

Delaware's Health Insurance Marketplace: Update on Activity

Delaware Health Care Commission
July 2, 2015

Secretary Rita Landgraf
Department of Health and Social Services



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Agenda

- Review of Delaware's 2015 enrollments
- Supreme Court ruling
- Cost trends in employer-based coverage
- Data on the uninsured
- Timeline of rate review
- Comment period on requested rates
- Key Dates

Delaware's Enrollments

- In the second open enrollment period, 25,036 Delawareans enrolled for 2015 coverage through the Marketplace
- As of March 31, 2015, 22,397 (89.5%) of those enrollees had paid their premiums and had active coverage
- Of those with active coverage, 19,128 (85.4%) were eligible for Advance Premium Tax Credits (APTC), also known as federal subsidies

2015 Enrollees

Total enrollees for 2015	Total with active coverage as of 3/31/15	Receiving subsidies as of 3/31/15
25,036	22,397	19,128

U.S. Supreme Court Affirms Subsidies

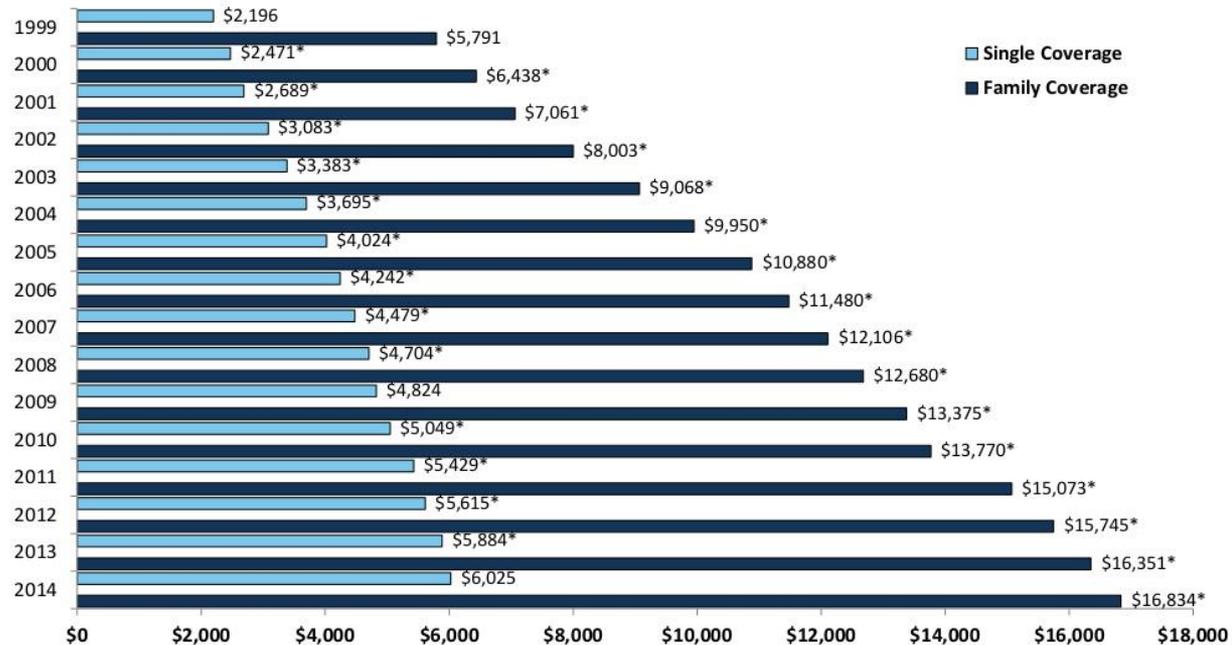
- Supreme Court ruled 6-3 on June 25 to uphold federal subsidies in marketplaces in every state, not just those fully operating their own exchanges
- This ruling preserves subsidies for more than 19,000 Delawareans who currently rely on them to help pay for coverage
- From Chief Justice Roberts’s majority opinion:
 - “The [Affordable Care Act] grew out of a long history of failed health insurance reform.”
 - “Congress passed the Affordable Care Act to improve health insurance markets, not to destroy them.”
 - Interpreting ACA as making subsidies available only to certain states “would destabilize the individual insurance market in any state with a federal exchange and likely create the very ‘death spirals’ that Congress designed the Act to avoid.”

What's Next for Delaware

- On June 15, HHS gave Delaware conditional, non-binding approval to establish a Supported State Based Marketplace (SSBM)
- SSBM aligns closely with current State Partnership Marketplace. State would continue to:
 - carry out plan management functions
 - administer consumer assistance efforts
 - retain final Medicaid eligibility determination
 - use HealthCare.gov, the federal enrollment system
- State continues due diligence on relative costs and benefits of SSBM vs. maintaining current state-federal partnership marketplace.
- State will make final decision by end of July.

Cost Trends in Employer-based Coverage

Average Annual Premiums for Single and Family Coverage, 1999-2014



* Estimate is statistically different from estimate for the previous year shown ($p < .05$).

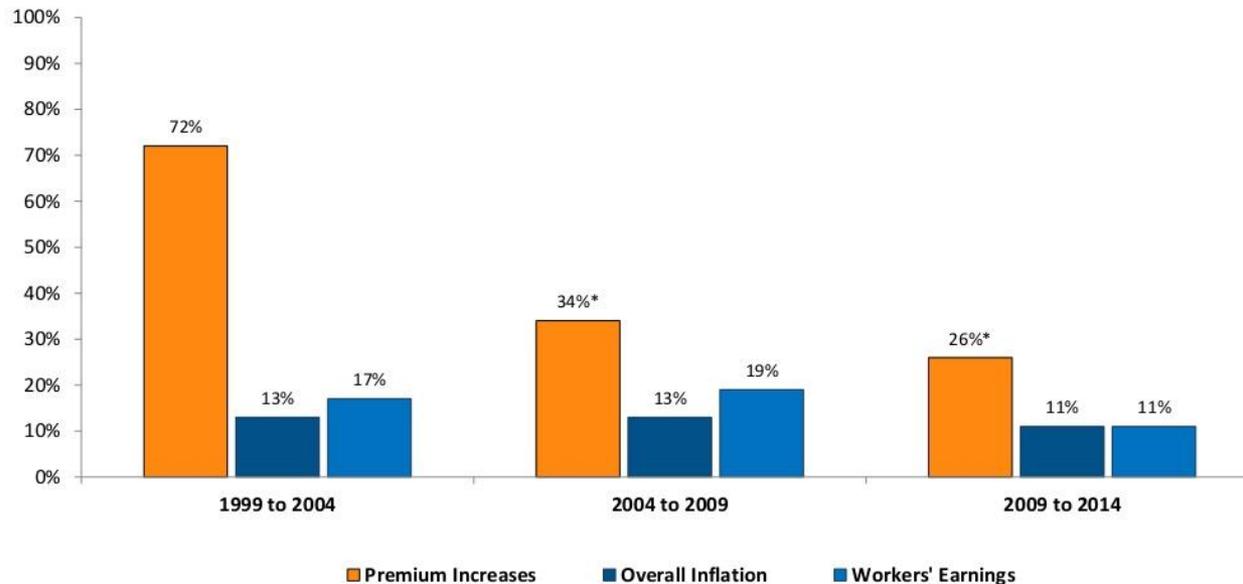
SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2014.



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Cost Trends in Employer-based Coverage

Average Premium Increases for Covered Workers with Family Coverage, 1999-2014



* Premium Change is statistically different from previous period shown ($p < .05$).

SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2014. Bureau of Labor Statistics, Consumer Price Index, U.S. City Average of Annual Inflation (April to April), 2000-2014; Bureau of Labor Statistics, Seasonally Adjusted Data from the Current Employment Statistics Survey, 2000-2014 (April to April).



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Cost Trends in Employer-based Coverage

Among Covered Workers with a General Annual Health Plan Deductible for Single Coverage, Average Deductible, by Firm Size, 2006-2014



NOTE: Note: Average general annual health plan deductibles for PPOs, POS plans, and HDHP/SOs are for in-network services.

SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2006-2014.



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Behavioral Risk Factor Surveillance System (BRFSS) Survey Results

- The 2014 BRFSS Report for Delaware shows significant progress in reducing the uninsured in our state.
- According to the survey:
 - The number of Delawareans 18-64 without insurance dropped from 14.3% in 2013 to 10.8% in 2014
 - The most significant gains came in the African American community, which showed a drop in uninsured adults 18-64 from 16.9% in 2013 to 5.8% in 2014
 - There are still challenges in reaching the Hispanic community, which saw an increase in uninsured from 37.1% in 2013 to 40.2% in 2014
- Further analysis will help to guide future outreach efforts

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

Comment Period for Requested Rates

- In June, the Department of Insurance conducted three public information sessions on the rates requested by insurers in the Marketplace for 2016
- Insurers presented information on their requested rates and the public had the opportunity to provide comments
- Reasons given for the requested rate increases:
 - ✓ Insurers were able to use actual claims data, unlike in 2014 or 2015
 - ✓ Greater utilization in this population than in non-ACA plans or employer market
 - ✓ Rates reflect a higher cost of prescription coverage, particularly specialty drugs
 - ✓ Some adverse selection – a number of extreme cases where enrollees have gotten expensive medical care then cancelled their plans after taking care of immediate needs
 - ✓ Federal programs being phased out that previously helped to stabilize premiums – i.e., reinsurance program

Comment Period for Requested Rates

- Written comments will be accepted through July 15, 2015, at ratedivision@state.de.us
- To date, DOI has received 21 comments. Some of the comments received cover the following topics:
 - Increase in cost will be a hardship
 - Since ACA went into effect, consumers have experienced multiple rate increases

Key Dates

Date	Milestone
July 15, 2015	End of Public Comment Period on Requested Rates
November 1, 2015	Beginning of Open Enrollment for PY 2016
January 31, 2016	End of Open Enrollment for PY 2016

- Only those with 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 in the Marketplace outside of open enrollment. Visit www.HealthCare.gov for more information.
- Enrollment assisters and agents and brokers are available to assist with enrollments outside of an open enrollment period.
- Consumers can visit www.ChooseHealthDE.com to locate assistance near them.

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