



Health Reform: **Beyond the Basics**

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Preparing for 2018

Overview of Changes in the Marketplace

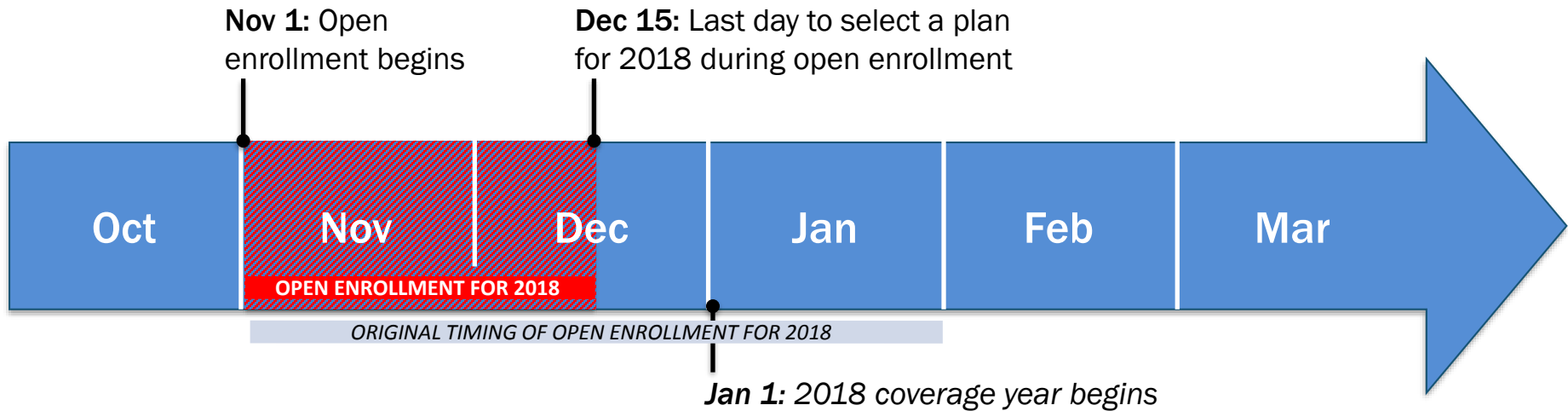
Center on Budget and Policy Priorities

July 6, 2017

Latest Changes in the Marketplace

- Shorter open enrollment: **November 1 – December 15, 2017**
- Insurers may require payment of past premium debt as a condition of enrollment
- Requirement of prior coverage added for marriage SEP
- Limits on ability to change plans if already enrolled in Marketplace coverage
- Pre-enrollment SEP verification for most common SEPs

→ **These changes became effective on June 19, 2017**



- Open enrollment will only run from November 1 through December 15, 2017: **45 days in total**
- State-Based Marketplaces can have a longer open enrollment period by adding a supplemental special enrollment period

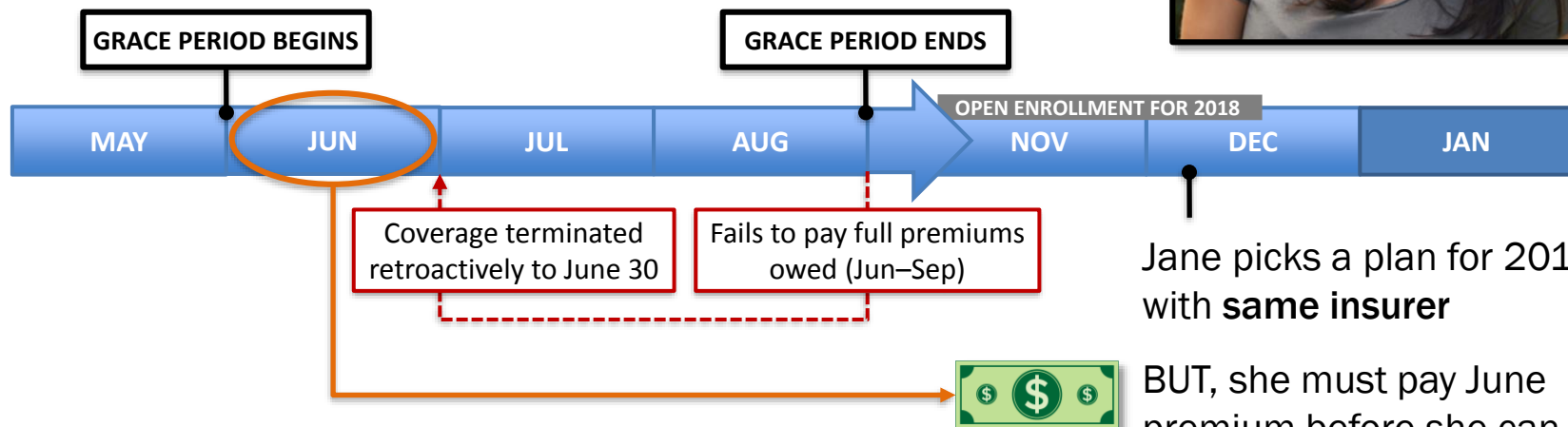
As of September 14, 2017, the following states with State-Based Marketplaces have extended their upcoming open enrollment past December 15:

- **California:** November 1, 2017 – January 31, 2018
- **Colorado:** November 1, 2017 – January 12, 2018
- **Connecticut:** November 1, 2017 – December 22, 2017
- **District of Columbia:** November 1, 2017 – January 31, 2018
- **Massachusetts:** November 1, 2017 – January 23, 2018
- **Minnesota:** November 1, 2017 – January 14, 2018
- **New York:** November 1, 2017 – January 31, 2018
- **Rhode Island:** November 1, 2017 – December 31, 2017
- **Washington:** November 1, 2017 – January 15, 2018

- For coverage beginning in 2018, insurers can refuse to enroll a person who owes back premiums to the insurer from the **past 12 months**, unless and until the person pays the prior premium debt
- Insurers must notify individuals of the consequences of nonpayment on future enrollment in both:
 - Any enrollment application materials; and
 - Notices regarding nonpayment of premiums
- Information about whether and which insurers are adopting this policy may not be readily available
- Implementation by insurers is subject to state law, which may prohibit this practice

Example: Collection of Past Premium Debt

- Jane enrolled in coverage with premium tax credits for 2017 during open enrollment last November
- In May, she missed her June premium payment → a 3-month grace period started June 1



Jane picks a plan for 2018 with **same insurer**

BUT, she must pay June premium before she can enroll in 2018 coverage

! If she does not pay the past premium debt, she won't be enrolled in the plan for 2018

- **Most important:** Make sure the person still gets enrolled before the end of open enrollment
- Should confirm:
 - Did the person miss any past premiums with that insurer?
 - Did the insurer terminate the person's coverage in accordance with the rules on termination?
 - If there was a grace period, the person should only owe a premium for one month
 - Are there additional protections in state law?
- No clear appeal process if there is a problem
 - Can report the issue to the state's Department of Insurance and to the Marketplace
 - Can attempt to work with the insurer; partial or installment payments may be an option

Prior coverage requirement for Marriage SEP

- **Marriage SEP:** If a person gets married, an SEP is **only triggered if:**
 - At least one spouse had at least one day of minimum essential coverage in the 60 days prior to the marriage

Exceptions:

- At least one spouse was living in a foreign country or U.S. territory in past 60 days
 - At least one spouse is a member of federally-recognized Native American tribe or is an Alaska Native (referred to as AI/AN)
- This mirrors the permanent move SEP prior coverage requirement

Restrictions on plan selection for current Marketplace enrollees

- **For most SEPs:** Enrollees — those already enrolled in Marketplace coverage — can only use an SEP to:
 - Change plans within the same metal level as their current plan (except in some limited cases)
- **Marriage or birth/adoption/foster care placement SEP:** If an enrollee gains a dependent or gets married, can only use an SEP to:
 - Add the new dependent or spouse to his or her current Marketplace plan,
OR
 - Enroll the new dependent or spouse in a separate plan

Exceptions:

- *If an enrollee's current plan doesn't cover dependents, the enrollee and dependent can enroll in a new plan together within the same metal level as the enrollee's current plan*

Pre-enrollment verification for SEPs

- As of late June 2017, many people enrolling through an SEP will be required to submit documentation that proves eligibility for a SEP before they can enroll in coverage
 - Will be able to submit an application and pick a plan, but enrollment will be “pending” until the marketplace verifies eligibility for the SEP
 - A person will have 30 days to provide documentation of the SEP
 - Once SEP eligibility is verified, enrollment file will be sent to the insurer and consumer must pay premiums to effectuate enrollment
 - Will only apply to **loss of other coverage** and **permanent move** at first
- State-Based Marketplaces that do not use Healthcare.gov are not required to conduct pre-enrollment verification of SEP eligibility

Questions and Uncertainty Going Into 2018

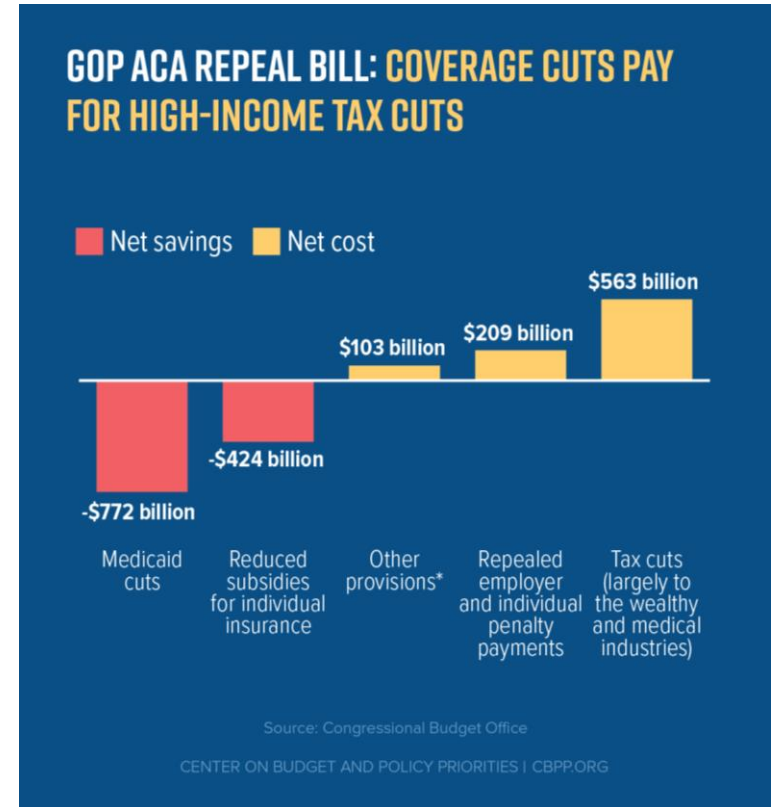
Efforts to Repeal the ACA Continue

Senate GOP Health Plan: Better Care Reconciliation Act (BCRA)

- Repeals the individual mandate starting in 2016
- Lifts the repayment caps on amount of excess APTC that must be repaid at tax time starting in 2018
- Allows states to waive market regulations, such as essential health benefits requirements

In 2020 and beyond:

- Bases tax credits on less generous plan
- Adjusts premium contribution by age
- Eliminates cost-sharing reductions
- Restricts immigrant eligibility for coverage
- Effectively ends the Medicaid expansion
- Dramatically restructures Medicaid through per capita cap on federal funds



- Round Up: Analyzing the Senate GOP Bill: www.cbpp.org/blog/roundup-analyzing-the-senate-gop-health-bill
- Medicaid expansion end and cost shift to states: www.cbpp.org/research/health/senate-bill-would-effectively-eliminate-medicaid-expansion-by-shifting-hundreds-of
- Impact on individual market: www.cbpp.org/research/health/senate-bill-still-cuts-tax-credits-increases-premiums-and-deductibles-for
- Impact on middle-class families: www.cbpp.org/research/health/middle-class-families-would-face-higher-costs-worse-coverage-under-senate-health
- Little-noticed Medicaid changes: www.cbpp.org/research/health/little-noticed-medicaid-changes-in-senate-health-plan-would-worsen-coverage-reduce
- Additional info: www.cbpp.org/topics/health

- Repeal efforts creating confusion and uncertainty around coverage and stability of the market

But, ACA is still in place:

- Premium tax credits and cost-sharing subsidies still available to lower costs of coverage
- People can enroll in Medicaid at any time
- Consumer protections remain in place
- Open enrollment will start on November 1
- Individual mandate remains in force

Will the individual shared responsibility payment be enforced in 2017 and beyond?

- Individual mandate remains in force

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Taxpayers should continue to file their tax returns as they normally would.

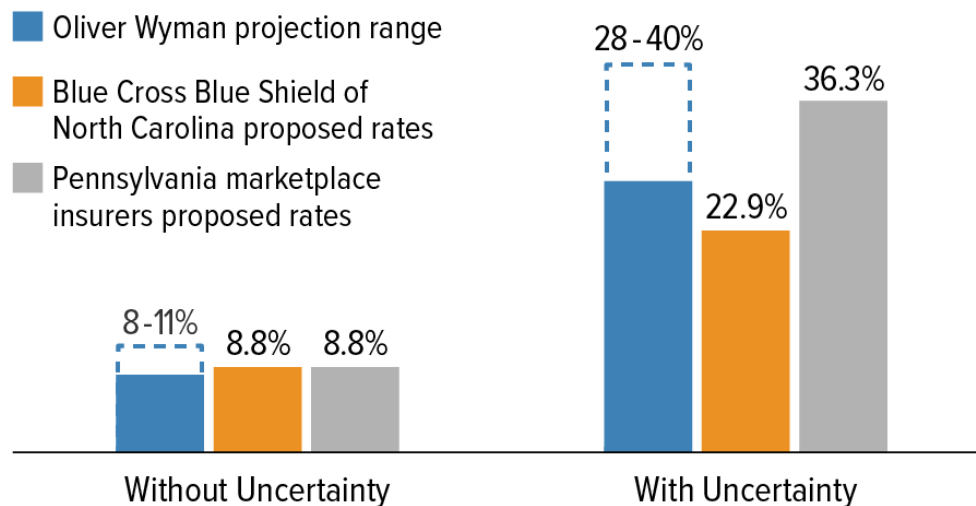
- *Internal Revenue Service (IRS)*

How does uncertainty about cost-sharing reductions, the individual mandate, and GOP attempts to repeal the ACA affect the Marketplace?

- Actuaries at Oliver Wyman concluded that uncertainty about CSRs and the individual mandate will add 20 to 29% to rate increases for 2018

→ 2018 rate increases would be about 2/3 lower without these factors

Uncertainty Is Leading To Much Larger Rate Increases for 2018



Source: Oliver Wyman and individual market rate filings. In the Oliver Wyman study and Pennsylvania rate filings, "with uncertainty" rates incorporate uncertainty around both cost sharing reductions (CSRs) and individual mandate enforcement; the North Carolina filing only adds in the impact of CSRs.

What happens if cost-sharing reduction payments stop in the near term?

What happens if cost-sharing reductions are repealed?

- Insurers must still provide CSRs in the near term
- Some insurers are filing multiple rates for 2018
 - One assuming CSR payments
 - One assuming no CSR payments

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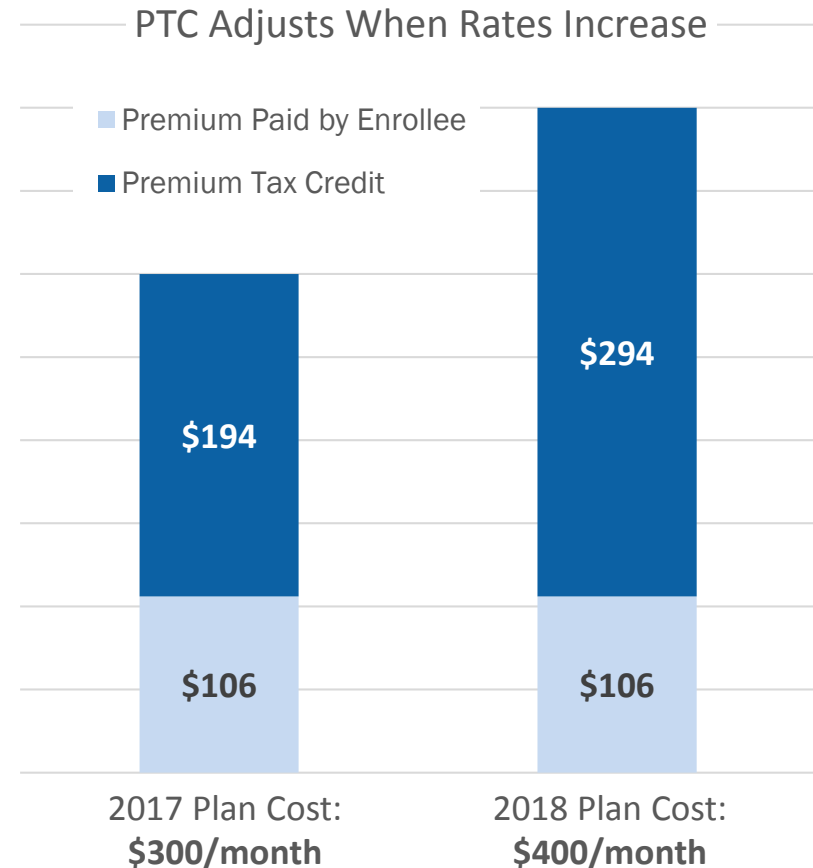
It's pretty clear we need more certainty to be able to file the rates assuming we get those federal payments. Short of that, we'd have to assume they're not being paid.

- *Blue Shield of California*

How do rate increases affect the stability of the market?

How do rate increases affect those with subsidies?

- PTC shield most people from rate increases
- PTC keep coverage affordable and mean people pay no more than a set percentage of their income on premiums



What happens if caps on repayment of excess APTC are lifted?

Current Repayment Limits on APTC		
Income (as % of FPL)	SINGLE taxpayers will pay back no more than...	OTHER taxpayers will pay back no more than...
Under 200%	\$300	\$600
At least 200% but less than 300%	\$750	\$1,500
At least 200% but less than 300%	\$1,275	\$2,550
400% and above	None: Full repayment	



What if there is only one insurer in a service area?

- One insurer does not mean only one plan!
- What to look for:
 - Cost sharing and premiums will vary from plan to plan
 - Provider networks and prescription drug formularies will generally be the same

Comparing Two Plans in State with Single Insurer				
<i>Laramie County, Wyoming (2016 plans)</i>				
Insurance company: BlueCross BlueShield				
Metal tier	Silver (CSR 87%)		Silver (CSR 87%)	
Plan type	PPO		PPO	
Monthly premium (after PTC)	\$97		\$141	
Deductible (medical/drug or comb.)	\$1,250 / \$150		\$200	
Out-of-Pocket Maximum	\$1,500		\$2,250	
COST-SHARING CHARGES			PRE-DEDUCT.	AFTER DEDUCT.
Primary Care Provider (PCP) visit			\$25 (x6)	0%
Specialist visit			---	0%
Prescriptions	Generic (Tier 1)		\$5	---
	Preferred brand (Tier 2)		---	\$25
	Non-preferred brand (Tier 3)		---	20%
	Specialty (Tier 4)		20%	---
Emergency Room (ER) visit			---	No charge
Inpatient hospital stay			---	No charge

What if there are NO insurers in a service area?

- Extent of problem still unclear
 - Insurers have stepped in to cover bare markets

What can assisters do?

- Help people apply for an exemption if they qualify
- See if people are eligible for Medicaid

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For more information and resources, please visit:

www.healthreformbeyondthebasics.org

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