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- Kids in school
 - New job
 - Health insurance

Delaware's Health Insurance Marketplace: Update on Activity

Delaware Health Care Commission
September 1, 2016

Secretary Rita Landgraf
Department of Health and Social Services



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Agenda

- National Updates
- Plan Management
- QHP Standards
- Key Dates and Reminders
- Questions/Comments

National Updates



Effects of Premium Tax Credits

HHS released a report Aug. 24 on the effects of shopping and premium tax credits on the affordability of marketplace plans among all HealthCare.gov states:

- 87% of marketplace consumers in 2016 are eligible for tax credits.
- 76% pay \$100 or less a month for coverage.
- 70% pay \$75 or less a month for coverage.
- In a hypothetical rate increase of 25%: 88% would be eligible for tax credits; 78% would pay \$100 or less a month; 73% would pay \$75 or less.
- During 2016 open enrollment nationwide, 43% of 2015 enrollees switched coverage, saving an average of \$42 a month, or about \$500 a year.

Current Benefit of Tax Credits in Delaware

Of the 28,256 individuals enrolled on Delaware's marketplace for 2016:



- 82% are eligible for a premium tax credit
- Average monthly premium before tax credit: \$477
- Average monthly tax credit: \$328
- Average monthly premium after tax credit: \$150 (69% decrease)
- 70% pay \$100 or less in monthly premiums; 64% pay \$75 or less

Effect of Premium Increases in Delaware

HHS looked at the impact on monthly premiums (after premium tax credits) based on 3 levels of hypothetical premium increases (regardless of metal level):

- **Hypothetical 10% rate increase:** 72% of Delaware enrollees would pay \$100 or less; 66% would pay \$75 or less.
- **Hypothetical 25% rate increase:** 74% of Delaware enrollees would pay \$100 or less; 70% would pay \$75 or less.
- **Hypothetical 50% rate increase:** 78% of Delaware enrollees would pay \$100 or less; 74% would pay \$75 or less

Impact of Medicaid Expansion

- US Department of Health and Human Services released a report Aug. 25 that shows expanding Medicaid lowers Marketplace premiums by about 7% in those states.
- In July 2013, Gov. Markell decided to expand Delaware's Medicaid program up to 138% FPL, beginning Jan. 1, 2014.
- As of Jan. 31, 2016, 9,896 Delaware adults were enrolled through the Medicaid expansion.
- HHS found that states that expanded Medicaid have Marketplace risk pools comprised largely of individuals with incomes above 138% FPL.
- Because lower-income individuals on average have a poorer health status than those with higher incomes, a state's decision affects the Marketplace risk pool.

Health Care Spending

A number of studies show middle-class Americans are bearing the brunt of higher medical costs:

- Since 1984, out-of-pocket expenses for the middle class have jumped 60%, much higher than the 28% increase for low-income households.
- From 2007-2014 alone, health care spending for middle-class families has jumped 25%, according to an analysis by the Brookings Institute.
- Deductibles have jumped by two-thirds for employer-sponsored health plans since 2010, according to the Kaiser Family Foundation.

Health Care Spending



- A Harvard study found net spending on prescription medications increased 20% from 2013 to 2015.
- On a per capita basis, Americans spend about \$858 each on prescription medications, or about double the average of 19 other industrialized countries.
- As a share of GDP, health care spending reached 18.2% in June 2016, according to the Altarum Institute.

Plan Management Updates



QHP Review for Plan Year 2017 Continues

- CMS is finalizing work with Issuers to ensure that data and information that will be available on HealthCare.gov is accurate and complete. CMS will certify the state-recommended plans later this month.
- After that certification, the DOI will release premium rate information.
- And in October, CMS will release the list of certified QHPs for 2017.

Proposed Timeline	QHP Review Activities
May - September 2016	<ul style="list-style-type: none"> • DOI reviews plans for compliance with federal and state laws and standards • Areas for review include <i>rates, actuarial value, benefit design, cost-sharing, network adequacy, among others</i>
September 2016	<ul style="list-style-type: none"> • Federal government conducts final QHP reviews and certifies state-recommended plans • DOI releases Premium Rate information
October 2016	<ul style="list-style-type: none"> • Federal government releases list of certified QHPs for Plan Year 2017 • Open Enrollment begins November 1 for Plan Year 2017

Requested Average Rate Increases from 2017 QHP Issuers

In June, Department of Insurance received 2017 rate requests from Marketplace Issuers – Aetna Health, Inc., Aetna Life and Highmark Blue Cross Blue Shield of Delaware.

Overall Average Increase Requested

	Aetna Health, Inc.	Aetna Life	Highmark BCBSD
Individual	25.0%	23.9%	32.5%
Small Group	23.2%	18.6%	2.7%

- Issuer rate requests are subject to review and approval by the Insurance Commissioner and are **not** the final rates.

Health Insurance Premium Rate Review for Plan Year 2017

- The DOI approves/disapproves all health insurance rates following a comprehensive review of all Issuer filings, including requests for rate increase.
- **Reminder:**
 - The **rate** is the base amount filed by the carrier. **Premiums** paid by an individual include the base rate plus whatever adjustments are permitted under the law -- Age, Family Size and Tobacco Use
- Information on proposed health insurance rates for Plan Year 2017 is located on the DOI's website: delawareinsurance.gov
 - These are the initial requests from Issuers and **not** the approved rates.

QHP Standards Updates



2018 QHP Standards

- The QHP Standards Workgroup reviewed the most recent Standards to identify areas for update/revision
- One change is proposed in the Quality Improvement Strategy section of the 2017 QHP Standards
 - In accordance with 16 Del. Code §10311-§10315, QHP issuers are required to submit claims data to the Delaware Health Information Network (DHIN)

Public Comment Period

- A formal public comment period will be held September 1-30, 2016
- The draft Standards are available for review online at www.dhss.delaware.gov/dhcc
- Comments on the draft standards can be emailed to QHPStandards@choosehealthde.com or sent by mail to
Health Care Commission
Attn: 2018 QHP Standards
410 Federal St., Suite 7
Dover, DE 19901

QHP Standards Timeline

Activity	Timeline
Workgroup submits initial list of recommended changes to existing QHP Standards to the HCC for review and comment	9/1/2016
HCC conducts Public Comment Period on proposed changes to QHP Standards	9/1/2016 - 9/30/2016
Workgroup reviews stakeholder feedback on proposed changes and develops final recommendations for HCC consideration	10/1/2016 - 11/2/2016
HCC conducts review of Final Recommendations	11/3/2016
Marketplace leadership solicits HCC decision (approval/denial) on recommended changes	12/1/2016
Pending approval, HCC publishes final QHP Standards on website	12/1/2016

Key Dates

Date	Milestone
September 2016	CMS certifies state-recommended QHPs; Department of Insurance releases premium rate information
Sept. 1-30, 2016	Public Comment Period on proposed changes to QHP standards
October, 2016	CMS releases list of certified QHPs for Plan Year 2017
Nov. 1, 2016	Open enrollment begins for Plan Year 2017
Jan. 31, 2017	End of open enrollment for Plan Year 2017

- Consumers who experience qualifying life events may enroll outside of open enrollment.
- Navigators, assisters and agents and brokers are available to help with enrollments outside open enrollment.
- Visit www.ChooseHealthDE.com to find free assistance.
- Enrollment in Medicaid and in the SHOP marketplace for small businesses is open year-round.

Questions/Comments

- Health Care Commission
- Public

