What’s Happening with Health Insurance Now?

National Conference of State Legislatures, Insurance Task Force

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About AHIP

America’s Health Insurance Plans (AHIP) is the national association whose members provide insurance coverage for health care and related services to millions of Americans every day. Through these offerings, we improve and protect the health and financial security of consumers, families, businesses, communities and the nation. We are committed to market-based solutions and public-private partnerships that improve affordability, value, access and well-being for consumers.

Accident & Health Business Markets represented by AHIP in the United States:

- Major Medical
- Medicaid
- Medicare Advantage
- Medicare Supplemental Insurance (Medigap)
- Supplemental Health
- Long-Term Care
- Disability Income Insurance
- Dental
- Vision
Health Insurance Markets and Populations

Medicaid
64 million
(Source: CMS 2015)

Individual Market and Exchanges
18 million
(Source: HHS, 2016)

Employer Sponsored
155 million <65yo
(Source: CNBC, 2016)

CHIP
8.4 million Children
(Source: CMS 2015)

TRICARE
9.4 million
(Source: DoD 2015)

Medicare
55 million
(Source: CMS 2015)

Anticipated Federal Regulatory Action

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019 Notice of Benefit &amp; Payment Parameters</td>
<td>Proposes changes to rules around risk adjustment, user fees, essential health benefits, other Exchange requirements</td>
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<tr>
<td>Short-Term Medical Policies</td>
<td>Changes to federal regulations on short-term limited-duration medical policies?</td>
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<tr>
<td>Association Health Plans</td>
<td>Allow for ERISA-regulated (self-funded) Association Health Plans (AHPs) to be pre-empted from state regulation and to allow for individuals to buy-in to coverage sold by an AHP?</td>
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<tr>
<td>Expanded Use of HRAs</td>
<td>Rescind IRS guidance to allow employers to establish defined contribution Health Reimbursement Arrangements (HRA) using pre-tax dollars and permit employees who participate to purchase individual health insurance policies, including through an Exchange?</td>
</tr>
<tr>
<td>Sale Across State Lines</td>
<td>Federal regulations implementing ACA Sec 1333 (Health Care Choice Compacts)?</td>
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**The Individual Market Risk Pool**

Parallel individual markets for healthy people drive up premiums for comprehensive guaranteed-issue coverage.

**Cost-Sharing Reductions (CSRs)**

**Basics**
- Roughly 6.4 million receive CSRs.
- Qualifying income
  - $12,060-$36,180 for 1
  - $24,600-$73,800 for a family of 4
- CSRs lower co-pays and deductibles for enrollees.
- 2018 rates are approximately 19% higher on average nationwide because funding stopped.
- Most states loaded CSR loads onto silver plans only.

**What it Means for Consumers**

*FOR EXAMPLE*

If you break your ankle and visit the ER, a typical CSR insurance plan will help pay the majority of your medical costs. Below we show how much you would have to pay vs. how much your insurance covers if the bill for your ER visit was $4,000.

<table>
<thead>
<tr>
<th>Reduction</th>
<th>You pay</th>
<th>Your insurance covers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Higher</strong></td>
<td>$350</td>
<td>$3,650</td>
</tr>
<tr>
<td><strong>Medium</strong></td>
<td>$850</td>
<td>$3,150</td>
</tr>
<tr>
<td><strong>Lower</strong></td>
<td>$3,300</td>
<td>$700</td>
</tr>
</tbody>
</table>

Note: The example assumes no out-of-pocket spending prior to the incident and is based on 2017 FFM Simple Choice Plan co-pays and deductibles.
Cost-Sharing Reductions

Significant numbers are in rural America*

*Based on CMS 2016 data.
FFM states = % CSR-enrolled population by county. SBM states = % CSR-enrolled population by state, county-level data not available. Note: NY and MN operate Basic Health Plans for the same population.

2018 Individual Market Product Timeline

Federal Exchange Dates

- **Jun. 1**: Original federal deadline for rate filing justifications (many states had earlier deadlines)
- **Sept. 27**: Insurers submit signed final plan lists to CMS
- **Oct. 1**: Insurers send 90-day discontinuation notices to enrollees
- **Oct. 12**: CMS sends final countersigned agreements to insurers
- **Nov. 1**: Open Enrollment begins. Insurers send 60-day renewal notices to current enrollees
- **Dec. 15**: Deadline to enroll for January 1st coverage
- **Jan. 1**: Individual coverage starts for 2018

Other Developments

- **Sept. 30**: Reconciliation ends in Senate
- **CHIP Funding Ends**: Community Health Center Funding
- **Oct. 12**: Executive order on short-term plans & associations
- **Oct. 13**: Administration announced CSR funding will stop
- **Late Nov.**: Proposal to repeal individual mandate in tax bill

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1. Key Dates for Calendar Year 2017: QHP Certification in the Federally-facilitated Marketplaces; Rate Review; Risk Adjustment and Reinsurance. Revised April 2017
2. Revised Rate Review Bulletin issued April 2017
3. Because final agreements are signed after 10/1, FFM guidance allows issuers to send discontinuation notices by the start of Open Enrollment. However, states may continue to require notices on October 1.
4. The federal government provides flexibility to provide discontinuation notices by Nov. 1. Some states may enforce the Oct. 1 deadline.
State Approaches

1332 Waivers
- AK – Reinsurance
- MN – Reinsurance
- (IA – Stop Gap Measure)
- (OK – Reinsurance)

State Based Reforms
- Public Option (WA)
- Single Payer (CA, MA, NY)
- Medicaid Buy-In (NV)

Questions?

Thank you!

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