

2017 ACA Repeal and Replace: Empowering Consumers Through Subsidy Portability



COUNCIL FOR AFFORDABLE
HEALTH COVERAGE

CAHC: A DIVERSE COALITION





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CHALLENGES FACING THE ACA MARKET

BACKGROUND

The ACA made massive changes to health markets – some positive and some negative.

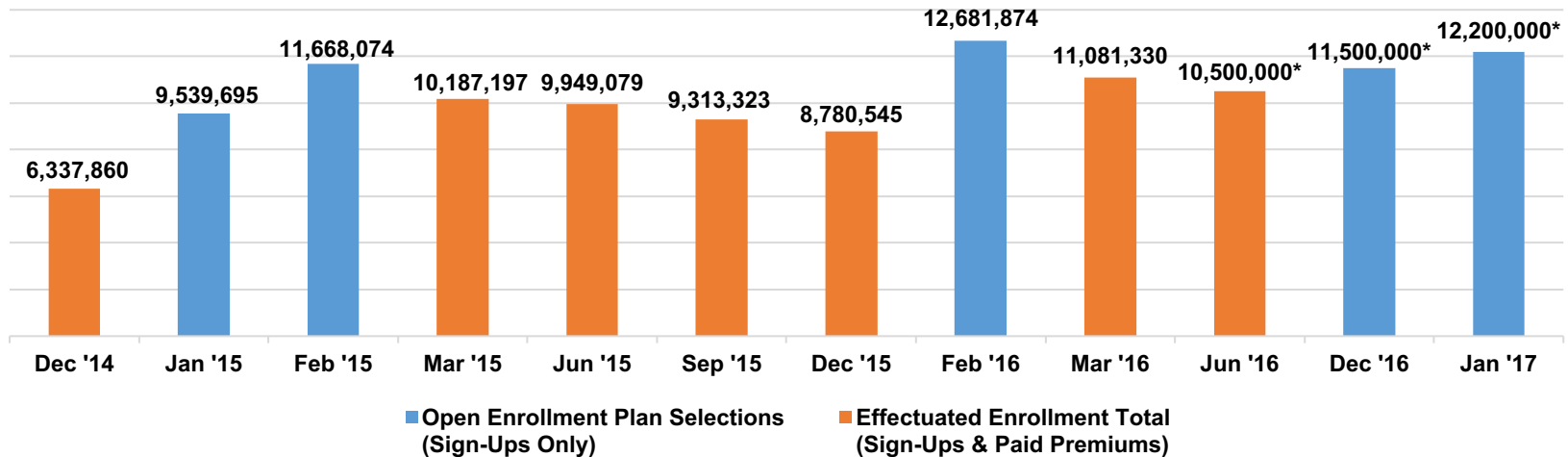
- It created new consumer protections, corrected market imbalances, and reduced the number of uninsured Americans to historic lows.
- Yet, overreach by the ACA has also contributed to high and growing health insurance premiums.
- Plan choice and competition have declined.
- ACA's enrollment risk pools are seriously unbalanced.

Result: An unstable and expensive market that is driving away many of the healthy consumers needed to hold coverage costs down.

ACA EXCHANGE ENROLLMENT: ROUGHLY 12.2M SIGN-UPS AFTER 2017 OPEN ENROLLMENT

- After the latest 2017 Open Enrollment report, the AP estimates that approximately **12.2 million** individuals signed up for 2017 coverage.
 - **9.2 million** reported by HHS for the 39 states using HealthCare.gov and roughly **3 million** reported by the remaining state-based exchanges).
- This number represents initial plan sign-ups only. HHS predicts that approximately **11.4 million** will have effectuated coverage through the exchanges on average throughout 2017.

ACA Insurance Exchange Enrollment
2014 - 2017

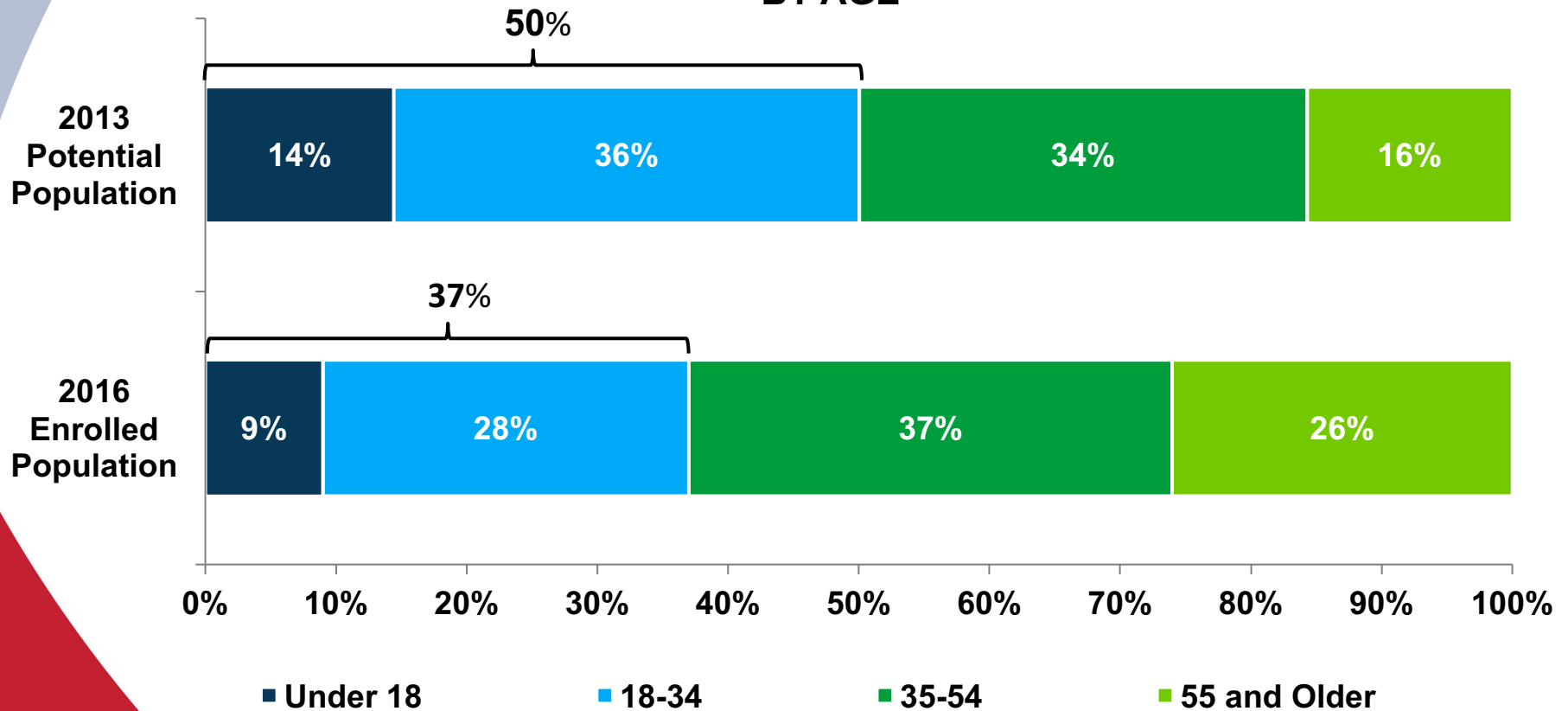


*Approximate enrollment total.

Source: "12.2 Million Sign Up for 'Obamacare' Despite Its Problems." New York Times, 10 Feb 2017.

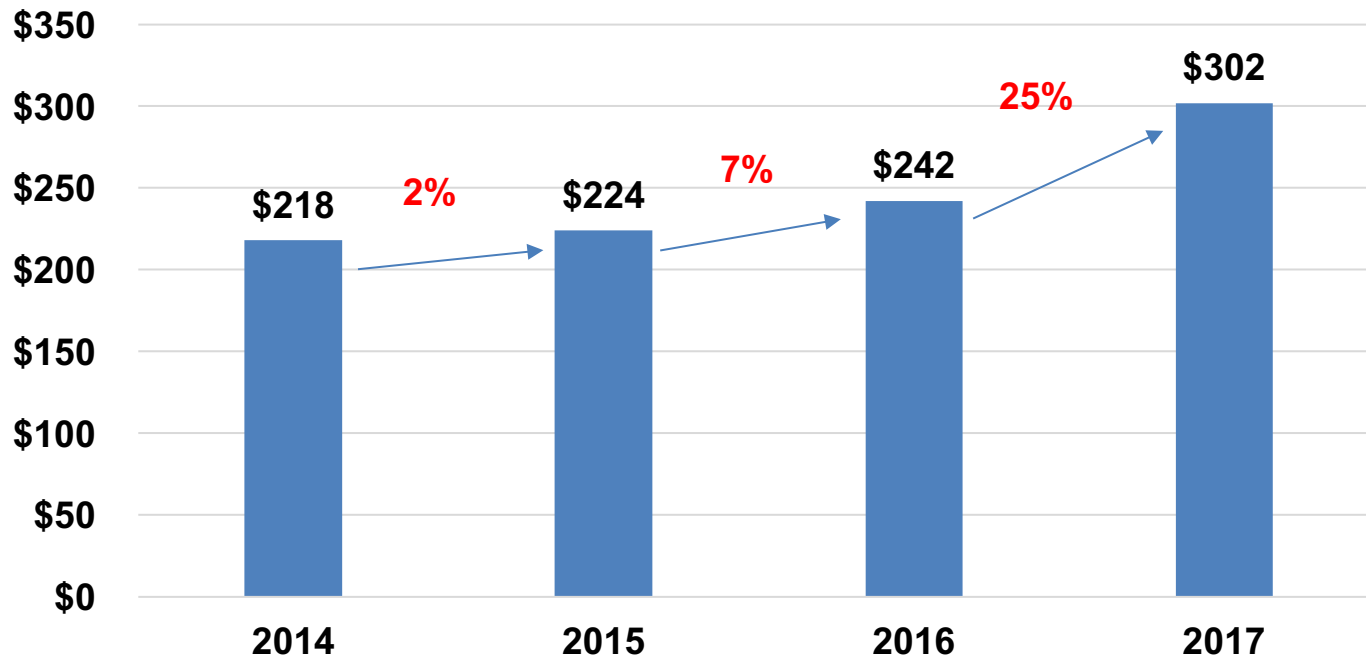
LOWER ENROLLMENT AMONG YOUNG (TYPICALLY HEALTHIER) ADULTS MEANS RISK IS GREATER, PREMIUMS MORE EXPENSIVE

2013 POTENTIAL EXCHANGE POPULATION VS. 2016 ENROLLED POPULATION, BY AGE



2017 EXCHANGE PLANS: AVERAGE PREMIUMS INCREASE SIGNIFICANTLY

Average Second Lowest Cost Silver Plan Premiums for a 27-Year Old (Before Tax Credits), 2014-2017

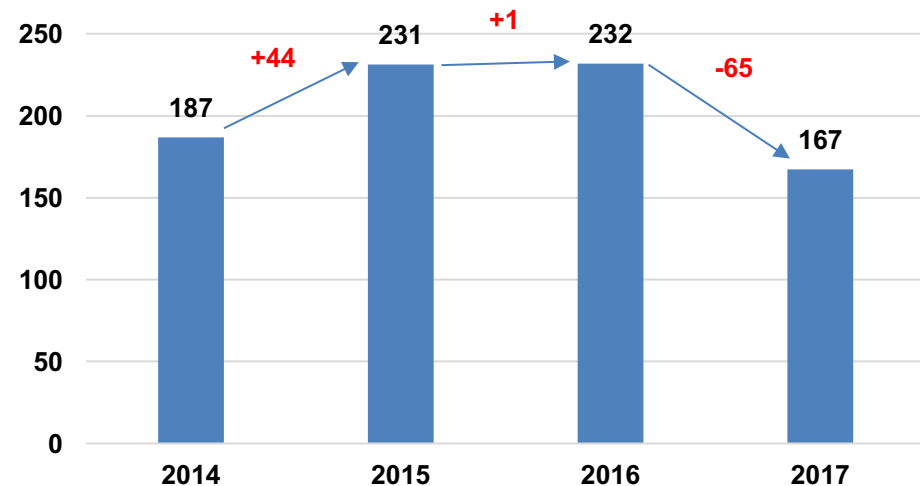


**Data are for the 39 states utilizing HealthCare.gov only.*

2017 PLAN COMPETITION & CHOICE DECLINE

- Reduced issuer participation for 2017 largely reflects multi-state withdrawals by a few large insurers.
- Result: There are fewer choices than ever before.
 - In 2016, there were **182 counties** with only one ACA insurer.
 - In 2017, there will be **687 counties** with only one ACA insurer.
- Fewer choices means higher costs due to less competition.
- Some insurers indicating plans to exit markets in 2018 (e.g., Humana)

Number of Marketplace Issuers, 2014-2017



*Data are for the 39 states utilizing HealthCare.gov only.

2017 INSURANCE EXCHANGE

Websites Scorecard

INSURANCE EXCHANGE WEBSITE	WINDOW-SHOPPING TOOL		SMART, COMPARATIVE PLAN DISPLAY PAGE			OUT-OF-POCKET COST CALCULATOR	INTEGRATED PROVIDER DIRECTORY	INTEGRATED DRUG DIRECTORY	NAVIGATION AND SUPPORT			INDEXED SCORE ²
	ANONYMOUS BROWSING	CUSTOMIZED PLAN INFO	DEFAULT ORDER	PLAN FINDER SUPPORT	HIGHLIGHTS CSR PLANS ³				LAYOUT	ACCESS HUMAN SUPPORT	LANGUAGE ACCESSIBILITY	
DC HEALTH LINK	YES	A	YEARLY COST ESTIMATE	WALKTHROUGH	N/A	B	A	A	A	YES	A	92
CONNECT FOR HEALTH COLORADO	YES	A	SMART SORT	WALKTHROUGH	YES	C	A	B	A	YES	B	87
HEALTHCARE.GOV	YES	A	PREMIUMS	WALKTHROUGH	YES	C	A	B	B	YES	A	81
ACCESS HEALTH CT	YES	A	PREMIUMS	WALKTHROUGH	YES	B	C	F	B	YES	A	69
MNSURE	YES	A	YEARLY COST ESTIMATE	WALKTHROUGH	N/A	B	F	F	A	YES	A	68
WASHINGTON HEALTHPLANFINDER	YES	A	PREMIUMS	DECISION-SUPPORT	YES	F	A	F	B	YES	A	68
COVERED CALIFORNIA	YES	A	YEARLY COST ESTIMATE	WALKTHROUGH	N/A	B	F	F	B	YES	A	66
VERMONT HEALTH CONNECT	YES	A	YEARLY COST ESTIMATE	WALKTHROUGH	N/A	B	F	F	A	YES	C	64
YOUR HEALTH IDAHO	YES	A	PREMIUMS	WALKTHROUGH	YES	B	F	F	B	YES	B	61
MARYLAND HEALTH CONNECTION	YES	A	PREMIUMS	WALKTHROUGH	YES	F	C	F	B	YES	A	60
HEALTHSOURCE RI	YES	A	SMART SORT	DECISION-SUPPORT	YES	F	F	F	C	YES	A	60
NEW YORK STATE OF HEALTH	YES	B	PREMIUMS	BASIC	YES	F	F	F	B	YES	A	49
MASSACHUSETTS HEALTH CONNECTOR	YES	C	PREMIUMS	BASIC	NO	F	C	F	C	YES	C	42

² Details on our methodology and changes from our 2016 report are presented in Appendix I and II, respectively. An individual, feature-by-feature review of the 13 exchange websites can be found in Appendix III.

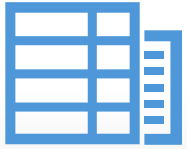
³ Highlights CSR Plans: Criteria is not applicable if the plan display page sorts plans by Yearly Cost Estimate by default.



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ACA REFORM: LEVERAGE THE PRIVATE SECTOR

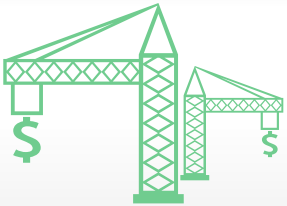
UTILIZE THE PRIVATE SECTOR TO SPUR ENROLLMENT AND IMPROVE RISK POOLS



Total reliance on public exchanges has proven insufficient. Enrollment is lower than expected and consumers are facing fewer options and higher costs. This must be corrected.



Congress should use private sector innovation to provide information to and help enroll consumers in health plans.



Government focus should shift from marketing and website design to the important backend mechanisms that provide pathways to subsidy portability and that protect against fraud.



This shift will empower consumers to make better choices, encourage competition and innovation, and lower taxpayer and consumer costs.

HOW TO DO IT?

Plan Years 2016 And 2017

HHS eliminates the Direct Enrollment Pathway, preventing consumers to enroll directly through private web sites.

Plan Year 2018

HHS should allow consumers to enroll via web broker entities and other private services through a direct pathway

Plan Years 2019 and Beyond

Congress should enable consumers to use premium tax credits off the public exchanges for the purchase of state-approved insurance products.

“Off exchange” should include private exchanges, WBEs and insurance carrier web sites.

The Next Health Exchanges Have Already Been Built

by Joel White

Public health insurance exchanges have cost American taxpayers more than \$5 billion in establishment grants to the 17 states that received funding. Four of these state exchanges have failed, so 38 states or territories use the federal exchange, HealthCare.gov.

At the end of 2015, Rep. Rick Allen (R-GA) introduced legislation that would require states who shutter

unspent funds to the federal government, which would be applied to deficit reduction. The bill also places enforcement in the hands of the feds. This means that states that have mismanaged funds cannot also enforce the laws they may have skirted.

Instead of becoming more efficient

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