



## **Facilitated Enrollment**

April 8<sup>th</sup>, 2013

**Essential Question:** How will COHBE best support Coloradans already covered in the individual market during their transition to new health plans in 2014?

### **Goals/Objectives of COHBE:**

- Fulfill the mission outlined in Senate Bill 11-200 to increase access, affordability and choice for individuals and small employers purchasing health insurance in Colorado.
- Provide a simplified transition experience for Colorado consumers that have actively selected a plan from their existing carrier.
- To assure that consumers who have previously purchased health plans are provided with full and effective disclosure of their right to shop for coverage and review the full range of carrier and plan options.
- Support consumers that currently have coverage obtain more affordable coverage by providing process through which they can select a plan from their current carrier and still access COHBE's shared eligibility system.

### **Background**

About 400,000<sup>1</sup> Coloradans currently have health insurance through the individual market. Health insurance plans will change across the individual and small group markets for the 2014 plan year due to federal and state laws. The open enrollment period beginning in October, 2013, presents an opportunity for these individuals to gain access to new federal tax credits and subsidies to help pay for their coverage in 2014. It is estimated that nearly 50% (about 195,000) of the lives currently covered in the individual market will be eligible for the new tax credits and subsidies through COHBE.

### **Current Industry Renewal Process**

At the end of each plan year, carriers typically send annual renewal notifications to their customers and their brokers. If the customer does not proactively respond about his or her plan choice, the individual is auto-renewed into the plan they are currently enrolled in. If the consumer's existing plan is being discontinued, they will receive advance notice of this change. In accordance with the Guaranteed Renewability legal requirements, the consumer must have the opportunity to purchase any other individual health insurance plan offered by the carrier.

### **2014 Plan Year Renewal Process**

For the 2014 plan year, it is our understanding that current health plans will be associated to new plans for rating and trend data purposes. Health insurance companies are not allowed to map their old plans to new plan designs in order to auto-renew their existing customers in

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<sup>1</sup> <http://www.statehealthfacts.org/profileglance.jsp?rgn=7#>

coverage. Customers must make a proactive plan selection. Consumers will also be able to shop and obtain coverage with any carrier, not just their existing carrier.

Carriers are not required or incentivized to direct these individuals to COHBE since it puts the carrier at risk of losing that customer to another carrier. In this scenario customers may elect to enroll in a non-Exchange product from their current carrier out of convenience. If consumers make this decision, they may not be able to access any of the new forms of federal financial assistance on the Exchange, even if they are eligible for assistance.

### **Guiding Principles**

The Exchange should explore options for supporting Coloradans during this transition period. The following guiding principles should be considered:

- Honor the consumer's active choice
- Support the consumer's desire for convenience
- Incentivize carriers to help their existing Individual market customers gain access to new federal tax credits and subsidies
- Reduce the number of consumers who will have a gap in coverage by providing a convenient approach to accessing to new, subsidized coverage
- Consider the perspectives of all stakeholders

### **Stakeholder Considerations**

Consumers:

- Provides consumers with clear notification of the option to shop in the market.
- Reduces their chance for a gap in coverage.
- If they want to stay with their carrier, they have a convenient way to obtain coverage in a new plan with a potential for subsidies.
- The consumer's right to make an affirmative action is protected.

Carriers:

- Carriers are incentivized to clearly market their Exchange QHPs to enable consumers to access subsidy support without as much risk of losing the customer.
- Carriers will partner with brokers to enable a smooth transition of their current customers.

COHBE:

- Positions the Exchange as a convenient enrollment distribution channel.

### **Recommendation**

COHBE should partner with carriers and stakeholders to develop an approach that allows carrier's existing consumers to make an active Exchange product selection directly from their carrier. In this process, consumers should be notified of the Exchange and their right to shop in the market, but they should not be required to do so.