

## The Affordable Care Act: What's Next for Maine?

Trish Riley, Muskie School of Public Service

### Overview

**On January 1, 2014 major provisions of the Affordable Care Act (ACA) take effect.**

On January 1, 2014 major provisions of the Affordable Care Act (ACA) take effect - including requirements that everyone has health insurance coverage and the availability of new subsidies and insurance reforms that are designed to make that coverage affordable.

**The ACA establishes a personal responsibility, requiring individuals to acquire health coverage that meets certain minimum standards.**

Most Americans will continue to get their health insurance through their workplaces. Individuals and small businesses (those with fewer than fifty employees)<sup>1</sup> will be able to shop for coverage through a new, online Marketplace, also called an Exchange. The Marketplace will provide one-stop shopping for health insurance with simplified information available to help compare the costs and benefits of available plans and, for individuals, assistance in qualifying for premium tax credits that will discount the cost of coverage for those eligible. Navigators and others will be trained and in place to help consumers and small businesses understand their choices. Beginning October 1, 2013 the Marketplaces will open so consumers can begin to shop for coverage. Open enrollment – the time period allotted to attain coverage – lasts through March 2014.<sup>2</sup>

Implementing the new law challenges governments at all levels and the private sector. Much needs to be done to be ready for the changes envisioned in the ACA. The roll-out of this complex law will not be without problems. As part of its on-going **Health Policy Colloquium series**, the Muskie School will provide information and convene leaders to explore in detail how the ACA will affect Mainers, what preparations are in place to transition to the new law and to raise and respond to questions as the law is implemented. This policy brief provides background information and lays out some of those questions. We hope to provide an on-going forum for interested parties to work together with the Muskie School to address these and other issues in a timely and accurate way.

### Who Must Have Coverage?

The ACA establishes a personal responsibility, requiring individuals to acquire health coverage that meets certain minimum standards. That requirement can be met through employer-sponsored insurance, through public programs such as

**Those under 30 are eligible for a lower cost, catastrophic product designed to meet their needs or they may stay covered on a parent's plan until age 26.**

MaineCare (if eligible), or by purchasing health insurance individually. There are some exemptions to the personal responsibility mandate. Certain recognized religious groups, those uninsured for less than three months, and others who have financial hardships are exempted from the mandate as are individuals who are ineligible for Medicaid because the state, like Maine, did not expand eligibility under the law. Young adults, those under 30, must be covered but are eligible for a lower cost, catastrophic product designed to meet their needs or they may stay covered on a parent's plan until age 26.

### **What are the Penalties for Failing to Have Health Insurance?**

Individuals who do not have health coverage are required to do so by January 2014 or face tax penalties of \$95/year or 1% of income in 2014, whichever is higher. Those penalties increase to \$695/year or 2.5% of income (whichever is higher) in 2016 and beyond. Parents of uninsured children will pay a penalty of one half of those amounts, up to a family cap of \$2,500.

There is no employer mandate but the law does include financial penalties for large employers who do not provide adequate, affordable health insurance to workers. However, those penalties have been delayed and will not take effect in 2014.

### **Will Coverage be Affordable?**

#### **Medicaid Coverage**

The ACA subsidizes health coverage in two ways. First, the law required state Medicaid programs to cover the lowest income Americans and second it provided tax credits, available on a sliding scale, for those whose income exceeded the poverty level but was below \$45,960 for an individual. (see Table 1)<sup>3</sup> But the Supreme Court ruled that the decision about whether to expand Medicaid (MaineCare) is left to the states. If a state elects not to expand Medicaid, those under 100% of the poverty level are not eligible for premium tax credits in the Marketplace. Should states expand coverage, the Federal government pays 100% of the costs of coverage for these individuals from 2014-2016 and phases down to pay for 90% in 2020 and beyond.

After considerable debate, the Maine Legislature was unable to override the Governor's veto opposing Medicaid expansion in Maine. Those below 100% of the federal poverty level (below \$11,490 annual income) will not qualify for premium tax credits. As a result, those with incomes below poverty, who will not be eligible for MaineCare (e.g. childless adults), will also not be eligible for lower cost premiums through the Marketplace. In essence, Marketplace coverage will be unaffordable to the lowest income people in Maine.<sup>4</sup>

#### **Premium Tax Credits<sup>5</sup>**

Products offered through the Marketplace will provide discounts by making advanceable, premium tax credits available for those who do not have other coverage and whose incomes are between 100% – 400% of the federal poverty level (\$11,490-\$45,960 - see Table 1). Out of pocket costs are also capped (\$6,350 for individuals and \$12,700 for families) and, depending on what plan a consumer chooses, may be further reduced for those earning below 250% of the poverty level. (See Table 2)

**Table 1: 2013 Federal Poverty Guidelines**

Household Size	100%	138%	150%	200%	250%	300%	400%
1	\$11,490	\$15,856	\$17,235	\$22,980	\$28,725	\$34,470	\$45,960
2	15,510	21,404	23,265	31,020	38,777	46,530	62,040
3	19,530	26,952	29,295	39,060	48,825	58,590	78,120
4	23,550	32,500	35,325	47,100	58,875	70,650	94,200
5	27,570	38,048	41,355	55,140	68,925	82,710	110,280
For each additional person add	\$4,020	\$5,548	\$6,030	\$8,040	\$10,050	\$12,060	\$16,080

Note: The 100% column shows the federal poverty level for each family size, and the percentage columns that follow represent income levels that are commonly used as guidelines for health programs.

Source: Calculations by Families USA based on data from the U.S. Department of Health and Human Services

**Table 2: How Premium Tax Credits Work, by Income for Individuals**

Income	Unsubsidized Annual Premium (1)	Maximum % of Income Toward Premium Cost	Amount you Pay for Premium	Amount of Tax Credit	Out of Pocket Maximum (2)	Actuarial Value
\$15,856	\$3,018	3.29%	\$522	\$2,496	\$2,250	94%
17,235	3,018	4.0%	689	2,329	2,250	87%
22,980	3,018	6.3%	1,448	1,570	5,200	73%
28,725 (2)	3,688	8.05%	2,312	1,376	6,350	70%
34,470 (2)	3,688	9.5%	3,275	413	6,350	70%
45,960 (2)	3,688	9.5%	3,688	0	6,350	70%

Source: Kaiser Family Foundation Subsidy Calculator

1. Premium costs based on national averages. Maine prices are generally higher than the national averages; this chart is for example only. ACA allows premiums to vary by age with older people costing no more than three times younger and by geography. Maine law limits how much geography can raise premiums to accommodate different health care cost by region. Premiums may increase by 50% for tobacco users. Tobacco charges cannot be subsidized by tax credit.
2. Assumes premium for 35 year old

Income eligibility for either premium tax credits or Medicaid will be determined based on Modified Adjusted Gross Income (MAGI). Use of the MAGI is intended to simplify current Medicaid eligibility criteria and processes and to align the eligibility criteria and processes for both Medicaid and federal tax credits. As incomes fluctuate, people may move between eligibility for tax credits and Medicaid. Using the same eligibility methods and one-stop shopping is designed to speed the process of enrolling in the appropriate program. A new federal data hub will provide the Marketplaces with access to data required to verify income eligibility for Medicaid or premium tax credits. Tax credits are available up front and paid directly to the insurance company to discount premium costs for people who cannot wait until year end to qualify for a tax refund.

Insurance products will be offered in the new Marketplace as well as in the existing commercial market for individual and small group coverage. However, premium

**Insurance reforms will be in place to prohibit insurance company practices that can lead to higher costs for consumers.**

tax credits are only available for products sold in the new Marketplace. Individuals can choose to take the credit up front and use it to reduce monthly payment or can pay the full cost of coverage then apply the tax credit at year-end and reduce their tax liability. Tax credits for plans purchased through the Marketplace are based on income - if income goes down, larger tax credits are available but as income goes up, the tax credits are reduced. Enrollees who do not report changes in income that affect their level of tax credit may be required to pay a year-end tax penalty. Those penalties are capped based on income level to limit exposure for those whose income exceeded the levels eligible for the credit they received and who, as a result, must repay those excess credits. Waiting until year-end helps protect against any liability that may occur if income goes up and the premium is not changed to reflect the higher income.

### **Insurance Reforms**

Finally, insurance reforms, described later in this paper, will be in place to prohibit insurance company practices that can lead to higher costs for consumers. Specifically, the law takes into account the uncertainty of new enrollment. It provides protections to health insurance plans in and outside the Marketplace from unexpectedly high costs, in the event a disproportionate number of unhealthy, high cost people enroll in a plan. By charging fees to all insurance plans – including those that self-insure – the government will provide funds to offset unexpectedly high claims costs and thereby reduce premium increases in the beginning years of the new plans. That is, if all the sick people enroll in one plan, that plan will receive funds to help offset the higher costs of that high risk group. For three years the federal government will provide a reinsurance and risk corridor plan to offset higher than expected costs. Based on the experience from those programs, the program will risk adjust payments in future years to stabilize costs.

### **The Marketplace**

The ACA creates a new Marketplace, formerly referred to as a health insurance exchange, for consumers who do not have Medicaid<sup>6</sup> or other coverage and for small businesses (those with fewer than 50 employees). The Marketplace provides one stop shopping, a simple, single application to qualify for either Medicaid or premium tax subsidies and an “apples to apples” comparison of available health plans and their prices. The Marketplace will have toll free hotlines, a website and electronic calculators to help consumers understand their choices. Independent, trained Navigators as well as certified application counselors and in-person assisters will be available to assist consumers.

States could elect to create their own Marketplaces, partner with the Federal government to create a marketplace, or have the Federal Marketplace serve the state. Maine has chosen to use the Federal Marketplace, which will be run as a virtual, internet-based information portal. The specifics of how that will work are not yet known.

**The Marketplace provides one stop shopping, a simple, single application to qualify for either Medicaid or premium tax subsidies and an “apples to apples” comparison of available health plans and their prices.**

Marketplaces set rules for the plans that will be offered. Only by purchasing a Marketplace plan will individuals and small businesses qualify for tax credits. Marketplaces will offer qualified health plans, licensed by the State, that must provide “essential health benefits”. While states have some discretion in choosing the essential health benefit plan, all health insurers<sup>7</sup> must include services within at least the following 10 categories: ambulatory patient services; emergency services; hospitalization; maternity and newborn care; mental health and substance use disorder services, including behavioral health treatment; prescription drugs; rehabilitative and habilitative services and devices; laboratory services; preventive and wellness services and chronic disease management; and pediatric services, including oral and vision care.

The Marketplaces are intended to increase competition and value based purchasing – pooling individuals into a large group and negotiating better deals than consumers could get on their own.

Marketplaces may include offerings from a multi-state plan. The federal government is required to establish two multi-state plans, one of which must be a nonprofit plan. The multi-state plans may provide portability across the country – that is, the coverage will be the same or similar and can be carried state to state. Multi-state plans will be phased in and it is not yet known which Marketplaces will offer them.

Regardless of whether a multi-state plan is offered, each Marketplace will provide a choice of plans and web-based information to help consumers make comparisons about what plans offer and how much they cost. There will be four levels of plans, each with different premium and cost sharing limits. In aggregate, the plans must pay a fixed percentage of the total cost of all claims incurred by people who select that plan, which is known as the actuarial value (AV). The actuarial value shows what percentage of claims costs the health plan pays versus what the consumer pays. When using health care services, consumers pay out-of-pocket for co-pays, deductibles and co-insurance. The percentages of the actuarial values for each plan level are: Bronze-60% AV; Silver 70% AV; Gold 80% AV and Platinum 90% AV. These numbers, the actuarial value, mean that for all the people who select a bronze plan, the insurance company must pay for 60% of total costs with enrollees responsible for the rest of the cost through plan deductibles and cost sharing when they use care. Although the Bronze plan will have the lowest premium, it will have the highest out-of-pocket cost.

Tax credits will be based on the Silver plan which in aggregate pays 70% of costs while consumers pay 30% if they use services. As discussed later, out-of-pocket costs are capped and a higher deductible, lower premium catastrophic coverage plan will be available for those under 30 and those who spend more than 9.5% of income for employer coverage. For those below 250% of the poverty level, out of pocket costs are subsidized as well, as long as the consumer buys a silver plan.

Members of Congress and their key staffs will be required to buy health insurance through the Marketplace in 2014 and beyond.

**About 44,000  
Mainers who  
do not have  
employer-  
sponsored  
health  
insurance  
buy that  
insurance in  
the individual  
or non-group  
market.  
And nearly  
125,000 have  
no insurance  
at all.**

Health plans may sell individual and small group products both through the Marketplace and independently in each state's commercial market. Consumers who do not wish to access the Marketplace or who are ineligible for tax credits may buy coverage in the individual or small group market. But to access the premium tax credits, consumers must purchase coverage through the Marketplace.

In Maine, the Superintendent of Insurance has recently received proposals by two Maine insurers to offer coverage on the federal Marketplace – Anthem BlueCross Blue Shield and a new non-profit cooperative plan, Maine Community Health Options. Each insurer will offer a variety of different plan options which will be released following state and federal reviews and approvals.

### **How Will Health Insurance Change?**

Most Mainers (57%) have coverage through their employers.<sup>8</sup> While employer-based coverage has been declining nationally in recent years, the ACA supports the continued role of employer-sponsored coverage.

States regulate health insurance obtained through the small group and individual market and some large business coverage. But nearly 40% of insurance in Maine is provided through self-insured companies where the employer, not the insurance company, is responsible to make sure all claims are paid. Self-insured plans are regulated by the federal government not by the states.

About 44,000 Mainers who do not have employer-sponsored health insurance buy that insurance in the individual or non-group market. And nearly 125,000 have no insurance at all. The ACA is designed to reach most of those uninsured, increase enrollment in the individual market and maintain or increase coverage in employer-sponsored plans.

Insurers will be required to provide coverage to anyone who applies (“guaranteed issue”) and can no longer deny coverage for pre-existing conditions. Insurers will not be able to place annual or lifetime dollar limits on the amount of care for which they will pay. The ACA limits deductibles in the individual and small group markets. Large groups and self-insured plans may raise deductibles but all markets are bound by limits on out-of-pocket costs charged when consumers use services and all must assure that preventive health services must be paid in full with no cost sharing by consumers.

Insurance companies will be required to pay at least 80 cents of every premium dollar covering claims, limiting what can be paid for administration, marketing, profit, and taxes (85 cents in the large group market). New requirements are in place governing how insurance company rates are reviewed. Insurers may vary premiums within a geographic area by age (older members cannot pay more than 3 times what younger people do), by tobacco use, and by providing incentives for participation in wellness programs offered by employers.

Many of these reforms were already in place in Maine prior to the passage of the ACA. As noted earlier, some plans do not need to comply with these new laws because they were “grandfathered” under the law. That is, they may continue to offer these products without complying with the new law if they keep premiums and coverage effectively the same as before the ACA was enacted.

## How Does the ACA Affect Business?

Today, some employers offer health coverage while others do not which creates an uneven playing field in which employers who provide coverage incur costs (which are generally tax deductible) that employers who do not offer health insurance avoid.

### Small Business

In 2014 and beyond, small employers (those with fewer than 50 employees) are eligible to purchase coverage in the Marketplace. They are not required to offer coverage and if they do, they are not required to pay any part of its costs. However, if a small business purchases health insurance through the new Marketplace it may be eligible for a tax credit if it pays a portion of the cost. The credit is already in effect and becomes more generous in 2014. Employees of small business are not eligible for individual premium tax credits; only those who buy Marketplace products individually and not through an employer, qualify for premium tax credits.

The small business tax credit<sup>9</sup> is designed not directly for employees but to incentivize small businesses and small tax-exempt organizations to offer or maintain health insurance by helping them afford the cost of covering their low- and moderate-income employees. To be eligible, small employers must cover at least 50 percent of the cost of single (not dependent) health insurance premiums for every employee and have fewer than 25 full-time equivalent employees (FTEs) whose average wages are less than \$50,000 a year.

In 2010 through 2013, the maximum credit is 35 percent of health insurance premium costs for small business employers and 25 percent for non-profit organizations. Beginning Jan. 1, 2014, those rates increase to 50 percent and 35 percent, respectively. The credits vary by size of workforce and wages; the highest credits go to smaller firms with lower wage workers.

The tax credits are only available for two years. A small business that did not owe taxes during the year may carry the credit to other tax years. And, if the amount of the health insurance premium payment is more than the total credit, eligible small businesses can still claim a business expense deduction for the premiums in excess of the credit.

Because the credit is refundable, non-profits that do not pay taxes may be eligible. The credit may not exceed income tax withholding and Medicare tax liability. Small businesses, by law, will be exempt from penalties but all employers may feel pressure to offer health insurance as employees will be required to have it.

### Large Employers

By law, large employers (50 employees and over) must provide “affordable and adequate” coverage at least equivalent to the actuarial value of the Bronze level plans noted above or pay penalties. Generally, a large firm would be required to pay up to \$3,000 for every full time employee (after exempting the first 30 workers) who did not have adequate, affordable coverage through that firm. But the Obama administration has recently delayed implementation of the large employer provisions

**If a small business purchases health insurance through the new Marketplace it may be eligible for a tax credit if it pays a portion of the cost.**

**The ACA will incur net costs of about \$150 billion between 2014-2019 and reduce the number of uninsured nationally by 25 million people over that period.**

to afford them more time to address concerns raised by the business community regarding what they must do to comply with the law. For example, the law defines a full-time employee as one who works 30 hrs/week which is inconsistent with many employers' definitions. Issues were raised regarding how to treat part-time and seasonal workers and when and how employer penalties would be assessed, especially given that workforces change overtime. The delay provides time to work through those issues but does raise a potential problem for employees.

An employee who does not have affordable, adequate coverage in the workplace is eligible to go to the Marketplace, purchase coverage there and access premium tax credits. To be deemed affordable, an employer-sponsored plan must assure that each employee pays no more than 9.5% of income for health insurance. Importantly, the affordability provision applies to employee-only coverage. While many workers will wish to buy family coverage, the trigger for affordability is based on employee only coverage. That is, an employee who spends more than 9.5% of income for health insurance would be allowed to leave the employer's plan and qualify to buy coverage in the Marketplace and access the premium subsidies provided there. However, an employee who purchases family coverage may spend more than 9.5% of income for that coverage but would not be eligible for Marketplace coverage or tax credits because his own coverage – employee only – still costs less than 9.5% of his income. As initially proposed, employers would have been required to offer dependent coverage for children but not for spouses and would not need to pay for any part of that coverage.

Delaying the employer requirements means that information may not be available to the employee regarding the cost of his health insurance and whether or not that cost exceeds 9.5% of income. Employers may provide that information to employees but are not required to do so. As a result, the federal government has recently ruled that employees may self attest income for purposes of qualifying for premium tax credits, although there will be review and audits to assure accuracy of those reports.

### **Who Pays for the ACA?**

The ACA will incur net costs of about \$150 billion between 2014 and 2019<sup>10</sup> and reduce the number of uninsured nationally by 25 million people over that period. The cost of implementation and the impact on employers, providers and insurers can have a cost impact on consumers as well. The cost of maintaining the Marketplace and paying for the reinsurance and risk adjustment will be paid for through fees on insurers, fees that can be passed along to premium payers.

The law is financed in part by other new fees and taxes on providers and health insurers. Some of those industries agreed to new fees, reflecting the fact that they will see significant new revenues as a result of millions of new, additional covered lives. High income taxpayers (over \$200,000/yr) will now pay higher taxes to support Medicare and those taxes will be calculated not just on earned income but on unearned income. A 40% excise tax will be levied in the out years on high cost health plans (“the Cadillac tax”) and deductions on flexible spending accounts are limited while the floor for tax deductibility of health expenses is increased.

Of concern to business and consumers is whether and how fees on insurers will be passed on to premium payers.

**Consumers  
can call  
1-800-318-  
2596 or [www.  
healthcare.  
gov](http://www.healthcare.gov) for more  
information**

## **What Happens to Dirigo Health?**

The Dirigo Health Agency, established in 2003 by Maine's own health reform law, carried out many of the functions of the new Marketplace and provided a number of subsidized insurance products that served over 40,000 Mainers since inception. The Agency negotiated with private insurers for benefits and rates and primarily served individuals and small businesses. Over 8,200 people now have health coverage under Dirigo including 706 small businesses.<sup>11</sup> Because the state will participate in the ACA through the Federal Marketplace, the Agency will transition out of business. And because Dirigo's insurance carrier, Harvard Pilgrim Health Care, has chosen not to participate in the federal Marketplace, all individuals now enrolled in the Dirigo insurance product will need to apply for coverage in the Marketplace, where they will be eligible for premium tax credits. Many small businesses are eligible for a time-limited two year tax credit under the ACA. However, employees of small businesses now served by Dirigo also received discounts directly through that program; they will not be eligible for discounts under the ACA unless they buy independent of an employer and can demonstrate that they do not have access to affordable coverage at work.

## **What Lies Ahead for Maine?**

Today we know that two companies have applied to offer health insurance in Maine when open enrollment in the Marketplace begins on October 1, 2013. One is Anthem Blue Cross Blue Shield, a for-profit commercial plan that has long been the largest insurer in Maine's individual market. The other is a new non-profit plan Maine Community Health Options formed with loans from the federal government through the ACA. Details about the benefit plans and their pricing are not yet known.

Anthem announced plans to use a preferred provider design (PPO) with a limited provider network. By limiting the hospitals and doctors available in the plan in exchange for lower prices, the goal is to reduce premium rates on the Marketplace. Objections to this proposal led to a public hearing; review by the Bureau of Insurance is still underway.

This summer we expect more detailed information about how the Federally facilitated Marketplace will operate. It will be web based and has already announced a 24/7 toll free consumer hotline (800-318-2596). Consumers will be able to click [www.healthcare.gov](http://www.healthcare.gov) and go to a page that contains all the information about Maine and how to apply for coverage and tax credits. In mid – August the federal government is expected to make grant funds available in Maine to at least two organizations to serve as Navigators – unbiased guides who can help consumers understand the choices before them and assist in accessing needed information. Certified application counselors and in person assisters will also be available to help consumers and small businesses. A national marketing and outreach strategy is also planned.

Once consumers enter the Marketplace, they should be able to attain eligibility for MaineCare, premium tax credits or simply find the best plan for them all on the same site. Each state's Medicaid agency is required to streamline its eligibility functions,

use the single application form and be able to transfer data quickly and accurately between the Marketplace and the state agency.

But the ACA is a work in progress. The Maine Legislature has already announced plans to re-visit whether Maine will accept federal funds and expand coverage through MaineCare. Throughout 2014 the federal government and employers will be working on how to implement the provisions requiring large employers to pay penalties if they fail to provide adequate and affordable coverage for all their fulltime employees.

But on October 1, 2013, small businesses and individuals without affordable health insurance will be able to apply for coverage in a new Marketplace. Through the Marketplace, individuals will receive help with coverage decisions from independent Navigators and, if eligible, receive premium tax credits to help pay when the new coverage- and the requirement that everyone have coverage- takes effect January 1, 2014.

### **Possible Colloquium Questions:**

- How will Maine's insurance market change? – What will products and rates look like in the Marketplace and in the individual and small group market that operates outside the Marketplace?
- Will individuals have adequate information and comply with the law's mandate to secure health insurance? Will premium tax credits be adequate to make coverage affordable?
- How will business adjust to the ACA? While requirements on big business have been delayed, will business see more demand for affordable health insurance once the law's mandate that everyone have coverage becomes law January 1 2014? How will the new ACA provisions affect employer decisions, products and prices in Maine's commercial markets?
- How will the Federal government and state share responsibility for oversight of the Marketplace and the qualified health plans offered there?
- Who will be the Navigators and will there be adequate consumer outreach and engagement? What will be the role for brokers?
- What will happen to those under 100% FPL who are ineligible for MaineCare and for premium tax credits? Is Maine prepared to assure "one stop shopping" in the Marketplace? Can applications be easily transferred between DHHS and the Marketplace?
- What are the most significant opportunities in the ACA for Maine and how can we assure they are met? What are the most significant challenges and how can we assure those are addressed?

---

## References

1. In 2016 businesses with up to 100 employees may participate in the Marketplace.
2. This 6 month enrollment period is only for this year. In the future the enrollment period will correspond to Medicare enrollment.
3. ACA required Medicaid programs to cover all those with incomes up to 138% of the federal poverty level (income of \$15,856 (2013)).
4. The law does allow some people deemed “legally present” who are below poverty to qualify for premium tax credits because they are eligible for Medicaid.
5. For a more complete discussion of tax credits see: “Health Insurance Premium Tax Credits in the Patient Protection and Affordable Care Act (ACA)”, CRS, July 9, 2013
6. One state, Arkansas, has proposed to the Federal government that it use a Medicaid imitative known as premium assistance to purchase private health coverage through the Marketplace for some of those newly eligible for Medicaid. The proposal has not yet been finalized or approved by the federal government.
7. The ACA allows some plans to continue to operate under pre-ACA rules. Those plans that have been “grandfathered” generally are limited to the same benefit package and pricing as in place before the ACA was enacted. In addition, employers who self-insure - incurring the risk of health care costs themselves and not through an insurer - are not bound to provide the essential health benefit.
8. Kaiser Family Foundation, 2010-2011
9. IRS Bulletin: The Affordable Care Act Tax Provisions, updated June 28, 2013
10. Congressional Budget Office, May 2013
11. Dirigo Health Agency, May, 2013 Board of Directors minutes and email correspondence with DHA July 23,2013

---

*The author wishes to thank those who provided review and comment on this paper. Thanks to Maureen Booth, Andy Coburn, Zach Croll and Julie Fralich of the Muskie School; Mitchell Stein, CAHC and Eric Cioppa, Maine Bureau of Insurance. Any errors or omissions are those of the author.*

---