Open Enrollment for 2018

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Kaiser Family Foundation
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Financial condition of non-group market health insurers had stabilized following 2017 premium increases.

Average Individual Market Gross Margins Per Member Per Month, 2011 - 2017

Note: Q2 data is year-to-date from January 1 – June 30
Source: Kaiser Family Foundation analysis of data from Mark Farrah Associates Health Coverage Portal TM
Figure 2
Most people in the non-group market buy through the Marketplace, most of them with subsidies.

Kaiser Family Foundation analysis of data from Mark Farrah Associates, Healthcare.gov, and KFF Survey of Nongroup Health Insurance Enrollees. Note: People enrolled in off-exchange ACA non-compliant plans are not part of the same risk pool as those in ACA compliant coverage and pay different premiums.
Medicaid coverage is available for low-income adults in the 32 Medicaid expansion states throughout the year.

15.1 million adults enrolled in the expansion group in FY 2016

NOTES: Current status for each state is based on KCMU tracking and analysis of state executive activity. *AR, AZ, IA, IN, MI, MT, and NH have approved Section 1115 waivers. WI covers adults up to 100% FPL in Medicaid, but did not adopt the ACA expansion.

Events leading up to open enrollment added to uncertainty for insurers and confusion for consumers.

- Debate over Affordable Care Act repeal ended with no legislation enacted
- 2018 Open Enrollment shortened to 6 weeks
- Resources for outreach and consumer assistance have been reduced
  - 90% reduction in federal funding for advertising
  - 41% reduction in federal navigator grants; varying effects by states and programs
- Cost-sharing reduction (CSR) payments to insurers have been terminated
- Bipartisan effort underway in Senate to restore CSR payments to insurers and federal funding for marketing and in-person assistance, though prospects are uncertain
- Uncertainty contributed to 2018 Marketplace exit by some issuers
  - In 2017, 4.3 issuers per state, on average
  - In 2018, 3.5 issuers per state, on average
Most are aware the individual mandate is still in effect, but four in ten uninsured are unaware or unsure.

As you may know, the health care law passed in 2010—known as the Affordable Care Act or Obamacare—required nearly all Americans to have health insurance, or else pay a fine. As far as you know, is this requirement still in effect, or not?

<table>
<thead>
<tr>
<th></th>
<th>Still in effect (correct)</th>
<th>Not in effect</th>
<th>Don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total public</strong></td>
<td>71%</td>
<td>14%</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Uninsured ages 18-64</strong></td>
<td>59%</td>
<td>18%</td>
<td>23%</td>
</tr>
<tr>
<td><strong>All non-group enrollees ages 18-64</strong></td>
<td>79%</td>
<td>12%</td>
<td>9%</td>
</tr>
<tr>
<td><strong>Marketplace enrollees ages 18-64</strong></td>
<td>79%</td>
<td>13%</td>
<td>8%</td>
</tr>
</tbody>
</table>

NOTE: Refused responses not shown.
SOURCE: Kaiser Family Foundation Health Tracking Polls (pooled interviews from September and October 2017)
The Affordable Care Act is still the law.

- The law has not been repealed or replaced
- Individuals must have health insurance in 2018 or risk paying a tax penalty
  - Penalty in 2018 is greater of:
    - $695/adult ($347.50/child), up to $2,085/family; or
    - 2.5% of household income above the tax filing threshold, capped at the cost of national average bronze plan premium
  - Exemptions for affordability (if lowest cost marketplace premium is more than 8.05% of income in 2018), poor adults in states not expanding Medicaid, hardship, others
- To satisfy the individual mandate:
  - Sign up for health coverage offered at work
  - Apply for Medicaid/CHIP
    - An estimated 6.7 million are eligible but not enrolled
  - Apply for private, non-group health insurance on or off Marketplace
    - Premium subsidies available in Marketplace for people with income 100%-400% FPL
- Private non-group health insurance can only be purchased during open enrollment or special enrollment periods (SEP) following life change events
Most uninsured and large shares of non-group enrollees are unaware of the timing of open enrollment.

As you may know, under the health care law there are specific open enrollment periods each year when individuals can sign up for new insurance or change their current health insurance plans.

Do you happen to know when the next open enrollment period begins?

- November 1st (correct)
- Incorrect
- Don't know

Do you happen to know when the next open enrollment period ends?

- Dec. or January, depending on state (correct)
- Incorrect
- Don't know

Uninsured ages 18-64
- 15% [VALUE]
- 68%

All non-group enrollees ages 18-64
- 33% [VALUE]
- 43%

Marketplace enrollees ages 18-64
- [VALUE] [VALUE]
- 36%

NOTE: Refused responses not shown.
SOURCE: Kaiser Family Foundation Health Tracking Polls (pooled interviews from September and October 2017)
Open enrollment for 2018 will be shorter in most states.

- November 1 – December 15, 2017 in Healthcare.gov states
  - Open enrollment period will be 6 weeks, compared to 12 weeks in prior years
- State run marketplaces have option to extend dates, and many have

### State-based Marketplace Open Enrollment Dates

<table>
<thead>
<tr>
<th>State</th>
<th>Open Enrollment Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>CA</td>
<td>Nov 1 – Jan 31</td>
</tr>
<tr>
<td>CT</td>
<td>Nov 1 – Jan 12</td>
</tr>
<tr>
<td>CO</td>
<td>Nov 1 – Dec 22</td>
</tr>
<tr>
<td>DC</td>
<td>Nov 1 – Jan 31</td>
</tr>
<tr>
<td>ID</td>
<td>Nov 1 – Dec 15</td>
</tr>
<tr>
<td>MA</td>
<td>Nov 1 – Jan 15</td>
</tr>
<tr>
<td>MN</td>
<td>Nov 1 – Jan 14</td>
</tr>
<tr>
<td>NY</td>
<td>Nov 1 – Jan 31</td>
</tr>
<tr>
<td>RI</td>
<td>Nov 1 – Dec 31</td>
</tr>
<tr>
<td>VT</td>
<td>Nov 1 – Dec 15</td>
</tr>
<tr>
<td>WA</td>
<td>Nov 1 – Jan 15</td>
</tr>
</tbody>
</table>

Healthcare.gov State (39 States)

State-Based Marketplace (12 States including DC)
Figure 9

2017 Marketplace Plan Selections by Enrollment Type

- New Enrollees: 31%
- Auto Renewals: 23%
- Active Renewals: 43%

- Auto-renewal will still be an option in 2018, but active shopping is strongly recommended.
- Issuer exits means auto-renewal could assign consumers to new insurer with new provider network.
- Unlike prior years, consumers will not have the opportunity to change plans in January if they do not like the auto-renewal results.
- With 2018 premium changes, subsidy amounts could change substantially.
- Renewal notices with 2018 premium amounts that typically arrive in October will be late for many consumers.
Most Marketplace enrollees worry rising deductibles, premiums will make their coverage unaffordable.

Percent who say they are “very” or “somewhat” worried that their...

...co-pays and deductibles will become so high that they won’t be able to afford to get the health care they need

- Employer-sponsored insurance ages 18-64: 39%
- All non-group enrollees ages 18-64: 57%
- Marketplace enrollees ages 18-64: 60%

...health insurance premiums will increase so much that they won’t be able to afford the plan they have now

- Employer-sponsored insurance ages 18-64: 35%
- All non-group enrollees ages 18-64: 54%
- Marketplace enrollees ages 18-64: 55%

SOURCE: Kaiser Family Foundation Health Tracking Polls (pooled interviews from September and October 2017)
Cost sharing reductions (CSR) are available to eligible individuals in the Marketplace with income 100%-250% FPL

- $12,060-$30,150 for individual in 2018
- $24,600 to $61,500 for family of four in 2018

Nationwide, 57% of marketplace enrollees were eligible for CSR in 2017, 66% in states that did not expand Medicaid.

CSR subsidies are delivered only through modified Silver plans.

- Silver plan deductibles, co-pays, and other cost sharing amounts are reduced; federal government reimburses insurers monthly for the value of added coverage.

President Trump’s recent announcement ended CSR reimbursement to health insurers, but insurers are still required to offer CSR to eligible individuals.

Most insurers anticipated this change and raised 2018 premiums for silver plans.

- Most important takeaway for consumers: Insurers are still required to provide reduced deductibles and copays for low-income marketplace enrollees.
- Second most important takeaway for consumers: While insurers are increasing premiums to offset the loss of payments from the federal government, consumers will mostly be held harmless.
Average medical deductibles in cost sharing reduction plans are much lower than in traditional Silver plans.

<table>
<thead>
<tr>
<th>Plan Type</th>
<th>Combined Medical and Prescription Drug Deductible</th>
<th>Separate Medical and Prescription Drug Deductible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Silver</td>
<td>$3,609</td>
<td>$3,276</td>
</tr>
<tr>
<td>CSR73 (200%-250% FPL)</td>
<td>$2,904</td>
<td>$2,627</td>
</tr>
<tr>
<td>CSR87 (150%-200% FPL)</td>
<td>$809</td>
<td>$645</td>
</tr>
<tr>
<td>CSR94 (100%-150% FPL)</td>
<td>$255</td>
<td>$172</td>
</tr>
</tbody>
</table>

Source: Kaiser Family Foundation analysis of Marketplace plans in the 39 states with Federally Facilitated or Partnership exchanges in 2017 (including Arkansas, Kentucky, New Mexico, Nevada, and Oregon). Data are from Healthcare.gov health plan information for individuals and families available here: https://www.healthcare.gov/health-plan-information-2017/
Most insurers raised premiums to address the termination of cost sharing subsidy payments, but states allowed different approaches.

1. Allow increases in premiums for silver plans
2. Allow increases in premiums only for silver plans offered through the marketplace
3. Allow increases in premiums across-the-board in the individual insurance market
4. Do not allow any increase in premiums tied to the termination of cost-sharing subsidy payments
Silver premiums must rise significantly to compensate for loss of cost sharing payments.

Source: Kaiser Family Foundation analysis of HHS data on cost-sharing reduction payments and premiums by county. Amounts represent cost-sharing reduction payments as a share of benchmark silver premiums for a 40 year-old in 2016.
How will different pricing approaches affect consumers?

**Premiums increased on Silver plans only**
- Premium increases will be higher on Silver plans than on Bronze or Gold plans
- Premium tax credits (PTC) are tied to the cost of the benchmark Silver Plan, so tax credits will also increase
- Important for consumers to review plan prices during OE
  - If eligible for both PTC and CSR, can avoid premium increase
  - If eligible for PTC only, can avoid premium increase, possibly find other good deals
  - If not eligible for PTC, can avoid premium increase

**Premiums increased across all plans**
- Premium increases will be applied on all Silver, Bronze, and Gold plans
- Premium tax credits (PTC) are tied to the cost of the benchmark Silver Plan, so tax credits will also increase, but not by as much as in states that increased Silver premiums only
- Important for consumers to review plan prices during OE
  - If eligible for both PTC and CSR, can avoid premium increase
  - If eligible for PTC only, can avoid premium increase
  - If not eligible for PTC, will see higher premiums on all plans
2018 premiums in South Carolina are increasing, but subsidy-eligible consumers will pay the same or less.

Advance premium tax credit amounts and consumer share of premiums for 30-year old in Charleston, SC with income at 200% FPL ($24,120 in 2018)

2017 Monthly Premiums

<table>
<thead>
<tr>
<th>Bronze</th>
<th>Benchmark Silver</th>
<th>Lowest-cost Gold</th>
</tr>
</thead>
<tbody>
<tr>
<td>$206</td>
<td>$127</td>
<td>$206</td>
</tr>
<tr>
<td>$100</td>
<td>$333</td>
<td>$215</td>
</tr>
<tr>
<td>$306</td>
<td>$421</td>
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</tr>
</tbody>
</table>

2018 Monthly Premiums

<table>
<thead>
<tr>
<th>Bronze</th>
<th>Benchmark Silver</th>
<th>Lowest-cost Gold</th>
<th>Off-Marketplace Silver</th>
</tr>
</thead>
<tbody>
<tr>
<td>$206</td>
<td>$127</td>
<td>$206</td>
<td>$149</td>
</tr>
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<tr>
<td>$306</td>
<td>$421</td>
<td></td>
<td>$362</td>
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"Surge" signups as deadline approaches may increase with shorter Open Enrollment period
  - Healthcare.gov slowdowns, call center waits are possible
  - Unclear whether “in-line” enrollment will be permitted for those who are unable to complete their enrollment by Dec. 15 deadline

Planned maintenance on HealthCare.gov during Open Enrollment
  - Evening of November 1, Sundays from midnight to noon

Navigator funding reduced 41%, on average, in federal marketplace states
  - Reductions vary by state, from 0% (DE, KS, WV) to 82% (IN), (96% in OH?)
  - Staff layoffs, reduced service areas, reduced service hours expected*
  - Demand for in-person help can exceed capacity in final weeks of Open Enrollment

New enrollment rules and requirements may also cause delays
  - Tax credit eligibility denied/delayed due to “failure to reconcile”
  - Issuers can deny effectuate enrollment for consumers who owe unpaid premium debt

KFF Resources on Open Enrollment

- Health Reform Frequently Asked Questions [https://www.kff.org/health-reform/faq/health-reform-frequently-asked-questions/]
- Marketplace Subsidy Calculator (2018 updates pending) [https://www.kff.org/interactive/subsidy-calculator/]
- Penalty calculator (pending)
- ACA and You Explainers [https://www.kff.org/understanding-health-insurance/]
- State Health Facts [https://www.kff.org/statedata]