

Delaware's Health Insurance Marketplace: Update on Activity

Delaware Health Care Commission
August 6, 2015

Secretary Rita Landgraf
Department of Health and Social Services



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Agenda

- National Updates
 - 2014 Tax Penalty
 - Impact of the ACA on Uninsured Rates and Access to Care
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 - Delaware's Marketplace Model
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National Updates



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Early results from 2014 tax year

- On July 17 the IRS gave Congress preliminary results from the 2014 tax year related to the ACA.
- With 135 million of an expected 150 million individual tax returns processed, about 7.5 million Americans paid an average penalty of \$200 for not being insured in 2014. About 40% paid less than \$100, and 95% less than \$500.
- 76 percent of taxpayers indicated they had qualifying coverage all year; another 7 million dependents, who do not have to report on their coverage, filed a return and did not have to do anything new this year, bringing the percentage of those with qualifying coverage to 81 percent.
- About 12 million claimed an exemption from coverage.

Early results from 2014 tax year

- About 2.7 million taxpayers claimed approximately \$9 billion in annual subsidies, reporting an average subsidy of \$3,400.
- About 40 percent claimed less than \$2,000; 40 percent claimed \$2,000 to \$5,000; and 20 percent claimed \$5,000 or more.
- Among taxpayers who claimed a subsidy, about 1.6 million, or half of taxpayers who claimed or received a subsidy, had to pay money back to the government because their actual income was higher than projected when they applied for the subsidy.
- The average amount repaid was about \$800.

Impact of failing to file 2014 tax returns

- IRS is sending letters this summer to taxpayers who received advance payments of the premium tax credit (APTCs) in 2014, but who have not yet filed their 2014 tax return, to encourage them to file their returns so they can receive advance payments next year from the Marketplace.
- If you received APTCs in 2014 and do not file a 2014 return, you will not be eligible for tax credits or cost-sharing reductions to help pay for Marketplace coverage in 2016. You will be responsible for the full cost of your monthly premiums and all covered services. You might also have to pay back some or all of the 2014 APTCs.
- Filing your 2014 return along with the “Premium Tax Credit” Form 8962 within 30 days of the date of the IRS letter will substantially increase your chances of avoiding a gap in receiving financial help.
- Go to www.irs.gov/aca for more information.

Impact on rate of uninsured in U.S.

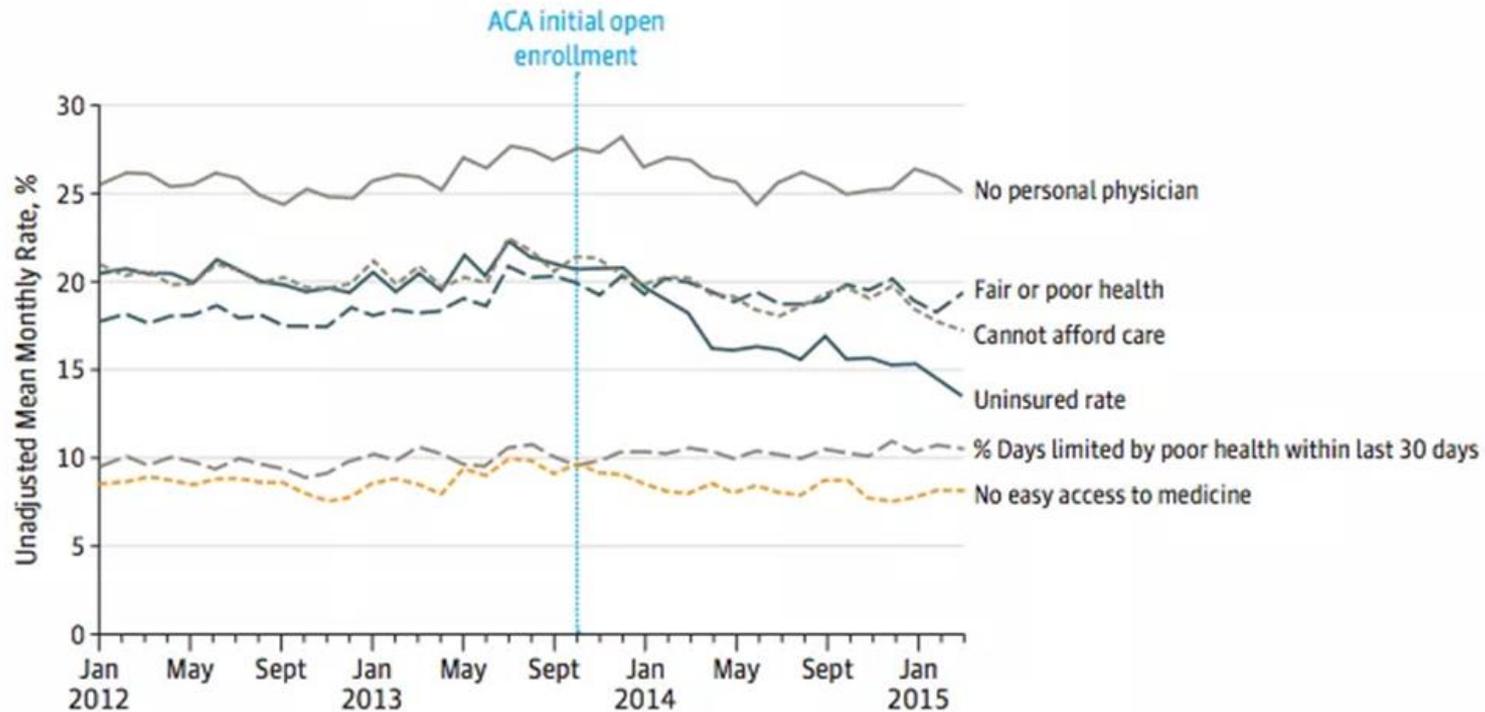
- The uninsured rate among U.S. adults aged 18 and older was 11.4% in the second quarter of 2015, down from 11.9% in the first quarter, according to Gallup-Healthways Well-Being survey.
 - The 2014 Behavioral Risk Factor Surveillance System Survey showed Delaware's uninsured rate at 10.8%
- The uninsured rate in the U.S. has dropped nearly six percentage points since the fourth quarter of 2013, just before the requirement for Americans to carry health insurance took effect.
- The latest quarterly uninsured rate is the lowest Gallup and Healthways have recorded since daily tracking began in 2008.

Impact of ACA on access to care

- A Harvard study published in the Journal of the American Medical Association suggests that increased insurance coverage has translated into increased access to care.
- The study concludes that “The ACA’s first 2 open enrollment periods were associated with significantly improved trends in self-reported coverage, access to primary care and medications, affordability, and health.”

Impact of ACA on access to care

Figure 1. Unadjusted Trends in Self-reported Coverage, Access, and Health, 2012-2015

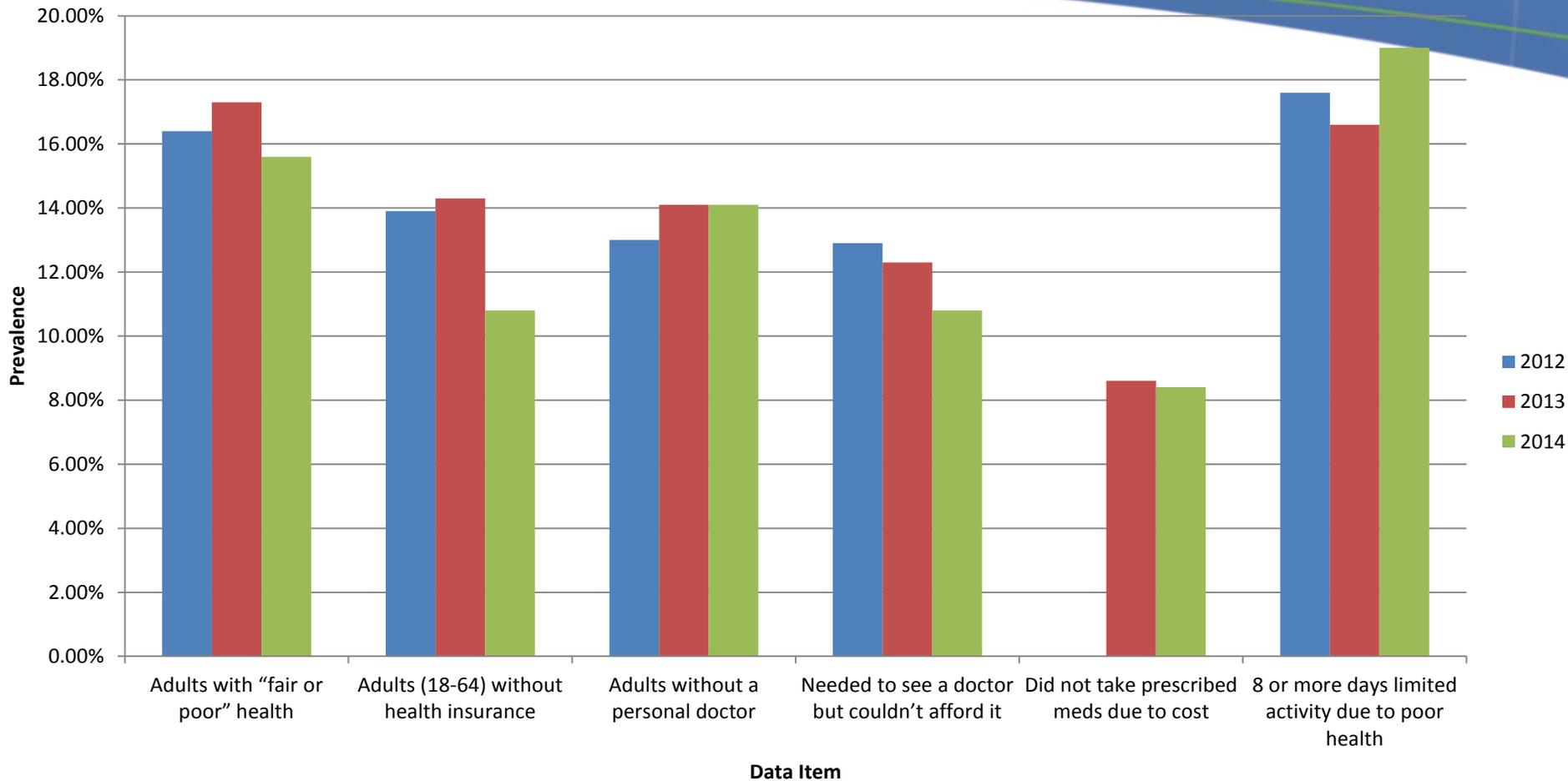


Journal of the American Medical Association

ACA's Impact on Delawareans

- According to the Behavioral Risk Factor Surveillance Survey for calendar years 2012, 2013, and 2014, Delaware has seen a decrease in all categories similar to those on the national chart except two:
 - The category for “Adults without a personal doctor” has remained at the same level between 2013 and 2014.
 - The category for “8 or more days limited activity due to poor health” has increased 2.4% between 2013 and 2014.

ACA's impact on Delawareans



Source: Delaware Health & Social Services, Division of Public Health, Behavioral Risk Factor Survey (BRFS), 2012-2014.

Permanent Special Enrollment Period for Domestic Abuse Victims

- Last year, the federal government provided a two-month Special Enrollment Period (SEP) for victims of domestic abuse to enroll in health care coverage through the Marketplace outside of open enrollment.
- CMS announced July 27 that, effective immediately, this SEP will become permanent and will be broadened to include any member of a household who is a victim of domestic abuse as well as victims of spousal abandonment and their dependents.
- The special enrollment period will be available for 60 days following the individual's request.
- No documentation is needed to prove exposure to domestic violence, though enrollees may need to attest to their status on their tax return.
- For assistance, call the federal Marketplace at 1-800-318-2596 or go to [ChooseHealthDE.com](https://www.ChooseHealthDE.com) to find local enrollment assisters.

Feds Urge Vigorous Review of Rates

- The Department of Health and Human Services encouraged states to vigorously review big rate increases that are proposed by many health insurance companies for 2016.
- The Feds suggested considering a range of factors before making decisions, such as:
 - Healthier consumers enrolling
 - Tax penalties increasing in 2016
 - Lower medical inflation due to changing and expanding consumer base
- States may also review the details on claim experience and 2016 projections, and host public rate request hearings.

Delaware Updates



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Decision on Marketplace Model

- In June, HHS gave Delaware conditional, non-binding approval to establish a Supported State Based Marketplace (SSBM)
- After reviewing the Marketplace model options and weighing the costs and benefits, Secretary Landgraf has informed CMS that Delaware will remain a State Federal Partnership for 2016
- It was determined that changing models was not in the best interest of Delawareans for several reasons, including:
 - King v. Burwell decision preserved subsidies
 - Current partnership model is working
 - Cost to use federal IT platform remains uncertain
 - Level of revenue to the state is unclear
 - SSBM would place additional responsibilities on the state
 - Requirements to fund Navigators

Timeline of Rate Review

**The following timeline is subject to change contingent on CMS revisions during the process.*

Date	Milestone
May 15	Issuer justification for rates due
May 16 - August 23	Actuarial review of rates
June 15 – July 15	Public comment on rates
July 16 – August 23	Commissioner’s review of rates and approval/disapproval
August 24-25	Submission of rate recommendations and data to CMS for QHP Certification
August 26 – September 16	CMS review of QHP application and recommendations
September 17-18	Certification notices and QHP agreements sent to issuers by CMS
September 25	Agreements, including final plan list, returned to CMS
October 8-9	Validations notice confirming final plan list and countersigned agreements sent to issuers by CMS
October 15	Rates posted on Department of Insurance website

Public Comment: Requested Rates for 2016

The Department of Insurance received 25 responses during the month-long public comment period that ended July 15. The most common responses concerned already-high rates and deductibles. DOI heard from individuals on fixed-incomes, small businesspersons, the self-employed, and consumers whose grandfathered plans had been discontinued.

Representative comments:

- “It is difficult to pay premiums even at the current rate. I manage to pay the monthly premium but cannot fully utilize the benefits because of the high deductible. What good really is the insurance if you cannot afford to use it?”
- “Please carefully review the medical insurance premium increases proposed by Highmark Delaware. The individual subscriber, for years, was getting shorted by the health insurance companies. The Affordable Care Act fixed many of the shortcomings. Let’s not revert back to the situation where insurance becomes unaffordable for the individual subscriber.”
- “My family pays \$783 every two weeks for health insurance with a \$6,000 deductible. This brings our annual fee to \$26,358 for a family of five. We do not qualify for a subsidy. This is a back-breaking sum.”
- “I am not eligible for the subsidy. I have faithfully prepared for a reasonably comfortable retirement. ... Please do not punish me for making good financial decisions by making my healthcare premium a burden.”

2015 Enrollment Analysis

- In July 2015, HHS released county-by-county information for 2015 Marketplace enrollees,
- An analysis of this data reinforced what we know about the demographics in our state and highlighted areas for improvement:
 - There were gaps in reaching Latinos, most significantly in Sussex County
 - Delaware lagged behind national averages in enrolling adults ages 18 to 44
 - Delaware had fewer enrollees in Silver plans, despite the availability of Cost Sharing Reductions to those choosing those plans
- The Marketplace team will take these factors into consideration when planning outreach and education for the 2016 plan year.
- The full report is available at http://aspe.hhs.gov/health/reports/2015/MarketPlaceEnrollment/EnrollmentByCounty/rpt_EnrollmentByCounty_July2015.cfm

Delaware QHP Standards: Plan Year 2017

- The process to approve Qualified Health Plan standards for Plan Year 2017 begins this month with review of current QHP standards to identify opportunities for modifications/additions.
- The process will continue through the fall and early winter with HCC review of recommended changes, followed by public comment period, final recommendations and final decision by HCC.
- The approved QHP standards for PY2017 will be published in late December.

Key Dates

Date	Milestone
November 1, 2015	Beginning of Open Enrollment for Plan Year 2016
January 31, 2016	End of Open Enrollment for Plan Year 2016

- Consumers who experience qualifying life events, such as birth/adoption of a child, loss of minimum essential coverage, aging out of parents' insurance at age 26, etc., may enroll outside of open enrollment.
- Enrollment assisters and agents and brokers are available to assist with enrollments outside an open enrollment period.
- Visit www.ChooseHealthDE.com to find assistance.

Medicaid enrollment is open all year. Small businesses can enroll in SHOP anytime.