SUMMARY OF 2020 WAKELY ESTIMATES COMPARED TO ACTUAL RESULTS

Presented to Connect for Health Board Advisory Group
January 30, 2020

Background on Query

Annually, an actuarial firm is engaged in the summer to estimate rates and enrollment on the individual market for the upcoming OE.

In 2019, Wakely produced a Consumer Impact Analysis that projected a decrease in premiums for non financially-assisted (NFA) customers, and an increase in net premiums for financially-assisted(FA) customers.

GOAL: understand our customers better and better serve them in future open enrollments. Especially as premiums continue to drop.

At the end of 2020, Wakely compared their estimates to available submitted enrollment data.

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*Key Assumptions on preliminary results

Wakely's analysis compares 2019 effectuated premium information to 2020 submitted premium. This is relevant as not all customers effectuate into the plan they select for enrollment.

To achieve a timely analysis, we made the assumption that these are comparable and did not adjust the numbers to account for that difference.

The data provided to Wakely for this 2020 comparison was for enrollees who submitted their information through December 31st, 2019. This is relevant as over 15,000 additional enrollees submitted their decisions between then and the end of open enrollment on January 15th, 2020.

To achieve a timely analysis, we made the assumption that the information from this population could directly extrapolate to the entire population and did not adjust numbers to account for any differences.

PRELIMINARY FINDINGS FOR NON FINANCIALLY-ASSISTED CUSTOMERS

Key Takeaways – NFA Population

- The NFA population that auto-renewed their plan saw savings consistent with the original estimates.

- In the NFA population, people who shopped did tend to see more savings than people who auto renewed.

PRELIMINARY FINDINGS FOR SUBSIDY-ELIGIBLE CUSTOMERS

Subsidy Eligible or Financially Assisted?

- Wakely data provided is categorized using the Subsidy Eligible Population.
    - If an FPL is 0 - 400 including 0 and 400 then people are categorized as being Subsidy Eligible.

- Connect for Health uses the definition of Financially Assisted.
    - Application of any APTC to premiums puts the population into the FA category.

- Wakely's analysis focused on gaining insight into consumer decisions and what effect those decisions had on their net premium result.
    - i.e.- How does the shopping population compare to the auto renew population when comparing net premiums?

- Connect for Health is focused on using these metrics to inform operational decisions.

- Wakley's and Connect for Health's approaches to this data are valuable, but should not be compared directly as a way to validate one another.

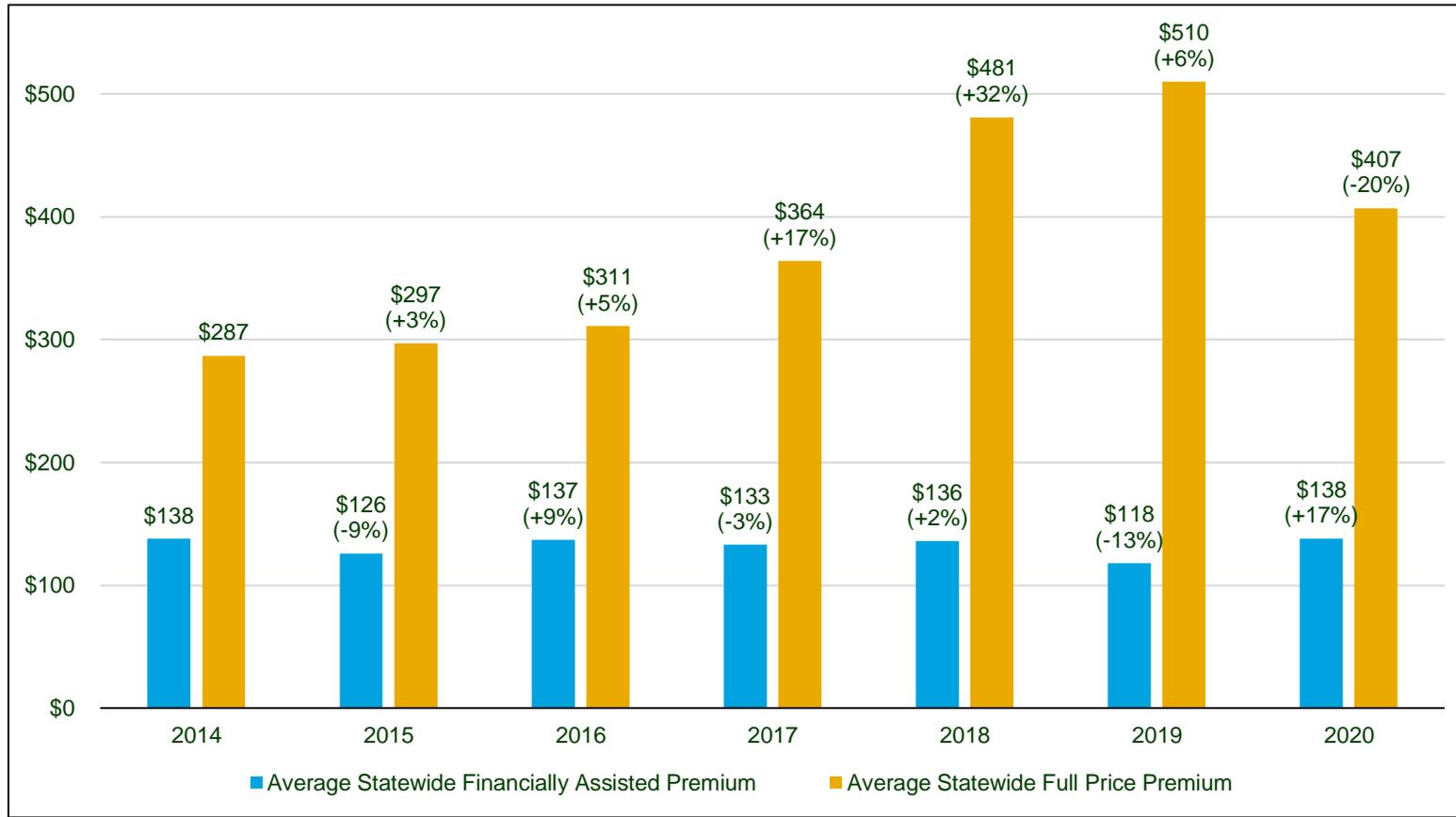# Key Takeaways – FA/SE Population

- Subsidy eligible customers who auto renewed saw price increases almost as expected.
  - Bronze plan buyers saw a **higher** than expected increase in net premium cost.
  - Silver and Gold buyers saw a **lower** than expected increase in net premium cost.

- If the FA population was to shop into the lowest cost plan in their metal tier, they were expected to see savings. In reality, people shopped on factors other than price so, net premiums did increase on average.

- Within rating areas, people who shopped saw **lower** than expected increase or a **lower** net premium than people who auto renewed.
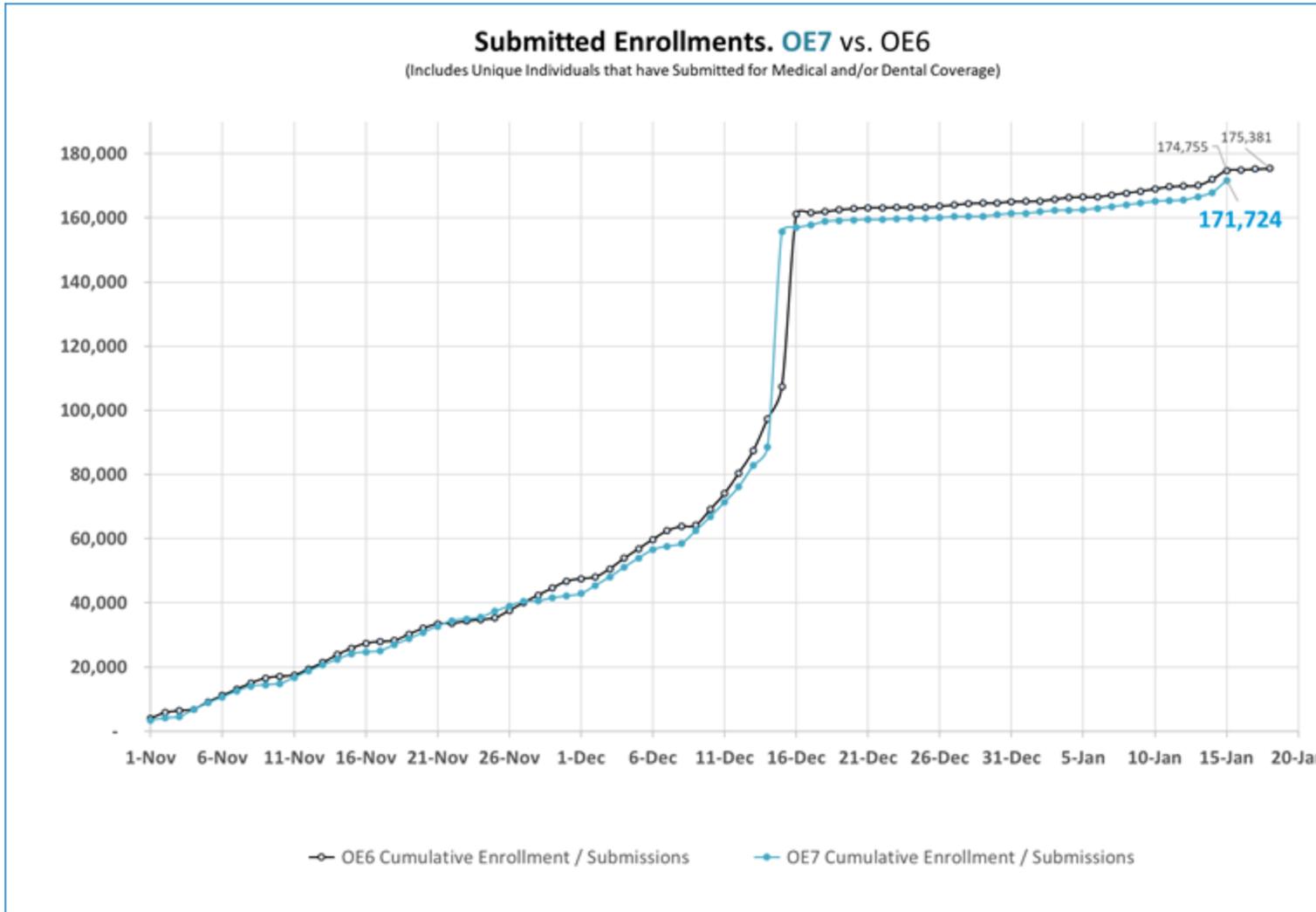
PRELIMINARY FINDINGS FROM CONNECT FOR HEALTH DATA

Connect for Health Colorado Average Submitted Premiums 2014 - 2020

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Total Medical & Dental Submissions Over Open Enrollments 6 and 7

Submitted Enrollments. OE7 vs. OE6
(Includes Unique Individuals that have Submitted for Medical and/or Dental Coverage)

Data as of Jan 15th, 2020

175,381
174,755
171,724

OE6 Cumulative Enrollment / Submissions   OE7 Cumulative Enrollment / Submissions

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Recommendations & Outstanding Questions – *It's not simple*

Recommendations

- Continue shopping message and gather feedback from stakeholders after each OE

- Leverage learnings to improve future policies that impact APTC calculations

- Set outcome metrics for future policies to ensure better impact tracking

- Connect for Health Colorado take more proactive stakeholder role to ensure customers, brokers, assisters' qualitative data is included in future policy considerations

- Use multi-year phased approach to assess and implement future policies

Questions

- What do we still need to learn from our customers?

- Which variables about our customers are most important in their decision making?

- If premiums continue to decrease, what portfolio of activities best serves our customers?

- How can we increase our value proposition?

- *What else?*