Access Health CT:
CT's health insurance exchange

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Reform is a 3 legged stool

Medicaid

Employer sponsored coverage

Insurance exchange

CT insurance market

- Very concentrated, little competition
- All for-profit, multi-state companies
- Co-op loan approved, new nonprofits entering market
- Very little regulation by CID
- CID not consumer-friendly, does not assess affordability, network adequacy, adverse selection
- CID resistant to public hearings on large rate requests
  - Little public transparency or accountability
- Office of Health Care Advocate created as CID watchdog

Insurance Exchanges

- New marketplace for individuals and small businesses to buy insurance
  - Will be a market outside the exchange as well
- Plans compared based on actuarial value
  - Platinum, Gold, Silver, and Bronze
- Compete for new market
- Attracting new entrants
- Web portal, call center, consumer assistance/navigators, brokers
- ACA affordability subsidies only available in exchange
- States can run their own, partner with the feds or let the fed.s run it

CT Insurance Exchange

- *Access Health CT*
- CT one of 13 states implementing our own exchange
  - We were an early implementer with legislation in 2010
- Board insurance and politics dominated, no independent consumer advocates, weak expertise
  - Hostility to public input and consumer advocates
  - Overly concerned about accommodating insurers
- 50 staff hired, insurance backgrounds, no consumer experience
- Advisory committees disregarded
- Essential health benefit package approved
- Lots of advocate protests, scrutiny – past and future

Essential health benefit package

- Must be offered in and outside exchange
- ACA requires at least
  - ambulatory patient services
  - emergency services
  - hospitalization
  - maternity and newborn care
  - mental health and substance use disorder services, including behavioral health treatment
  - prescription drugs
  - laboratory services
  - preventive and wellness services
  - chronic disease management
  - pediatric services, including oral and vision care.

Subsidies

- Federally set and funded
- Incomes 133 to 400% FPL
  - $15,282 to $45,960 for individuals
- Limit premiums to between 3 and 9.5% of income
- Cost sharing limits 133 to 250% FPL
  - Limits on copays, deductibles, and maximum out-of-pocket limit
- Note – if income changes over the year, may owe back some subsidy at tax time
  - Can elect to delay subsidy to tax time to be sure you won't owe

example

Single 30 year old adult making $40,000/year

= 348% FPL

Premiums $317/month – 9.5% of income

No cost sharing protections

Single 30 year old adult making $25,000/year

= 218% FPL

Premiums $144/month – 5.8% income

Cost sharing reductions – copays $30/$45, $500/day hospital max, $2,500 hospital-only deductible +$300 Rx deductible, Max OOP $5,200

CT calculator at www.egporter.com/calculator

example

Median CT household

$70,000/ year -- 3 people

= 358% FPL

Family premiums $554/month -- 9.5% income

No cost sharing reductions

$70,000/ year -- 2 people

= 451% FPL

Family premiums $522 to $670/month

-- 8.9 to 11.5% income

No subsidy, no cost sharing reductions

Penalties

- Legal mandate to secure coverage
- Exempt if lowest cost coverage option is more than 8% of income
  - Likely will only apply to higher income people, those most likely to have an affordable employer offer of coverage
- Capped at national average bronze plan cost
- 2014 – Greater of $95 or 1% taxable income
- 2015 – Greater of $325 or 2% taxable income
- 2016 – Greater of $695 or 2.5% taxable income
- Exemptions for financial hardship, undocumented immigrants, religious objection, uninsured 3 months or less
- Assessed through tax filing the next year

Affordability

- Society of Actuaries report $399 to $514 pmpm medical costs pre- and post-ACA for CT individual coverage
- Assumption of $500 pmpm average by exchange
- Exchange standard plan cost sharing (copays, deductibles) similar to or higher than Charter Oak which has lost most of its enrollment
- Active purchasing as a tool
  - MA connector negotiates premiums, kept cost increases to half outside connector
  - UT exchange doesn't negotiate, prices inside higher than outside
- MLR proposal

Network adequacy

- Mechanism to steer expensive people into exchange?
- HUSKY secret shopper survey, only able to get appointments with 25% of providers on insurer panels
- Providers report insurers are approaching them to join exchange-only panels, pay at Medicaid rates
  - Similar to Charter Oak, very few providers participate
- ACA requires they include Essential Community Providers – safety net, ensures continuity of care with Medicaid

Outreach, customer assistance

- Coordinated program run by Office of Health Care Advocate
  - Assister RFP out today
- For both Medicaid and exchange
- Targeting areas with higher uninsured
- Hiring an army of in-person assisters – trusted community groups, to reach out to their networks
- Navigator organizations funded to support IPAs
- Lots of training
- Also pursuing a Medicaid-only campaign

For more information

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