

You have successfully completed this module.

*Click **NEXT** to return to the main menu.*

Menu Help Glossary Resources

BACK NEXT

# Marketplace Basics

Exit

Qualified Health Plans



### Introduction to Qualified Health Plans

This training provides basic information about qualified health plans (QHPs). It will help you answer questions consumers may have about health coverage options available through the Marketplace.

This training will provide you with the skills to:

- Define QHPs
- List the essential health benefits (EHB) required for QHPs
- Identify the different health plan categories

*Click **NEXT** to continue.*

Menu Help Glossary Resources

NEXT >

# Marketplace Basics

Exit

Qualified Health Plans



## Overview of Qualified Health Plans

A QHP is a health plan that is certified by the Marketplace, provides essential health benefits (EHB), and follows established limits on cost-sharing, such as deductibles, copayments, and out-of-pocket maximum amounts. QHPs may need to meet other state specific requirements.

The Marketplace certifies each QHP based on criteria including:

- The health plan is sold by a health insurance company that is licensed and in good standing in the state where the plan is sold.
- The health plan is sold by a health insurance company that offers at least one Silver and one Gold plan inside the Marketplace.
- The health plan includes a minimum set of benefits, known as essential health benefits or EHB.
- The health plan meets non-discrimination and network adequacy requirements.
- The health plan premium is the same whether the plan is sold inside or outside of the Marketplace.

Menu Help Glossary Resources

BACK NEXT

# Marketplace Basics

Exit

Qualified Health Plans



## Knowledge Check

**To be certified, a qualified health plan (QHP) must meet which of the following criteria?**

Select **all that apply** and then click **Check Your Answer**.

- **A.** Be sold by a health insurance company that offers at least one Silver and one Gold plan inside the Marketplace.
- **B.** Include coverage of essential health benefits (EHB).
- **C.** Offer the same premium whether the plan is sold inside or outside of the Marketplace.
- **D.** Offer higher premiums for plans sold inside the Marketplace than plans sold outside of the Marketplace.

Check Your Answer Reset

# Marketplace Basics

Exit

Qualified Health Plans



## Essential Health Benefits

The Affordable Care Act ensures that health plans sold both inside and outside of the Marketplace offer a comprehensive package of items and services, known as essential health benefits or EHB.
EHB must include items and services from at least the following ten categories:

- Ambulatory patient services (e.g., doctor visits and clinics)
- Emergency services (e.g., ambulance, first aid services, and rescue squad)
- Hospitalization
- Maternity and newborn care
- Mental health and substance use disorder services, including behavioral health treatment
- Prescription drugs
- Rehabilitative and habilitative services and devices (e.g., therapy sessions, wheelchairs, and oxygen)
- Laboratory services
- Preventive and wellness services and chronic disease management (e.g., blood pressure screening, and immunizations)
- Pediatric services, including dental and vision care

Health insurance plans must offer benefits in these categories in order to be certified and sold in the Marketplace. All Medicaid plans must also offer these items and services by 2014.

Menu Help Glossary Resources

BACK NEXT

# Marketplace Basics

Exit

Qualified Health Plans



## Knowledge Check

**Vishnu is currently uninsured and asks you what types of benefits are covered by health plans in the Marketplace. You tell him that the same essential health benefits (EHB) package is required in plans both inside and outside the Marketplace. Which of the following is NOT included in the EHB categories that you describe?**

Select **the correct answer** and then click **Check Your Answer**.

- **A.** Adult dental care
- **B.** Emergency services
- **C.** Hospitalization
- **D.** Outpatient services

Check Your Answer Reset

Menu Help Glossary Resources BACK NEXT

Topic: 04 | Page: 06

# Marketplace Basics

Exit

Qualified Health Plans



## Health Plan Categories

Health plans in the Marketplace are separated into four health plan categories: Bronze, Silver, Gold, and Platinum. These health plan categories are based on the plan's actuarial value (AV). AV is the percentage of total average costs for covered benefits that a plan will cover. Health plan categories do not reflect the quality or amount of care the plans provide.

Select each image below for the AV percentage of each plan level. You must click on each image before advancing to the next screen.

Text Description of Image or Animation

Menu Help Glossary Resources

BACK NEXT

Long Description:

Interactive Graphic of 4 coins or metals stretching across the screen. Each coin is colored to represent a metal, from left to right: Bronze, Silver, Gold and Platinum. When each coin is selected, the other coins gray out and text appears stretching across the top of the four coins.

Prompt Text at the top of the overall image:

Health plans in the Marketplace are separated into four health plan categories: Bronze, Silver, Gold, and Platinum. These health plan categories are based on the plan's actuarial value (AV). AV is the percentage of total average costs for covered benefits that a plan will cover. Health plan categories do not reflect the quality or amount of care the plans provide.

Select each image below for the AV percentage of each plan level. You must click on each image before advancing to the next screen.

Text for each coin is:

Bronze - 60% AV (the QHP issuer pays, on average, 60% of the cost of EHB coverage)

Silver - 70% AV (the QHP issuer pays, on average, 70% of the cost of EHB coverage)

Gold - 80% AV (the QHP issuer pays, on average, 80% of the cost of EHB coverage)

Platinum - 90% AV (the QHP issuer pays, on average, 90% of the cost of EHB coverage)

# Marketplace Basics



Qualified Health Plans



## Description of Actuarial Values

The health plan category a consumer chooses affects the total amount he or she will likely spend on EHB during the year. Consumers who choose a plan in a higher health plan category (e.g., Gold or Platinum) will pay higher monthly premiums on average, but will pay less for cost-sharing expenses (e.g., deductibles, coinsurance, and copayments).

For example, if a plan has an AV of 70%, on average, the consumer would be responsible for 30% of the cost of covered benefits. However, consumers could be responsible for a higher or lower percentage of the total costs of covered services for the year, depending on their actual health care needs.

# Marketplace Basics

Exit

Qualified Health Plans



## Knowledge Check

**Maxine selects a Bronze plan. She asks you to describe what her selection means for her monthly health care costs and the level of coverage she will receive. Which of the following statements are true about a Bronze plan?**

Select **all that apply** and then click **Check Your Answer**.

- [ ] **A.** The health insurance company pays, on average, 60% of the cost of essential health benefits (EHB) for the consumer.
- [ ] **B.** Generally, a Bronze plan will have higher monthly premiums, but lower out-of-pocket costs than Silver, Gold, or Platinum plans.
- [ ] **C.** Generally, a Bronze plan will have lower monthly premiums, but higher out-of-pocket costs than Silver, Gold, or Platinum plans.
- [ ] **D.** The health insurance company pays, on average, 90% of the cost of EHB for the consumer.

Check Your Answer | Reset

# Marketplace Basics

Exit

Qualified Health Plans



## Stand-Alone Dental Plans

Adult dental coverage is not part of EHB and will generally not be a benefit offered by a QHP. As an alternative, consumers may purchase a stand-alone dental plan through the Marketplace.

Pediatric dental care is a category of EHB and may be offered in the Marketplace as part of a QHP or as a stand-alone pediatric dental plan.

The Marketplace will only offer QHPs, including stand-alone dental plans, that cover pediatric dental services. Each state has a benchmark plan that is the basis for what services a QHP must cover as EHB. If a state's benchmark plan lacks pediatric dental or vision coverage, it must be supplemented with the Federal Employee Dental and Vision Insurance Program (FEDVIP), pediatric vision/dental plan, or the state's separate Children's Health Insurance Program (CHIP) plan benefit if one exists. Pediatric services are required for consumers under age 19, but states have the flexibility to require coverage for older consumers.

# Marketplace Basics

Exit

Qualified Health Plans



## Prescription Drug Coverage

Prescription drug coverage is an EHB category. Be sure to talk with consumers about their prescription medications. Consumers are likely to be interested in selecting a plan that offers reasonable copays for their medications, especially if they rely on medications to manage chronic conditions and need to purchase them on a recurring, long-term basis. You may need to review a specific QHP's formulary and drug tiers with consumers to ensure that the QHP they choose covers the prescription drugs they need.

Menu Help Glossary Resources

BACK NEXT

# Marketplace Basics

Exit

Qualified Health Plans



## Key Points

Consumers in the Marketplace have a choice of QHPs that are certified by the Marketplace.

All QHPs must cover a comprehensive package of items and services, known as essential health benefits or EHB.

There are four health plan categories: Bronze, Silver, Gold, and Platinum.

You have successfully completed this course.

*Click **EXIT** to leave the course and take the Marketplace Basics exam.* Once you have started an exam, you must complete it. If you need to stop and return to it later, your progress will not be saved. You will need to start the exam over from the beginning.

Menu Help Glossary Resources BACK NEXT