The State of Health Insurance

NCSL Insurance Task Force

Grace Campbell, Regional Director
August 9, 2017
NCSL Summit
Boston, MA
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
Republican-controlled White House, Senate, and House have promised to repeal and replace much of the ACA.

Federal Landscape in January 2017

- Which Republican Plan will Emerge as Leading Approach?
- Will Trump Administration Defer to Congress or Lead on Health Care?
- Will Other Issues (e.g., taxes) Overtake the First 100 Days?
- Will Trump Administration Take Executive Actions?
Health Insurance Markets and Populations

Medicaid
64 million
(Source: CMS 2015)

Individual Market (On & Off 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)
### 2018 Plan Year QHP Key Dates for Filing & Certification

**Applies to issuers in FFM states**

- **May 10 – June 21**: QHP Application submission window
- **Jun. 22 – Aug. 16**: Review of QHP Applications and proposed rates between CMS and issuers.
- **Aug. 16**: Final deadline for issuer changes to QHP application
- **Aug. 27**: Issuers submit signed QHP Agreements and final plan lists to CMS
- **Sep. 27**: Issuers submit signed QHP Agreements and final plan lists to CMS
- **Oct. 12**: CMS sends final QHP certification notices and countersigned agreements to issuers

**Applies to issuers in all states**

- **May 1**: Deadline for single risk pool rate filing justifications in States without an Effective Rate Review Program
- **Jun. 1**: Issuers exiting the individual market in 2018 send notices to current enrollees
- **Jul. 1**: Issuers exiting the individual market in 2018 send notices to current enrollees
- **Aug. 1**: Target date for CMS to make rate filing information public and for States to post proposed rate increases for single risk pool coverage
- **Aug. 16**: Final deadline for single risk pool rate filing justifications in States with an Effective Rate Review Program
- **Aug. 16**: Deadline for single risk pool rate filing justifications in States with an Effective Rate Review Program
- **Aug. 27**: Issuers submit signed QHP Agreements and final plan lists to CMS
- **Oct. 1**: Issuers send 90-day discontinuation notices to enrollees
- **Nov. 1**: Open Enrollment begins. Deadline to enroll for January 1st coverage is December 15th
- **Nov. 1**: Issuers send 60-day renewal notices to current enrollees for the 2018 plan year

---

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 QHP 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. Some states could have earlier notice deadlines. This notice timeframe is the HIPAA total market exit.
Millions of People are Receiving Cost-Sharing Subsidies

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.
KFF Analysis of State Premium Increases

Premium increases to compensate for the loss of cost-sharing reduction payments, states using healthcare.gov

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.
Republican-controlled White House, Senate, and House have promised to repeal and replace much of the ACA.
Budget Reconciliation

House and Senate to debate and pass FY 2017 budget reconciliation legislation addressing reforms and revisions to ACA.

- Authorizing committees markup and report reconciliation legislation along targets set by instructions in FY 2017 budget resolution
- Only provisions with a budgetary impact are eligible
- Senate Parliamentarian key decision maker on what meets “Byrd rule” test
- Simple majorities of House / Senate
- Signed or vetoed by the president
- Override requires 2/3 majority in both Chambers (290 in House; 67 in Senate)
Initial ACA Alternative Reform Principles

- **Transition**
  - Support continuity of coverage and care and avoid disruption

- **Flexibility**
  - Strike right balance of comprehensive coverage, affordability & flexibility and promote plan innovation

- **Coverage**
  - Promote individual responsibility and broad market participation

- **Stability**
  - Include mechanisms to strengthen risk pools and address high-risk groups

- **Affordability**
  - Provide access to a choice of affordable plans with sufficient assistance for low- and moderate-income families
Factors Affecting Health Insurance Premiums

1. Prescription Drug Prices
   Drug prices, particularly for specialty medications and brand-name medicines, continue to soar. When the cost of medical care and treatment goes up, so does your premium.

2. Who Is Covered
   Who else is covered by your plan is critical to determining the cost of your coverage.
   To keep costs lower for everyone, there should be a balance between those who utilize medical care and those who have coverage in case they get sick or injured.

3. Which Care Providers Participate
   A provider network is the group of doctors, nurses, hospitals, and other clinicians that treat patients with certain insurance plans. When they charge lower prices for their services.

4. Value-based Models
   The fee-for-service system pays for the number of services provided. Value-based systems reward quality and value — providers earn more by bringing better care to consumers while lowering costs.

5. Taxes and Fees
   One way to control premiums is to get rid of taxes and fees that hit consumers’ pocketbooks. Those include the health insurance tax and marketplace user fees.

https://www.ahip.org/5-factors-that-impact-your-health-insurance-premium/
Thank you!

Grace Campbell
Regional Director, State Affairs
gcampbell@ahip.org