



# CSR STRATEGY & RENEWALS

Policy Committee

June 25, 2018

# Background

- ACA requires issuers in the individual Marketplace to lower cost-sharing to eligible enrollees of Silver plans
- Cost-Sharing Reduction (CSR) subsidies reduce deductibles and other out-of-pocket expenses
- October 2017 – Trump Administration announced it would no longer reimburse issuers for the cost of CSRs through a direct payment without a Congressional appropriation

# State Strategies (PY2018)

- **Silver Switch** – Load CSR costs onto Marketplace Silver plans with an off-Marketplace “unloaded” Silver option (20)
- **Silver Load** – Load CSR costs onto all Silver plans (16)
- **Broad Load** – Load CSR costs onto all metal levels (6, including Colorado)
- **Mixed Load** – Allow issuers to pursue own strategies (6)
- **No Load** – Prohibit CSR loading (2 + DC)

# DOI Bulletin (for PY2019)

- DOI finalized Bulletin No. B-4.100 on June 8, 2018
- Directs issuers to:
  1. Load the rate increase necessary to cover the cost of providing the CSR benefit onto Silver-level plans (this includes the off-exchange mirror of the on-exchange Silver level plan)
  2. Create a “substantially similar” Silver-level plan, without the CSR load, for those off-exchange consumers who do not qualify for advanced premium tax credits (APTC) or CSRs

# Consumer Impacts

## Subsidized Consumers

- Increase in APTC will protect them from premium increases
- Still have to purchase on-exchange Silver to get CSR reductions
- Should consider Gold or Bronze

## Unsubsidized Consumers

- Could purchase other metal levels on-exchange to avoid CSR load
- Could purchase Silver off-exchange to avoid CSR load

## New Consumers

- More consumers may qualify for APTC because Silver benchmark will be higher-priced

# Challenges in Messaging

- Reaching non-subsidized consumers who may be auto-renewed into Silver or unknowingly pick a Silver plan
- Informing all consumers of increased APTC
- Notifying of impacts of increased APTC:
  - Jumping down to Bronze – free or very low premium Bronze plans
  - Buying up to Gold – low premium Gold plans (net cost of a Gold plan may be less than a Silver plan)
- Timing of finalized rates and plans
- Ensuring consistency of messages across channels

# Recommended Strategies

- Discussing communication plans with issuers
- Targeted outreach to unsubsidized consumers who are enrolled in Silver level plans:
  - Suggest they look at Bronze or Gold
  - Or if they still want Silver, go off-exchange
- Stressing the importance of actively shopping
- Providing additional training and resources for brokers and assisters