

ACADEMY OF
SPECIAL NEEDS
PLANNERS



Special Needs Planning and the Affordable Health Care Act

Presented By:

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Ye Olde Special Needs Practice

“Special needs planning is triggered by a potential beneficiary’s **pre-existing health problems**. The special needs trust is designed to allow publicly funded coverage (Medicaid) to be acquired or continue, and use the trust funds to supplement the federal programs.”



PPACA Sec. 2704(a):

“PROHIBITION OF PRE-EXISTING CONDITION EXCLUSIONS OR OTHER DISCRIMINATION BASED ON HEALTH STATUS. A group health plan and a health insurance issuer offering group or individual health insurance coverage may not impose any pre-existing condition exclusion with respect to such plan or coverage.”

PPACA Sec. 2002(a) amends 42 USC
1396a(e) at 14(C):

***“NO ASSETS TEST. A state shall not
apply any assets or resources test for
purposes of determining eligibility for
medical assistance under the State
plan or under a waiver of the plan.”***

Essential Rationale of ACA - the three-legged stool

First leg: Health Insurance Market Reform

- Preventive care - change from “sickness insurance” to “health insurance” – wellness visits and elimination of copays for things that prevent illness (e.g., flu shots) or are early detection (e.g., colonoscopies, breast exams)
- Regulate profit – 80% rule and rebates
- Increase competition – federal or state online marketplaces or “exchanges”
- Eliminate gender disparity in premiums
- Shrink the premium disparity between young and old
- Reduce five-year bands for increases in premiums to one year bands
- Continue children to age 26 on parents’ plans
- Increase transparency – prescribe ten essential benefits
- Eliminate mini-med policies
- Cap the Annual Deductible at \$6,350 - eliminate Annual and Lifetime Caps (and reduce medical bankruptcies)
- Control long term unexpected rescissions of policies

Essential Rationale of ACA

- the three-legged stool

Second leg: The Individual Mandate – now that the bar of pre-existing conditions has been eliminated

- **Who is not required** to buy health insurance - the nine exceptions
- **The tax penalty** to enforce it – scheduled to rise to the cost of the least expensive health insurance plan

Third leg: Assistance in Purchasing Health Insurance

- **“Advanced Premium Tax Credits”** to help with monthly premiums – for persons up to 400% of FPL
- **“Cost Sharing Subsidies”** for out-of-pocket expenses - annual deductible and copays
- **Medicaid Expansion** to the working poor (optional per U.S. Supreme Court)

Metal tiers determine how much you pay as a patient, compared with what the plan pays.

Metal Tiers	Paid by Health Plan	Paid by Consumer
Bronze	60%	40%
Silver	70%	30%
Gold	80%	20%
Platinum	90%	10%

For those under 30, catastrophic plan covers three physician visits and preventive care

Help with Health Insurance

- **Cap on out-of-pocket costs** (copays, coinsurance, and deductibles) = \$6,350/yr for individual, \$12,700/yr for family
- **Advanced Tax Credits** – to pay Insurance Premium Cost for those between 100% and 400% of Federal Poverty Level
- **Cost sharing subsidies** – for persons up to 250% of FPL for out-of-pocket costs (e.g., 13% for the person in the example)

How is the premium tax credit calculated?

- **Step One**
 - Determine annual income as percent of Federal Poverty Level
- **Step Two**
 - Apply the percent against the cost of the “benchmark plan” which is the second lowest Silver Plan offered on the online exchange
- **Step Three**
 - The dollar amount yielded by Step Two is what the person has to apply to the cost of the plan they choose – they can choose whichever “metal” plan they want: bronze, silver, gold or platinum

Theory: How middle income people pay for the health insurance: the Math Behind the Online Scenes

EXHIBIT 1

Individual Responsibility for Premium Costs in Premium Tax Credit Calculation

Income level as percentage of federal poverty level	Premium costs as a percentage of income, 2014
Less than 133%	2
At least 133% but less than 150%	3-4
At least 150% but less than 200%	4-6.3
At least 200% but less than 250%	6.3-8.05
At least 250% but less than 300%	8.05-9.5
At least 300% but less than 400%	9.5

SOURCE Federal Register, ["Internal Revenue Service; Health Insurance Premium Tax Credit; Final Regulations,"](#) May 23, 2012.

Program Eligibility by Percent of Federal Poverty Level									
Household Size	Medicaid Expansion* For the Working Poor			Eligible for “Advanced Tax Credits” to Pay Monthly Premiums					
				For Silver Level+ Plans					
				“Cost Sharing Subsidies”					
	100%	133%	138%	139%	150%	200%	250%	300%	400%
1	\$11,490	\$15,282	\$15,856	\$15,971	\$17,235	\$22,980	\$28,725	\$34,470	\$45,960
2	\$15,510	\$20,628	\$21,404	\$21,559	\$23,265	\$31,020	\$38,775	\$46,530	\$62,040
3	\$19,530	\$25,975	\$26,951	\$27,147	\$29,295	\$39,060	\$48,825	\$58,590	\$78,120
4	\$23,550	\$31,322	\$32,499	\$32,735	\$35,325	\$47,100	\$58,875	\$70,650	\$94,200
5	\$27,570	\$36,668	\$38,047	\$38,322	\$41,355	\$55,140	\$68,925	\$82,710	\$110,280
6	\$31,590	\$42,015	\$43,594	\$43,910	\$47,385	\$63,180	\$78,975	\$94,770	\$126,360
7	\$35,610	\$47,361	\$49,142	\$49,498	\$53,415	\$71,220	\$89,025	\$106,830	\$142,440
8	\$39,630	\$52,708	\$54,689	\$55,086	\$59,445	\$79,260	\$99,075	\$118,890	\$158,520
For each additional person, add	\$4,020	\$5,347	\$5,588	\$5,588	\$6,030	\$8,040	\$10,050	\$12,060	\$16,080

Household Information

Number of people in the household *

1

Household income *



\$ 10.00

Hourly ▾

Hours per week

40.00

Estimated annual income

\$20,800.00

ZIP Code *

94595

94595: Contra Costa County (Region 5) >

The Math is
simplified on the
online exchange –
all calculations
done for you

Enrollee Information

Only enter members of your household who would enroll in Exchange coverage.

Enter the **AGE** of each adult

Adult 1 (over 18)

22

+ Add adult

– Remove adult

Number of dependents age 18 or under

0

1

2

3 or more

Total people covered:

1

Breaking Down the Monthly Cost

Good news! You may qualify for help with paying for health insurance through Covered California. Now, let's take a look at the health insurance plans that may be available in your area!

Enhanced Silver 87

Enhanced Silver Coverage: ≈87%

blue  of california

**Blue Shield Enhanced
Silver 87 PPO**

**Total Monthly
Premiums: \$259**

**Monthly Premium
Assistance (Tax Credit):
\$180**

**Your Total Monthly
Payment: \$79**

[VIEW DETAILS](#)



**Kaiser Permanente
Enhanced Silver 87
HMO**

**Total Monthly
Premiums: \$274**

**Monthly Premium
Assistance (Tax Credit):
\$180**

**Your Total Monthly
Payment: \$94**

[VIEW DETAILS](#)



**Contra Costa Health
Plan Enhanced Silver 87
HMO**

**Total Monthly
Premiums: \$278**

**Monthly Premium
Assistance (Tax Credit):
\$180**

**Your Total Monthly
Payment: \$98**

[VIEW DETAILS](#)



**Anthem Multi State
Plan Enhanced Silver 87
PPO**

**Total Monthly
Premiums: \$289**

**Monthly Premium
Assistance (Tax Credit):
\$180**





**Your Total Monthly
Payment: \$109**

[VIEW DETAILS](#)

No matter which plan, the amount for advanced tax credit for premium assistance stays the same

Enhanced Silver 87

Enhanced Silver Coverage: ≈87%

			
Blue Shield Enhanced Silver 87 PPO	Kaiser Permanente Enhanced Silver 87 HMO	Contra Costa Health Plan Enhanced Silver 87 HMO	Anthem Multi State Plan Enhanced Silver 87 PPO
Total Monthly Premiums: \$259	Total Monthly Premiums: \$274	Total Monthly Premiums: \$278	Total Monthly Premiums: \$289
Monthly Premium Assistance (Tax Credit): \$180	Monthly Premium Assistance (Tax Credit): \$180	Monthly Premium Assistance (Tax Credit): \$180	Monthly Premium Assistance (Tax Credit): \$180
Your Total Monthly Payment: \$79	Your Total Monthly Payment: \$94	Your Total Monthly Payment: \$98	Your Total Monthly Payment: \$109
VIEW DETAILS	VIEW DETAILS	VIEW DETAILS	VIEW DETAILS

Plan is based in that county

A multi-state plan

Some plans are HMOs, others PPOs

Example: Jane decides to take the tax credit now

“If I take the tax credit now, I lower my monthly premium costs to \$60”

\$300	Monthly Premium
<u>-\$240</u>	Monthly Tax Credit
\$60	New Monthly Cost

or to take it later

“If I take the same tax credit later, I pay the full \$300 premium now but get a bigger tax refund next April”

\$900	Tax due from wages
<u>-\$2,880</u>	Yearly Tax Credit
\$1,980	IRS Tax Refund



But what if Jane’s economic situation changes during the year?
A reconciliation occurs on April 15th

Cost Sharing Reductions for OOP (out-of-pocket expenses)

Who is Eligible for Cost-Sharing Reductions?

- People with income up to 250% FPL
- Must enroll in a silver plan through the Health Insurance Marketplace (also called the exchange)

Program Eligibility by Percent of Federal Poverty Level									
Household Size	Medicaid Expansion* For the Working Poor			Eligible for “Advanced Tax Credits” to Pay Monthly Premiums					
				For Silver Level+ Plans					
				“Cost Sharing Subsidies”					
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8	\$39,630	\$52,708	\$54,689	\$55,086	\$59,445	\$79,260	\$99,075	\$118,890	\$158,520
For each additional person, add	\$4,020	\$5,347	\$5,588	\$5,588	\$6,030	\$8,040	\$10,050	\$12,060	\$16,080

Three Groups of Cost-Sharing Reductions (CSR)

	CSR Plan for up to 150% FPL (up to \$17,235)	CSR Plan for 151%-200% FPL (\$17,236-\$22,980)	CSR Plan for 201-250% FPL (\$22,981-28,725)
Actuarial Value	94%	87%	73%
Deductible (Individual)	\$0	\$250	\$1,750
Maximum OOP	\$1,000	\$2,000	\$4,000
Inpatient Hospital	\$100/ admission	\$250/ admission	\$1,500/ admission
Office Visit	\$10	\$15	\$30

When can you enroll in health insurance plans

- **For 2014** – October 1, 2013 to March 31, 2014
- **For subsequent years**, open enrollment:
 - October 15 to December 7 for the next year
- **Mid-year enrollment**
 - Only when your **status changes** – increase or decrease in earnings, change of marital status, birth of child, death of household member, etc.
 - **Suddenly realizing your stupidity** to not get health insurance before the cancer, accident, stroke, etc., is **NOT a status change**

The Ten Essential Benefits required by ACA

1. Emergency services
2. Hospitalizations
3. Laboratory services
4. Maternity Care
5. Mental health and
substance abuse treatment

The Ten Essential Benefits required by ACA

6. Outpatient, ambulatory care
7. Pediatric care, including vision and dental
8. Prescription drugs
9. Preventive care
10. Rehabilitative and habilitative (helping maintain daily functioning) services

Not included: Long Term Care and In Home Care, e.g. LTSS and HCBS; ACA is health insurance, not LTC or alternatives

Medicaid Expansion

- Part of the original Act, but made optional by the U.S. Supreme Court
- Covers working poor under 138% of FPL – no categories for Medicaid eligibility (child, disabled, elderly, pregnant mom)
- No asset test – MAGI income only
- Federal share is 100% for 3 years, and next 3 years gradually drops to 90%

A Key Issue for Medicaid Planners: Medicaid Expansion has no asset test – income MAGI only

PPACA Sec. 2002(a) amends 42 USC 1396a(e) at 14(C):

“NO ASSETS TEST. A state shall not apply any assets or resources test for purposes of determining eligibility for medical assistance under the State plan or under a waiver of the plan.”

A 50-state* look at Medicaid expansion

One of the most important provisions of Obamacare is the expansion of health coverage to low-income families through the Medicaid program. Here are basic facts on where states stand on Medicaid expansion, along with brief analysis of two states to watch.

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FEDERAL GOVERNMENT AND MEDICAID EXPANSION

2014-2016



The federal government will cover 100 percent of the costs of Medicaid expansion in 2014, 2015, and 2016.

2020-beyond



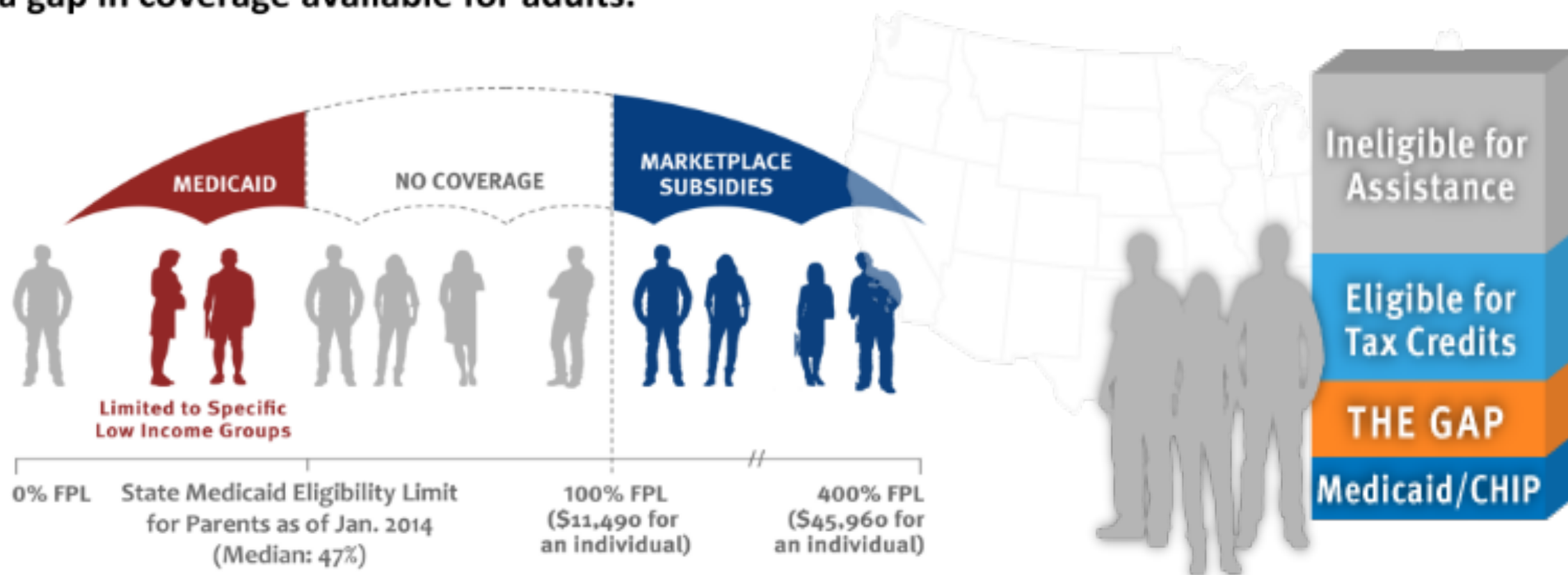
In 2020 and beyond, the government will cover 90 percent of the costs of Medicaid expansion.

Why states are adopting Medicaid Expansion?

1. EMTALA requires hospitals to admit patients
2. Disproportionate Share Hospital (DSH) Grants are going away (- \$11.1 Billion)
3. Favorable Cost Share for State – 90/10
4. Replaced (with insured Medicaid Expansion patients), and if not...?

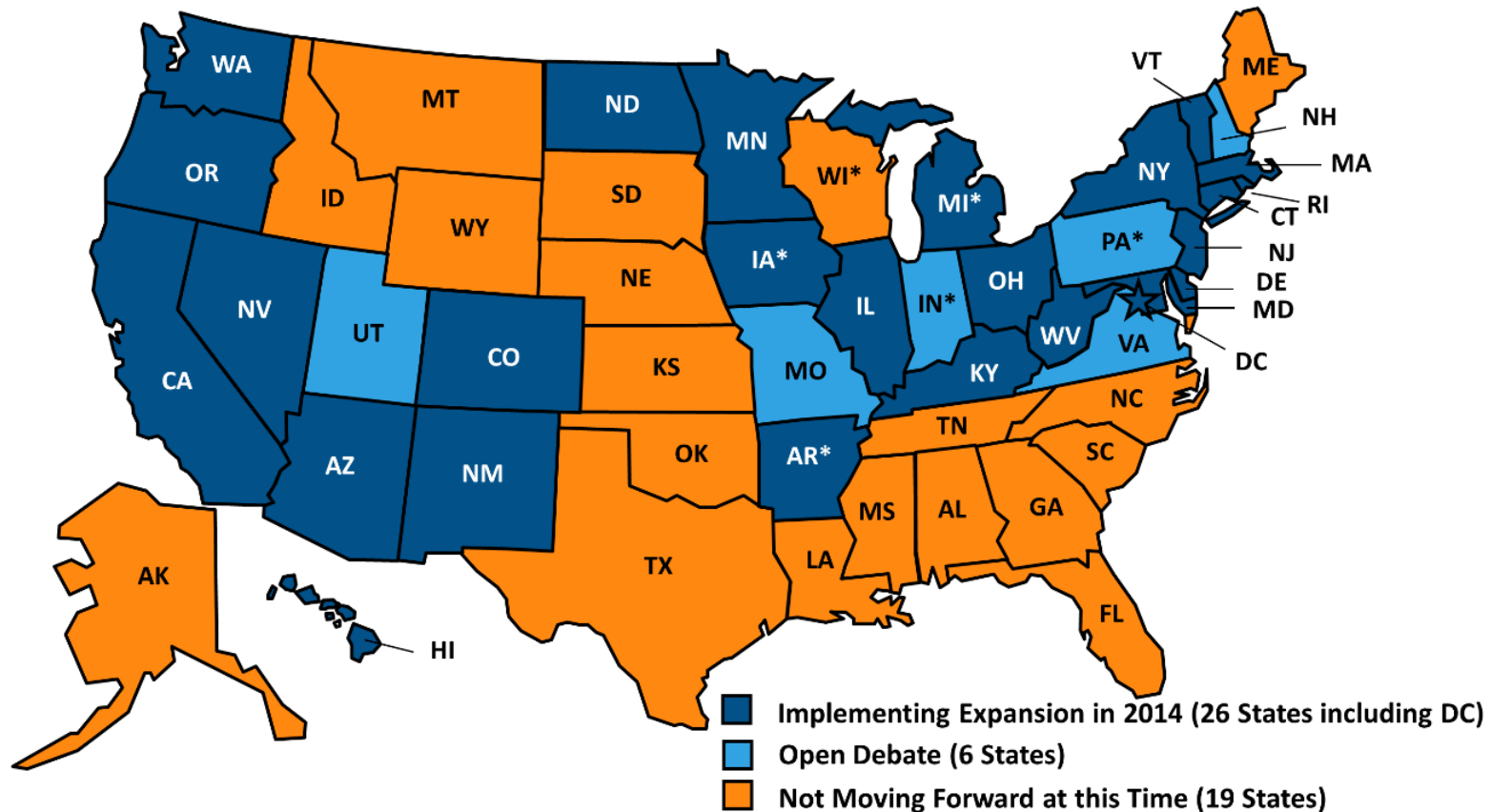
Figure 1

In states that do not expand Medicaid under the ACA, there will be a gap in coverage available for adults.



NOTE: Applies to states that do not expand Medicaid. In most states not moving forward with the expansion, adults without children are ineligible for Medicaid.

Current Status of State Medicaid Expansion Decisions, 2014



NOTES: Data are as of January 28, 2014. *AR and IA have approved waivers for Medicaid expansion; MI has an approved waiver for expansion and plans to implement in Apr. 2014; IN and PA have pending waivers for alternative Medicaid expansions; WI amended its Medicaid state plan and existing waiver to cover adults up to 100% FPL, but did not adopt the expansion.

SOURCES: States implementing in 2014 and not moving forward at this time are based on data from CMS [here](#) States noted as "Open Debate" are based on KCMU analysis of State of the State Addresses, recent public statements made by the Governor, issuance of waiver proposals or passage of a Medicaid expansion bill in at least one chamber of the legislature.

The last state to join the
1965 Medicaid program was
Arizona, 17 years later, in
1982.

One of the first “red states” to
join Medicaid Expansion...
Arizona

By the way, check your own
health insurance policy because...

David's Current Law Firm Policy

Group Number: A0119
Group Name: LILLESAND & ASSOCIATES PA
Anniversary Date: 06/01/2013

BlueOptions Predictable Cost Plan 90/50 - 5461 w/ \$10/\$30/\$50

**Cost for Kristine
(Secretary) =
\$632.16/mo or
\$7,585.92/year**

	Male EE	Female EE	Male Ee+Sp	Female Ee+Sp	Male Ee+Ch	Female Ee+Ch	Male Fam	Female Fam
0-24	\$218.51	\$544.03	\$762.54	\$762.54	\$867.65	\$1193.17	\$1411.68	\$1411.68
25-29	\$283.26	\$622.27	\$905.53	\$905.53	\$919.34	\$1258.35	\$1541.61	\$1541.61
30-34	\$362.39	\$632.16	\$994.55	\$994.55	\$1016.82	\$1286.59	\$1648.98	\$1648.98
35-39	\$376.78	\$647.45	\$1024.23	\$1024.23	\$1018.03	\$1288.70	\$1665.48	\$1665.48
40-44	\$532.34	\$722.08	\$1254.42	\$1254.42	\$1113.43	\$1303.17	\$1835.51	\$1835.51
45-49	\$674.42	\$770.64	\$1445.06	\$1445.06	\$1228.14	\$1324.36	\$1998.78	\$1998.78
50-54	\$897.43	\$952.28	\$1849.71	\$1849.71	\$1407.05	\$1461.90	\$2359.33	\$2359.33
55-59	\$1151.91	\$1106.95	\$2258.86	\$2258.86	\$1681.23	\$1636.27	\$2788.18	\$2788.18
60-64	\$1579.95	\$1358.74	\$2938.69	\$2938.69	\$1941.44	\$1720.23	\$3300.18	\$3300.18
65+	\$442.42	\$411.85	\$854.27	\$854.27	\$561.13	\$530.56	\$972.98	\$972.98

**David's Personal Cost for himself
and wife = \$35,264.28 per year**

David's **New** Law Firm Policy Post-ACA

Group Number: A0119
Group Name: LILLESAND & ASSOCIATES PA
Anniversary Date: 06/01/2013

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**Cost for Kristine
(Secretary) =**

**\$632.16/mo. or
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**\$93.66/mo. or
\$1,123.92/y**

Same
Company
,
(BCBS)
Same
Benefits
(90/10).
Lower
Cost.

	Male EE	Female EE	Male Ee+Sp	Female Ee+Sp	Male Ee+Ch	Female Ee+Ch	Male Fam	Female Fam
0-24	\$218.51	\$544.03	\$762.54	\$762.54	\$867.65	\$1193.17	\$1411.68	\$1411.68
25-29	\$283.26	\$622.27	\$905.53	\$905.53	\$919.34	\$1258.35	\$1541.61	\$1541.61
30-34	\$362.39	\$632.16	\$994.55	\$994.55	\$1016.82	\$1286.59	\$1648.98	\$1648.98
35-39	\$376.78	\$647.45	\$1024.23	\$1024.23	\$1018.03	\$1288.70	\$1665.48	\$1665.48
40-44	\$532.34	\$722.08	\$1254.42	\$1254.42	\$1113.43	\$1303.17	\$1835.51	\$1835.51
45-49	\$674.42	\$770.64	\$1445.06	\$1445.06	\$1228.14	\$1324.36	\$1998.78	\$1998.78
50-54	\$897.43	\$952.28	\$1849.71	\$1849.71	\$1407.05	\$1461.90	\$2359.33	\$2359.33
55-59	\$1151.91	\$1106.95	\$2258.86	\$2258.86	\$1681.23	\$1636.27	\$2788.18	\$2788.18
60-64	\$1579.95	\$1358.74	\$2938.69	\$2938.69	\$1941.44	\$1720.23	\$3300.18	\$3300.18
65+	\$442.42	\$411.85	\$854.27	\$854.27	\$561.13	\$530.56	\$972.98	\$972.98

\$18,790.20 per year

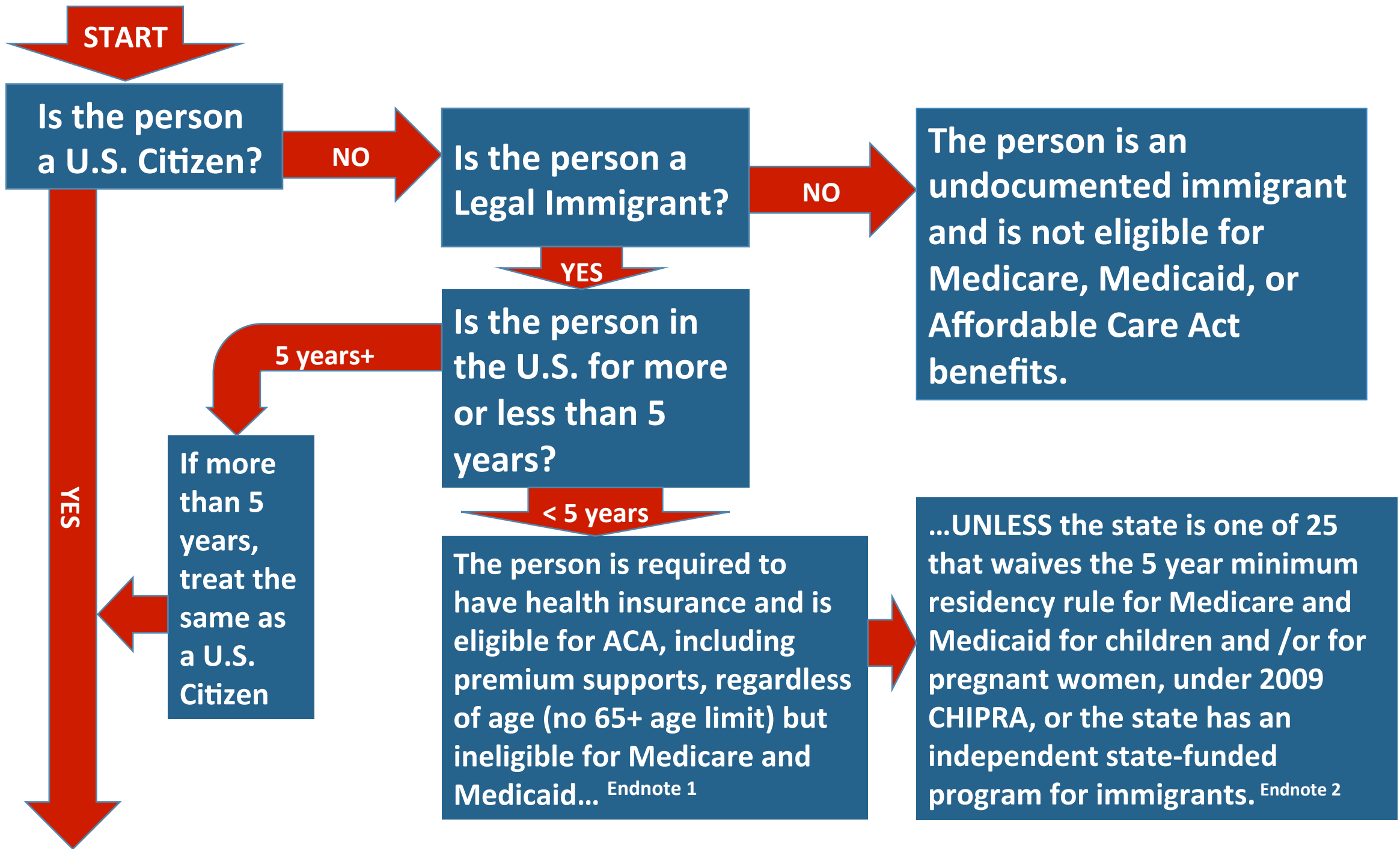
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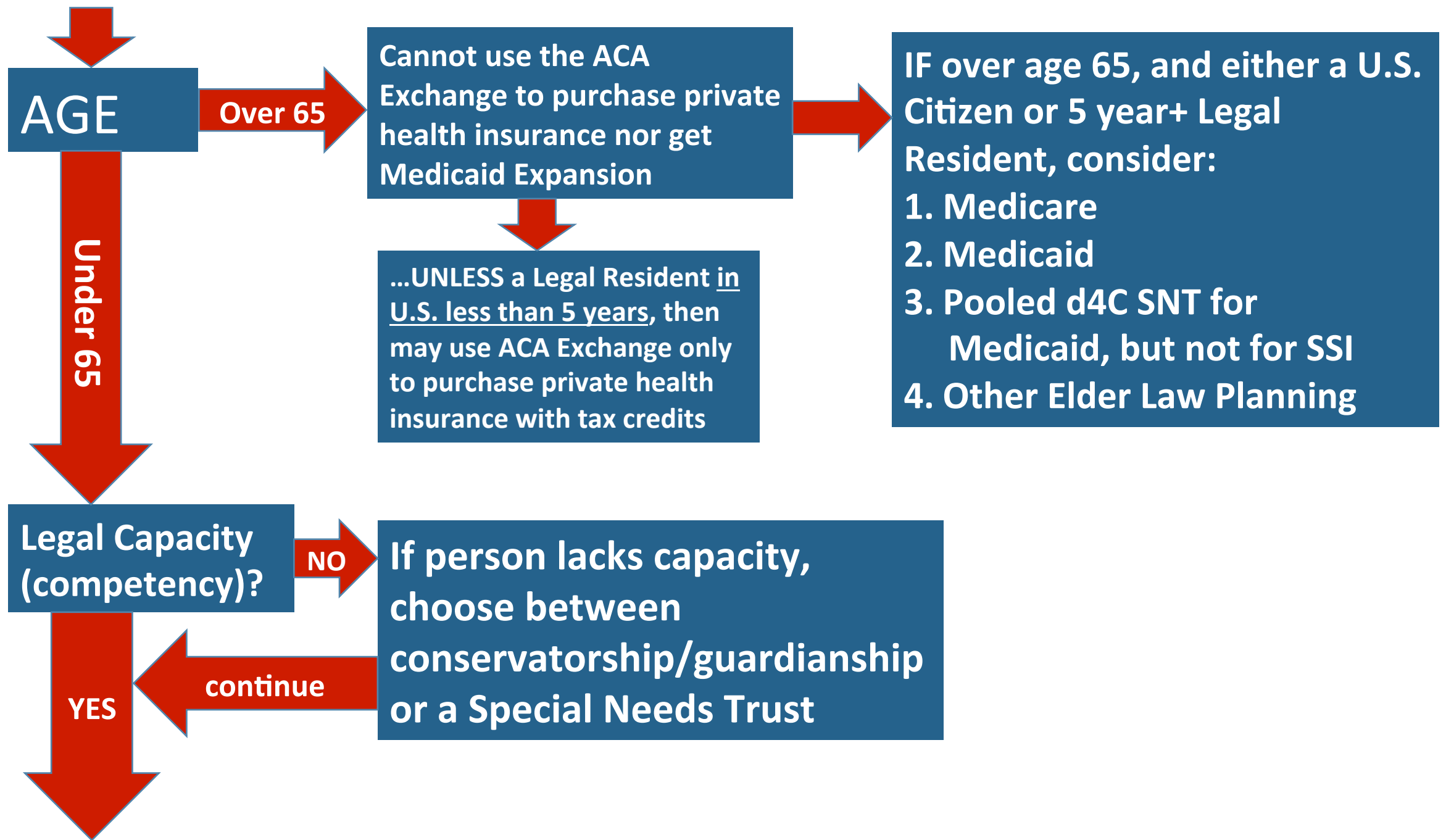
Determining the Proper Plan under the Affordable Care Act

A Flowchart

Academy of Special Needs Planners

Contributors: Kevin Urbatsch, David Lillesand, Ann Koerner, Scott Macdonald





Is person eligible
for SSI Disability
payments? ^{Endnote 3}

NO

Does the person
need nursing facility
or home health
services (LTSS/
HCBS)?

NO

Determine the best
health care only option:

FOR CITIZENS AND 5-YEAR
IMMIGRANTS:

1. Medicaid Expansion
2. Traditional Medicaid
3. ACA private health insurance

FOR IMMIGRANTS IN U.S. LESS
THAN 5 YEARS:

1. ACA private health insurance,
or purchase directly from
carrier if over 400% FPL

YES

Does your state have
Expanded Medicaid with
LTSS/HCBS coverage
included? ^{Endnote 4}

NO


Do Special Needs Trust with
Medicaid Payback

YES

Do you want to AVOID
MEDICAID LIENS?

Help client secure Medicaid
Expansion with LTSS/HCBS

YES



Consider the
financial impact
of loss of \$\$\$
SSI payments

Small

Determine the best health
care only option:

FOR CITIZENS AND 5-YEAR
IMMIGRANTS:

1. Medicaid Expansion
2. Traditional Medicaid
3. ACA private health insurance

Significant

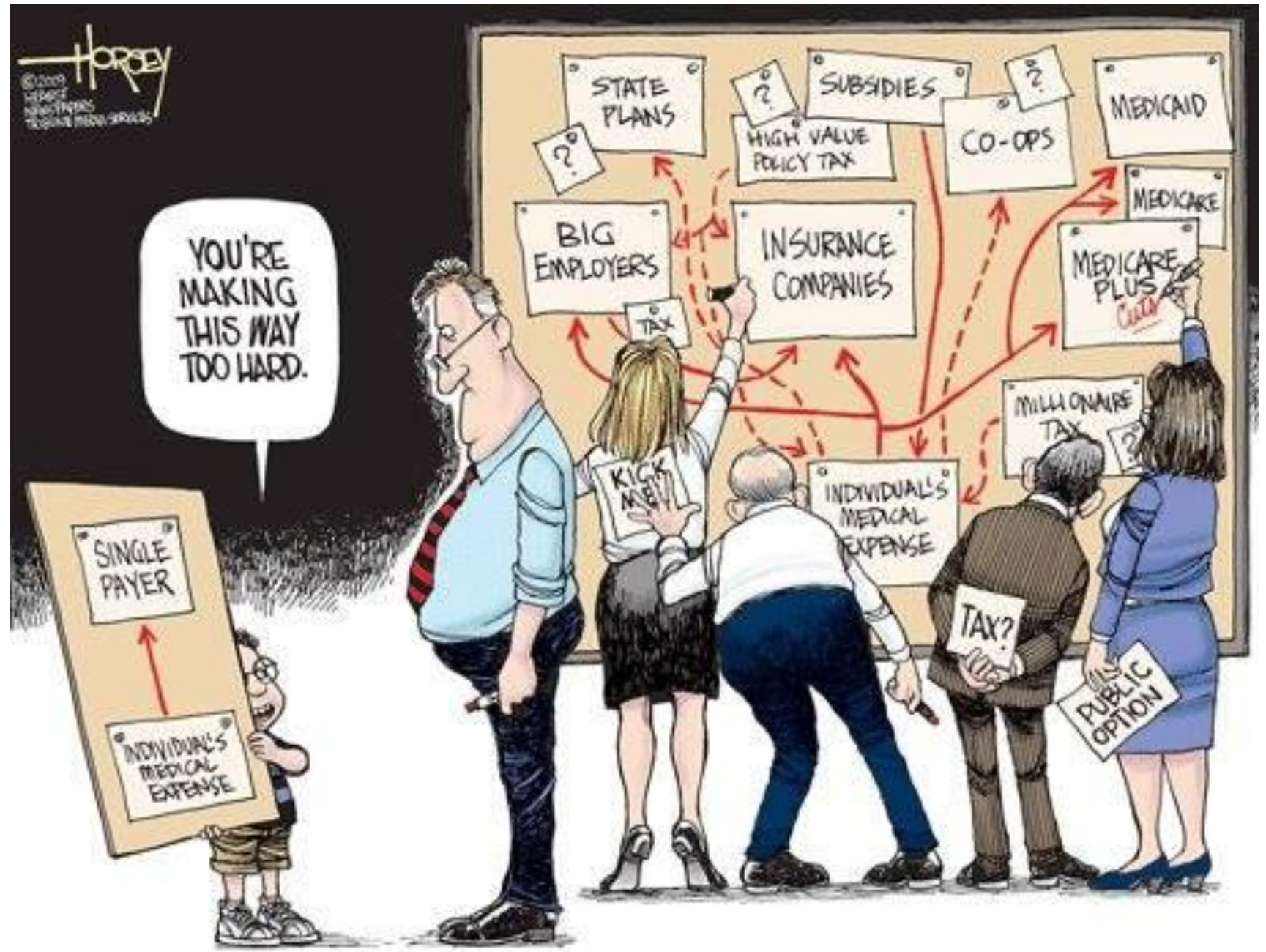
Keep SSI and do
Special Needs Trust
to preserve cash
flow from SSI
Disability payments

**Want better
healthcare?**

Consider adding private
health insurance by direct
purchase

The End... ?

Have you had
enough yet?



TERMS:

“Expanded Medicaid” is the state-optional new ACA-created Medicaid health insurance for persons 18-64 with no asset test and MAGI income under 138% FPL, currently established in 25 states and the District of Columbia.

“Traditional Medicaid” refers to standard categorical Medicaid for children, pregnant women, persons with minors in care, elderly, and disabled under age 65 who are also financially eligible – low income and few countable assets.

“LTSS and HCBS” is Long Term Support Services (e.g., nursing home) and Home and Community-Based Services (sometimes called Medicaid Waiver programs)

“d4A” and “d4C” refers to an individual Special Needs Trust pursuant to 42 USC 1396p(d)(4)(A), or joinder to a Pooled Special Needs Trust pursuant to 42 USC 1396p(d)(4)(C).

Endnotes:

1. See <http://kaiserfamilyfoundation.files.wordpress.com/2013/03/8279-02.pdf>, pages 5-6, for a complete discussion.
2. See www.nilc.org/document.html?id=159 for a table of medical assistance programs for immigrants in various states, with a state-by-state list of “state policies for providing health coverage to additional groups of immigrants under federal options to cover lawfully residing children and pregnant women, regardless of their date of entry into the U.S., or to provide prenatal care to women regardless of status, using CHIP funds. It also describes immigrant coverage under programs using exclusively state funds.”

3. Do not confuse “SSI-Disability” with “SSI-Elderly” or SSDI (Social Security Disability Insurance) payments from the Social Security Administration.
4. See CMS Letter to State Medicaid Directors by Cindy Mann, Director of CMS, regarding “Application of Liens, Adjustments and Recoveries, Transfer-of-Asset Rules and Post-Eligibility Income Rules to MAGI Individuals,” SMDL #14-001, ACA #29, February 21, 2014.



NATIONAL CARE ADVISORS

**PLANNERS.
FOR LIFE.**

ACA Mandated Coverage

Essential health insurance benefits must include items and 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
- pediatric services, including oral and vision care

ACA Income Qualifications

www.healthcare.gov

		Number of people in your household					
		1	2	3	4	5	6
Private Marketplace health plans	You may qualify for lower premiums on a Marketplace insurance plan if your yearly income is between...	\$11,490 - \$45,960	\$15,510 - \$62,040	\$19,530 - \$78,120	\$23,550 - \$94,200	\$27,570 - \$110,280	\$31,590 - \$126,360
	<i>See next row if your income is at the lower end of this range.</i>						
	You may qualify for lower premiums AND lower out-of-pocket costs for Marketplace insurance if your yearly income is between...	\$11,490 - \$28,725	\$15,510 - \$38,775	\$19,530 - \$48,825	\$23,550 - \$58,875	\$27,570 - \$68,925	\$31,590 - \$78,975
Medicaid coverage	If your state is expanding Medicaid in 2014: You may qualify for Medicaid coverage if your yearly income is below...	\$16,105	\$21,707	\$27,310	\$32,913	\$38,516	\$44,119
	If your state isn't expanding Medicaid: You may not qualify for any Marketplace savings programs if your yearly income is below...	\$11,490	\$15,510	\$19,530	\$23,550	\$27,570	\$31,590

Coverage Comparisons

Provider Networks

- HMO
- PPO
- Medicaid(MediCal) Certified Provider Network

Coverage Comparisons

Authorization Requirements

- Physician prescription
- Formularies
- Prior Authorization
- The fine print

Coverage Comparisons

- Limits on type/model of durable medical equipment
- Limits on professional visits

Essential Coverage Comparisons

ACA Blue Cross Blue Shield Multi-State Silver Plan

Supply/Service Type	Insurance Coverage	Medicaid Coverage
Incontinence Supplies	No	Yes*
Custodial Care	No	Yes*
Therapy (PT & OT)	30* <i>combined visits annually</i>	Unlimited *
Speech Therapy	30* <i>visits annually</i>	Unlimited*
Prescriptions	Copays*	100%*
Lab Tests	80%	100%
Skilled Nursing Facility	80%	100%
Home Health Care	80%	100%
Orthotic Devices	50%	100%
Durable Medical Equipment	50%	100%*
Mental Health (Inpt/outpt)	80%*	100%*
Autism- ABA	80%	100%

The Single Most Important Factor in the Analysis.....

Does the client require significant custodial care presently or in the future?

- Private pay value of 24/7 custodial care(aide)- \$131,400 to \$175,200 annually
- Private pay value for a SHARED room at a nursing facility – Minimum of \$72,000 annually

Other Important Considerations

- Primary caregiver/family household member essential benefits – based on household income
- Value of other income/asset restricted essential benefits – *transportation, developmental disability service programs (workshop/dayhab), utility subsidies, housing etc.*
- Income stream for copays and deductibles – quantifying the real life costs

Financial Effect of Loss of SSI

Orange County Trial Lawyer's Association Article (In Materials)

Affordable Care Act's Financial Effect on Settlement Planning

By Scott MacDonald

“The ACA provides a dramatic improvement in healthcare options for plaintiffs with disabilities. Nonetheless, it would be irresponsible to assume that special needs settlement planning and SNTs should be eliminated simply because health care options have multiplied”

ACA Effect on California SNTs

SETTLEMENT NET ASSET LEVEL =>	\$100,000	\$396,400	\$500,000	\$1,000,000	\$2,868,600
	Net Spendable Income -- Annual Amount [u]				
SNT Only [v]	\$12,610	\$23,751	\$22,208	\$33,484	\$67,500
No SNT, Buy ACA Insurance [w]	EM	EM	\$11,196	\$15,794	\$67,504
SNT with ACA Supplemental [w]	EM	EM	\$17,700	\$20,684	\$53,766
No SNT, Expanded Medi-Cal	\$3,614	\$14,291	NQ	NQ	NQ
Income Percent of Federal Poverty Limit [x]	34.80%	138% [y]	174.06%	348.13%	600.70%
Average Annual ACA Premium (Net of Subsidy) [z]	\$0	\$0	\$4,508	\$12,800	\$15,552
Average Monthly ACA Premium (Net of Subsidy)	\$0	\$0	\$376	\$1,067	\$1,296

Footnotes

EM = Qualifies for the Expanded Medi-Cal Program

NQ = Not Qualified for Expanded Medi-Cal Program

u -- After-tax spendable income, net of premium or SNT expenses, assuming 2.5% COLA through actuarial life expectancy of the beneficiary

v -- Net Spendable Income for SNT options has been reduced by \$3,000 expense to establish the SNT and 1% annual administrative expenses.

Assumes \$856 monthly SSI income received with 2.5% annual COLA.

w -- Net Spendable Income for ACA options has been reduced by average annual premium and maximum annual out of pocket expenses for the respective income level (based on percent of FPL)

x -- Assumes 4% annual taxable income based on the settlement net asset level

y -- Maximum annual income level to qualify for the Expanded Medi-Cal Program is 133% of the Federal Poverty Limit plus 5% any income disregard = \$15,856 for 2013

z -- Average of highest premium rate for that income level across the 19 California regions. Amount shown is beneficiary's cost after federal ACA subsidy, if any.

ACA Effect on National SNTs

SETTLEMENT NET ASSET LEVEL =>	\$100,000	\$437,500	\$750,000	\$1,000,000	\$1,062,000
	Net Spendable Income -- Annual Amount [u]				
SNT Only [v]	\$11,001	\$19,396	\$26,977	\$32,972	\$34,450
No SNT, Buy ACA Insurance [w]	\$1,512	\$12,998	\$21,130	\$27,493	\$34,454
SNT with ACA Supplemental [w]	N/A	\$18,676	\$24,457	\$29,168	\$30,082
SNT with Reduced SSI due to ISM	N/A	\$14,672	\$21,282	\$26,285	\$25,610
Income Percent of Federal Poverty Limit [x]	34.81%	152.31%	261.10%	348.13%	
Subsidized Annual Premium [z]	\$0	\$720	\$2,520	\$3,804	\$4,368

Footnotes

u -- After-tax spendable income, net of premium or SNT expenses, assuming 2.5% COLA through actuarial life expectancy of the beneficiary

v -- Net Spendable Income for SNT options has been reduced by \$3,000 expense to establish the SNT and 1% annual administrative expenses.

Assumes \$856 monthly SSI income received with 2.5% annual COLA.

w -- Net Spendable Income for ACA options has been reduced by average annual premium and maximum annual out of pocket expenses for the respective income level (based on percent of FPL)

x -- Assumes 4% annual taxable income based on the settlement net asset level

z -- Premium rate for that income level based on the Federal guidelines. Amount shown is beneficiary's cost after federal ACA subsidy, if any.

Questions???



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