

A New Era in Outreach and Enrollment

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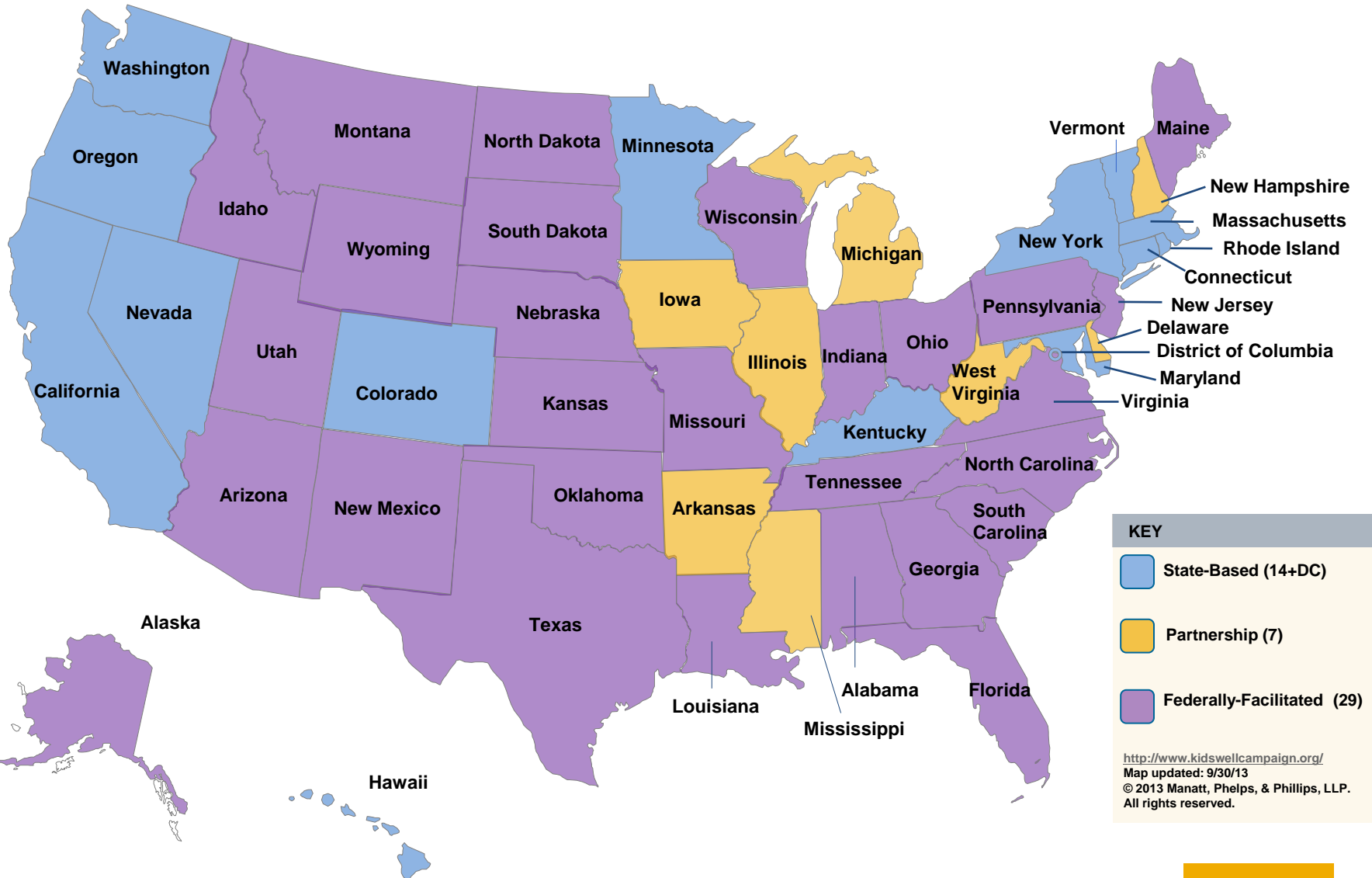
December 3, 2013

Early Implementation: Current State of Play

Key Constituent Concerns

Conclusion

State Individual Marketplace Decisions for 2014



Insurer Participation in Transition in 2014



Leading national commercial insurers are proceeding cautiously in individual and SHOP Marketplaces (delayed to 2015).

- United in a handful of individual Marketplaces and ten SHOPS
- Aetna and Coventry in 13 individual Marketplaces and three SHOPS
- Humana in 14 individual Marketplaces and one SHOP
- Cigna in five individual Marketplaces, including FL, TX and one state-based Marketplace (CO)



Nearly all of the nation's 38 BlueCross BlueShield (BCBS) companies will participate in their states.

- Blues have dominant market share in many of the smaller states and some larger ones
- Anthem/Wellpoint (14 states) participating in all of its states, and will be the sole insurer in NH
- Single state Blues are also participants, with exceptions in IA, MS and SD
- Blues will be only OPM-approved multi-state plans, active in 30 states plus DC in 2014

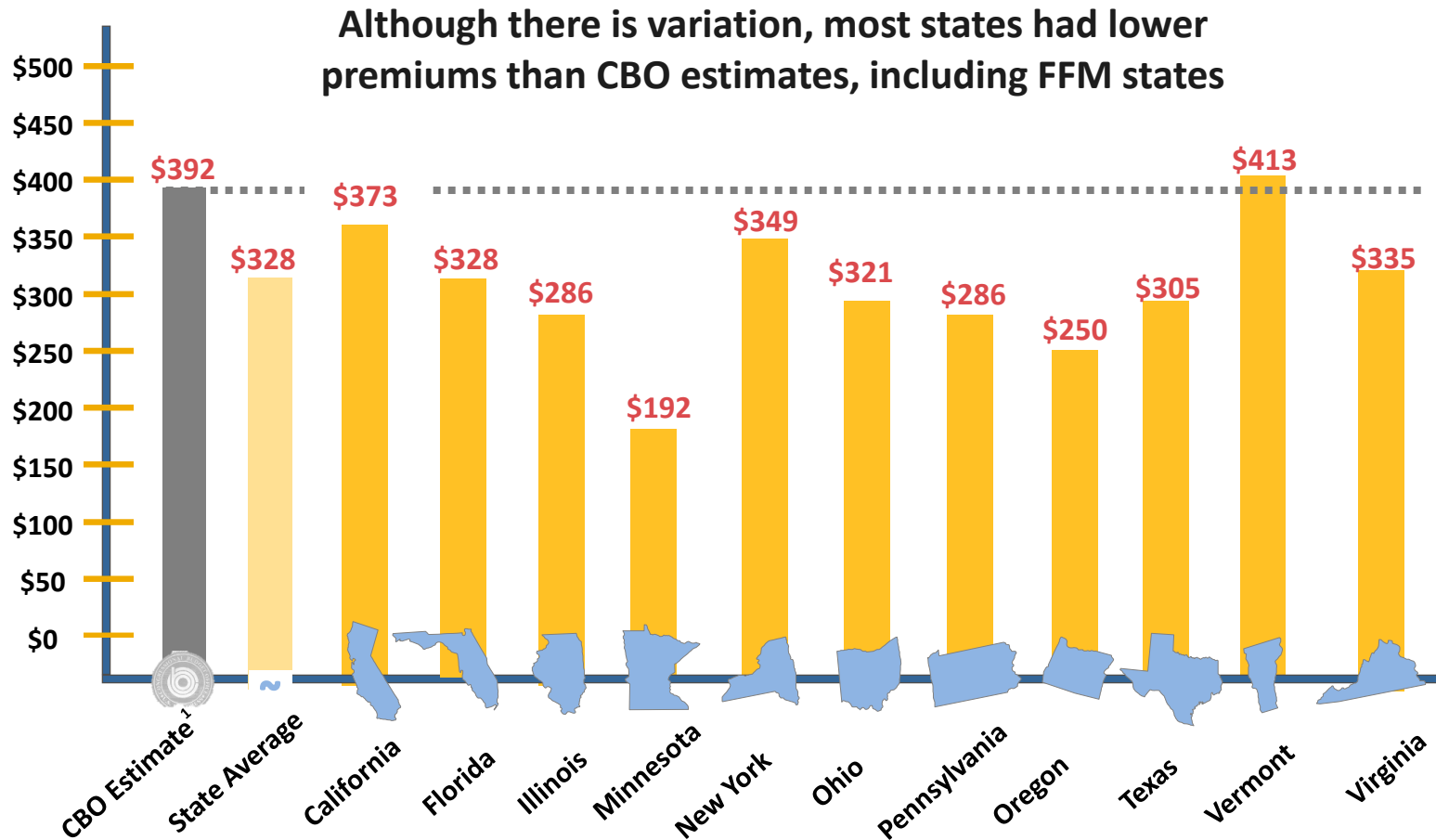


Limited first-year participation by leading national carriers opens up opportunities for regional carriers.

- Community-based carriers with integrated provider networks will be key players (AHP)
- National and local Medicaid managed care organizations active in some states
- Interesting mix of local carriers active in large and small states
- Local carriers have expanded market share in MA

Source: <http://www.bloomberg.com/news/2013-05-30/unitedhealth-spurs-obama-exchanges-as-rules-stall-profit.html>

Rates in State and Federal Marketplaces



¹ ASPE-derived CBO 2014 premium estimate for second lowest cost silver plan
Source: ASPE Issue Brief released Sept 25.

Rates vary dramatically among states and within regions of states.

- ➔ Many uncertainties for actuaries in pricing plans (new populations, rate reforms).
- ➔ Silver plans range from \$276 to \$694 in NY's eight regions.

Will be plenty of data points in 2014 to support pro and con cases on impact of ACA.

- ➔ Bronze plans below \$100 after subsidies are common.
- ➔ Rates up 20% or more compared to 2013, though comparisons are difficult and vary widely by state.

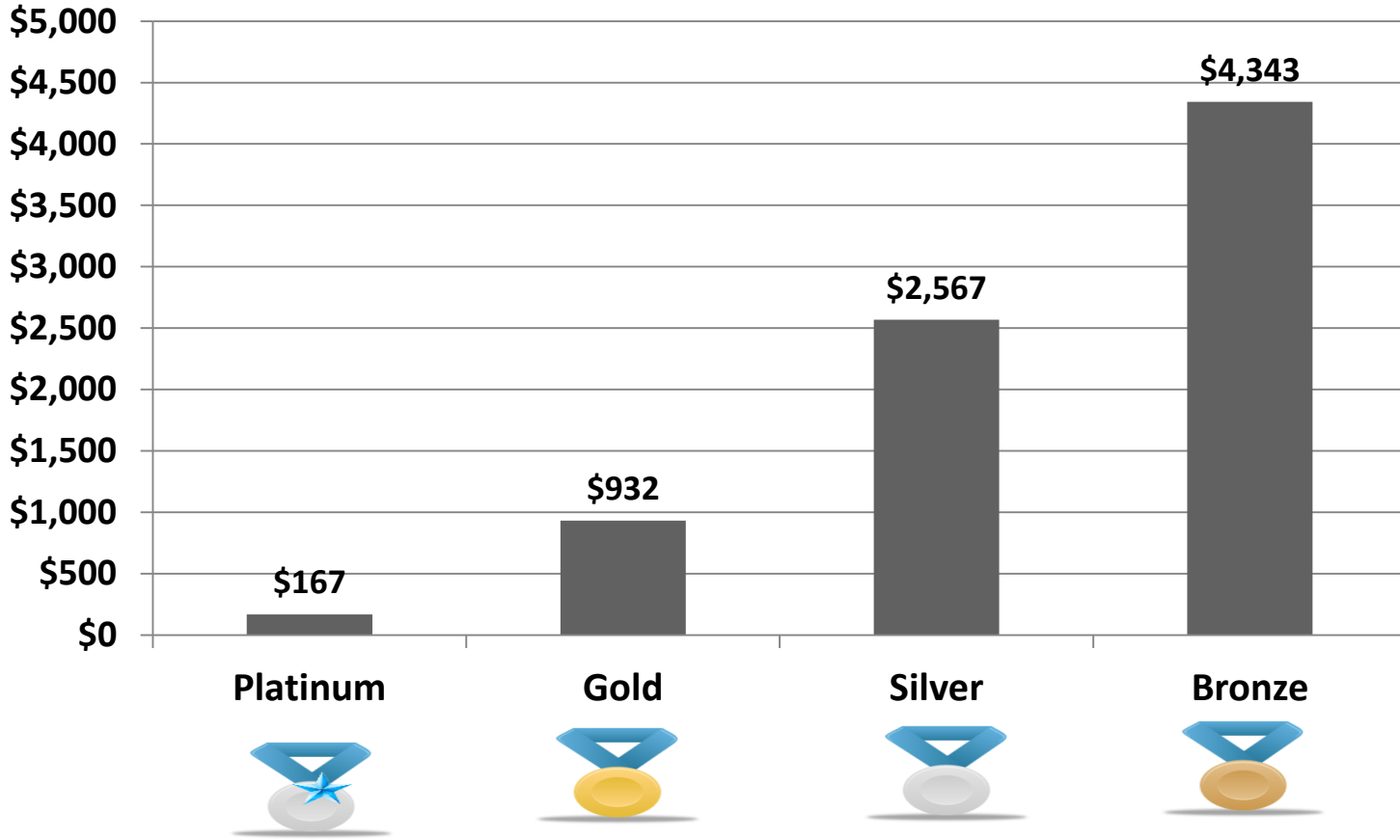
Rate-setting for 2015 begins in early 2014.

- ➔ New federal filing deadlines allow some 2014 assessment.
- ➔ But actuaries will have a hard time finding much basis for changing 2014 rates beyond medical trend.

Rates not likely to reach new equilibrium until 2016.

Long term trend toward stable rates with single risk pools.

Average Deductible by Metal Level



Source: Avalere

Insurers have been aggressive in limiting provider networks and defending the practice as necessary to achieve price points for Exchange products.

➔ Insurers are careful to cite quality control as second reason and point to examples of high quality narrow networks.

There is growing pushback against narrow networks at state level.

➔ WA Insurance Commissioner rejected five plans for Exchange, but eventually allowed four of them with some adjustments.

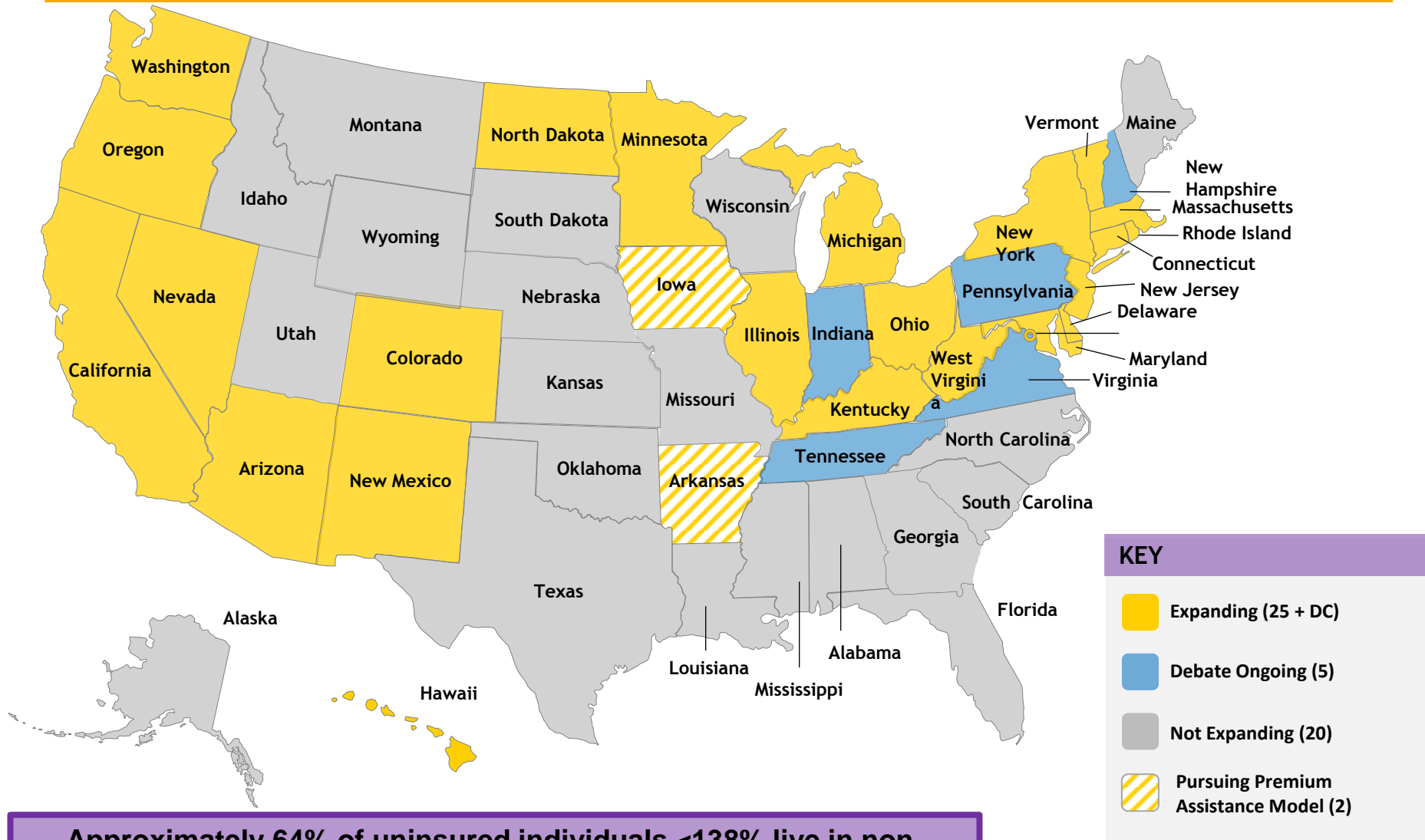
➔ MS Blue plan cancelled contracts with 10 HMA hospitals setting off media war and introduction of “any willing provider” legislation.

➔ Anthem excluded one third of NH hospitals from its network igniting legislative debate in state where Anthem is only carrier in Exchange.

➔ Seattle Children’s Hospital challenged its exclusion in court and several Philly hospitals are challenging local Blue’s use of a tiered pricing strategy.

ACA includes network adequacy requirements that will be a major issue in states and may become issue at federal level as well.

Status of Medicaid Expansion Decisions



Approximately 64% of uninsured individuals <138% live in non-expansion states or states where the debate is on-going.



Sources: KidsWell Campaign, "State Spotlight" (October 2013). Available at: <http://kidswellcampaign.org/State-By-State-Health-Care-Reform-Profiles>
 Kaiser Family Foundation, "Adult Income Eligibility Limits at Application as a Percent of the FPL" (January 2013). Available at: <http://kff.org/medicaid/state-indicator/income-eligibility-low-income-adults/#>

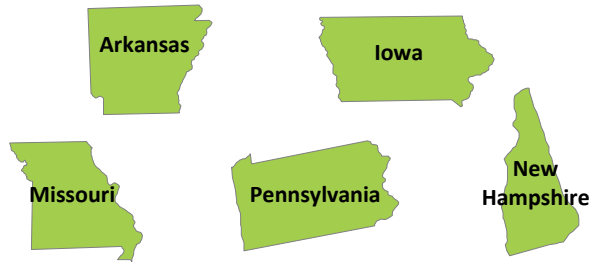
State Approaches to Medicaid Expansion Differ

Medicaid Managed Care (MMC)



State will expand managed care program to include newly eligible groups

Qualified Health Plans (QHPs)



State may use Medicaid funds to purchase coverage for newly eligible group in Marketplace QHPs (premium assistance)

Cost Sharing



State seeking to impose premiums or co-payments above historic Medicaid levels

Medicaid Fast Track Enrollment

“Fast Track” enrollment allows states to use data they have on hand to identify and enroll eligible individuals into Medicaid. These include current Medicaid programs for children and SNAP.

Fast Track Enrollment Outcomes Reported November 15, 2013

State	Date Enrollment Form Sent	Number Receiving Enrollment Form	Percent of Forms Returned to State	Number of People Verified as Eligible and Enrolled
Arkansas	September 3, 2013	154,000	41%	63,465
Illinois	August 23, 2013	123,000	33%	35,500
Oregon	September 30, 2013	260,000	27%	70,000
West Virginia	Early September 2013	118,000	46%	54,100
	Total	655,000		223,065

- Healthcare.gov is improving but remains impaired. IT infrastructure is better but...
 - Concerns about enrollment data for plan issuers
 - Problems coordinating with Medicaid
 - “2nd Generation” issues emerging such as accuracy of eligibility determinations
- Remains important to find alternatives (“Plan B”)
 - Direct enrollment through Health Plans
 - Better door messaging
 - Bigger role for brokers
- Cancelled policy debate adding to confusion
- Many state-based Marketplaces doing well

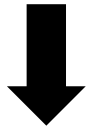
Consumers Can Apply For Coverage Through Multiple Doors



Healthcare.gov and State Marketplace web sites



Medicaid Agency (or Social Services Agency)



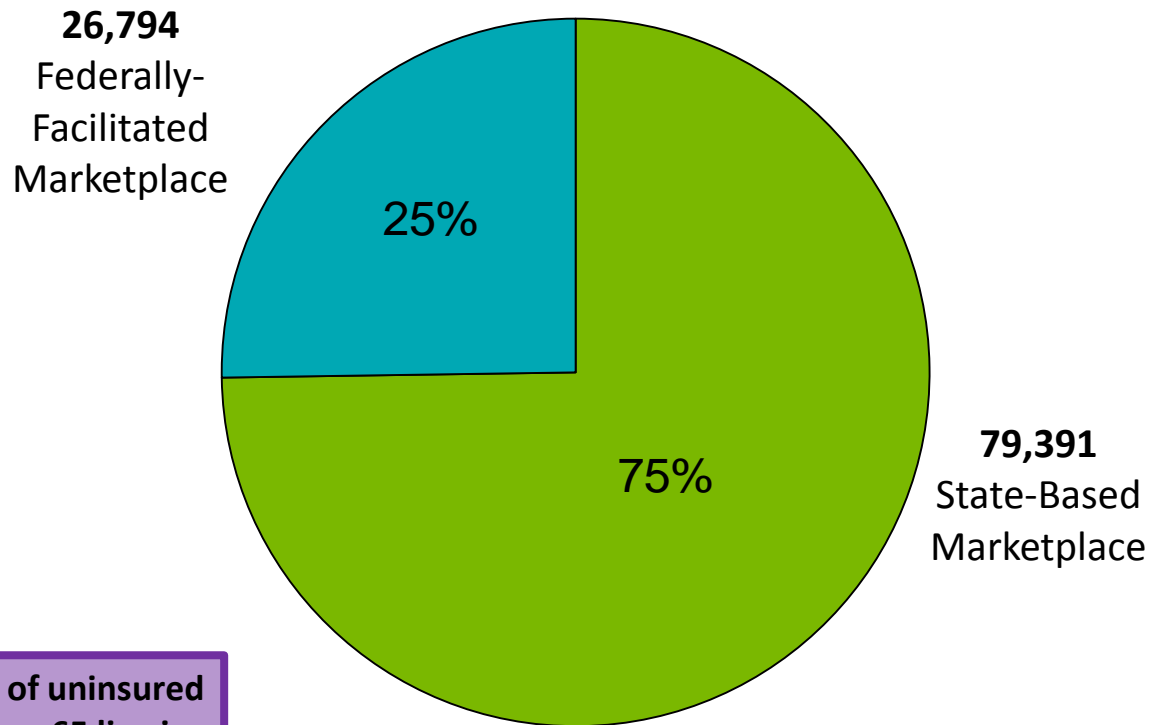
27 million visitors
3.2 million phone calls
1.5 million completed applications
(as of 11/2013)



CMS has not yet released data on number of Medicaid/CHIP applications
223,000 determined eligible for Medicaid through Fast Track Enrollment
(as of 11/19)

Marketplace Applications: FFM vs. SBM

Total Applicants: 1,477,853
(as of 11/2/13)



Approximately 34% of uninsured individuals under age 65 live in State-Based Marketplace states.

Short-Term:

- Pursue direct enrollment option
- Better door messaging
- Facilitate role of brokers
- Promote “feedback loop”/sharing of information on plan options
- Consider Medicaid fast track enrollment
- Consider new option to accept simplified Medicaid applications from Federal Marketplace for enrollment purposes

Longer-Term:

- Greater state role in Marketplace

No surprise that states generally doing better than feds.

Success stories include CA, CT, KY, NY and WA.

- ➔ CA has enrolled 80,000, equivalent to 800,000 enrollments nationalized.
- ➔ KY has succeeded by executing streamlined exchange website.
- ➔ NY has enrolled more in QHPs than Medicaid, atypical among SBMs.

Progress is uneven and some states already looking at delays and Plan Bs.

- ➔ Vermont extending 2013 plans through March 2014.
- ➔ Oregon allowing late renewals and encouraging paper applications.
- ➔ Hawaii replaced the Marketplace director.

Medicaid enrollment surging ahead of Exchange enrollment.

- ➔ CBO projected balance (9M in Medicaid, 7M in Exchange).
- ➔ Way too early to change projection.

Better track record with SBMs will not necessarily cause FFM states to switch to SBMs in short run.

State-Based Marketplaces' Key Factors to Success

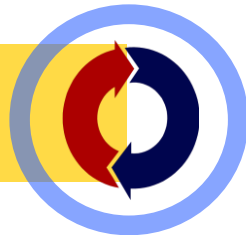
Integrated Eligibility and Enrollment Systems: Reports of positive experiences with SSA. Integration allowed these states to avoid the system complexity and pitfalls required to “transfer” applications.



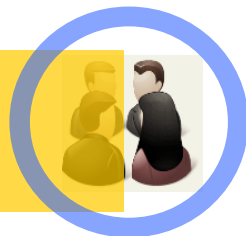
Prioritizing Critical Functionality and Deferring the “Bells and Whistles”



Being “Nimble”: Critically important for states to be nimble; responding quickly and decisively to day-to-day questions and curve balls



Connection to Stakeholders on the Ground: Consumers, Agent/Brokers, Consumer Assistance personnel, call center, and health plans leveraged to identify and resolve issues.



Addressing Constituent Concerns

Possible Constituent Concerns

- 1) Web site is not working.
- 2) New coverage is not affordable.
- 3) Individual policy was cancelled.
- 4) Current employer-sponsored coverage is very expensive and want to switch to Marketplace plan.
- 5) Operate a small business and want new insurance options
- 6) Mandate and possibility of facing a penalty
- 7) Worried about impact on Medicare coverage
- 8) Want to make sure a child living in another state is covered
- 9) Other???

What are the TOP THREE issues you are hearing in your state?

- Apply during off hours
- Gather information on plan options through alternative means
- Document efforts to secure coverage
- Consider submitting an application over the phone or on paper
- If low-income, go to the “better door”
- Work with an assister