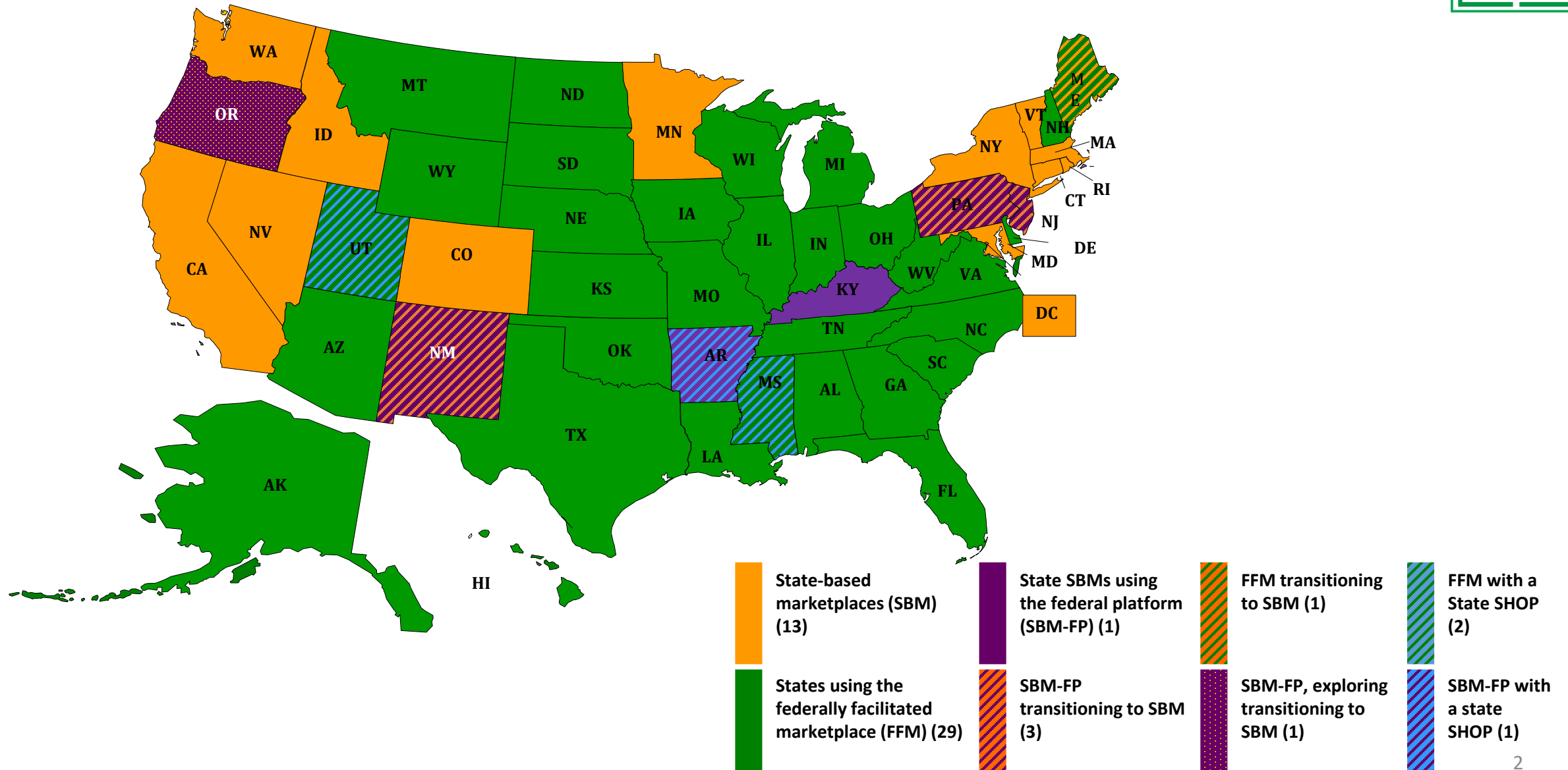


State-based Health Insurance Marketplace Performance

September 2019



Current Marketplace Models



Authority over key marketplace functions, by model

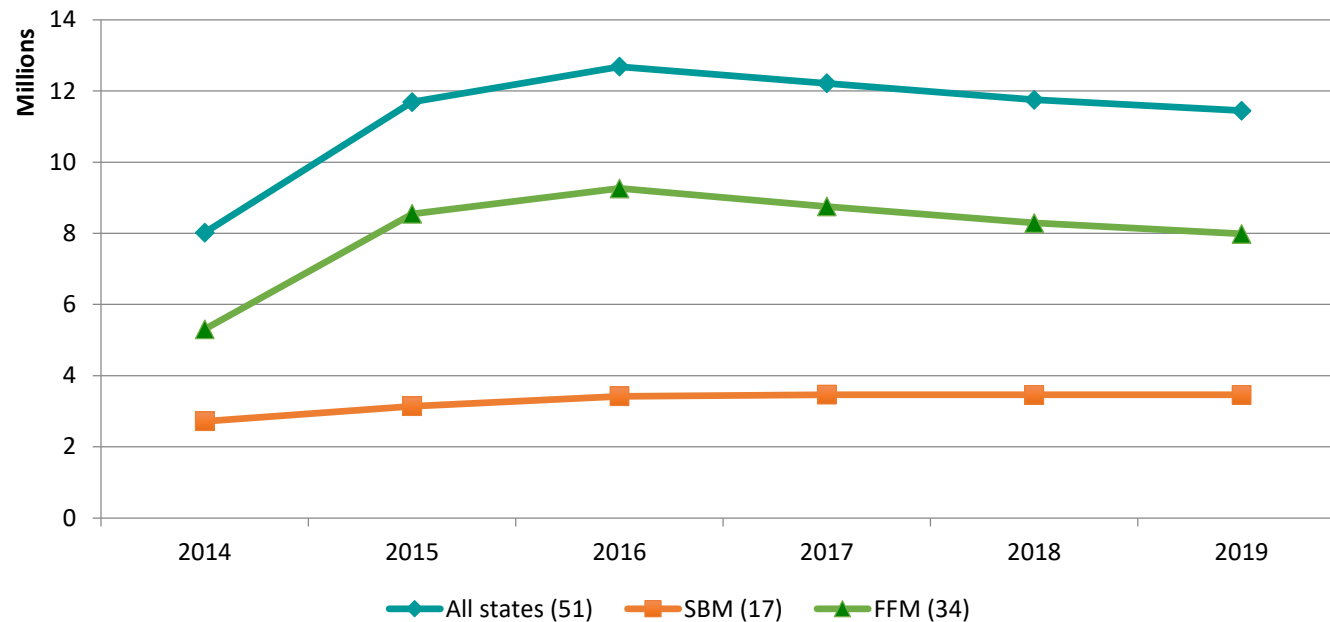


Marketplace Function	SBM	SBM-FP	FFM
Plan Management			
Set/collect assessments	State	Both	Federal
Qualified health plan review and certification	State	State	Both
Outreach and Marketing			
Navigator program	State	State	Federal
Advertising	State	State	Federal
Agents/brokers	State	State	Federal
IT/Operations			
Integrated eligibility system	State	Federal	Federal
Application	State	Federal	Federal
Online tools (e.g., calculators)	State	Federal	Federal
Call center	State	Federal	Federal
Set special enrollment periods	Both	Federal	Federal

State-based marketplace (SBM) enrollment holds steady



Health Insurance Marketplace Enrollment (Plan Selections) 2014-19



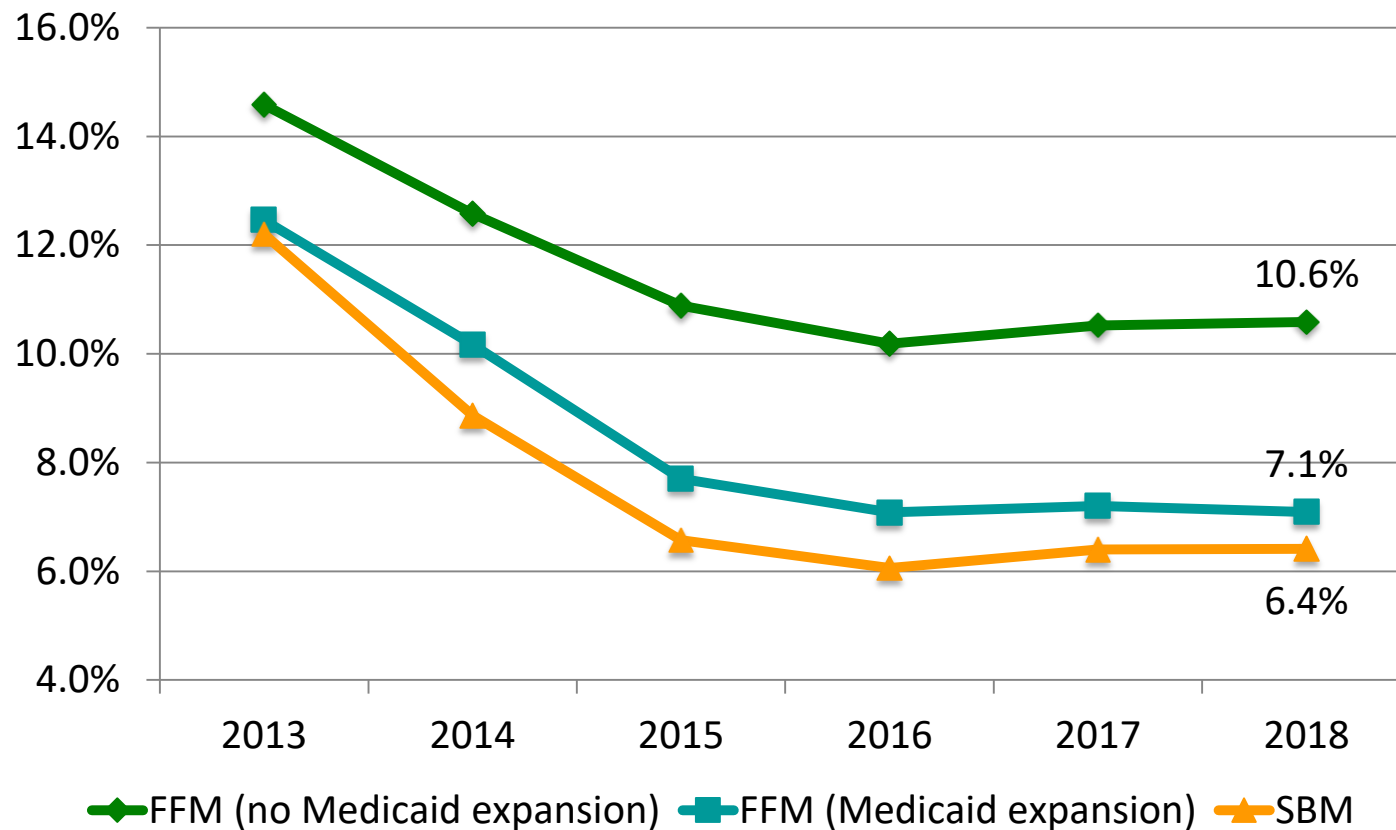
Since 2016, enrollment has remained steady in SBM states.

- SBM enrollment grew marginally from 2018 to 2019
- Enrollment in the FFM dropped by 3.7% in 2019.

CMS Marketplace Open Enrollment Period Public Use Files, 2016-2019, available at: <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/Marketplace-Products/index.html>; ASPE Health Insurance Marketplace 2015 Open Enrollment Period: March Enrollment Report <https://aspe.hhs.gov/pdf-report/health-insurance-marketplace-2015-open-enrollment-period-march-enrollment-report>; Health Insurance Marketplace Summary Enrollment Report for the Initial Annual Open Enrollment Period <https://aspe.hhs.gov/pdf-report/health-insurance-marketplace-summary-enrollment-report-initial-annual-open-enrollment-period>

SBM states have had greater success in reducing the number of uninsured

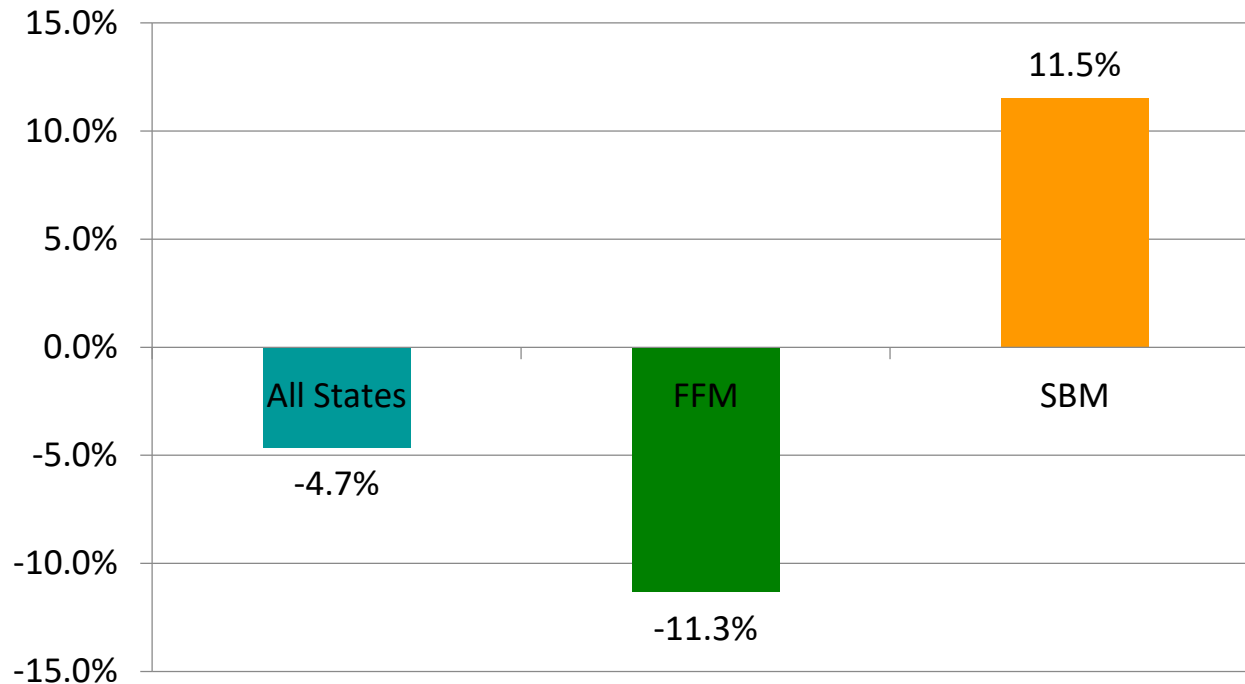
Average Uninsured Rate 2013-2018



- SBM states have seen a 50.5% reduction in their total number of uninsured since 2013—compared with a 30.4% reduction in FFM states.
- Since 2016, the number of uninsured has risen by 6.1% in FFM states. SBM states have held steady with an increase of only 0.5%

SBMs target younger enrollees

% Change in Total Enrollment Among Individuals Ages 0-34, 2015-19

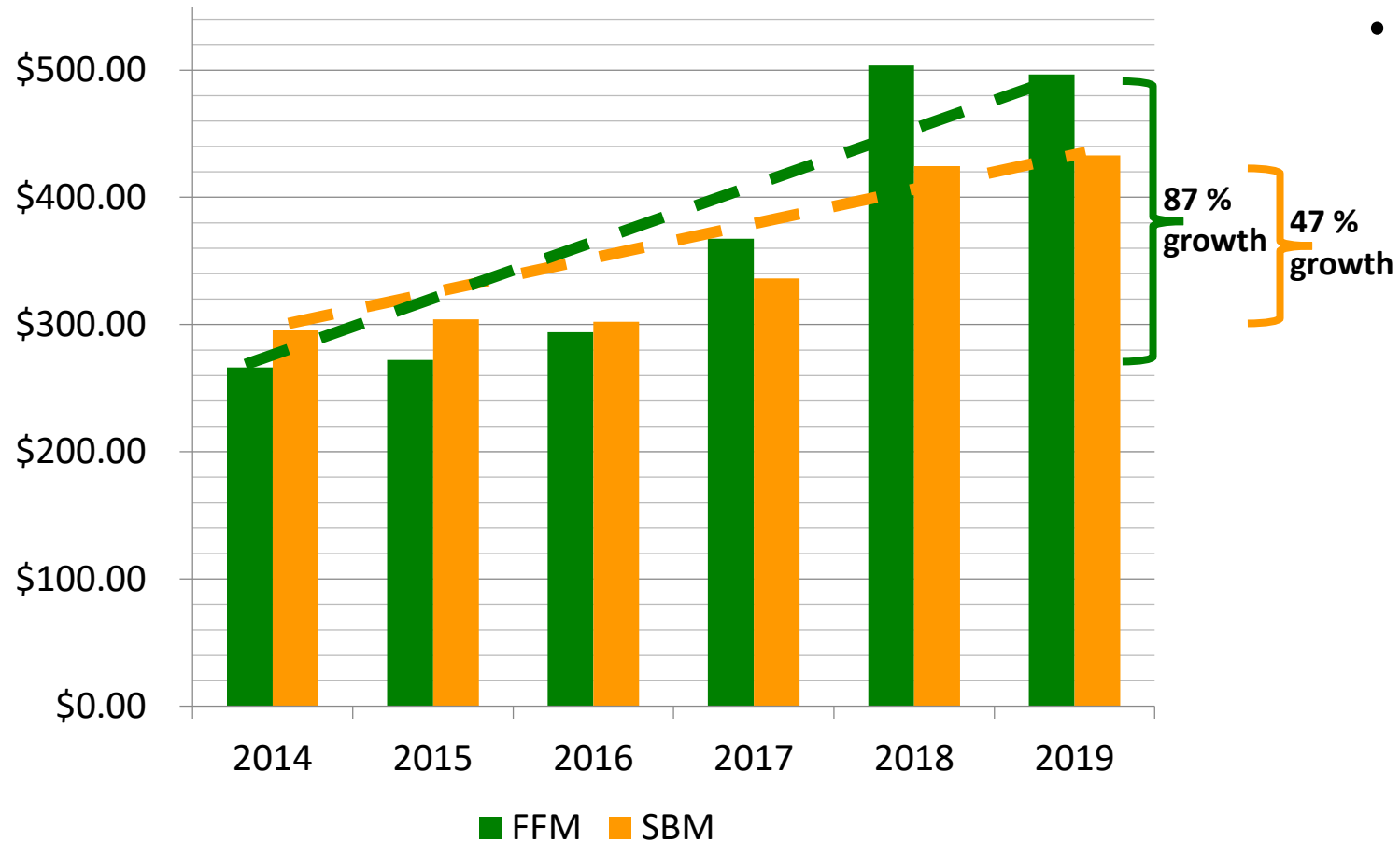


- SBMs have tailored efforts, including marketing and outreach strategies, to engage younger enrollees.
- Younger enrollees, considered healthy and lower-cost, are essential to maintain a good risk mix and lower overall premiums.
- Total enrollment among young enrollees has risen by 11.5% in SBM states, while dropping by 11.3% in FFM states.

Enrollment is measured by plan selections. State-by-state data by age is unavailable for 2014; calculations for 2015 based on plan selections with available data on enrollment type. CMS Marketplace Open Enrollment Period Public Use Files, 2016-2019, available at: <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/Marketplace-Products/index.html>; ASPE Health Insurance Marketplace 2015 Open Enrollment Period: March Enrollment Report <https://aspe.hhs.gov/pdf-report/health-insurance-marketplace-2015-open-enrollment-period-march-enrollment-report>

SBMs curb premium growth

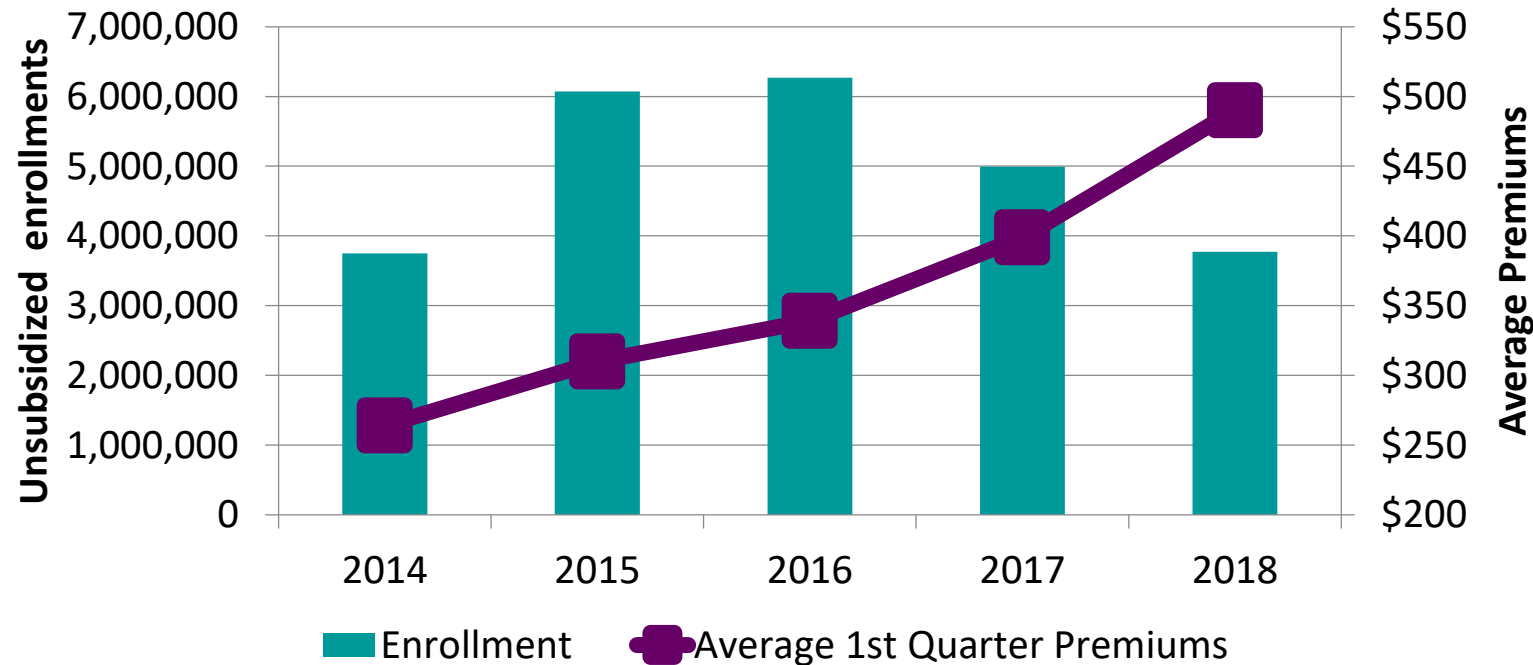
Average Benchmark Premiums 2014-2019



- Premiums spiked from 2016 to 2018 driven in part by market uncertainty caused by:
 - Elimination of cost-sharing reduction payments;
 - Conclusion of the federal reinsurance program;
 - Uncertainty over the future of the individual mandate;
 - Reduction in federal outreach and marketing dollars; and
 - Instability driven by anticipated expansion of short-term and association health plans.

Rising premiums reduce unsubsidized enrollment

Unsubsidized Individual Market Enrollment and Change in Average Premiums

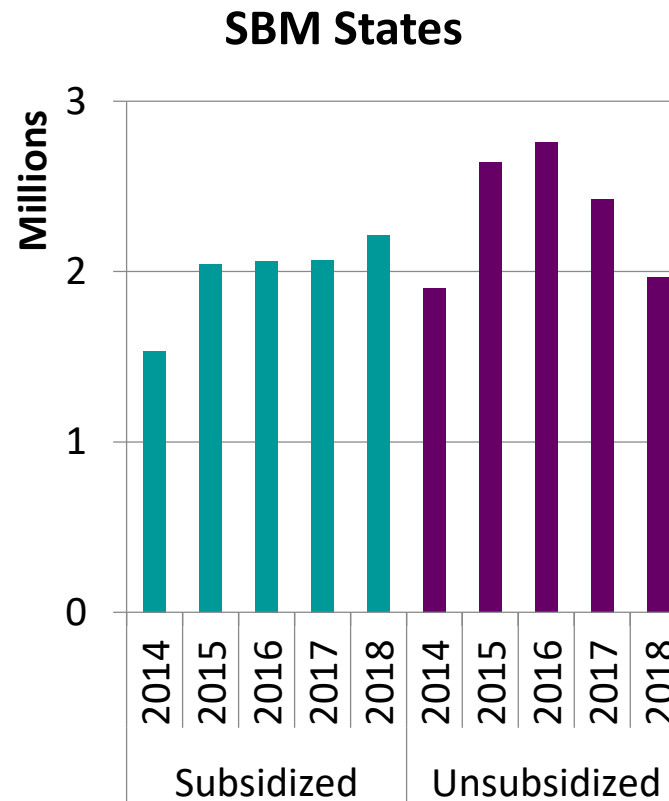
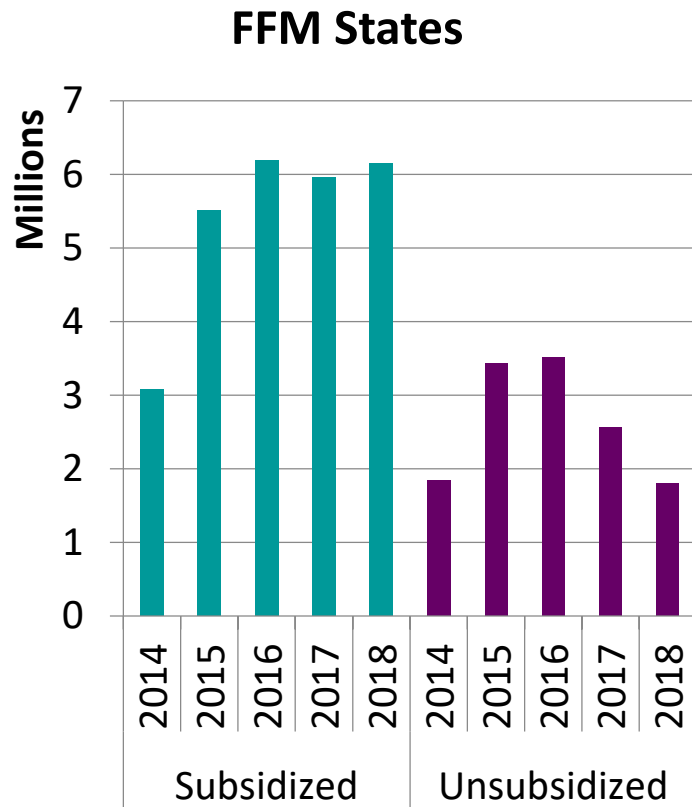


- Unsubsidized populations include individuals earning 400%+ of FPL who do not qualify for financial assistance.
- High premiums and out-of-pocket costs pose a significant barrier to retaining unsubsidized populations.

Enrollment data does not include Massachusetts and Vermont; small group and individual insurance markets are merged in these states. Center for Medicare and Medicaid Services Enrollment Data available at: <https://www.cms.gov/CCIIO/Resources/Forms-Reports-and-Other-Resources/Downloads/Trends-Subsidized-Unsubsidized-Enrollment-BY17-18.pdf>; Average premiums data from the Kaiser Family Foundation: <https://www.kff.org/private-insurance/issue-brief/individual-insurance-market-performance-in-early-2019/>

SBM states enroll a greater proportion of unsubsidized individuals in coverage

Subsidized and Unsubsidized Individual Market Enrollment, 2014-2018



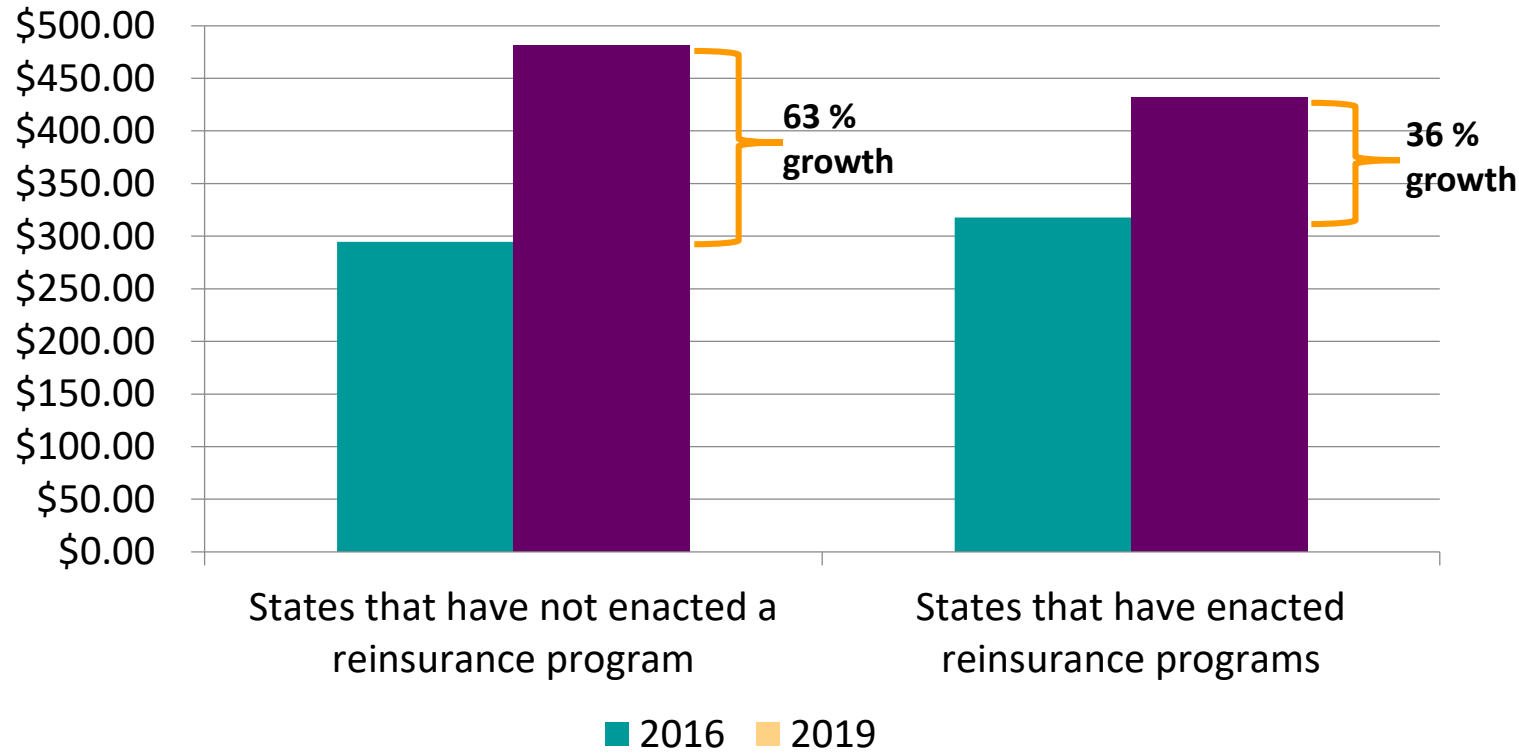
- SBM states actively engage consumers to find the most affordable options—even if sold outside of the marketplace.
- State decisions to “silver-load” as a result of termination of CSR payments has led to the availability of more affordable options off-exchange for some unsubsidized populations.

Center for Medicare and Medicaid Services Data available at: <https://www.cms.gov/CCIIO/Resources/Forms-Reports-and-Other-Resources/Downloads/Trends-Subsidized-Unsubsidized-Enrollment-BY17-18.pdf>

Data not available from Massachusetts and Vermont; small group and individual insurance markets are merged in these states. Massachusetts officials report that enrollment for unsubsidized individuals has grown every year since 2014.

Withdrawal of federal reinsurance in 2016 impacted premiums

Benchmark Premium Growth in States Since Elimination of the Federal Reinsurance Program



- 2016 marked the last year of the federal reinsurance program, since then premiums have jumped significantly, especially those without a reinsurance program.
- States that have passed reinsurance programs have significantly mitigated premium growth, but ***reinsurance is financially challenging for most states***
 - Six states implemented reinsurance programs in 2019 (AK, MN, ME, NJ, MD, WI)
 - Five states will implement reinsurance programs in the 2020 plan year (CO, DE, MT, ND, RI)

State actions to improve qualified health plan affordability and choice

- **Reinsurance programs** (AK, CO, DE, MD, ME, MN, MT, ND, NJ, OR, RI, WI)
- **Additional state subsidies** (CA, MA, VT)
- **State individual mandate** (CA, DC, MA, NJ, RI, VT)
- **Regulation of short-term plans** (CA, CO, CT, DC, DE, HI, IL, MA, MD, MI, MN, ND, NH, MN, NM, NV, NJ, NY, OR, SC, SD, VA, VT, WA, WY)
- **Limitation or prohibition of association health plans** (AK, CA, CT, DC, IA, IN, KS, MA, MD, MI, NY, OR, PA, RI, VA, VT, WA)
- **Extended open enrollment period** (CA, CO, CT, DC, MA, MN, NY, RI)
- **Public option** (WA)