

Colorado Individual Exchange Renewals

Consumer Impact Analysis

October 14, 2019

PRESENTED BY
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Overview

- Connect for Health Colorado (C4) contracted Wakely Consulting Group, LLC (Wakely) to analyze the individual market rate changes for 2020 before and after federal premium subsidies
- Analysis was performed using QHP templates provided by the Colorado Department of Regulatory Agencies (DORA) and enrollment data provided by C4

Caveats and Limitations

- Wakely relied on plan data provided by DORA and plan information provided by C4; any errors in the underlying data could have any impact on the results. Wakely performed reasonability checks of the data but did not audit the data for accuracy.
- This presentation and attachments should only be shared in their entirety and should only be utilized by qualified individuals
- Analysis is meant to approximate rather than replicate premiums from C4 system
- Analysis does not explicitly account for plans with elective abortion coverage for which federal funding is not available
- Enrollment data includes duplicates if same Member ID appears in multiple Family IDs
- Enrollment data had some individuals with no valid plan ID or no valid county, which are excluded from any premium analysis

Key Changes

Key Changes 2019 to 2020

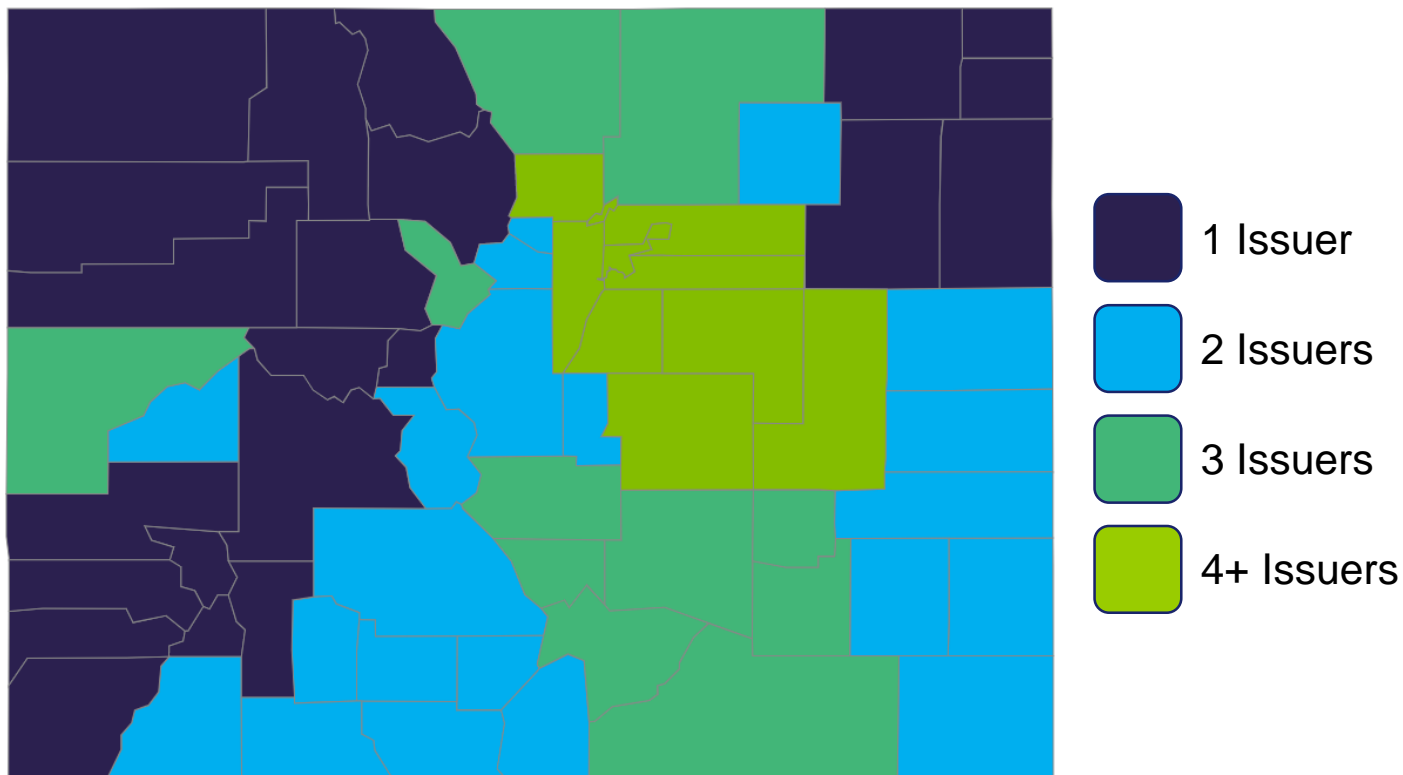
	2019	2020
Issuers	7	8
Plans		
On Exchange	124	130
Substantially Similar Off Exchange	44	49
Counties with One Issuer	14	22
Average Rate Change (Unsubsidized)	6%	-18% (-\$99)
Average Rate Change (APTC-Eligible)	-24%	19% (\$22)

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Consumer Choice

Issuers Density by County



Issuers in County	Number of Counties	% of 2019 Enrollment
1	22	10.3%
2	21	6.8%
3	11	17.0%
4+	10	65.9%

Only one issuer has plan options in every county of the state in 2019 and 2020

There will be two or fewer issuer options in 43 of 64 counties in the state. This is higher than 2019.

Total enrollment in counties with only one issuer option is 10.3% of enrollment. This is an increase from 5.4% of enrollment in single issuer counties last year.

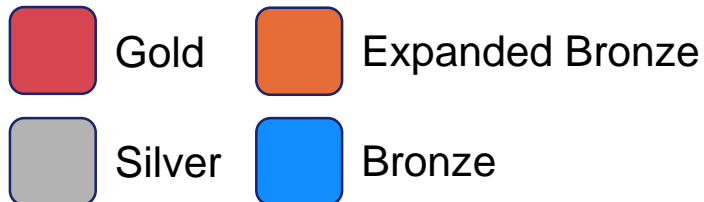
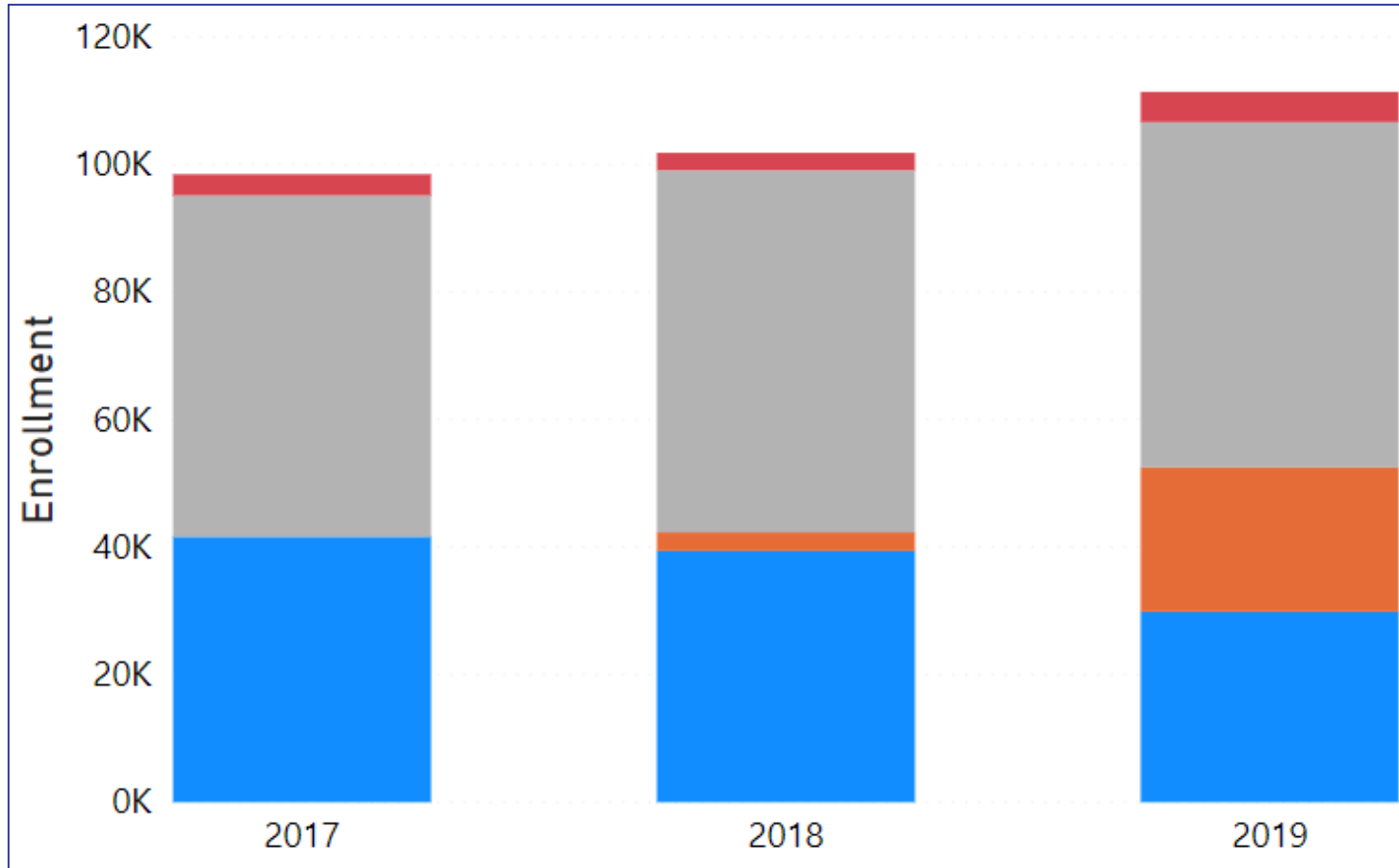
Comparison of Plan Offerings

- There were 124 plans offered on the exchange in 2019 and 130 in 2020
- Growth was in number of Silver and Expanded Bronze plans offered
- Plans identified as continuing include plans replaced with new plans
- Discontinued plans in the table are those where enrollees will need to select new plan, and include 2,071 enrollees, or 1.5% of 2019 enrollees
- Not all plans are offered in all regions of the state

	Gold	Silver	Expanded Bronze	Bronze	Catastrophic	Total
2019 Plans	28	44	15	27	10	124
Continuing	21	36	12	22	7	98
Merging	-4	-4	-2	-2	-2	-14
Discontinued	-3	-4	-1	-3	-1	-12
New	4	13	12	1	2	32
2020 Plans	25	49	24	23	9	130
Net Change	-3	5	9	-4	-1	6

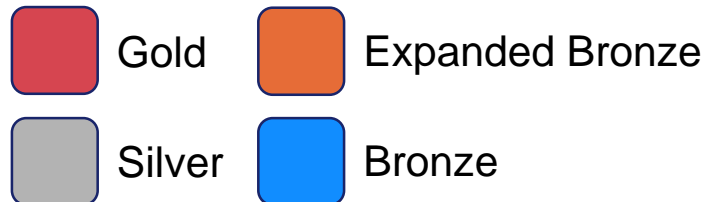
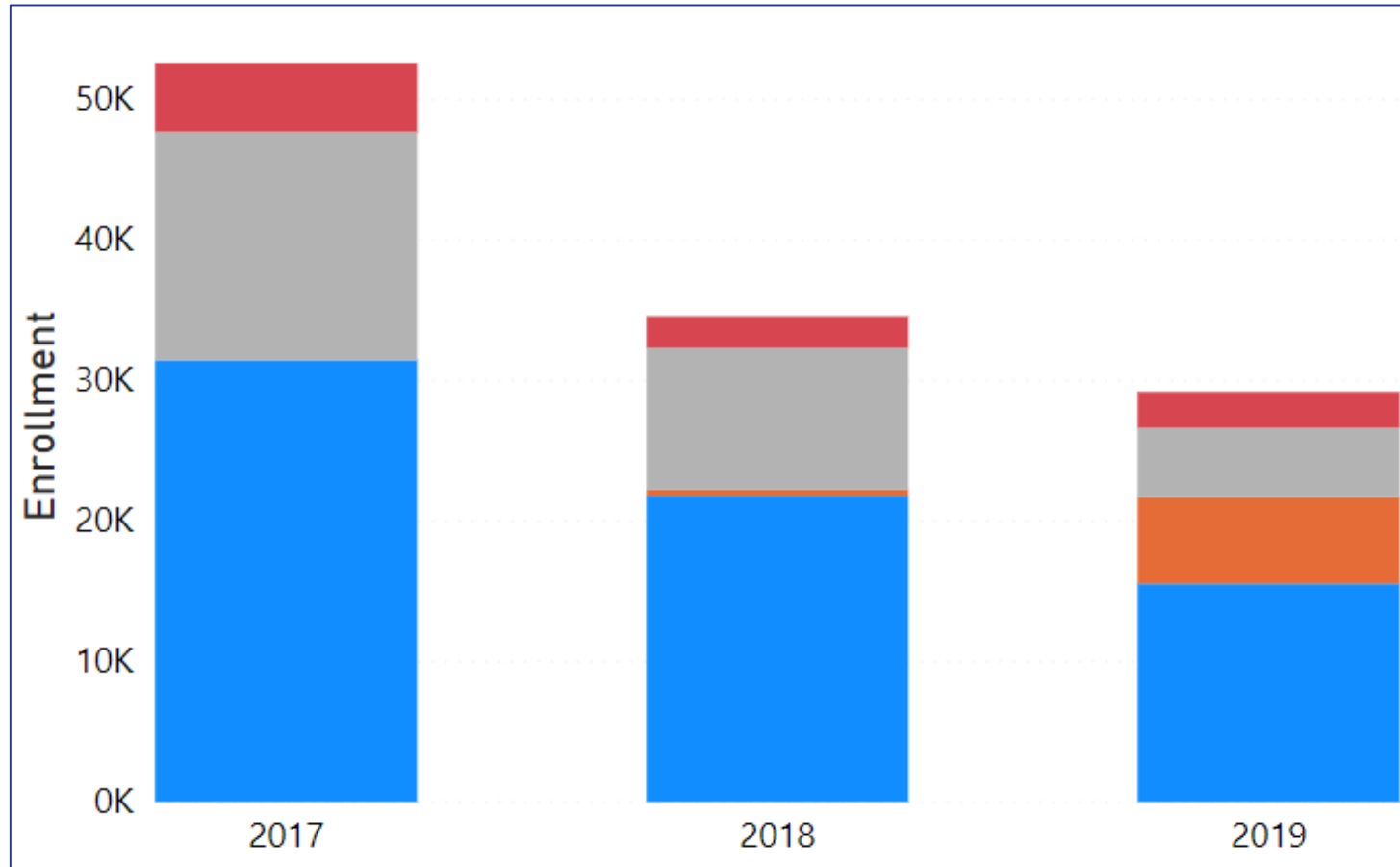
Enrollment Changes

Membership changes by Metal – Subsidized Enrollees



Enrollment Changes

Membership changes by Metal – Unsubsidized Enrollees



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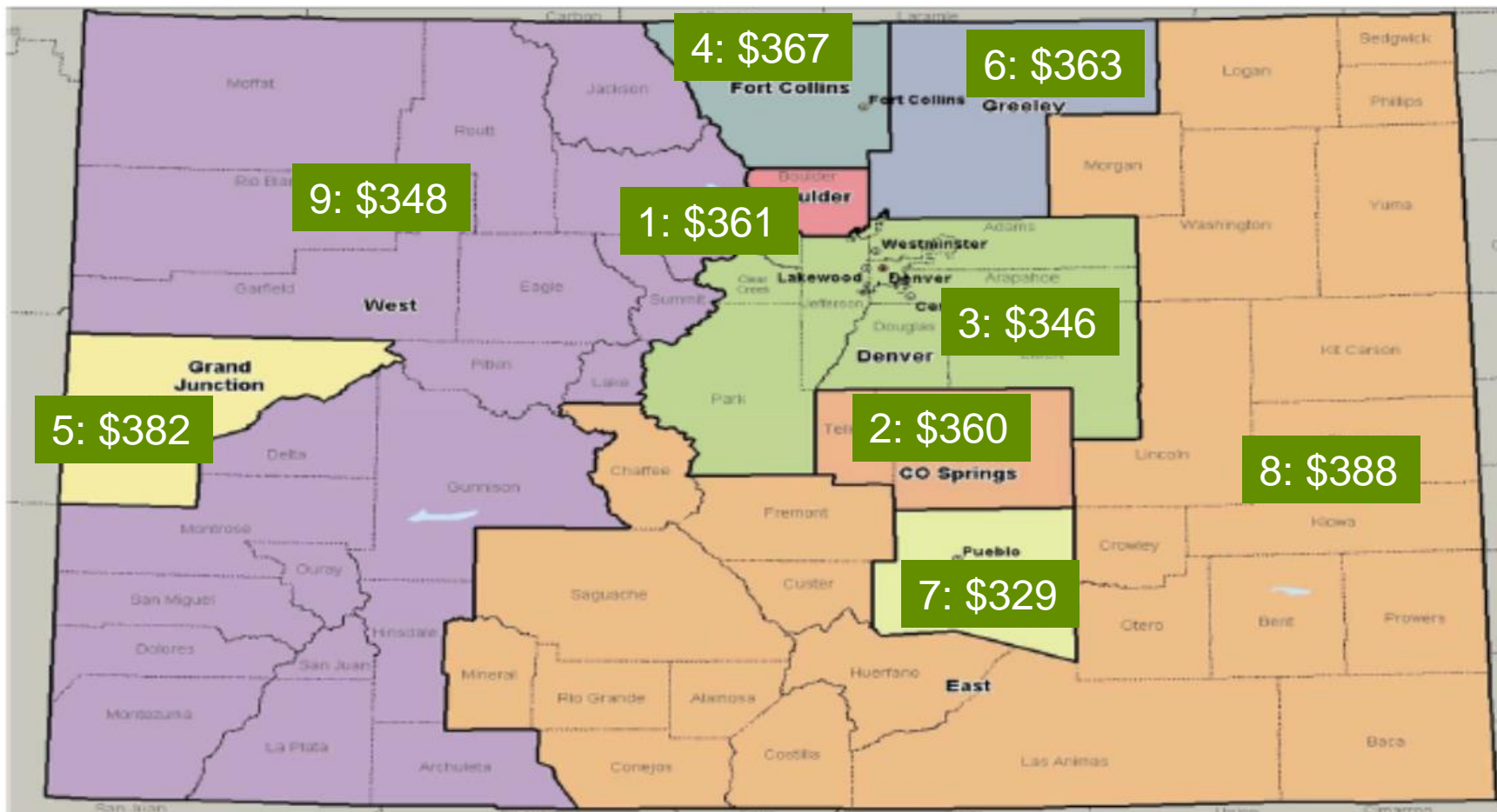
Premiums

Plan AVs and Premiums

- Premiums are more similar across rating areas in 2020.
- Actuarial Values (AVs) give indication of what proportion of claims are expected to be paid by the issuer. They vary by metal tier and within metal tiers.
- Significant variation between premiums and AVs.

Premiums

Regional Differences in Rates



Rates reflect Lowest Silver for Age 40 in rating area before advance premium tax credits

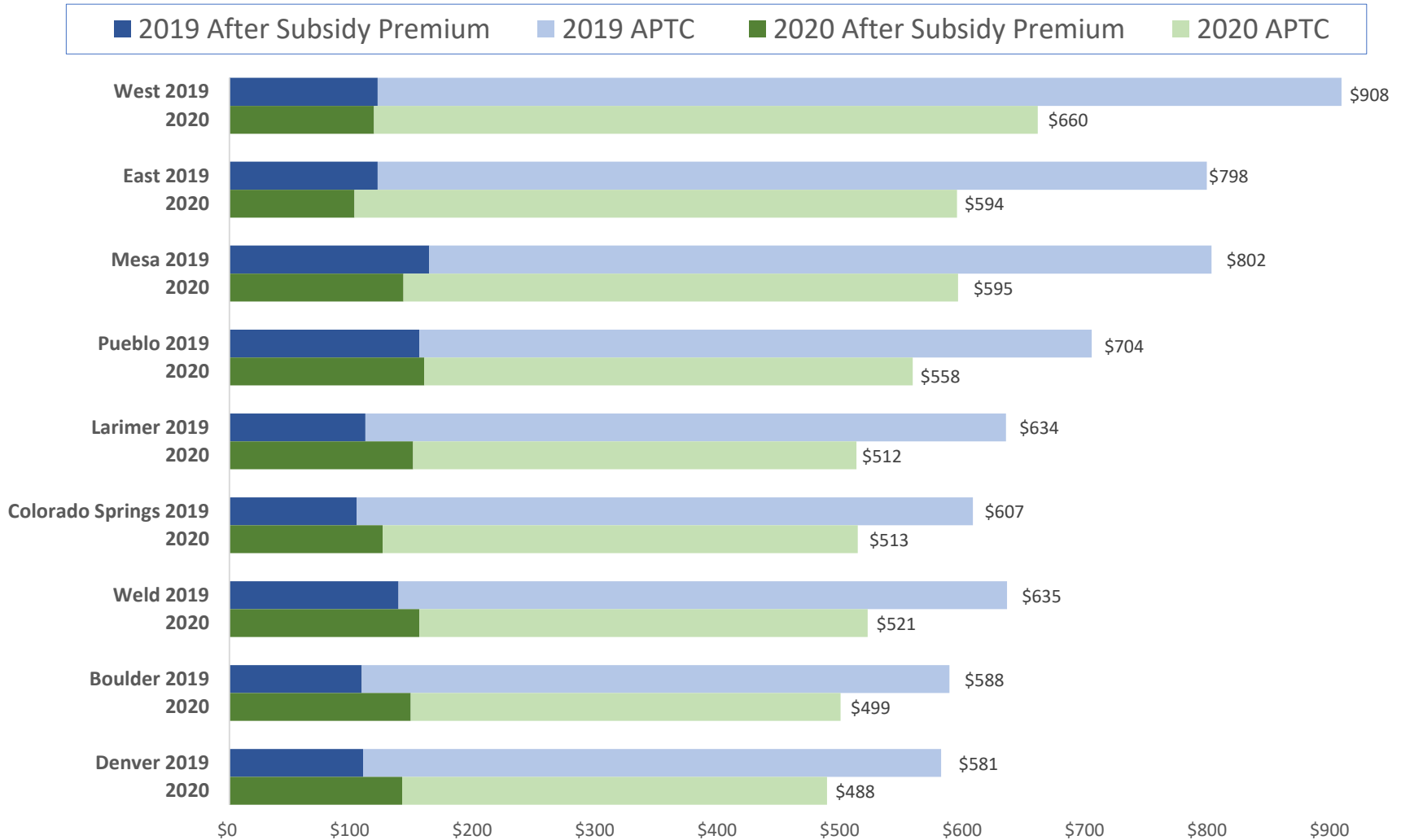
Consumer Impact

Premium Changes

- Overall decrease in rates in all counties.
- Decrease in second lowest silver premiums in all counties
- After APTC rates increasing in some areas and decreasing in others (West, East, Grand Junction)

Consumer Impact

2019 to 2020 Auto-Renew Premium Changes



Consumer Impact

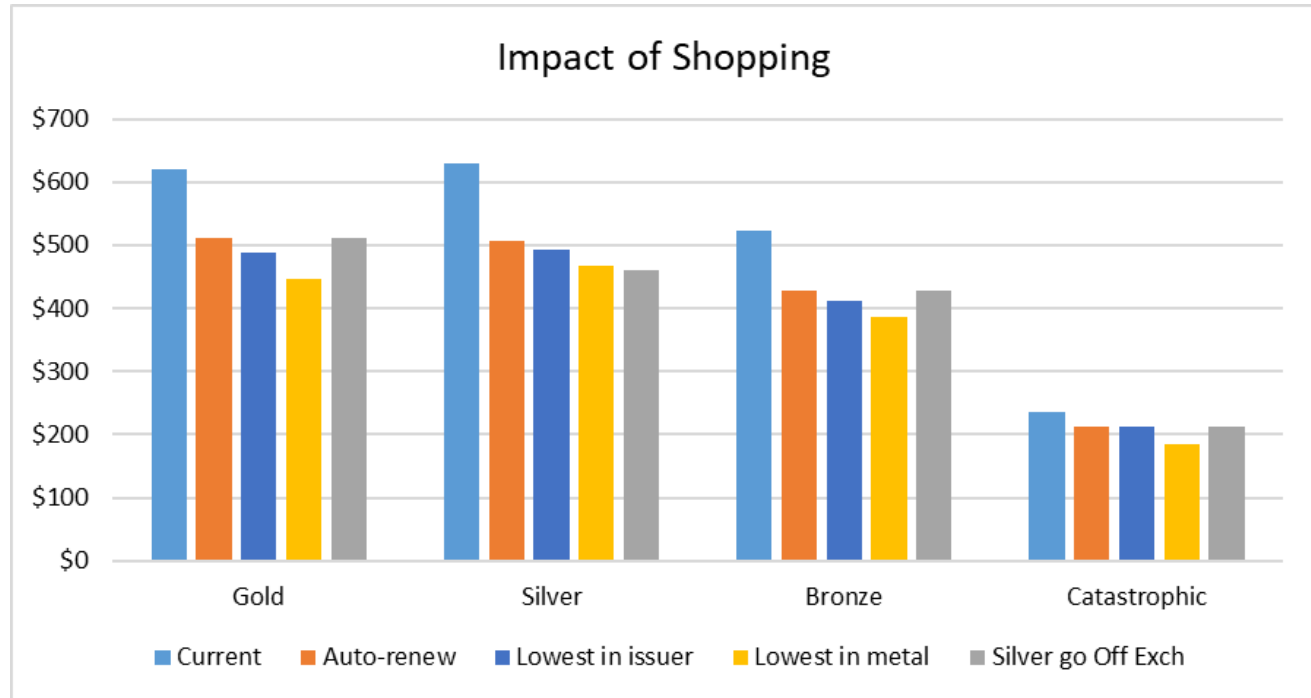
Non-Subsidy Eligible

- Issuers loaded only Silver plans for CSR funding in 2020
- Issuers are allowed to offer substantially similar Silver plans Off Exchange that do not have the premium load
- Enrollees can save more by shopping off exchange for another silver plan
- Applying the load to only Silver plans on the exchange results in some On Exchange Gold plans that have premiums in the same range as Silver plans

Consumer Impact

Premium Changes and Shopping Impact

Non-Subsidy Eligible By Metal



Silver enrollees may choose to enroll in a substantially similar Off-Exchange Silver plan, which would result in an average 2020 premium of \$460, and a 9% decrease from similar on exchange plans.

All metal tiers could benefit from shopping, with more savings available if willing to move from current issuer.

Consumer Impact

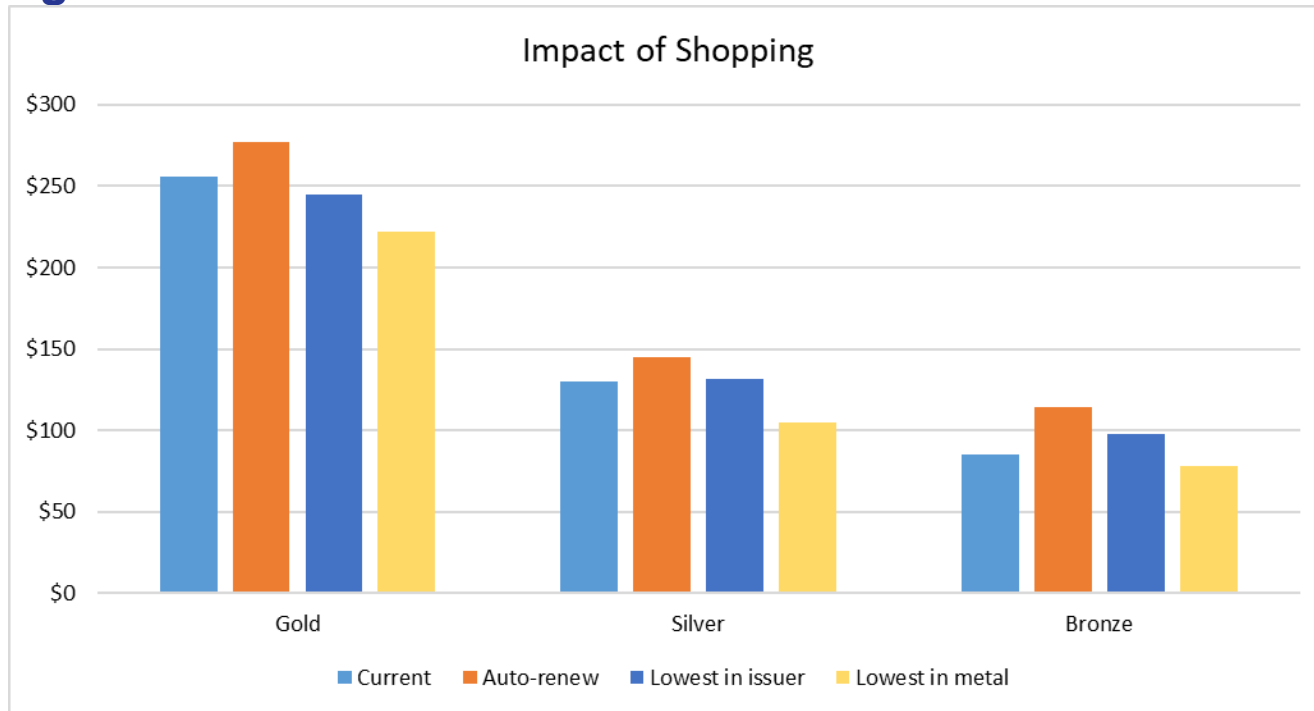
Subsidy Eligible

- Issuers loaded only Silver plans for CSR funding in 2020
- Decreases in subsidies are driven by lower on exchange Silver premiums
- Lower subsidies may make plans in Bronze, Silver, and Gold plans purchased on the exchange less affordable for subsidized enrollees
- Some enrollees may still have opportunity to select a plan with low to \$0 premium

Consumer Impact

Premium Changes and Shopping Impact

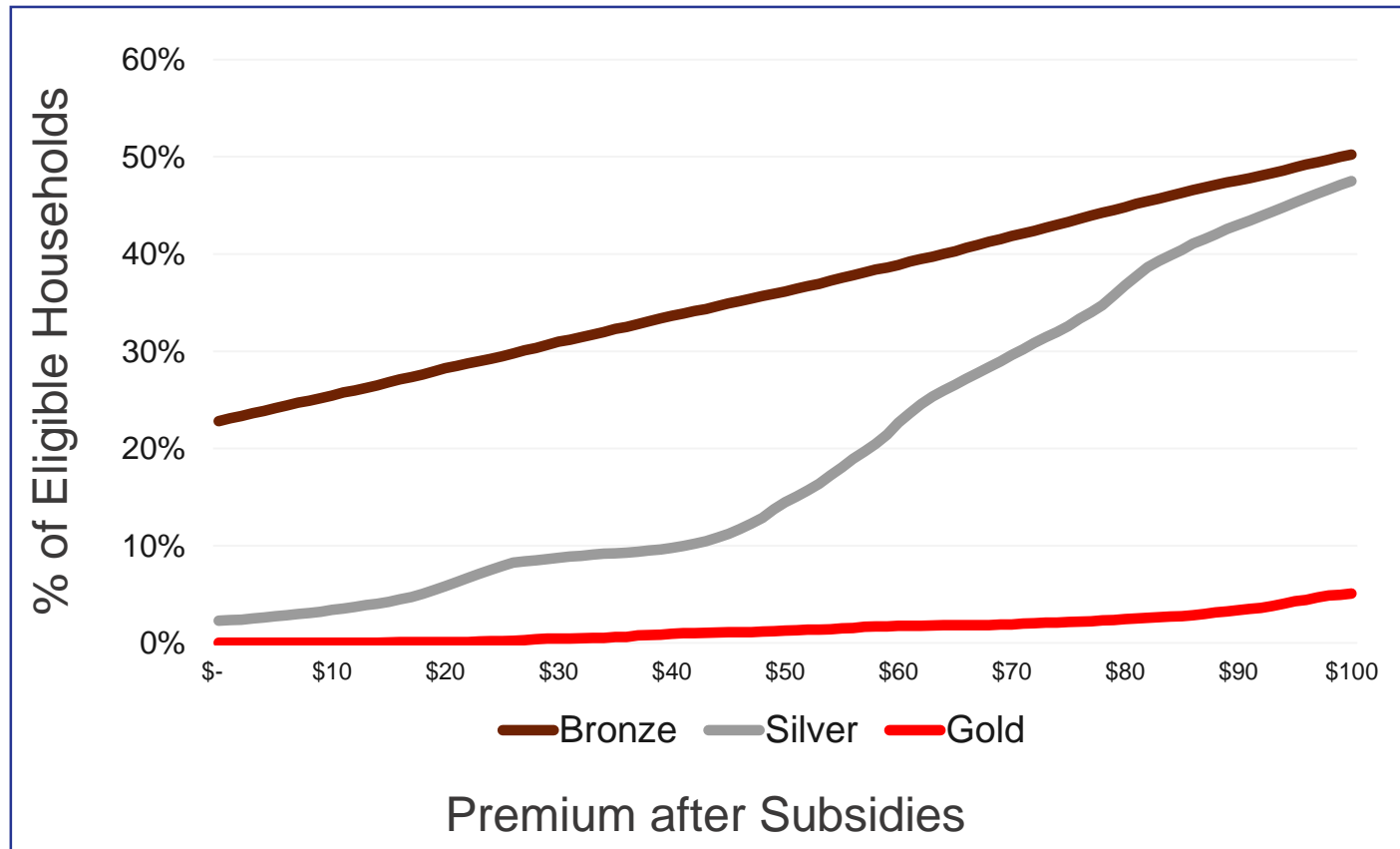
Subsidy Eligible By Metal



The decreases in APTCs are generally less than the decreases in standard plan rates. The net impact is that subsidized individuals that auto-renew to their current plan will see a net premium increase.

All metal tiers could benefit from shopping, and achieve an overall decrease in net premium from 2019.

What Percent of Subsidy Eligible Households Will be Able to Find a Plan in Each Metal Tier for a Given After Net Premium Amount?



Some may already be in a low net premium plan, some may need to shop.

Key Findings

Subsidy Use

- Approximately 17,009 enrollees appear to be eligible for Cost Sharing Reduction (CSR) plans but are not enrolled in Silver plans so they cannot take advantage of CSRs
 - Roughly 15,500 of these are in Bronze plans
 - More than 1,400 of these are in Gold plans, of which roughly 600 have household incomes below 200% FPL and are eligible for CSRs that would provide plans with a similar actuarial value for a lower premium
- 405 enrollees appear to be eligible for premium subsidies but are enrolled in Catastrophic plans
- Due to the decrease in the second lowest cost silver premiums in most areas of the state, there are 3,646 households in coverage through C4 who may stop receiving subsidies because the cost of the benchmark plan is lower than their required contribution

Small Group & Stand Alone Dental

Small Group

- Enrollment continues to be limited on the exchange as most plans are offered off exchange.
- One issuer offers on exchange plans
 - 7 issuers offer plans off exchange
- Fewer number of plans offered on exchange
 - Increased number in total (off exchange)

	2019	2020	Change
Platinum	10	8	-2
Gold	25	16	-9
Silver	20	16	-4
Expanded Bronze	10	12	2
Bronze	10	4	-6
Total	75	56	-19

Stand Alone Dental

- Four issuers continue to offer individual Dental plan son the Exchange
- 13 plans are offered in 2020, an increase of 1 over 2019
- One issuer offers two small group Dental plans on the Exchange

Appendix

Definitions

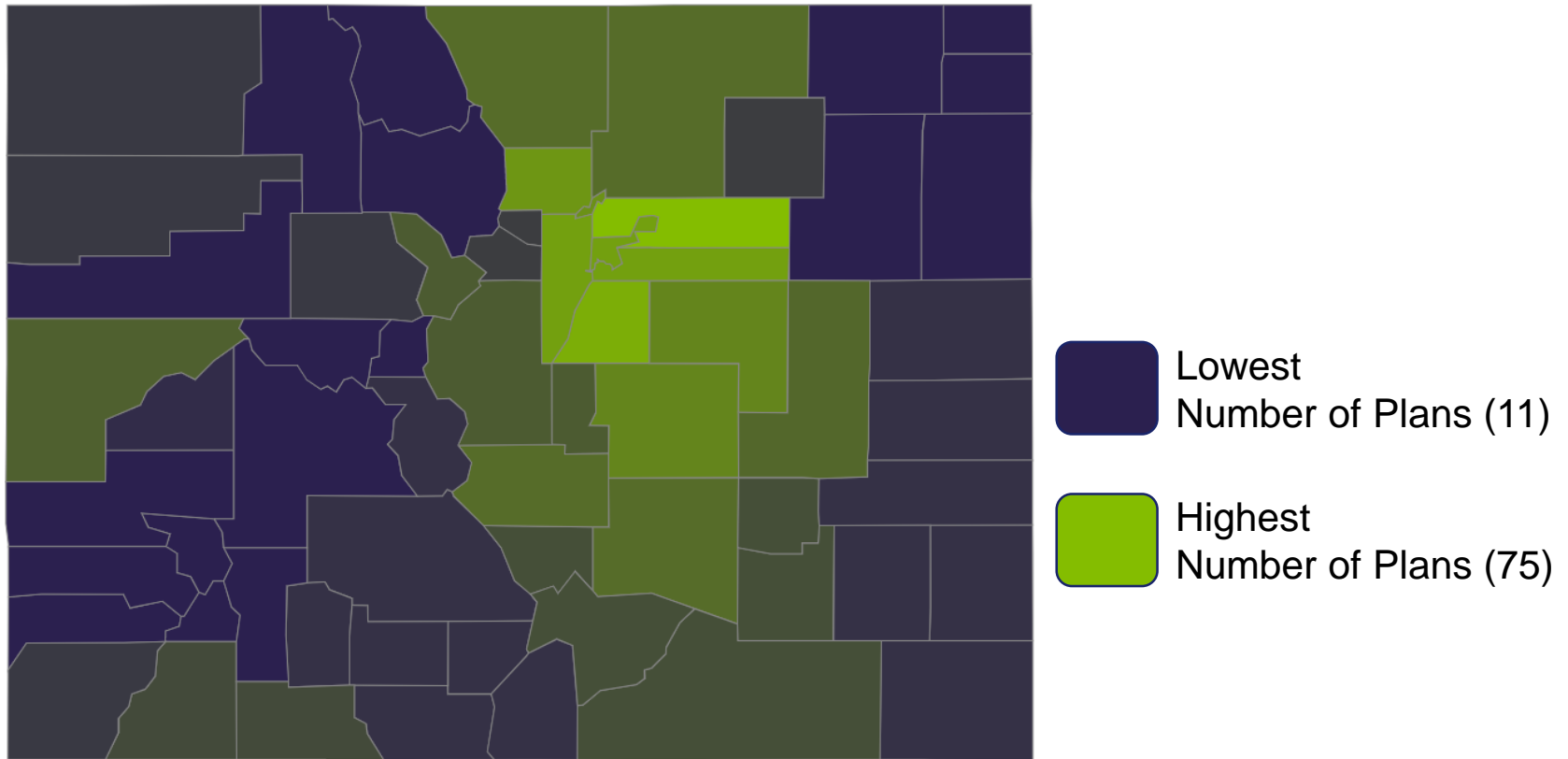
- Subsidy-eligible: Reported % of FPL in Enrollment detail between 0% and 400%
- Non-Subsidy-eligible: Reported % of FPL in Enrollment detail above 400% or not indicated
- Enrollee: Individual member enrolled in a plan
- Household: Group of family members covered by same plan
- County/zip group: Subset of zip codes within a county where all zip codes have same benchmark plan
- Discontinued Plans:
 - Plans that are not cross-walked to a 2020 plan on the exchange

Consumer Choice

- One issuer offers plans in every county of the state in both 2019 and 2020
- There will be only one issuer option in 22 of 64 counties in the state (14,600 enrollees), and two issuer options in 21 of 64 counties (9,700 enrollees)
- 10 counties saw a reduction in number of issuers offering plans from 2019 to 2020
- For any given county, the number of plan offerings is changing, driven mostly by change in issuers. The number of plan options is increasing in most areas of the state
 - Some counties will see a decrease of up to 10 plans (6 counties in East, and 4 counties in West)
 - Some counties will see an increase of up to 22 plans
- The average number of plans available in a county will increase from 43 in 2019 to 51 in 2020 (weighted by enrollment)
- No Platinum plans are offered by any issuer on the exchange in 2019 or 2020

Consumer Choice

Plan Density by County

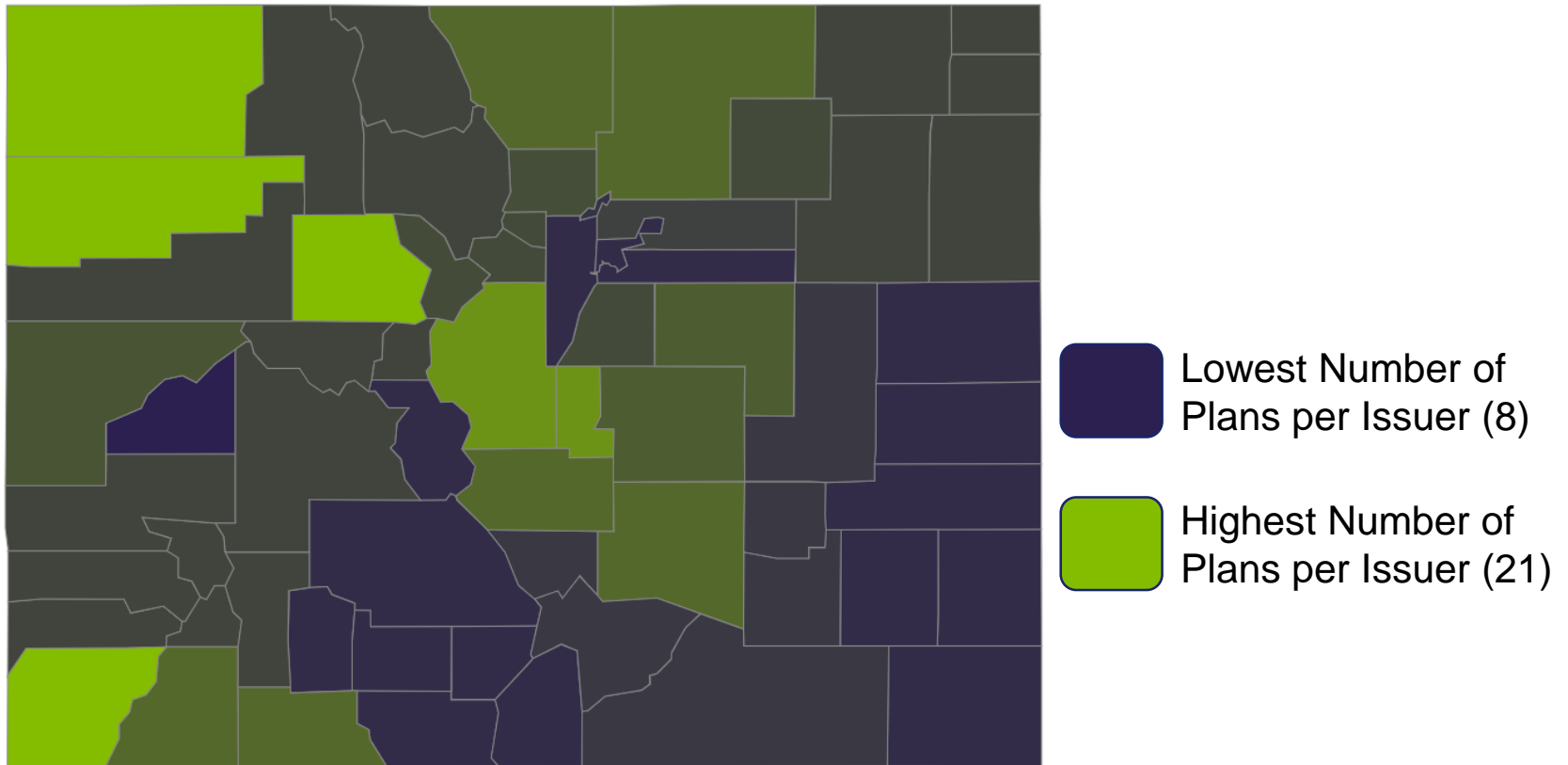


The average number of plans available will increase from 43 in 2019 to 51 in 2020 (weighted by enrollment)

For any given county, the number of plan offerings is changing by between 22 additional plans (in Adams County) and 10 fewer plans (in Garfield, Routt, and Grand Counties)

Consumer Choice

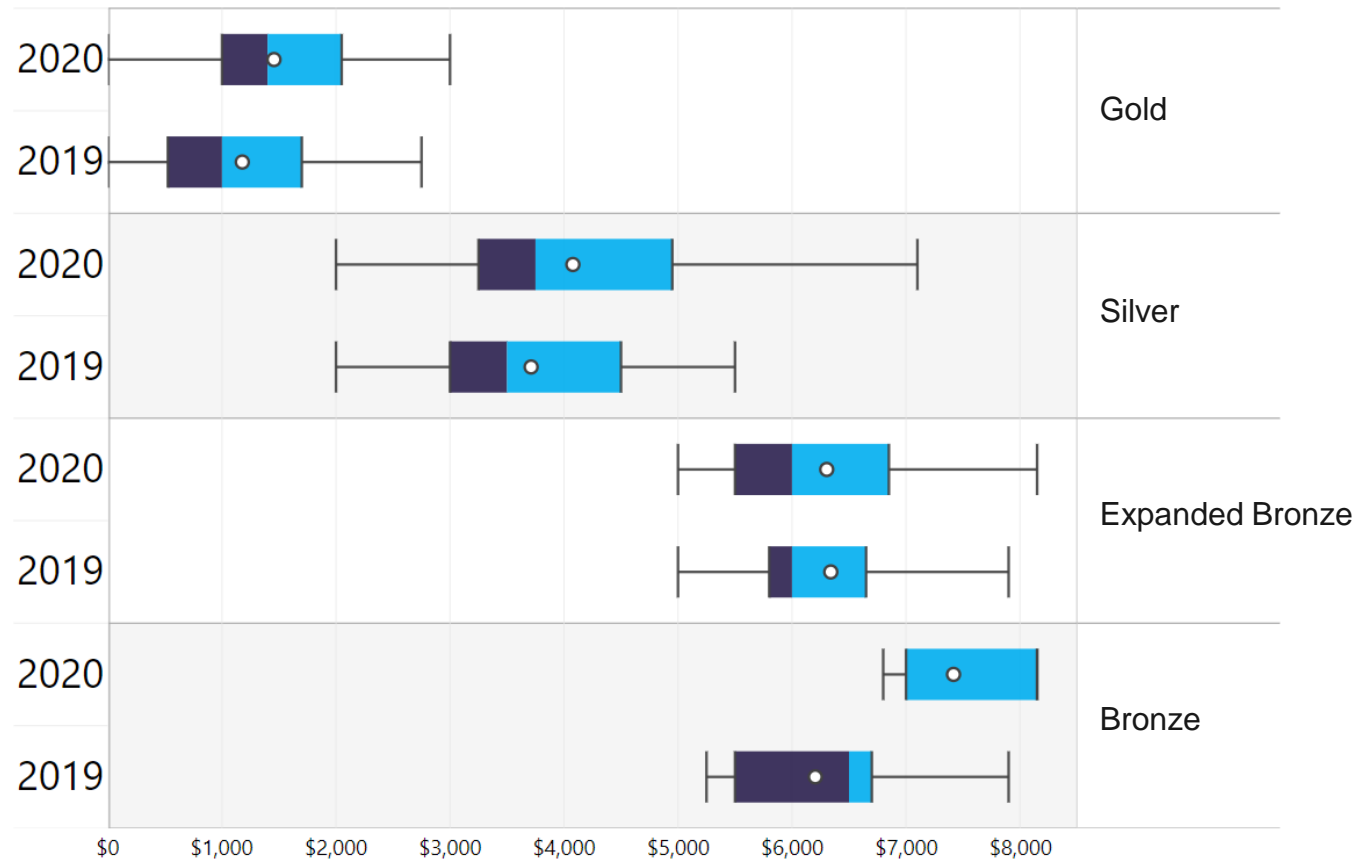
Average Plans Per Issuer



In counties with only one issuer, there are at least 11 plans being offered.

No material difference in number of plans offered per issuer by county from 2019.

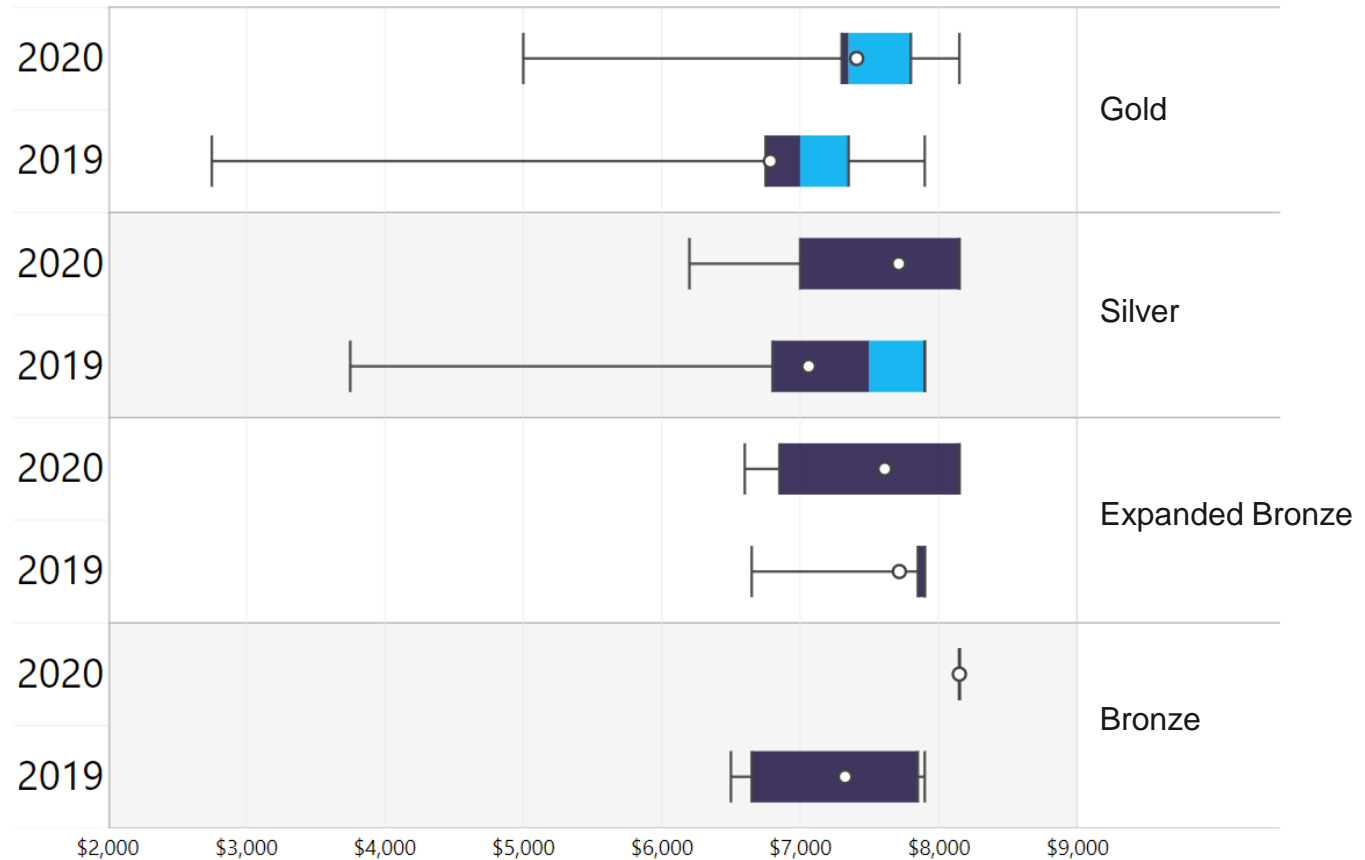
Plan Design



2020 Deductible Ranges

Bronze:	\$6800-\$8150
Expanded Bronze:	\$5000-\$8150
Silver:	\$2000-\$7100
Gold	\$0-\$3000

Plan Design



2020 Max Out of Pocket Ranges

Bronze:	\$8150
Expanded Bronze:	\$6600-\$8150
Silver:	\$6200-\$8150
Gold	\$5000-\$8150

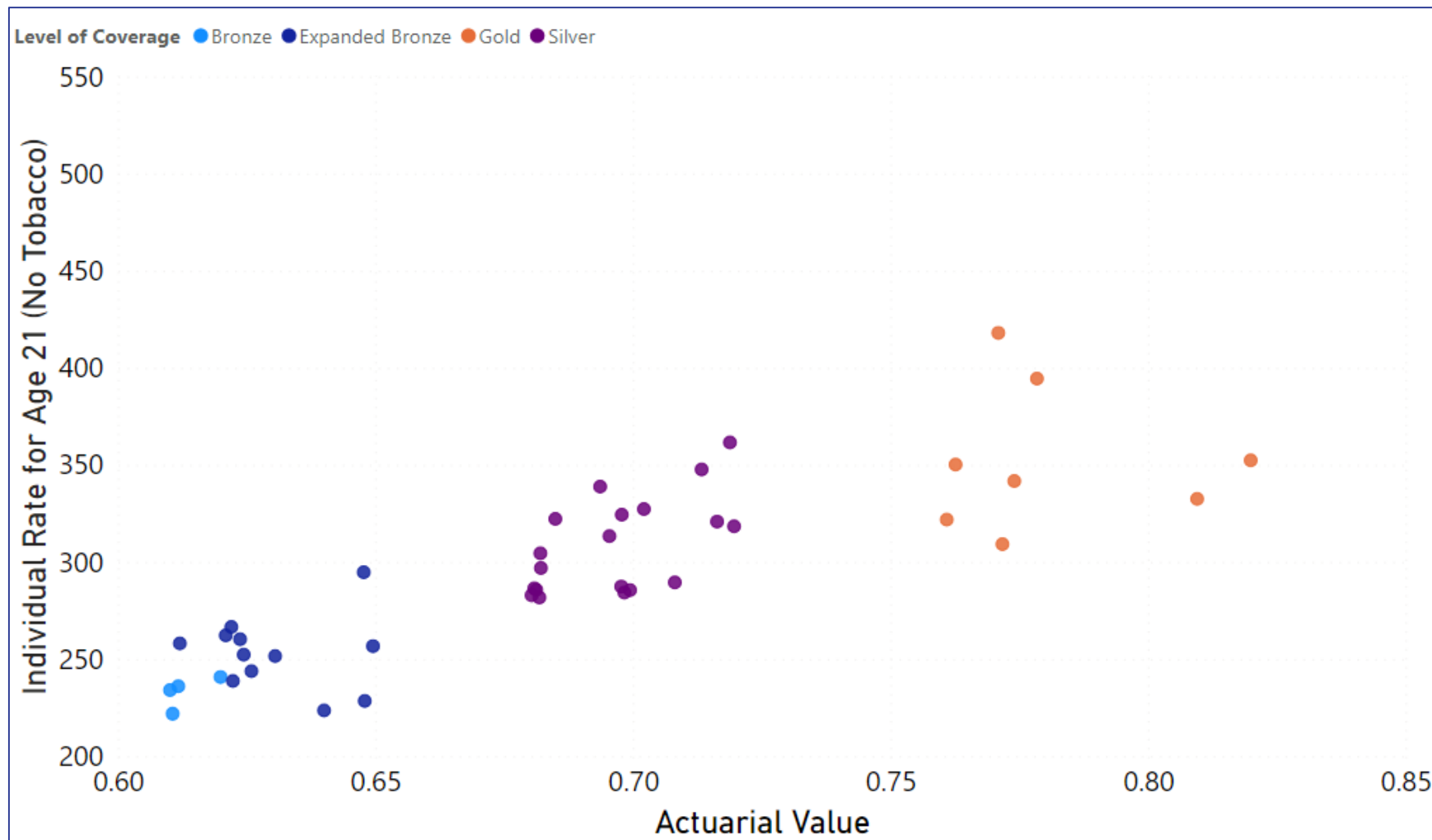
Enrollment Changes

Enrollment shifting between metal tiers

- Subsidized enrollment has been increasing. This could be due to increasing premiums which may create higher subsidies as well as more individuals being eligible for subsidies.
- Non-subsidy eligible enrollment has been decreasing over the last three years.
- Expanded Bronze plans are increasing in membership for both populations.

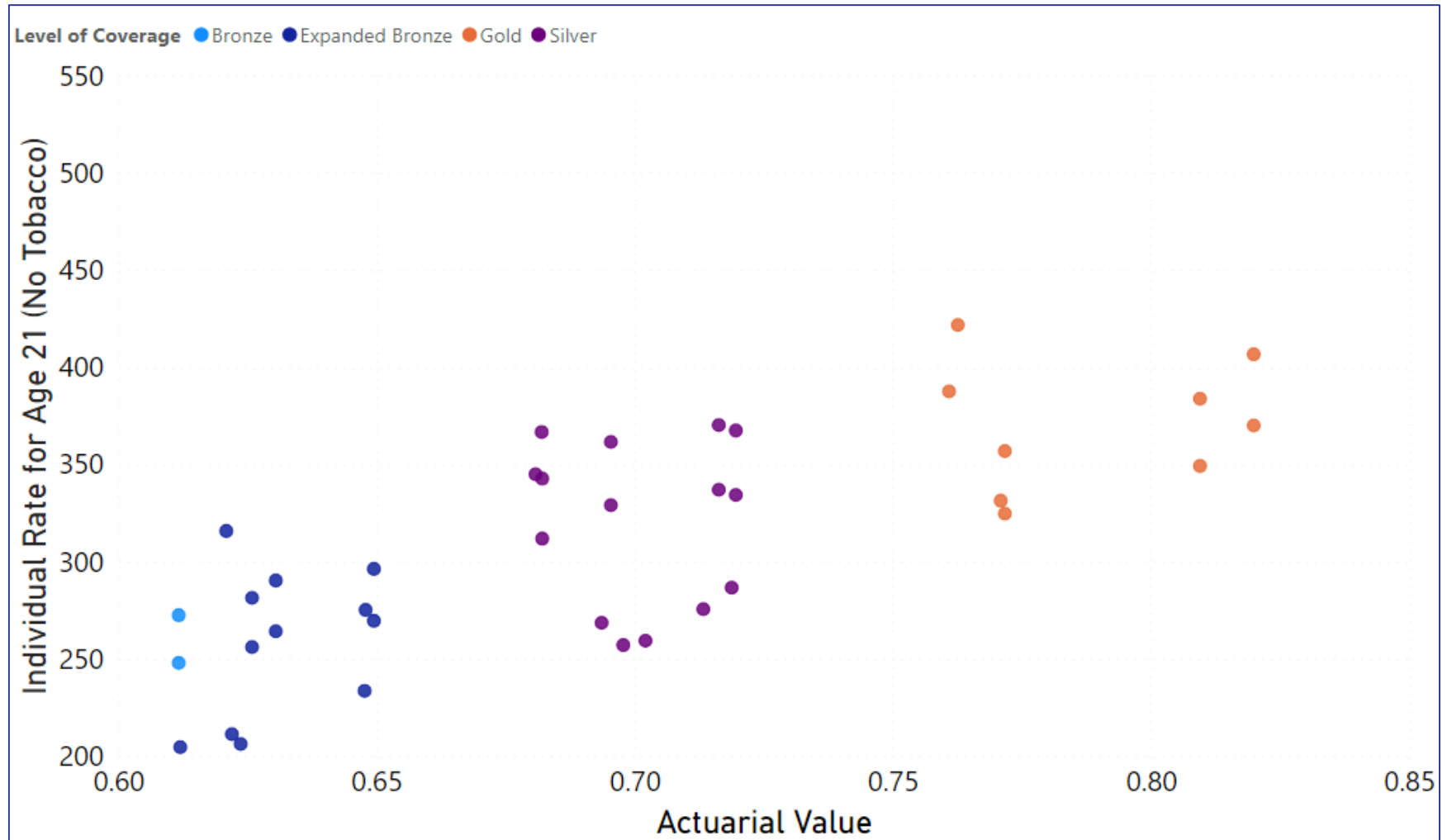
AV and Premium Relationship

Plan AVs and Premiums – Boulder County



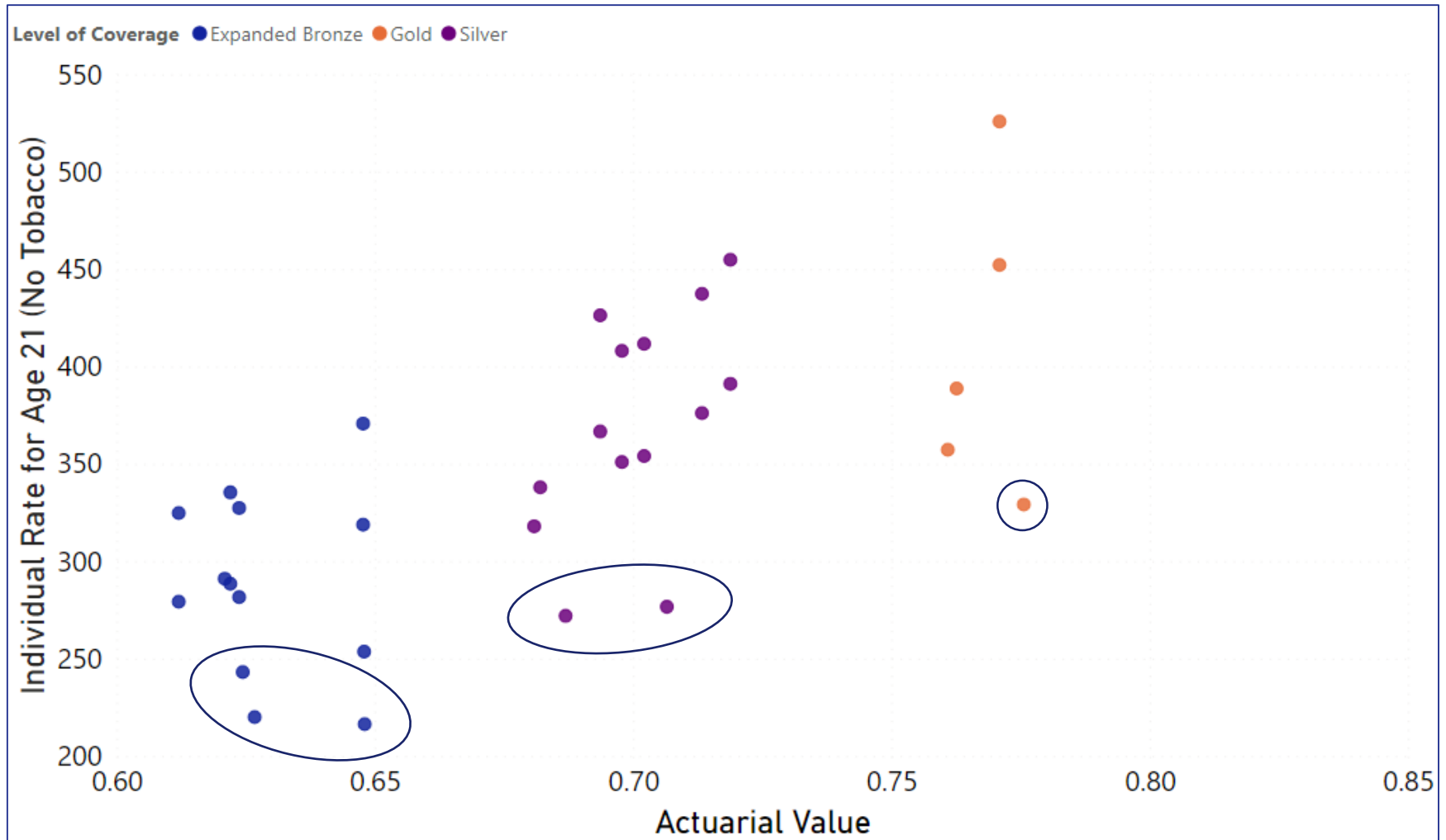
AV and Premium Relationship

Plan AVs and Premiums – Pueblo County



AV and Premium Relationship

Plan AVs and Premiums – Summit County

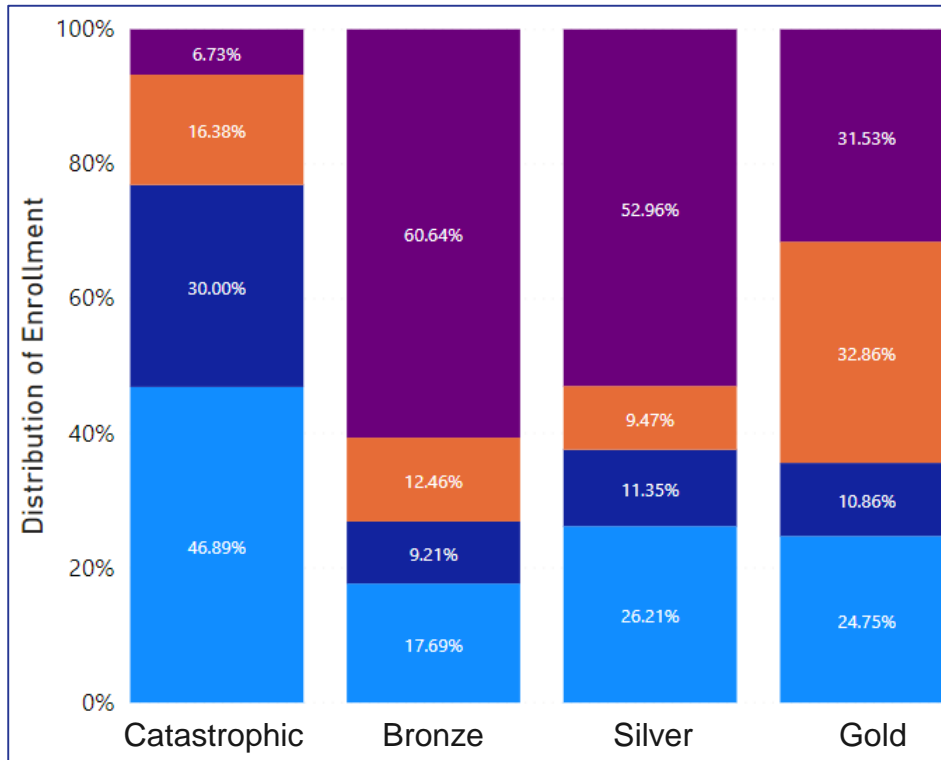


Circled plans are Peak Health Alliance

Consumer Impact

Enrollment by Plan Premium Rank

Non-Subsidy Eligible - By Metal



Assuming Members are Shopping Across Issuers

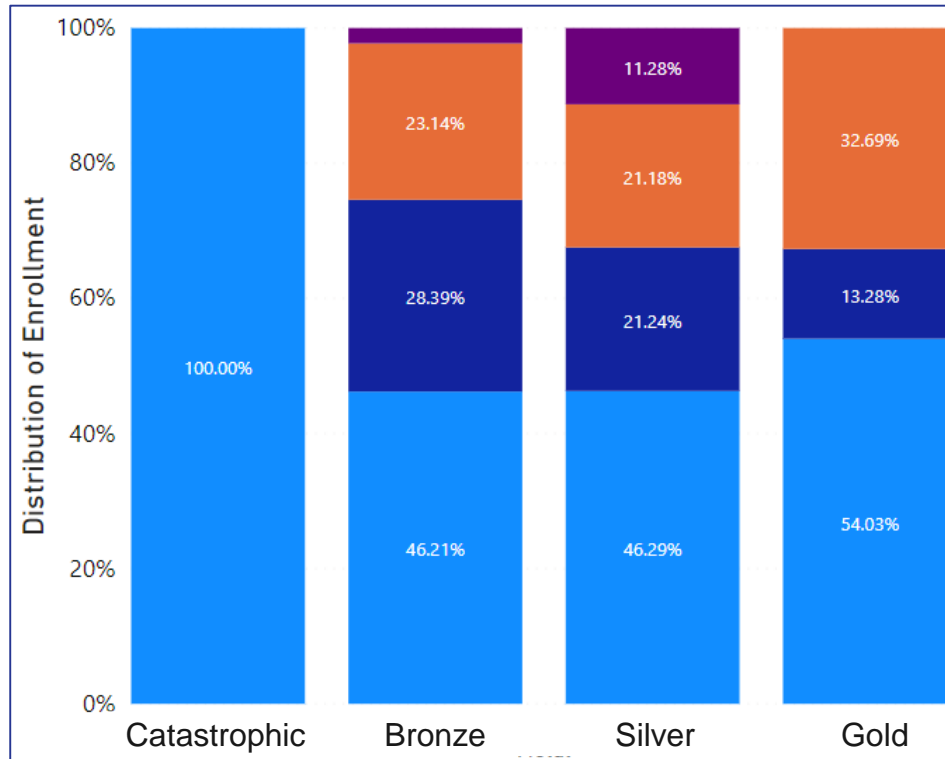
- Enrolled in the 4th + Lowest Premium Available Plan
- Enrolled in the 3rd Lowest Premium Available Plan
- Enrolled in the 2nd Lowest Premium Available Plan
- Enrolled in the 1st Lowest Premium Available Plan

Enrollees show some preference for lowest cost plans offered in a metal tier.

Consumer Impact

Enrollment by Plan Premium Rank

Non-Subsidy Eligible - By Metal & Issuer



Assuming Members are not Shopping Across Issuers

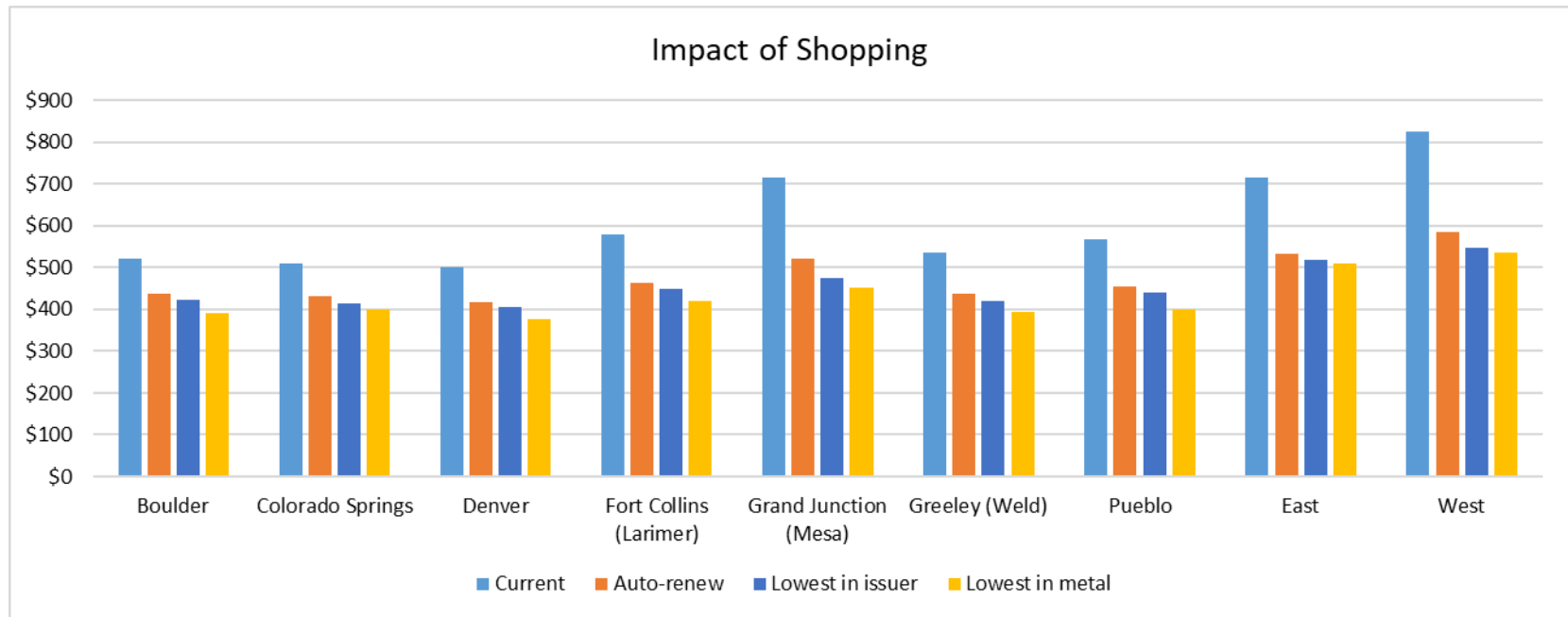
- Enrolled in the 4th + Lowest Premium Available Plan
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Within a given issuer, almost half of enrollees opt for the lowest premium plan.

Consumer Impact

Premium Changes and Shopping Impact

Non-Subsidy Eligible By Area



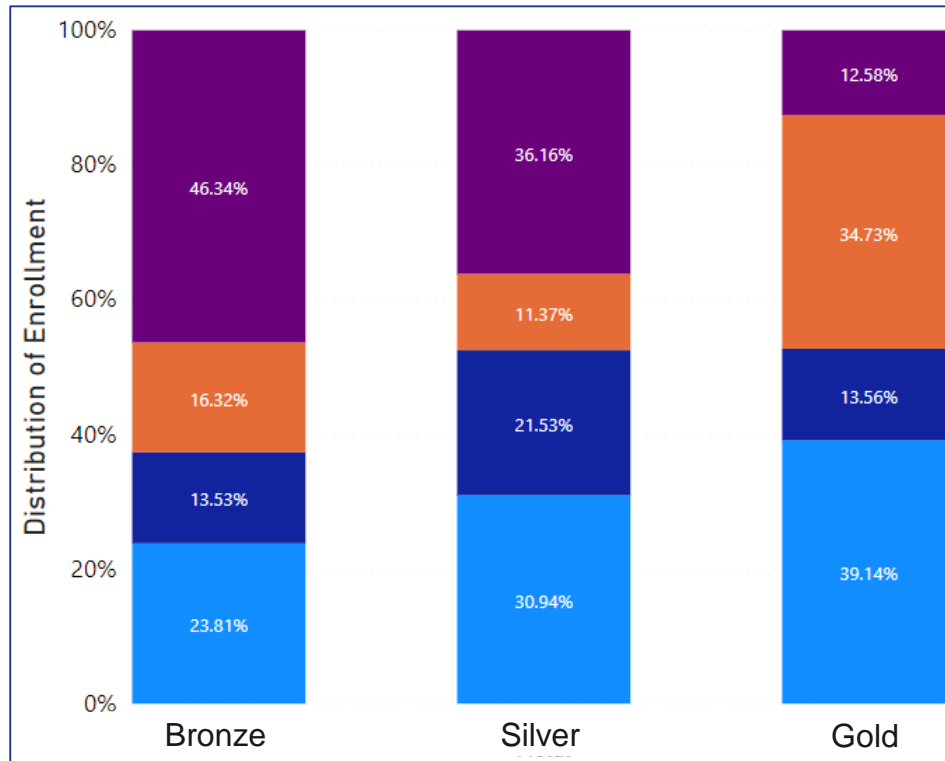
The decreases in APTCs are generally less than the decreases in standard plan rates. After APTC, premiums rise for enrollees in aggregate if individuals auto-renew. The exceptions are Grand Junction, East, and West rating areas.

Shopping off exchange for similar silver plan may get additional savings.

Consumer Impact

Enrollment by Plan Premium Rank

Subsidy Eligible - By Metal



Assuming Members are Shopping Across Issuers

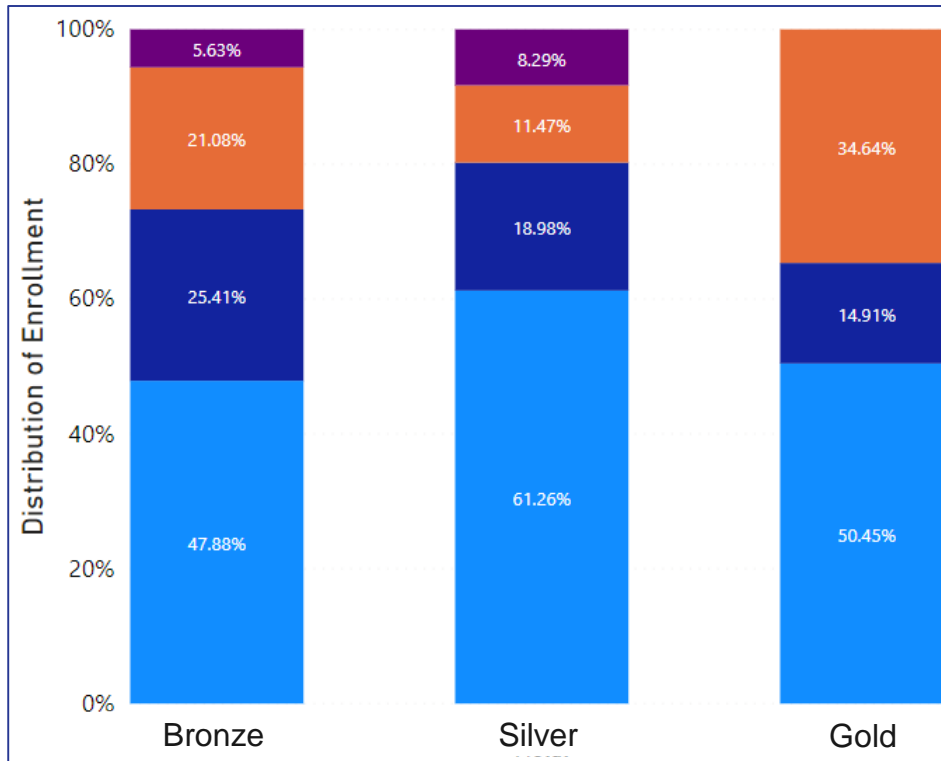
- Enrolled in the 4th + Cheapest Available Plan
- Enrolled in the 3rd Cheapest Available Plan
- Enrolled in the 2nd Cheapest Available Plan
- Enrolled in the 1st Cheapest Available Plan

More likely than non-subsidy eligible population to choose lowest premium in metal.

Consumer Impact

Enrollment by Plan Premium Rank

Subsidy Eligible - By Metal & Issuer



Assuming Members are not Shopping Across Issuers

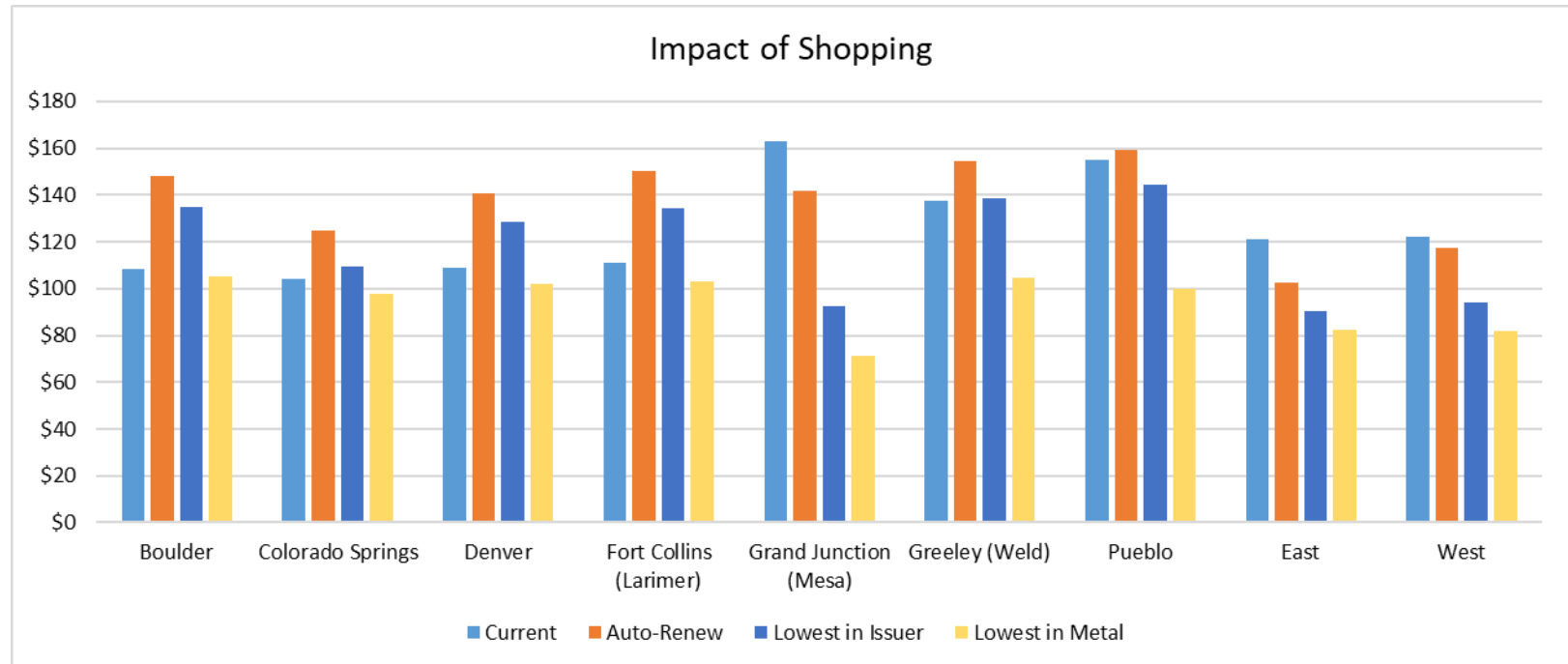
- Enrolled in the 4th + Cheapest Available Plan
- Enrolled in the 3rd Cheapest Available Plan
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More enrollees choose lowest premium plan within an issuer.

Consumer Impact

Premium Changes and Shopping Impact

Subsidy Eligible By Area



The decreases in APTCs are generally less than the decreases in standard plan rates. After APTC, premiums rise for enrollees in aggregate if individuals auto-renew. The exceptions are Grand Junction, East, and West rating areas.

Enrollees in some areas may need to change issuers in order to achieve premium reductions.