

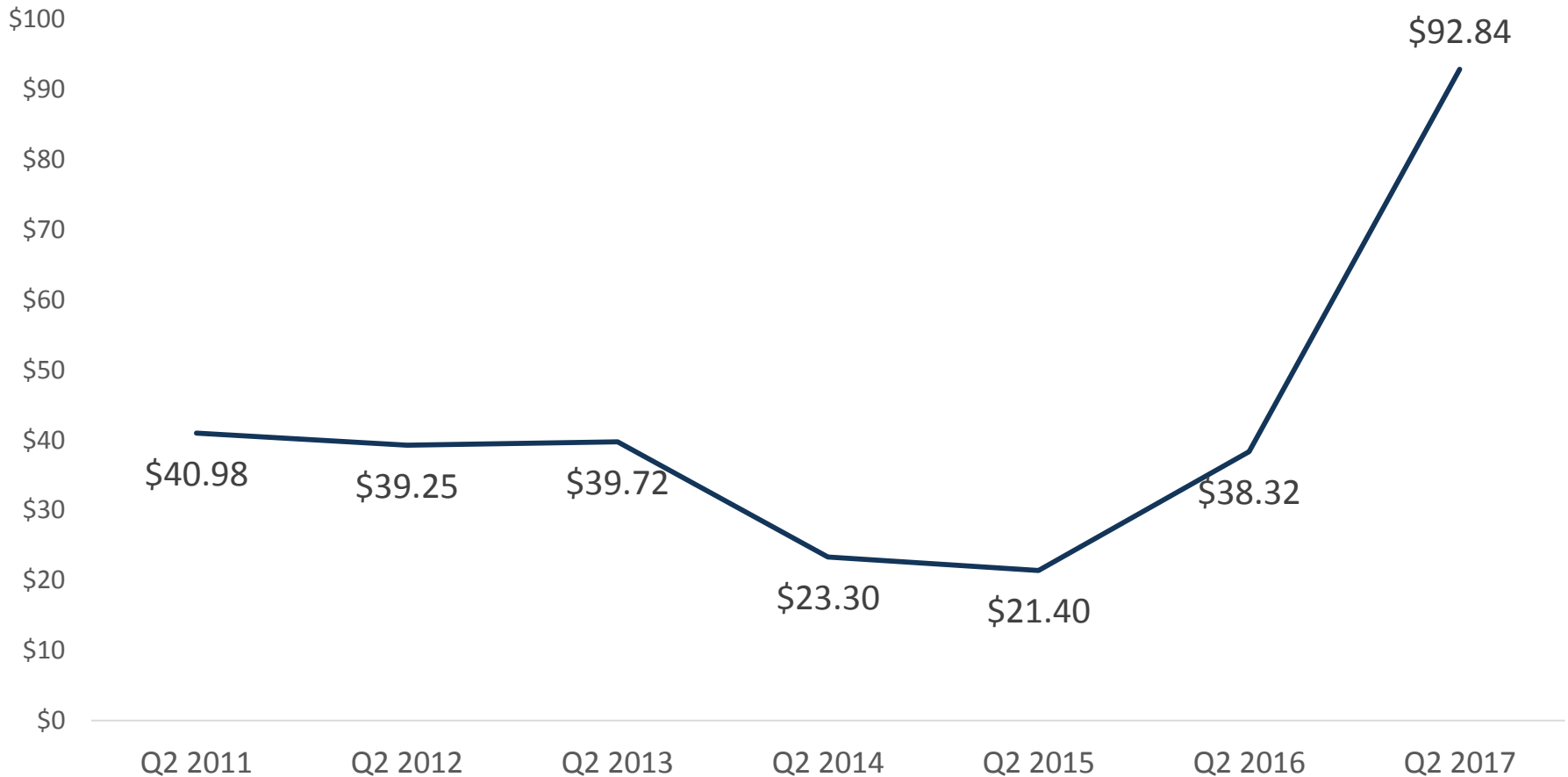
Open Enrollment for 2018

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Figure 1

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

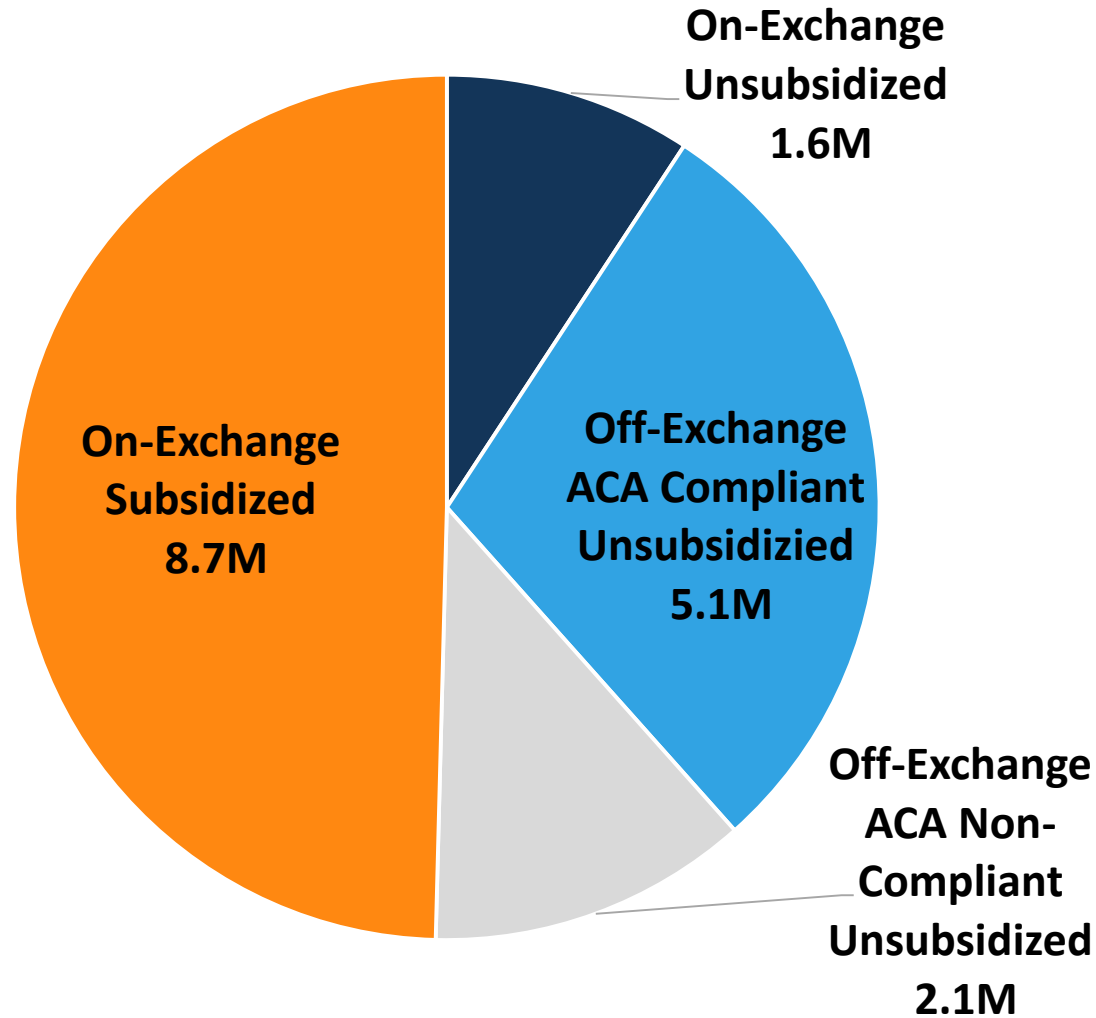


Note: Q2 data is year-to-date from January 1 – June 30

Source: Kaiser Family Foundation analysis of data from Mark Farrah Associates Health Coverage Portal TM

Figure 2

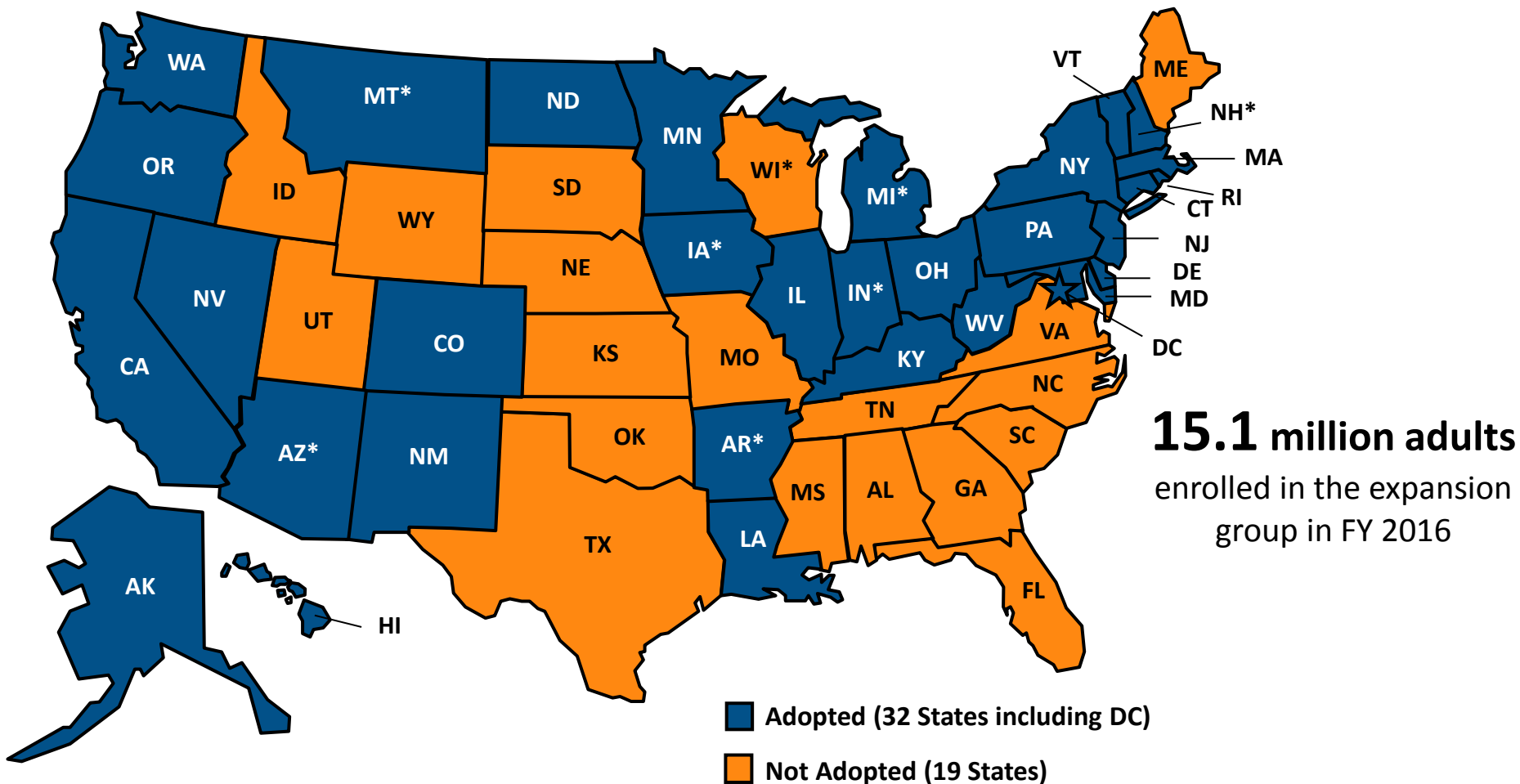
Most people in the non-group market buy through the Marketplace, most of them with subsidies.



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.

Figure 3

Medicaid coverage is available for low-income adults in the 32 Medicaid expansion states throughout the year.



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.

SOURCE: "Status of State Action on the Medicaid Expansion Decision," KFF State Health Facts, updated January 1, 2017.

<http://kff.org/health-reform/state-indicator/state-activity-around-expanding-medicaid-under-the-affordable-care-act/>

Figure 4

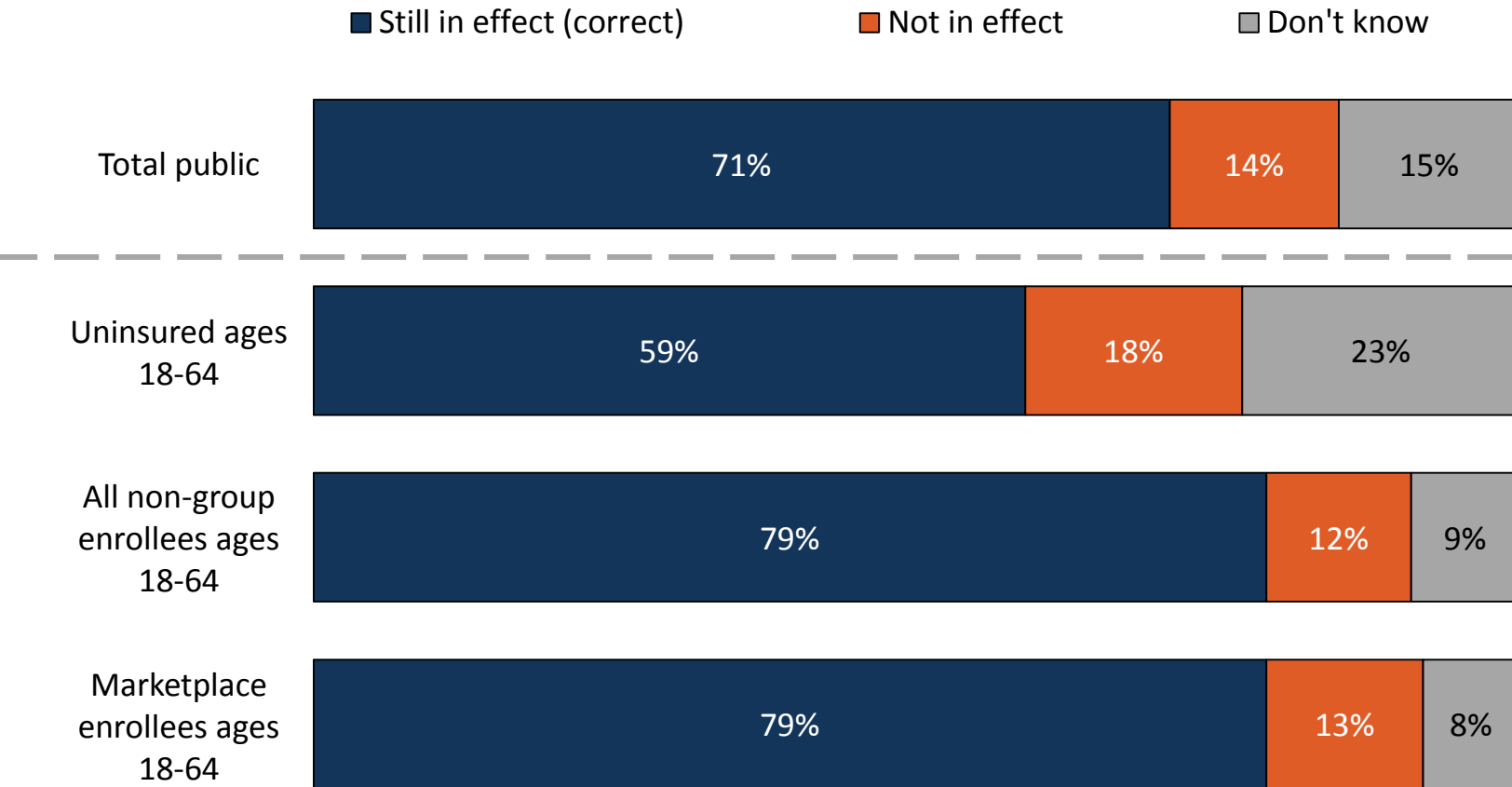
Events leading up to open enrollment added to uncertainty for insurers and confusion for consumers.

- 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

Figure 5

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?



NOTE: Refused responses not shown.

SOURCE: Kaiser Family Foundation Health Tracking Polls (pooled interviews from September and October 2017)

Figure 6

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

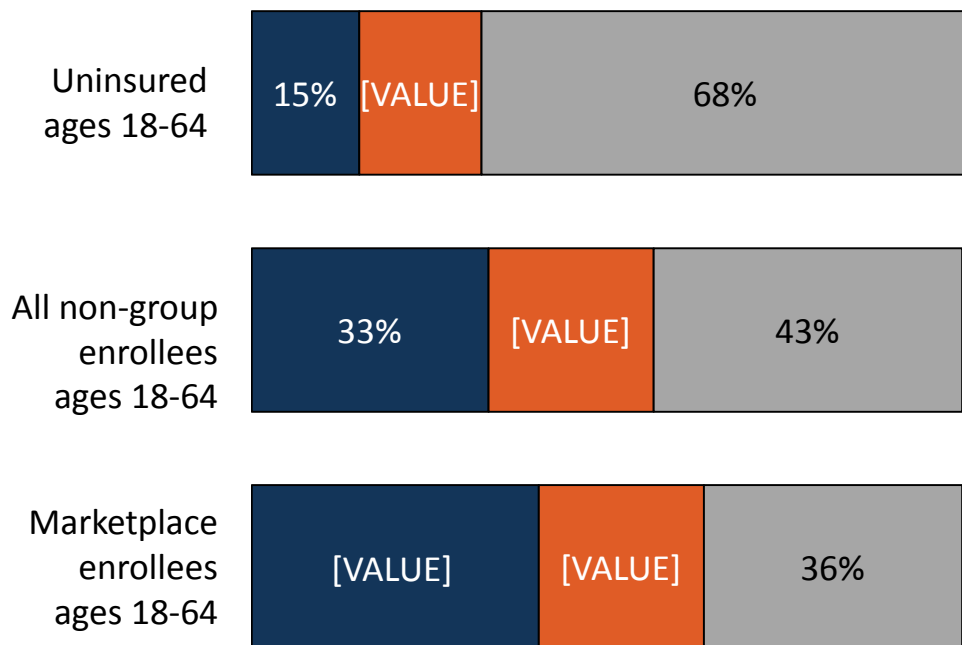
Figure 7

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.

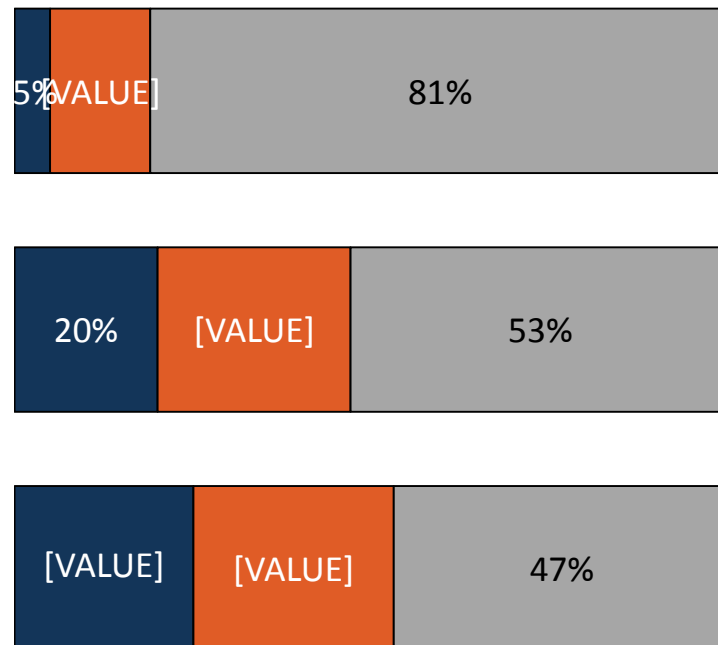
Do you happen to know when the next open enrollment period **begins**?

- 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



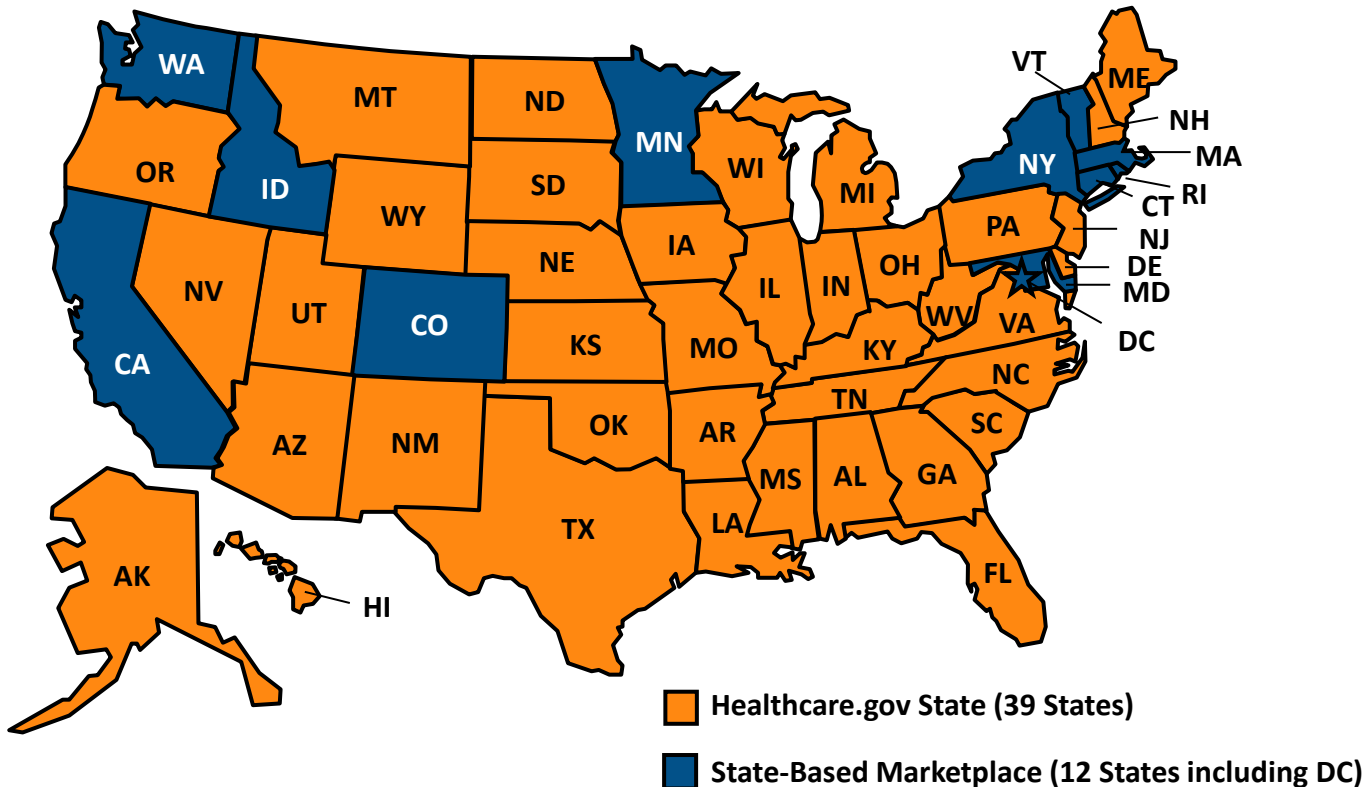
NOTE: Refused responses not shown.

SOURCE: Kaiser Family Foundation Health Tracking Polls (pooled interviews from September and October 2017)

Figure 8

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

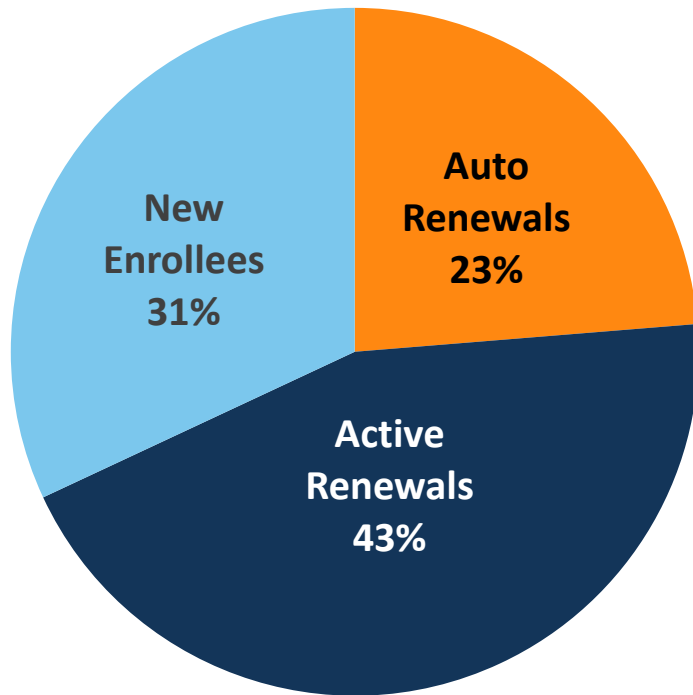


State-based Marketplace Open Enrollment Dates	
CA	Nov 1 – Jan 31
CT	Nov 1 – Jan 12
CO	Nov 1 – Dec 22
DC	Nov 1 – Jan 31
ID	Nov 1 – Dec 15
MD	Nov 1 – Dec 15
MA	Nov 1 – Jan 23
MN	Nov 1 – Jan 14
NY	Nov 1 – Jan 31
RI	Nov 1 – Dec 31
VT	Nov 1 – Dec 15
WA	Nov 1 – Jan 15

Figure 9

Nearly one-quarter of Marketplace enrollees auto-renewed in 2017.

2017 Marketplace Plan Selections
by Enrollment Type



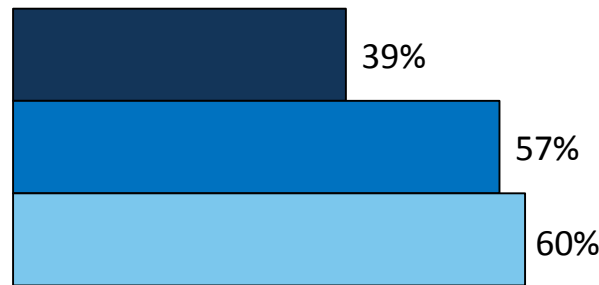
- Auto-renewal will still be an option in 2018, but active shopping is strongly recommended
- Issuer exits means auto-renewal could assign consumers to new insurer with new provider network
- Unlike prior years, consumers will not have the opportunity to change plans in January if they do not like the 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

Figure 10

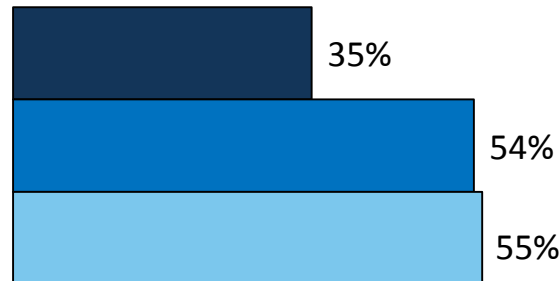
Most Marketplace enrollees worry rising deductibles, premiums will make their coverage unaffordable.

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



...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
- All non-group enrollees ages 18-64
- Marketplace enrollees ages 18-64

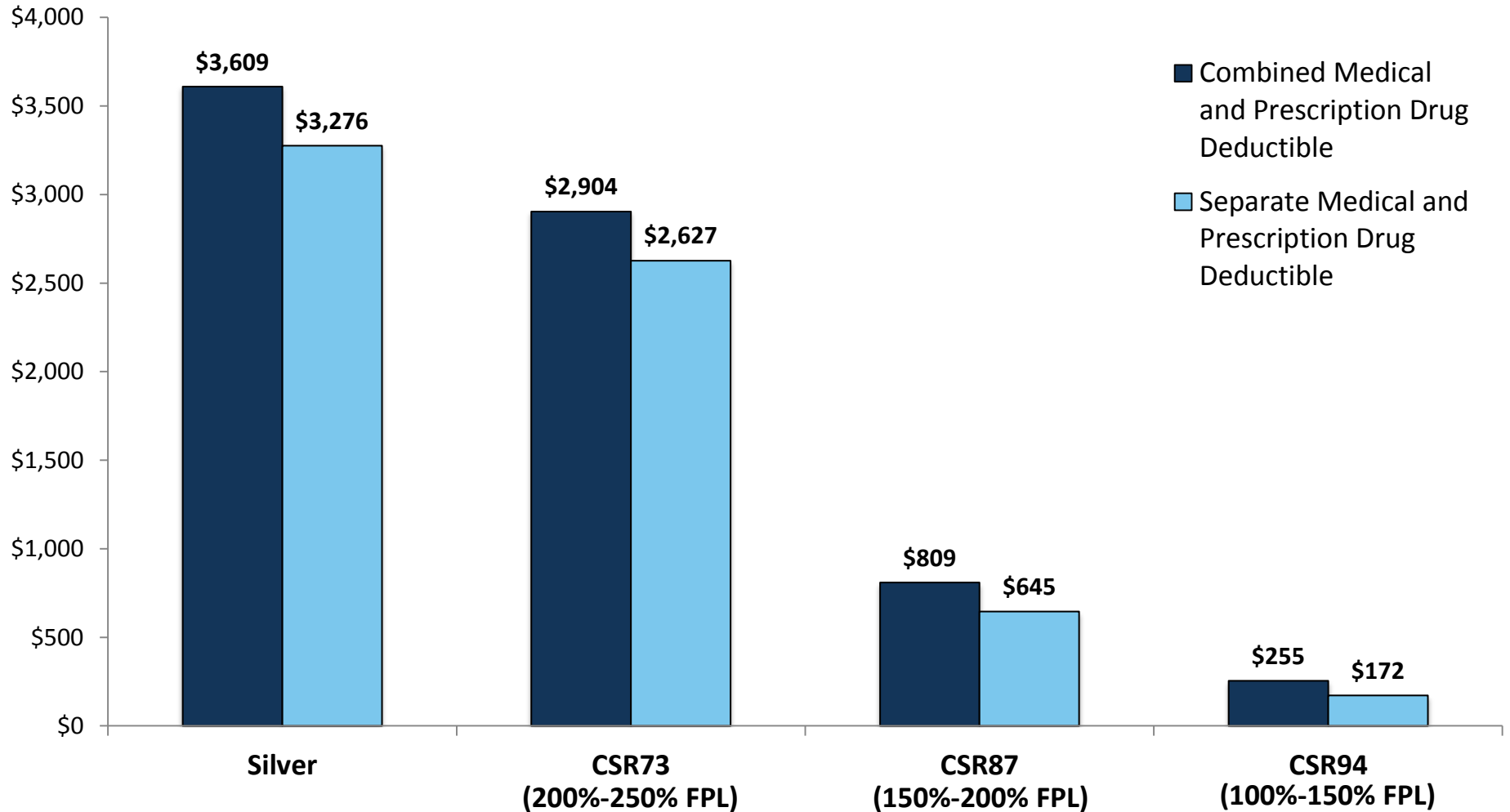
Figure 11

Cost sharing reductions are still available.

- 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

Figure 12

Average medical deductibles in cost sharing reduction plans are much lower than in traditional Silver plans.



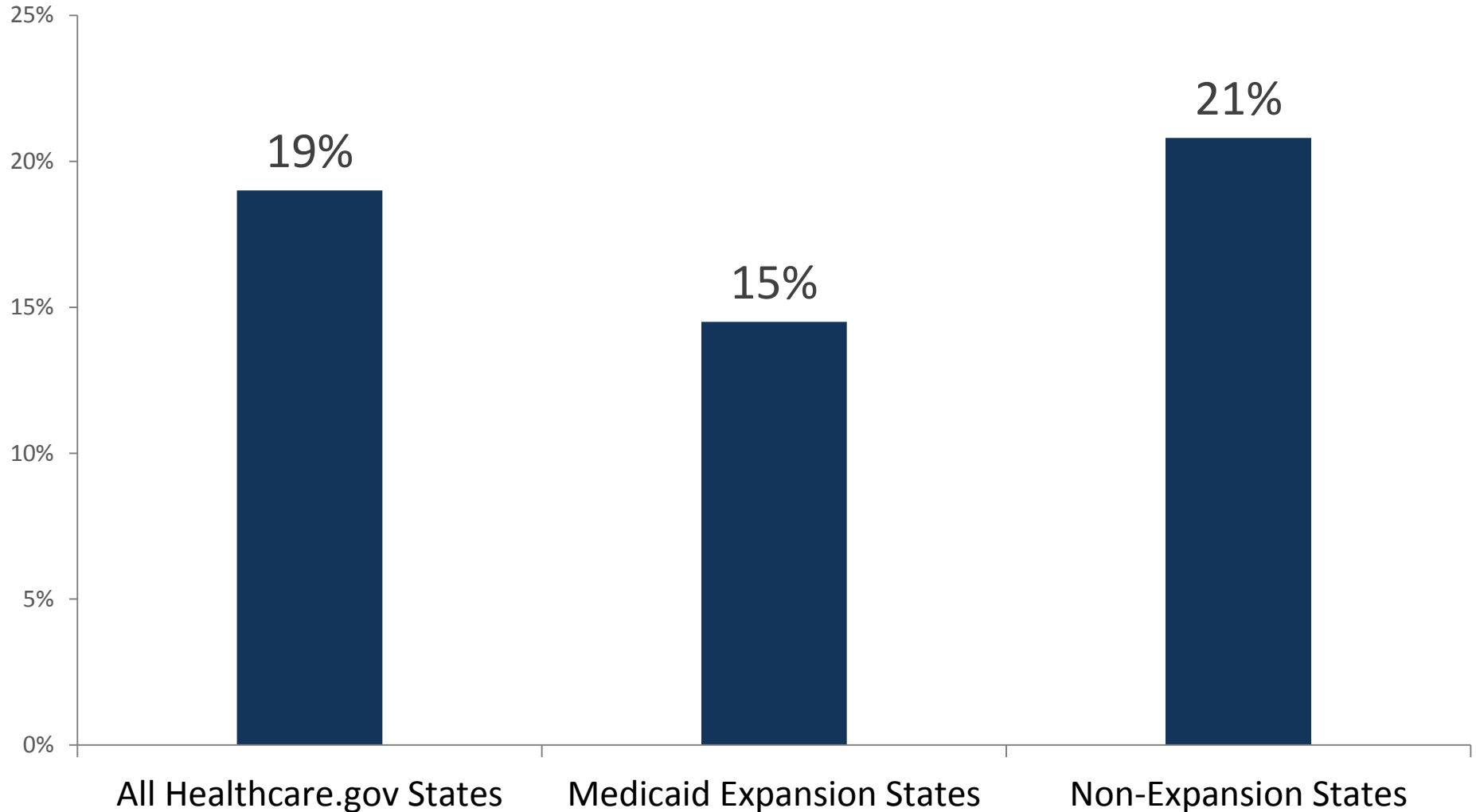
Source: Kaiser Family Foundation analysis of Marketplace plans in the 39 states with Federally Facilitated or Partnership exchanges in 2017 (including Arkansas, Kentucky, New Mexico, Nevada, and Oregon). Data are from Healthcare.gov health plan information for individuals and families available here: <https://www.healthcare.gov/health-plan-information-2017/>

Figure 13

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

Figure 14
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.

Figure 15

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

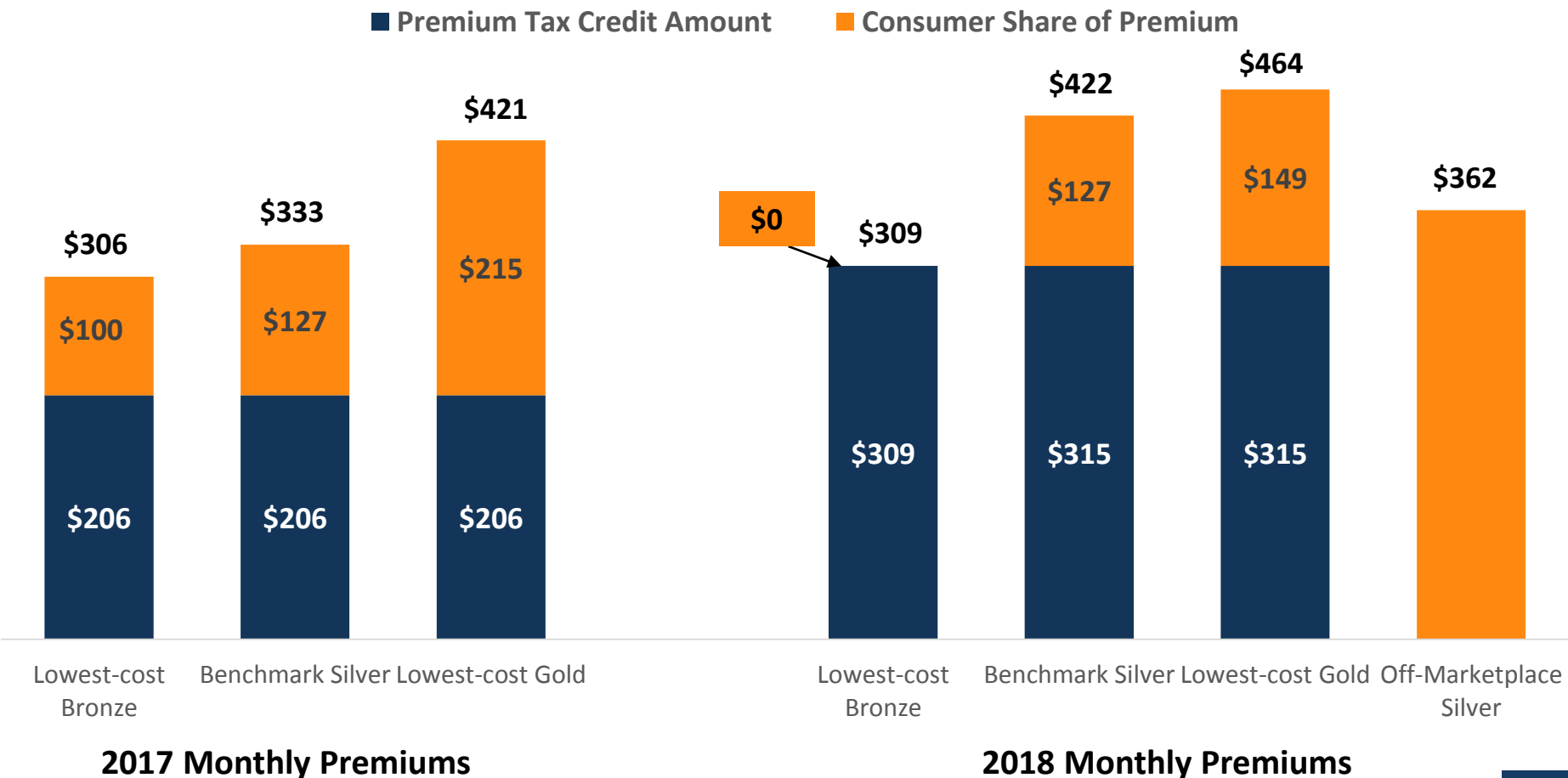
Premiums increased across all plans

- 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

Figure 16

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)



SOURCE: HealthCare.gov for 2017 monthly premiums; KFF Health Insurance Marketplace Calculator for 2017 premium tax credits; www.SouthCarolinaBlues.com/links/2018Quote for 2018 monthly premiums and tax credit amounts.

Figure 17

Start early. Waiting to the last minute risks delays.

- “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

* Kaiser Family Foundation, “Data Note: Changes in 2017 Federal Navigator Funding,” October 2017, <https://www.kff.org/health-reform/issue-brief/data-note-changes-in-2017-federal-navigator-funding/>

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>