



CONNECT FOR HEALTH COLORADO

Board Advisory Group

September 2016

SPECIAL ENROLLMENT PERIODS

Special Enrollment Periods (SEP) Defined

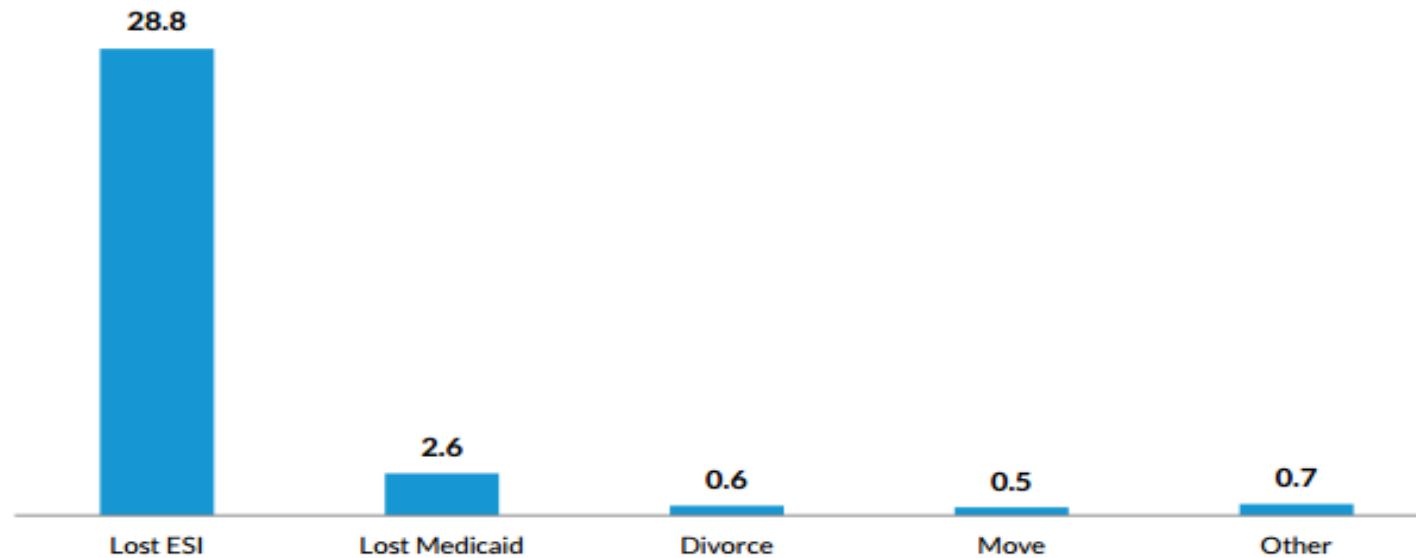
- The time outside of the annual Open Enrollment Period during which an individual or family, when eligible, may shop for and enroll in health insurance.
- An SEP is triggered by a Life Change Event, allowing 60 days from the event to obtain new coverage.

Life Change Events

- The following is a list of Life Change Events that may trigger an SEP:
 - Birth of a baby, adoption of a child or placement of a child for foster care
 - Change in marital status
 - Move to a new permanent address in your state
 - Changes in your income that affect the financial assistance you qualify for
 - Change of tribal status
 - Become a U.S. citizen
 - Leaving incarceration
 - Change of dependency status of someone on your plan
 - Death of a covered member of your household
 - Turning 26 and aging off your parent's plan
 - Starting/ending AmeriCorps service
 - Incorrectly or inappropriately enrolled in a health plan for some reason that is not due to an error or omission on the part of Connect for Health Colorado
 - Violation of the contract you had with your health insurance carrier
 - Loss of an exemption to purchase health insurance coverage
 - Change in affordability of employer-sponsored insurance
 - Loss of minimum essential coverage

SEP Reasons

SEP-Qualifying Reasons for Coverage Gaps between OEPs (millions of people per year)



Source: Buettgens, Dorn, and Recht (2015).

Note: ESI = employer-sponsored insurance; OEP = open enrollment period; SEP = special enrollment period. Sources of SEP eligibility in the "other" category include marriage, adding a child to the family, gaining citizenship, turning 26 and losing access to parental insurance, and qualifying for tax credits by moving from below to above the federal poverty level in a state that has not expanded Medicaid.

Source: [Urban Institute, 2016](#)

SEP Utilization

- An average of 4,172 customers enroll through Connect for Health Colorado each month using an SEP.
- Carriers have cited evidence that customers who sign-up for coverage during an SEP have higher claims than those who enroll during the Open Enrollment Period.
 - Carriers have indicated that this could be due consumers falsifying an SEP when developing a health problem.
- SEP high risk levels described by carriers reflects a high participation by those with high health problems, but also a low participation by healthy consumers.

SEP VERIFICATION

SEP Verification: Current Status

- There is a national discussion around whether the FFM and SBMs should verify SEPs
 - This could include obtaining documentation from customers seeking an SEP, and verifying the information
- Carriers are pushing this issue as they report substantial losses from unverified customers

Current Status, Cont.

- In 2017, the FFM is implementing a pilot to evaluate a pre-enrollment process.
 - In designing the pilot, the FFM is considering the following questions:
 1. Should the pilot be geographically targeted, or should it involve a sample of consumers throughout the Federally-Facilitated Marketplaces? If it is geographically targeted, what states or sub-state regions should be included?
 2. Should the pilot focus on a subset of special enrollment periods that may be most prone to abuse? If so, which would those be?
 3. How should we conduct the pilot in a manner that minimizes burdens on consumers and disruptions in coverage?
 4. How should we measure the impact of the pilot on compliance, enrollment, continuity of coverage, and the health of the risk pool, and do so in a timely way as to inform potential policy changes for 2018?
- Connect for Health Colorado is seeking feedback from carriers and stakeholders around SEP Verification

DISCUSSION

Questions to Consider

- Is SEP verification a good idea?
- Who should manage the verification process (e.g. carriers, Connect for Health Colorado)?
- What are the trade-offs and limitations to this type of policy?
- Are there alternative approaches to addressing this issue?