

What's Next? Coverage and Affordability Opportunities in Red, Blue, and Purple States

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Background: Maryland Individual Marketplace

Year	Carriers (#)	QHPs (#)	Exchange Enrollment	Subsidized/ Unsubsidized (%)	Premium Change (%)
2014	4	45	81,553	80/20	-
2015	5	53	131,974	70/30	10.24%
2016	5	53	162,652	70/30	17.93%
2017	3	23	157,637	78/22	21.24%
2018	2	21	153,571	79/21	50.32%

- ❑ 2018: Approximately 11,000 members accounted for \$700,000,000 in claims.
- ❑ Total individual market shrunk by 44,000 enrollees from 2017→2018

Policy Response

- ❑ **2018** Implementation of Silver-loading to mitigate cessation of Cost Sharing Reduction Payments
 - ❑ Doubled State-wide receipt of premium tax credits
 - ❑ Expanded access to zero-cost bronze and gold plans (in some areas)
- ❑ **2019** Establishment of the State Reinsurance Program in 2019 under a State Innovation Waiver
 - ❑ Structured to reduce rates by 30% each year
 - ❑ Two year cumulative impact (2019 and 2020) is a 22% rate decrease from 2018 rates
 - ❑ Largest reinsurance program in the country

Policy Response

- ❑ **2020** Implementation of the Maryland Easy Enrollment Health Insurance Program
 - ❑ Facilitated enrollment pathway into insurance affordability programs at tax filing
 - ❑ Mechanism to outreach to over 200,000 uninsured Marylanders
- ❑ **2020** Implementation of Value Plans to lower deductibles and reduce out-of-pocket costs
 - ❑ Deductible caps at \$2500 and \$1000 for silver and gold plans.
 - ❑ Increased access to health care services with copays before deductibles apply, e.g. primary care, specialty care, generic drugs, urgent care, etc.

Marketplace Outcomes

Year	Carriers (#)	QHPs (#)	Exchange Enrollment	Subsidized/ Unsubsidized (%)	Premium Change (%)
2019	2	20	156,963	79/21	-13.2%
2020	2	23	158,934	76/24	-10.3%

❑ 2020

- ❑ Total Individual Market grew to 215,150 enrollees, 12% above projections.
- ❑ Over 44,125 enrolled in Value Plans
- ❑ Premiums are 22% lower than 2018 premiums

Future Policy Action

- ❑ [HB 196/SB 124](#) **Establishment of State-based Subsidy Program** - allows the Marketplace to allocate funding between the State Reinsurance Program and a State-based Subsidy Program that maximizes long term affordability in the individual market. Allows MHBE to establish and modify subsidy eligibility criteria.
 - ❑ Young Adult Subsidy
 - ❑ Geography-specific subsidy
- ❑ [HB 195](#) **Required Participation in the Individual Exchange by Carrier** - requires carriers that participate in the State Employee Health Benefits Program to offer coverage in the individual market.

OPPORTUNITY: State-based Health Insurance Premium Assessment

- ❑ To fund the State Reinsurance Program, Maryland established a health insurance premium assessment on all premiums that would have been subject to the federal fee under Section 9010 of the ACA and where the state has the statutory authority to do so.
 - ❑ 2.75% in 2019, 1% in 2020+
 - ❑ Individual, small group, and fully-funded large group lines are included
 - ❑ The assessment structure also allows the state to incorporate Medicaid Managed Care Organizations premiums and increase federal contribution to the SRP.
 - ❑ Estimated to collect \$315 million in its first year

OPPORTUNITY: State-based Health Insurance Premium Assessment

- ❑ Repeal of the Section 9010 Health Insurance Provider Fee in 2020, provides state an opportunity to establish a replacement assessment that could be utilized to fund policies that increase affordability in the individual market without increasing premiums.
- ❑ **TIME-LIMITED:** Must be in place by mid-2020 to be incorporated into 2021 premiums
- ❑ **CUSTOMIZABLE:** States can determine which lines to include in the assessment to suit their funding need
- ❑ **INCREASED VALUE PROPOSITION:** Funds from the assessment can be utilized to fund State Innovation Waivers + access federal pass through funds
- ❑ **INCREASED ACCESS TO FEDERAL FUNDS:** If structured in compliance with federal rules, states may assess Medicaid Managed Care Organizations accessing federal match
- ❑ **POLICY CONSIDERATIONS:** States should consider the impact of proposed policies on marketplace participants with their liability under the state-based assessment to identify potential tradeoffs

OPPORTUNITY: Facilitated-tax time enrollment/outreach

- ❑ Legislation to establish the Maryland Easy Enrollment Health Insurance Program (MEEHP) was enacted in 2019.
- ❑ The MEEHP will leverage Maryland's state income tax filing system to identify the remaining uninsured and encourage them to enroll in insurance affordability programs via a facilitated enrollment pathway.
 - ❑ The eligibility information of participating uninsured will be shared with Marketplace.
 - ❑ The participating uninsured will receive an eligibility determination for insurance affordability programs.
 - ❑ If determined eligible for Medicaid/CHIP the uninsured will be automatically enrolled.
 - ❑ If determined eligible for a qualified health plan the uninsured will be able to enroll via a tax-time SEP.

Thank you!

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