

Colorado Individual Exchange Renewals

Consumer Impact Analysis

October 26, 2020

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 2021 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 2020 to 2021

	2020	2021
Issuers	8	8
Plans		
On Exchange	130	159
Substantially Similar Off Exchange	49	33
Counties with One Issuer	22	10
Weighted Average Rate Change (Unsubsidized)	-18% (-\$99)	3% (\$12)
Weighted Average Rate Change (APTC-Eligible)	19% (\$22)	26% (\$30)

- “Substantially Similar Off-Exchange” refers to silver plans which have a nearly identical cost-sharing structure as an on-exchange silver counterpart. These Off-Exchange options do not have CSR loads, however consumers are not eligible for premium tax credits (APTC) if they enroll in these options. (Colorado Bulletin B 4.100)

Key Changes 2020 to 2021

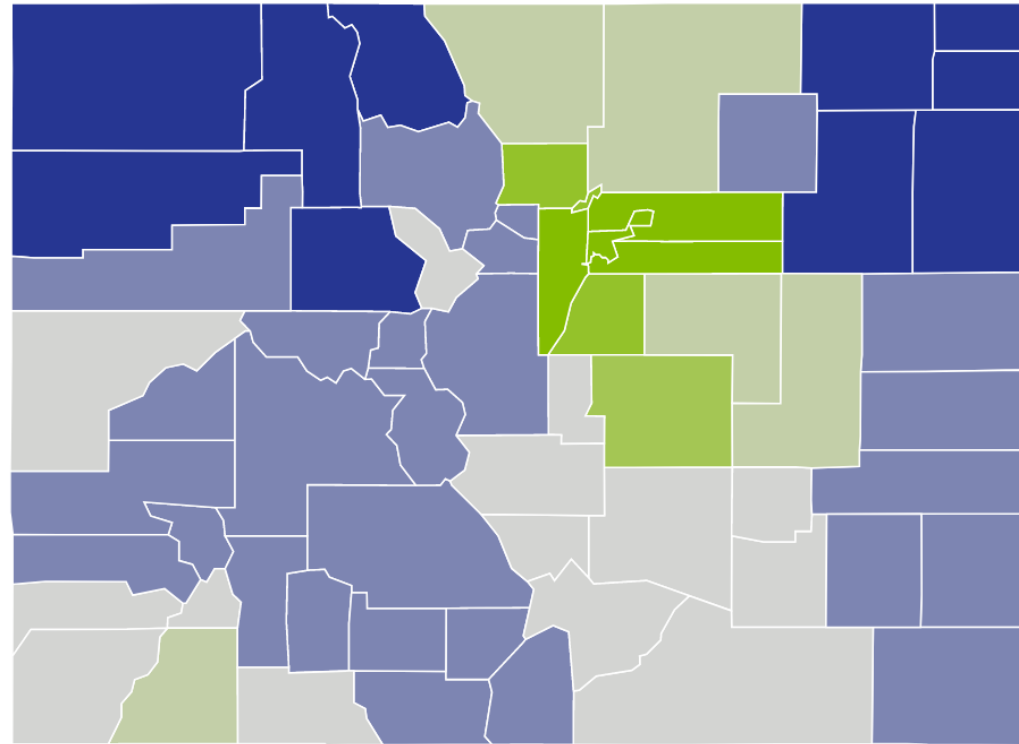
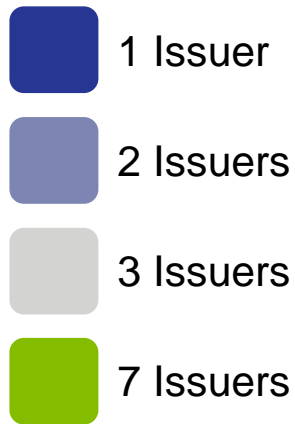
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Consumer Choice

Issuers Density by County

Issuers in County	Number of Counties	% of 2020 Enrollment
1	10	4%
2	27	10%
3	14	7%
4+	13	79%

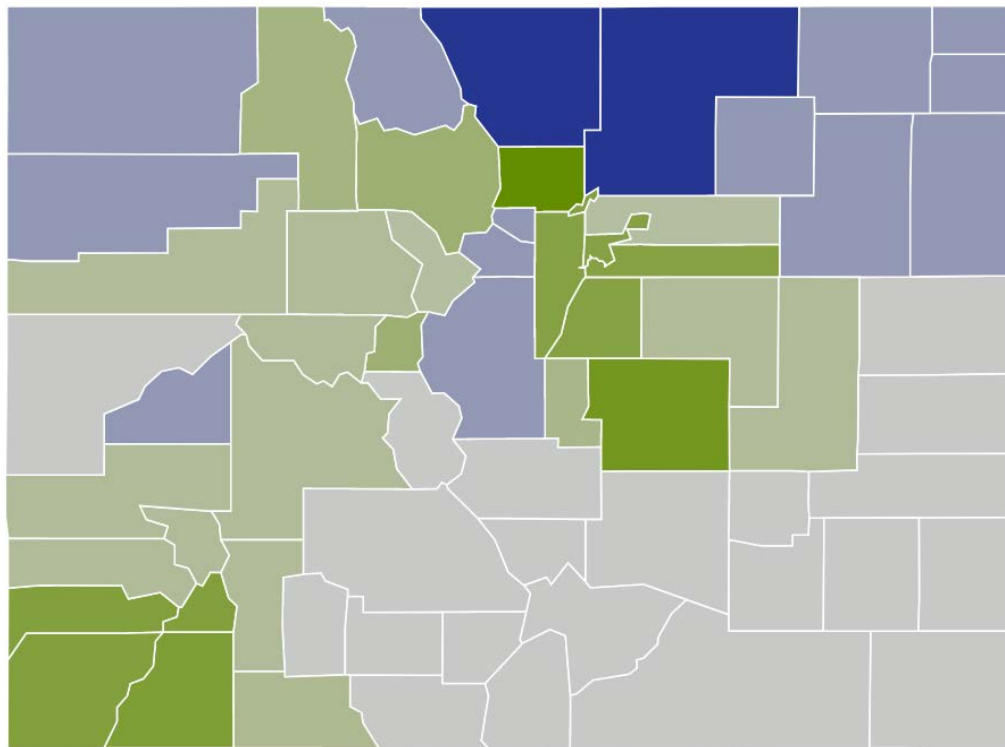


- Only one issuer has plan options in every county of the state in 2020 and 2021
- There will be two or fewer issuer options in 37 of 64 counties in the state. This is lower than 2020.
- Total enrollment in counties with only one issuer option is 3.6% of enrollment. This is a decrease from 10.3% of enrollment in single issuer counties last year.

Consumer Choice

Change in Plan Availability by County

Plan Change by County	Number of Counties	% 2020 Enrollment
Increasing	49	86%
No Change	13	3%
Decreasing	2	11%



- Two entreats in Boulder make this the most competitive region with 27 plan offerings
- Only two counties (Larimer & Weld) will have less offerings than 2020
- Majority of the counties in the West add new plans

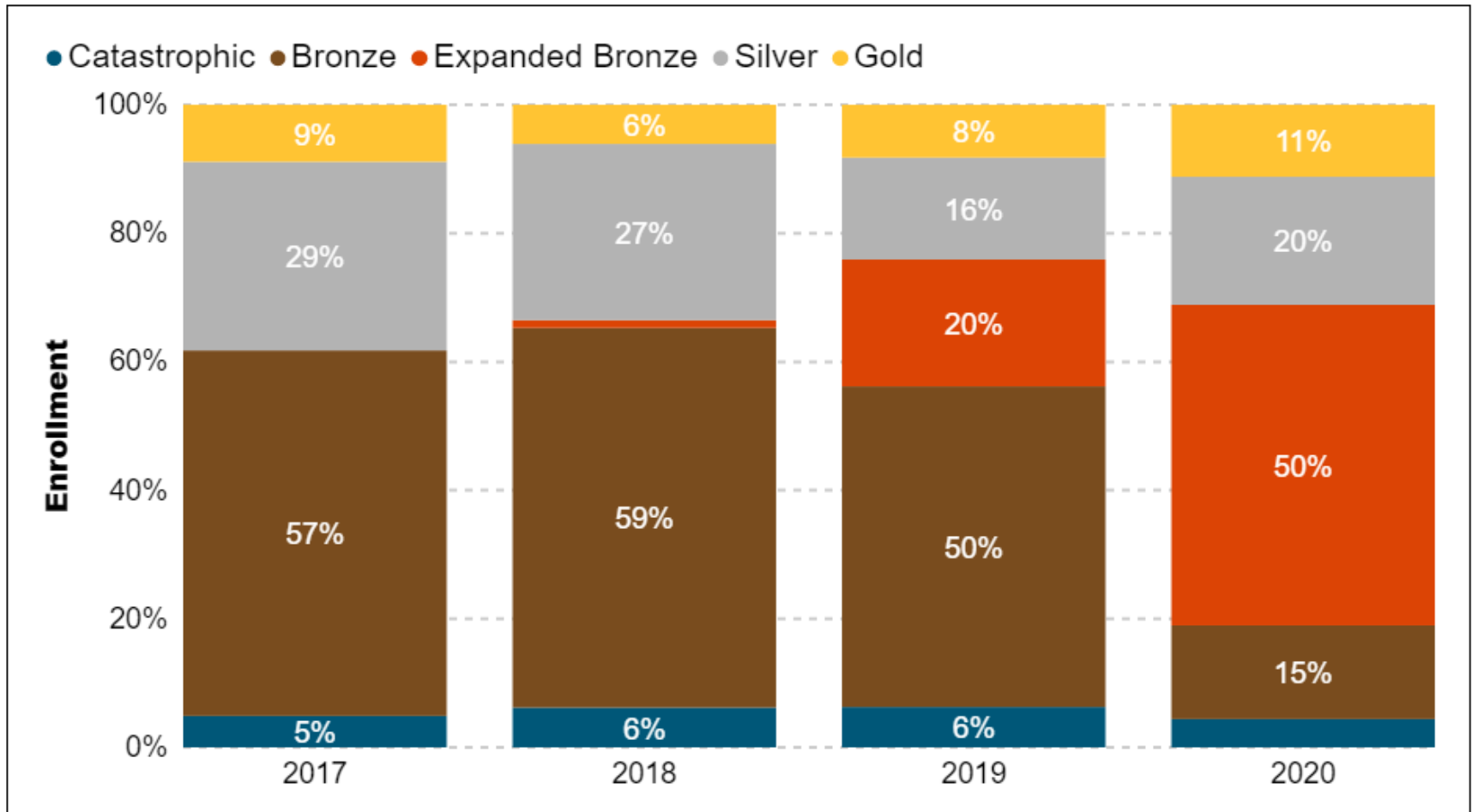
Comparison of Plan Offerings

- There were 130 plans offered on the exchange in 2020 and 159 in 2021
- Growth was in the 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 4,289 enrollees, or 2.9% of 2020 enrollees
- Not all plans are offered in all regions of the state

	Gold	Silver	Expanded Bronze	Bronze	Catastrophic	Total
2020 Plans	25	49	38	9	9	130
Continuing	17	33	33	1	6	90
Merging	3	4	4	0	1	12
Discontinued	0	-4	-1	0	0	-5
New	7	25	21	2	2	57
2021 Plans	27	62	58	3	9	159
Net Change	2	13	20	-6	0	29

Enrollment Changes

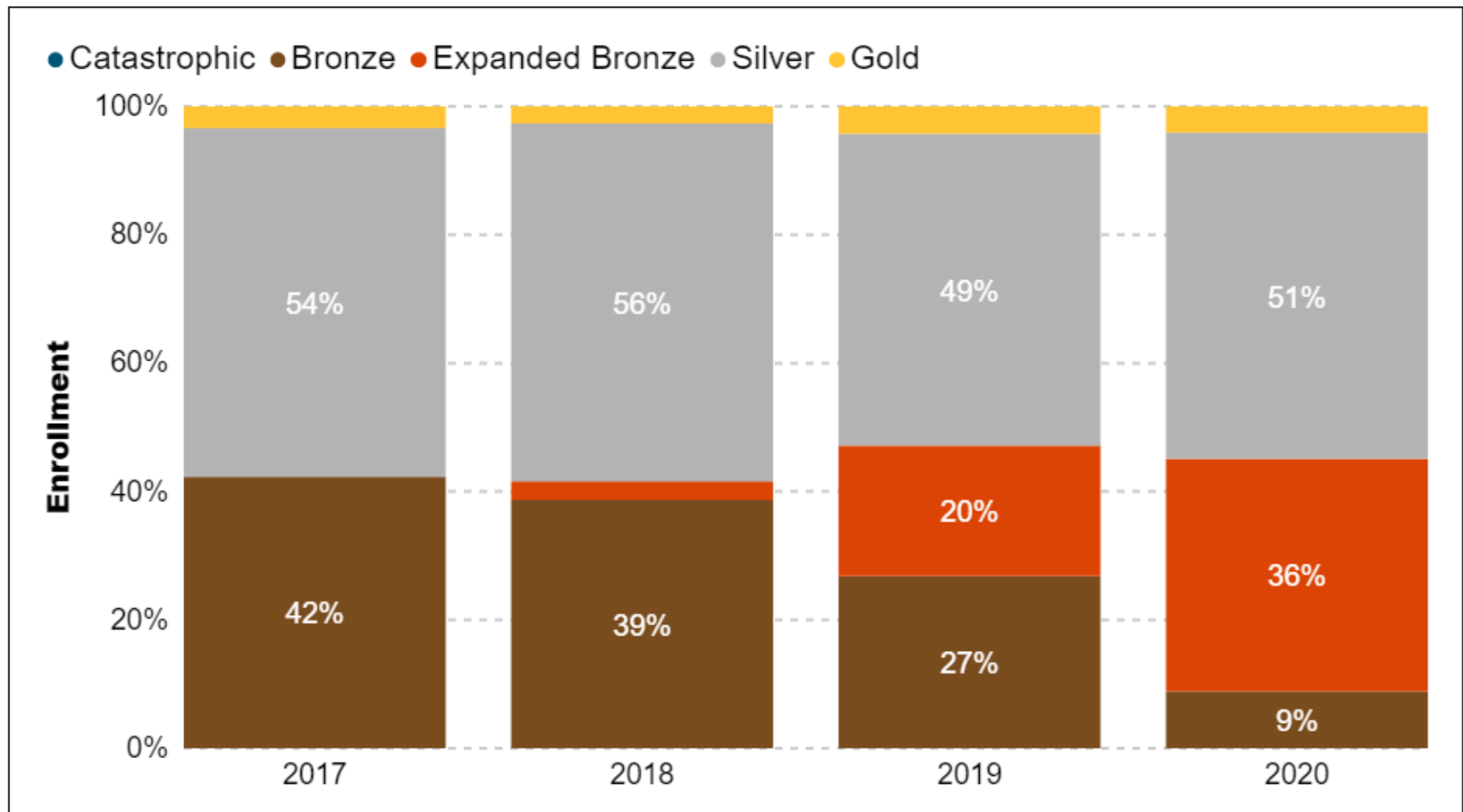
Membership changes by Metal – Unsubsidized Enrollees



- Growth of Expanded Bronze plans driven by new enrollees and migration from Bronze plans

Enrollment Changes

Membership changes by Metal – Subsidized Enrollees



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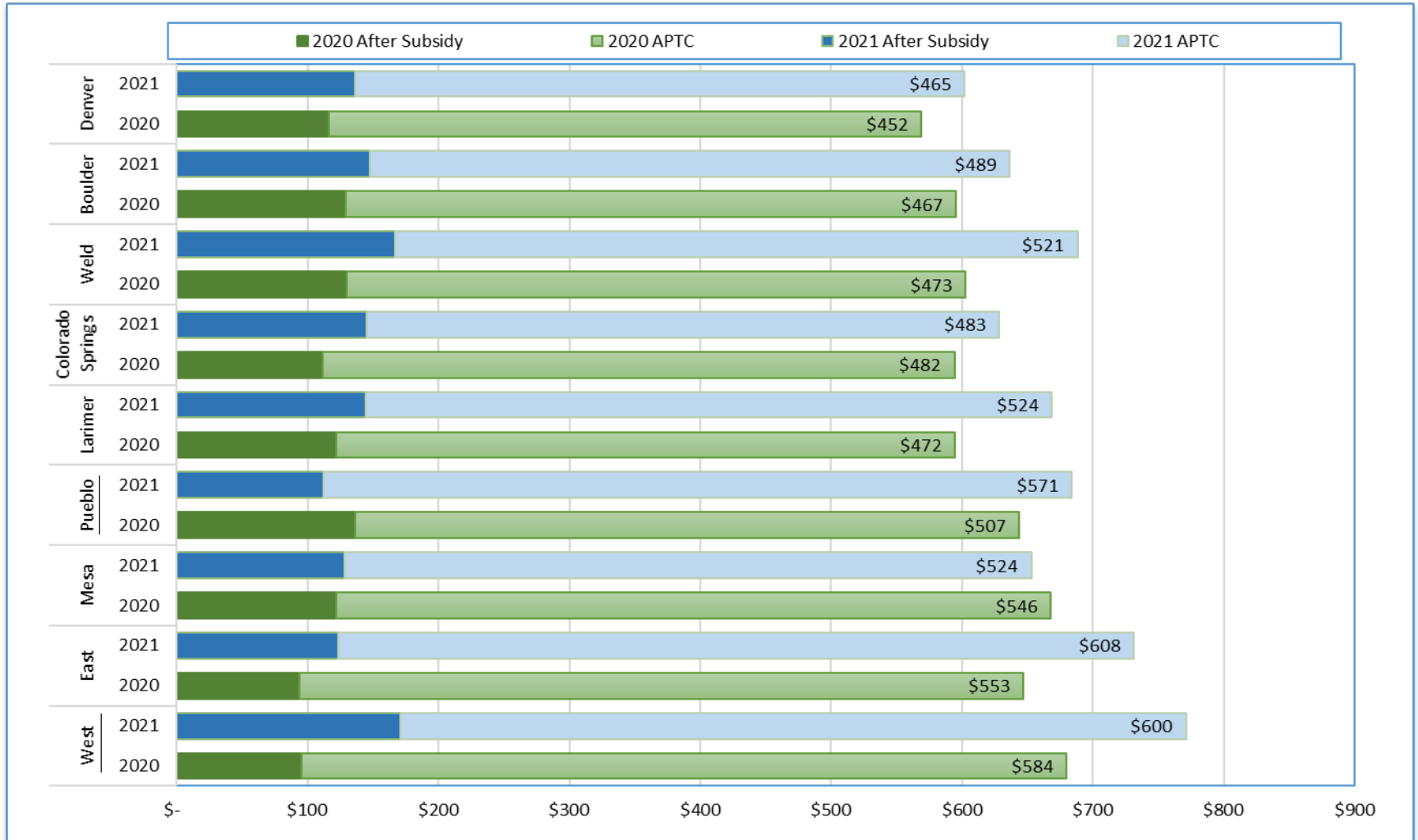
Premiums

Plan AVs and Premiums

- 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.

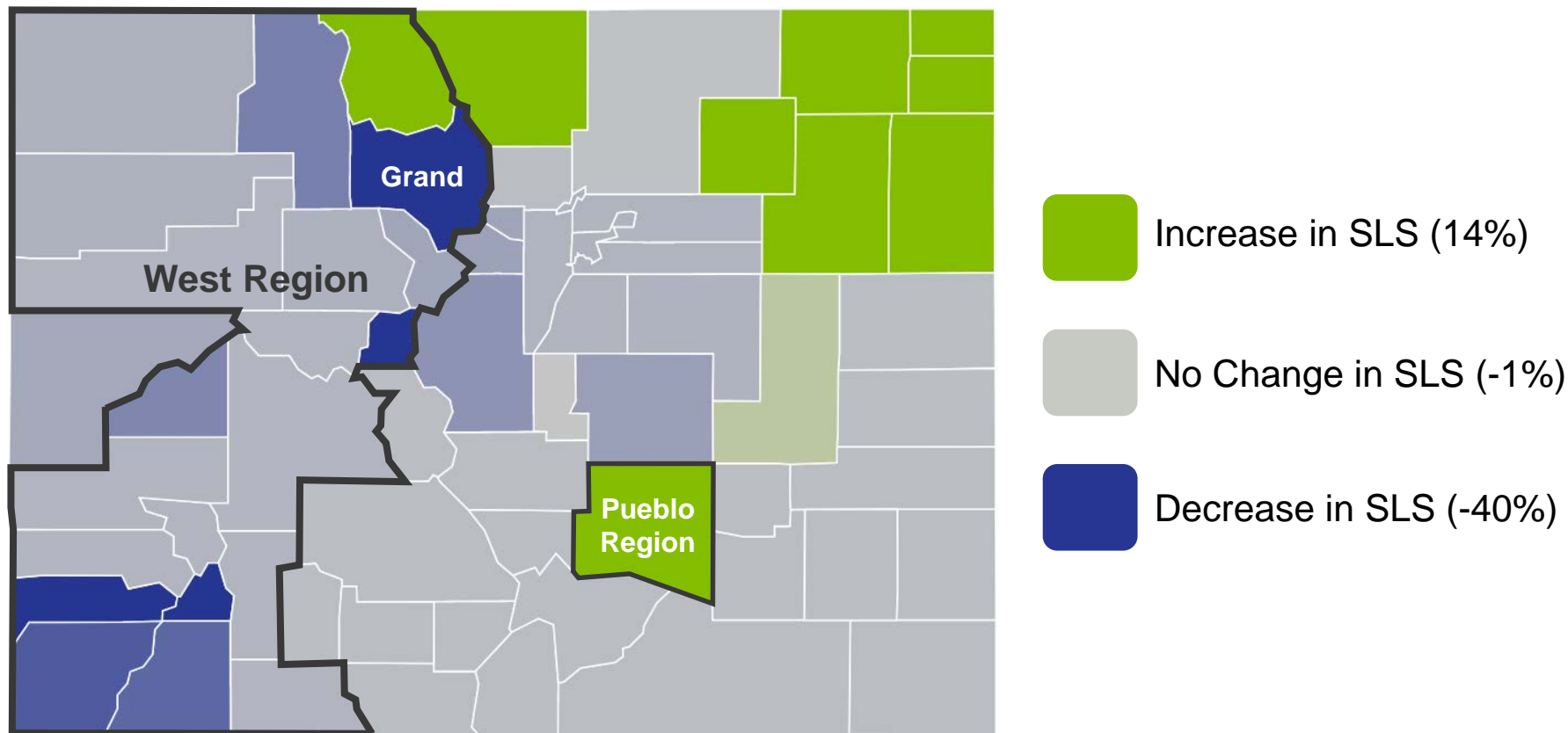
Consumer Impact

2020 to 2021 Auto-Renew Premium Changes



Consumer Impact

Weighted Average Change in Second Lowest Silver (SLS) by County

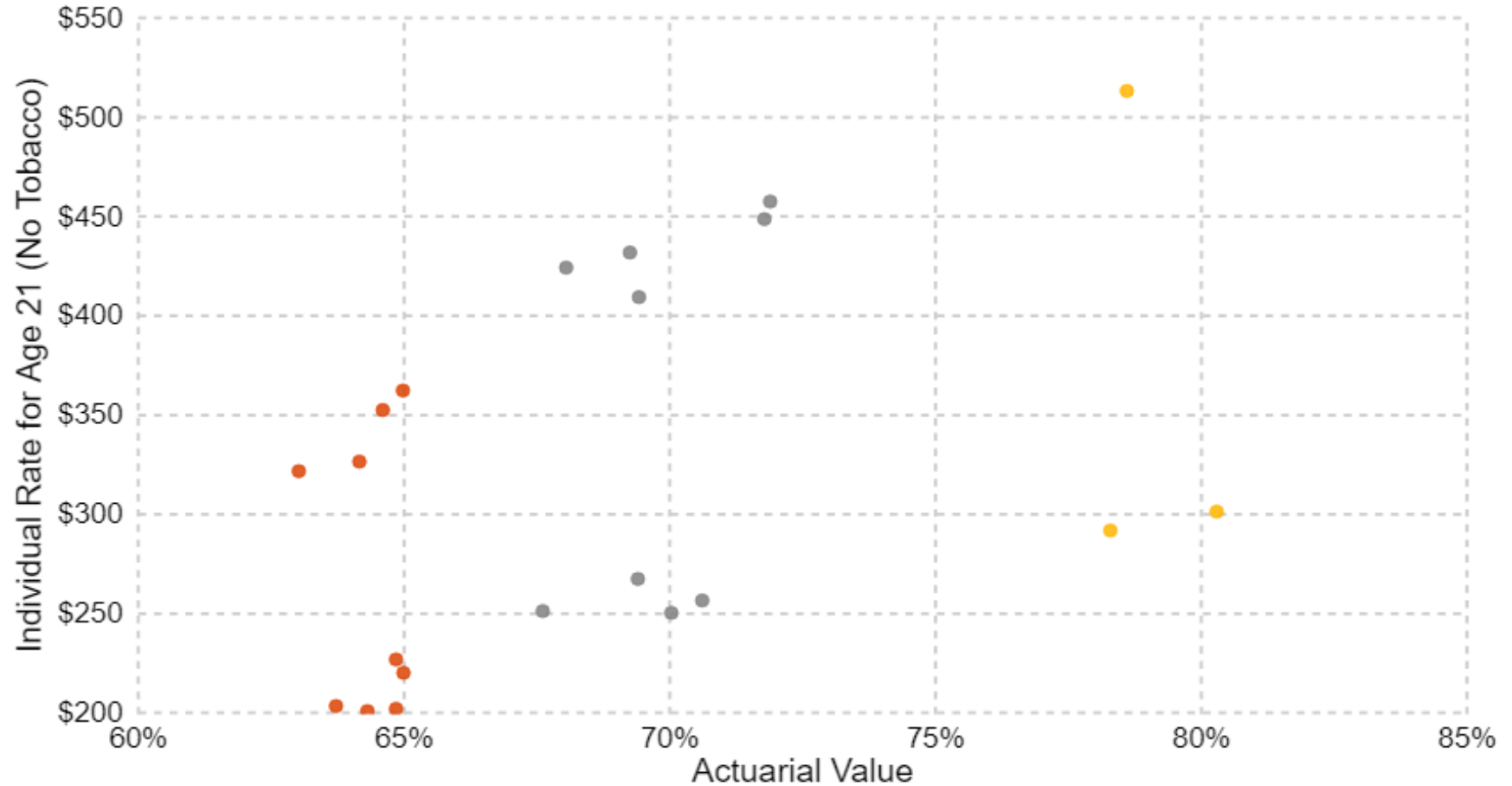


- Grand, Routt, Delta, Montezuma, Dolores and San Juan saw decreases (<25%)
- Pueblo, Logan, Yuma, Washington and Phillips saw increases (>10%)
- ~70% of rating groups will see a change in SLCS issuer.

AV and Premium Relationship

Plan AVs and Premiums – Grand County

Level of Coverage ● Expanded Bronze ● Silver ● Gold



Consumer Impact

Premium Changes

- Decrease in second lowest silver premiums in almost all counties
- After APTC rates increasing in some areas and decreasing in others (Pueblo)

Weighted Average Premium Changes (Excl. Aging)

Issuers	Catastrophic	Bronze	Silver	Gold	Total
Rating Area 1	-0.1%	1.7%	0.3%	-3.1%	0.7%
Rating Area 2	-5.6%	-3.7%	-4.2%	-2.9%	-3.9%
Rating Area 3	-1.3%	-0.4%	-1.4%	-3.9%	-1.3%
Rating Area 4	5.7%	7.3%	6.1%	0.9%	6.4%
Rating Area 5	-0.4%	-8.3%	-8.8%	-2.7%	-8.0%
Rating Area 6	3.1%	7.2%	6.4%	0.5%	6.2%
Rating Area 7	6.0%	7.7%	8.7%	0.8%	7.8%
Rating Area 8	1.4%	5.9%	6.4%	-1.3%	5.9%
Rating Area 9	-1.8%	-1.7%	-2.2%	-5.3%	-1.9%
Total	-0.6%	0.4%	-0.5%	-3.1%	-0.3%

Consumer Impact

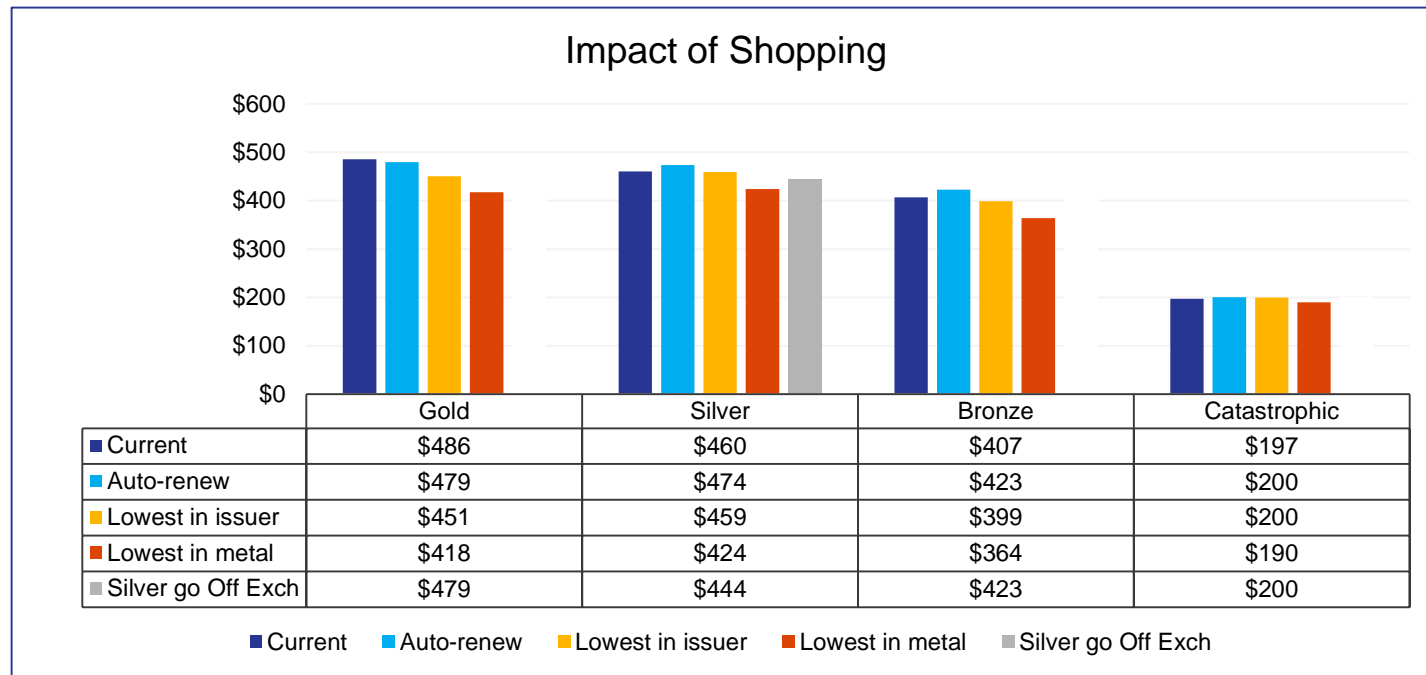
Non-Subsidy Eligible

- Issuers loaded only Silver plans for CSR funding in 2021
- 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 2021 premium of \$474, and a 6% 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

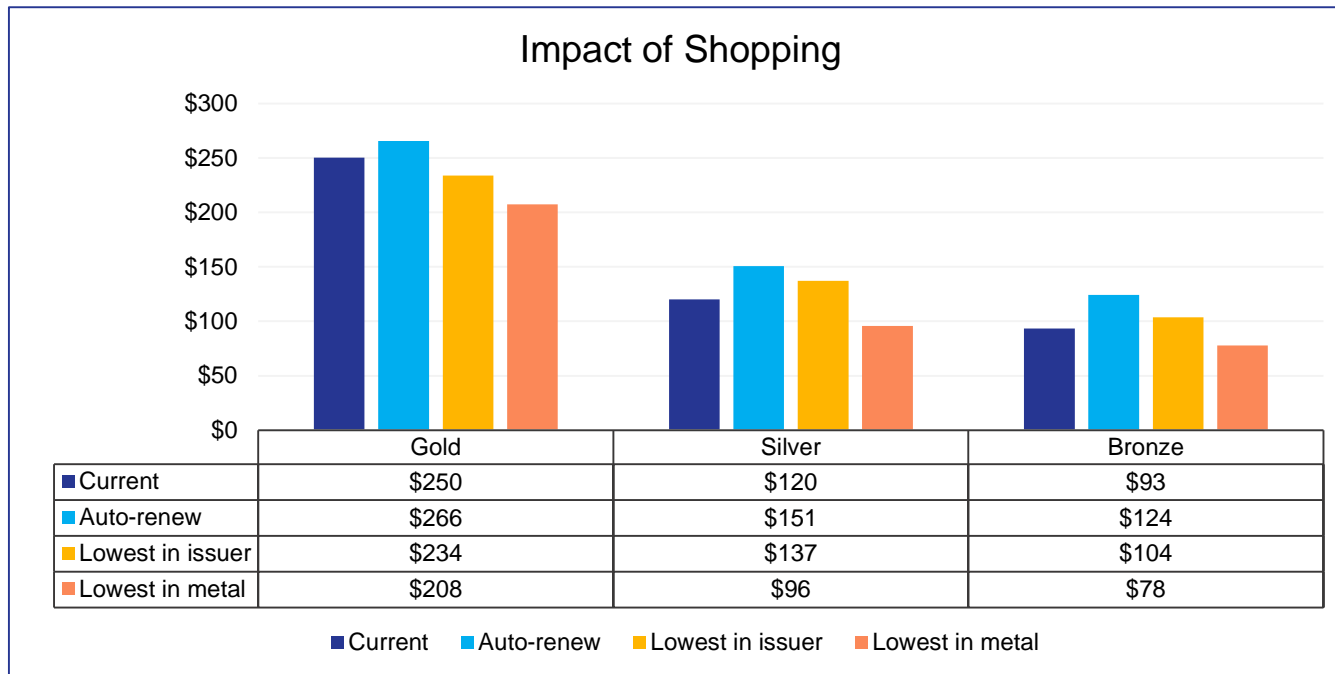
Subsidy Eligible

- Issuers loaded only Silver plans for CSR funding in 2021
- Decreases in subsidies are driven by lower on-exchange second lowest cost silver premiums
- Decreases in subsidies are exacerbated by increases in 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

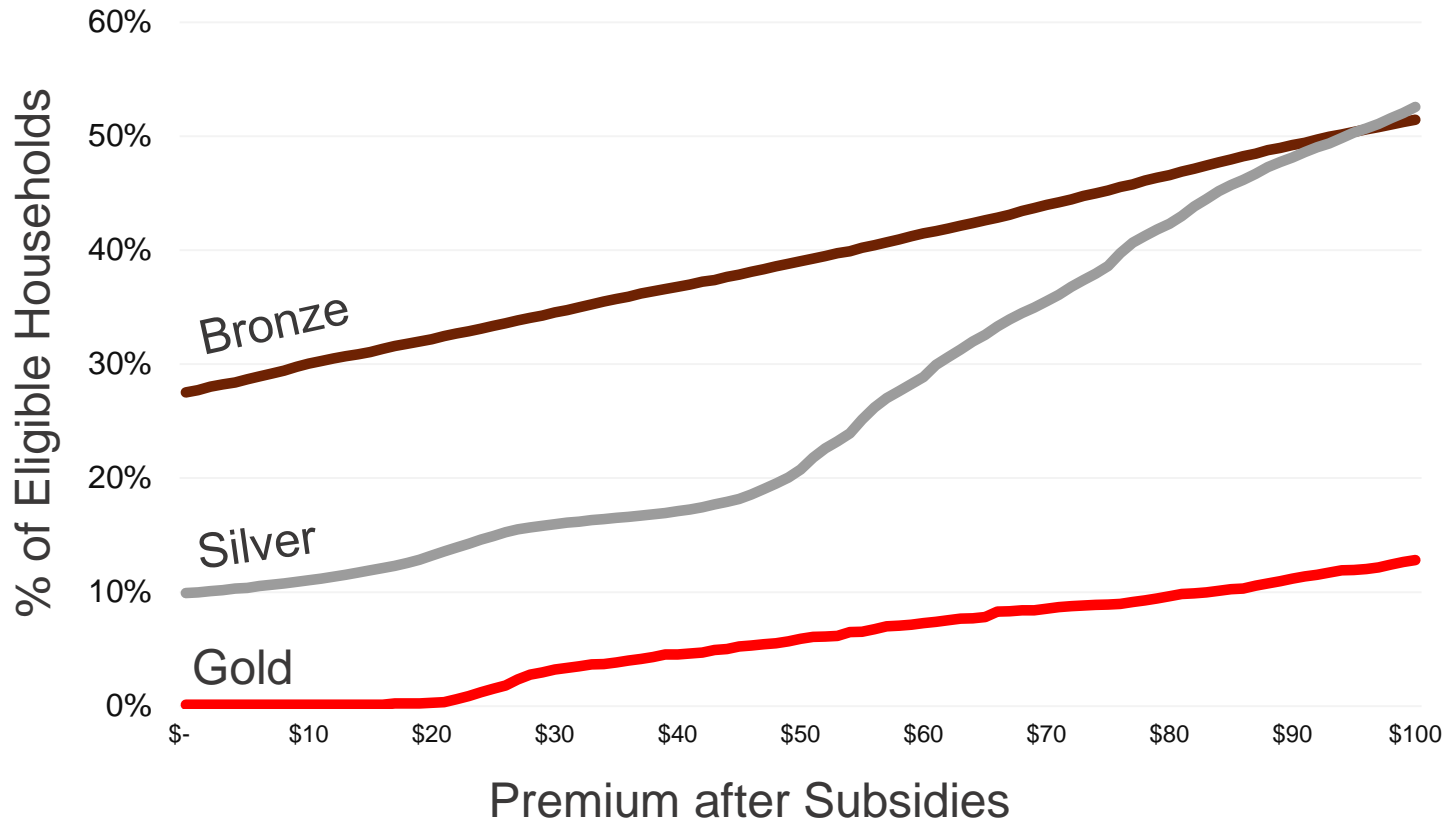
Subsidy Eligible By Metal



Subsidized individuals that auto-renew to their current plan are likely to see a net premium increase because second lowest cost silver reductions has reduced their APTC, and because plan premiums are increasing, or not decreasing at the same rate as APTCs.

All metal tiers could benefit from shopping, and achieve an overall decrease in net premium from 2021.

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 20,353 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 18,250 of these are in Bronze plans
 - More than 2,000 of these are in Gold plans, of which roughly 800 have household incomes below 200% FPL and are eligible for CSRs that would provide plans with a similar actuarial value for a lower premium
- 516 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 1,974 households in coverage through C4 who may stop receiving subsidies because the cost of the benchmark plan is lower than their required contribution
 - These households are roughly split amongst silver and bronze plans and reside primarily in Rating Area 3
 - Rate increases resulting from the potential loss of subsidy will exceed 150%

Appendix

Definitions

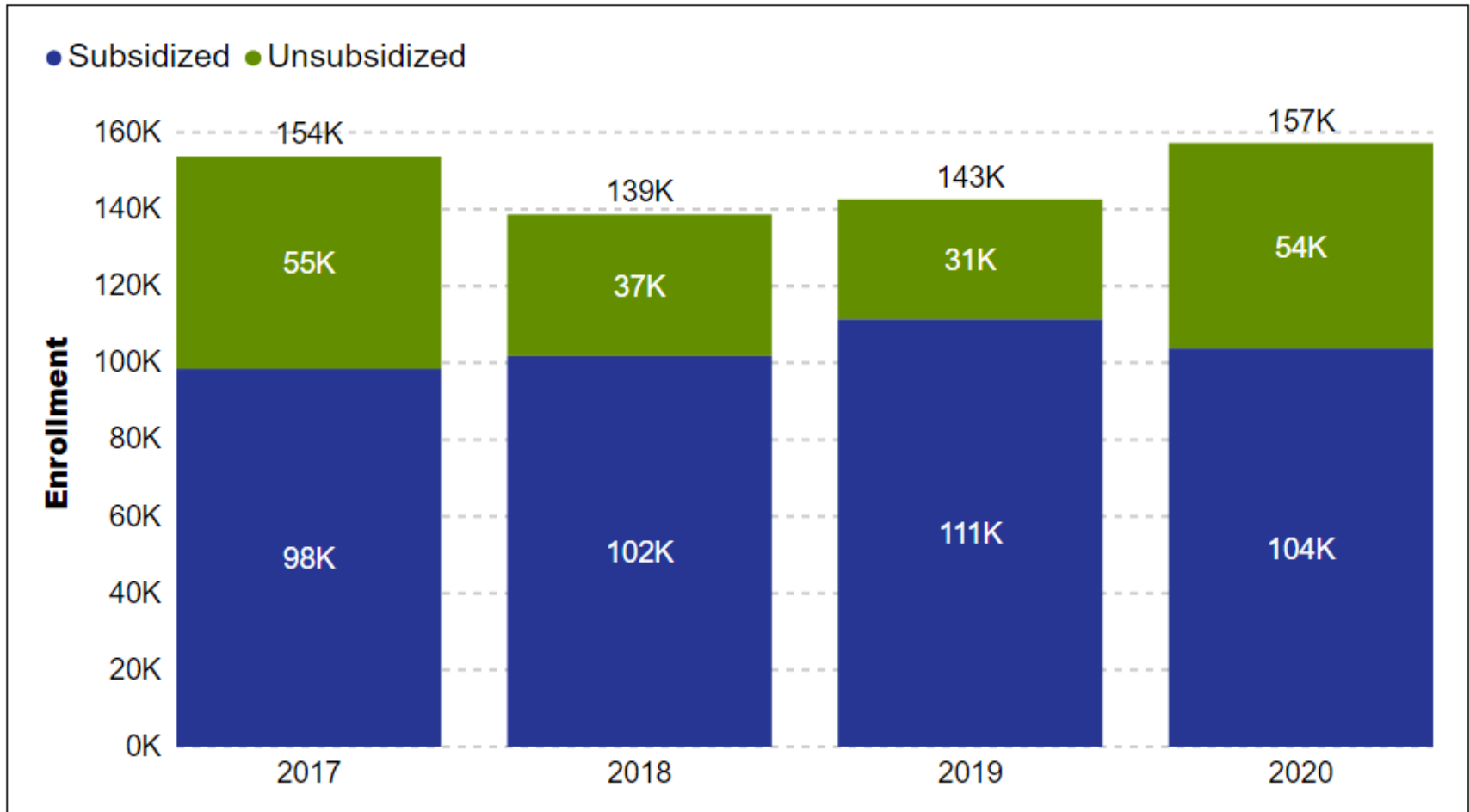
- Subsidy-eligible: Reported % of FPL in Enrollment detail between 0% and 400%
- Non-Subsidy-eligible: Reported % of FPL in Enrollment detail above 400% or not indicated
- Enrollee: Individual member enrolled in a plan
- Household: Group of family members covered by same plan
- County/zip group: Subset of zip codes within a county where all zip codes have same benchmark plan
- Discontinued Plans:
 - Plans that are not cross-walked to a 2021 plan on the exchange

Consumer Choice

- One issuer offers plans in every county of the state in both 2020 and 2021
- There will be only one issuer option in 10 of 64 counties in the state (5,719 enrollees), and two issuer options in 27 of 64 counties (15,016 enrollees)
- 25 counties saw an increase in number of issuers offering plans from 2020 to 2021
- 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 an increase of up to 27 plans
 - Larimer and Weld Counties will see a decrease of 2 plans
- The average number of plans available in a county will increase from 51 in 2020 to 65 in 2021 (weighted by enrollment)
- No Platinum plans are offered by any issuer on the exchange in 2020 or 2021

Enrollment Changes

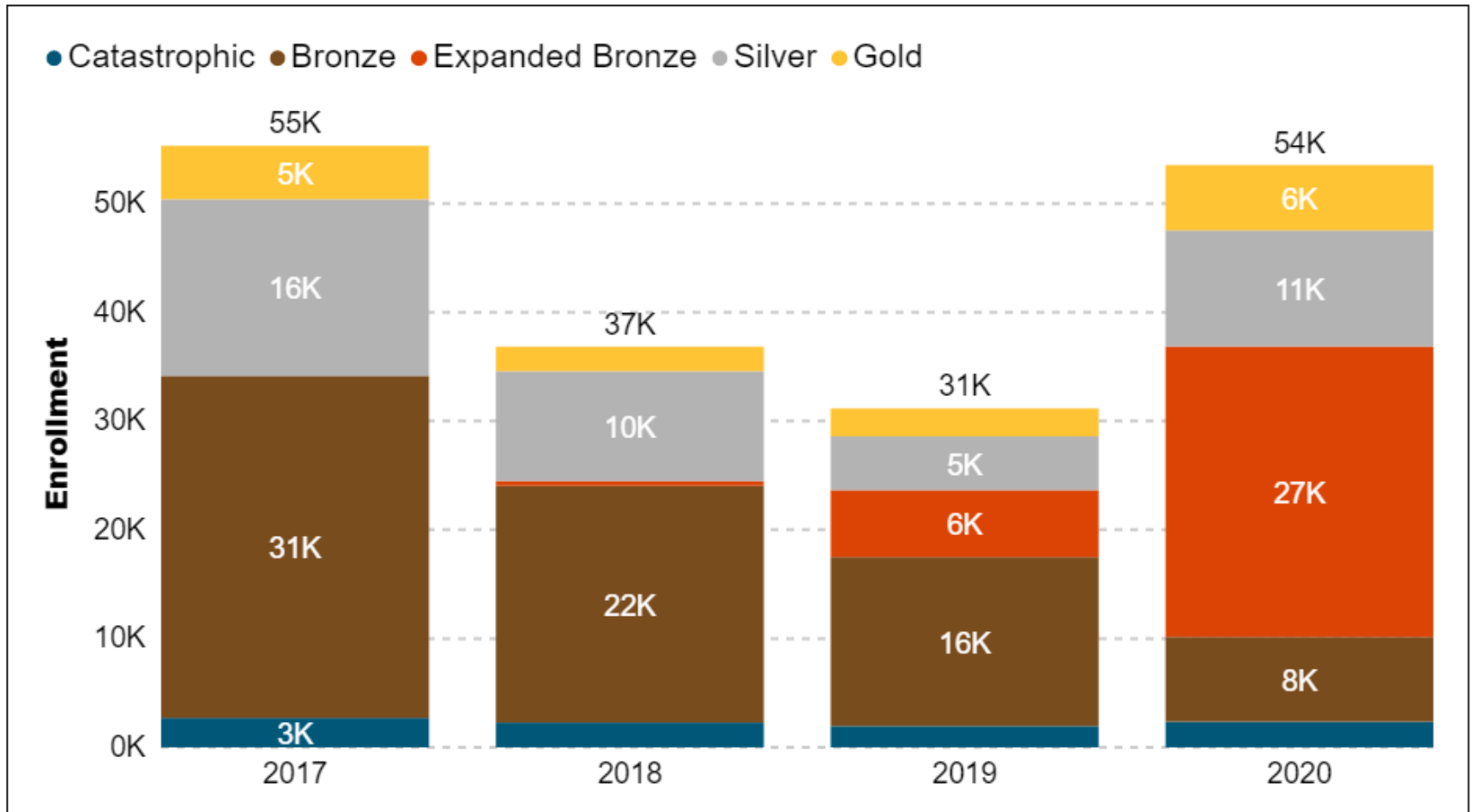
Total Membership Change for Subsidized and Unsubsidized Populations



- 14K Coloradans enrolled during the COVID Special Enrollment Period

Enrollment Changes

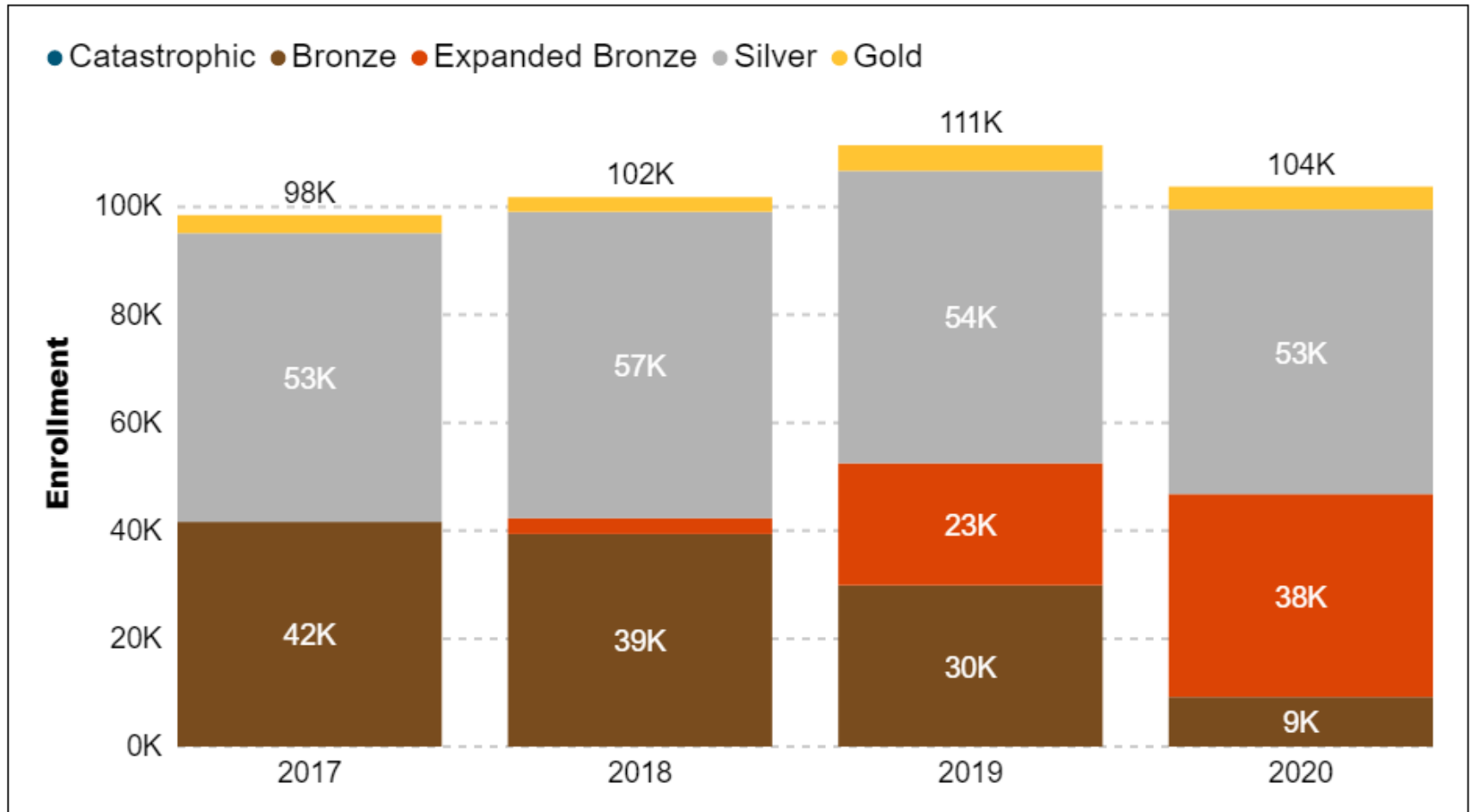
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Enrollment Changes

Membership changes by Metal – Subsidized Enrollees



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Comparison of Plan Offerings

Rating Area	County	Bright Health Insurance Company	Cigna Health and Life Insurance Company	Friday Health Plans	Denver Health Medical Plan, Inc.	Anthem (HMO Colorado, Inc.) *	Kaiser Foundation Health Plan of Colorado *	Oscar Insurance Company	Rocky Mountain Health Maintenance Organization, Inc. *
1 - Boulder	Boulder	16	9	8		22	12	12	7
2 - Colorado Springs	El Paso	16	9	8		11	24		7
	Teller		9			11	24		
3 - Denver	Adams	16	9	8	6	11	12	12	7
	Arapahoe	16	9	8	6	11	12	12	7
	Broomfield	16	9	8		11	12	12	7
	Clear Creek					11	12		
	Denver	16	9	8	6	11	12	12	7
	Douglas	16	9	8		11	24	12	7
	Elbert	16		8		11	24		
	Gilpin					11	12		
	Jefferson	16	9	8	6	11	12	12	7
Park					11	24			
4 - Fort Collins	Larimer		9	8		11	12		
5 - Grand Junction	Mesa			8		21			9
6 - Greeley	Weld		9	8		11	12		
7 - Pueblo	Pueblo			8		11	24		

Comparison of Plan Offerings

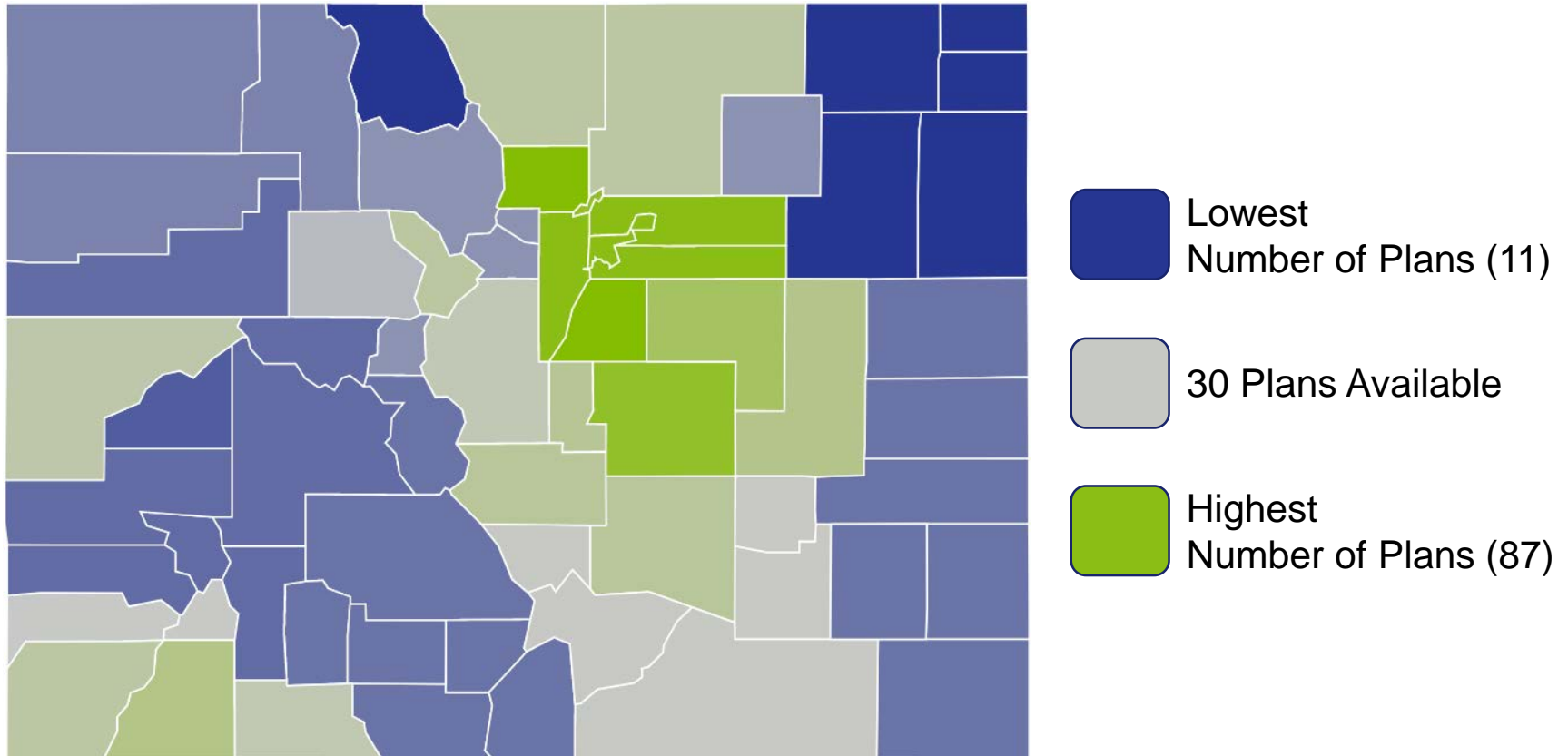
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8 - East	Alamosa			8		11			
	Baca			8		11			
	Bent			8		11			
	Chaffee			8		11			
	Cheyenne			8		11			
	Conejos			8		11			
	Costilla			8		11			
	Crowley			8		11	12		
	Custer			8		11	12		
	Fremont			8		11	24		
	Huerfano			8		11	12		
	Kiowa			8		11			
	Kit Carson			8		11			
	Las Animas			8		11	12		
	Lincoln	16		8		11	12		
	Logan					11			
	Mineral			8		11			
	Morgan					11	12		
	Otero			8		11	12		
	Phillips					11			
	Prowers			8		11			
Rio Grande			8		11				
Saguache			8		11				
Sedgwick					11				
Washington					11				
Yuma					11				

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9 - West	Archuleta			8		21			7
	Delta					11			5
	Dolores	12				11			7
	Eagle					21			7
	Garfield					11			7
	Grand	12				11			
	Gunnison					11			7
	Hinsdale					11			7
	Jackson					11			
	La Plata	12		8		21			7
	Lake	12				11			
	Moffat					21			
	Montezuma	12				21			7
	Montrose					11			7
	Ouray					11			7
	Pitkin					11			7
	Rio Blanco					21			
	Routt					21			
	San Juan	12				11			7
San Miguel					11			7	
Summit		12		8		21			

Consumer Choice

Plan Density by County

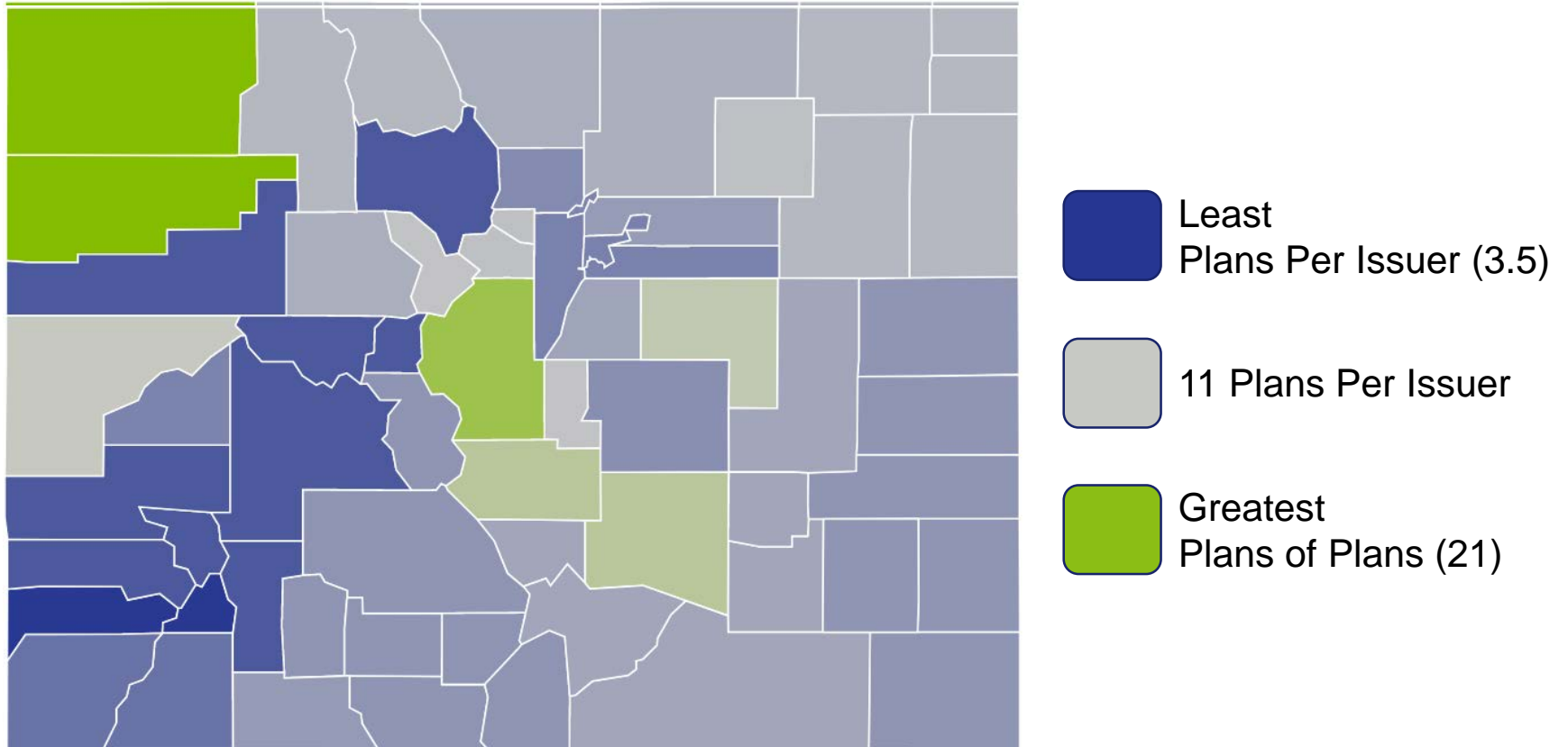


The average number of plans available will increase from 51 in 2020 to 65 in 2021 (weighted by enrollment)

For any given county, the number of plan offerings is changing by between 27 additional plans (in Boulder County) and 2 fewer plans (in Larimer and Weld Counties)

Consumer Choice

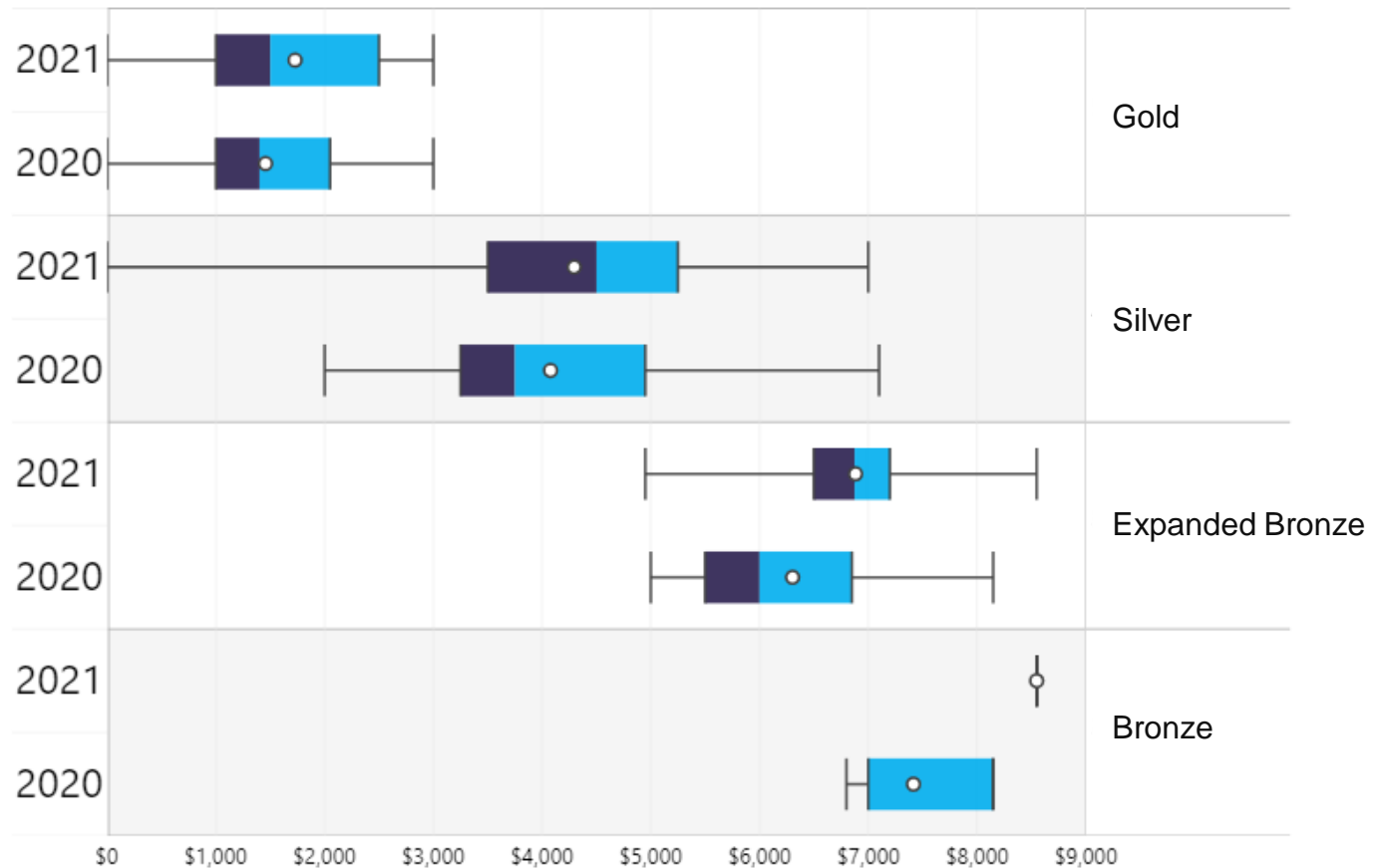
Average Plans Per Issuer



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 2020.

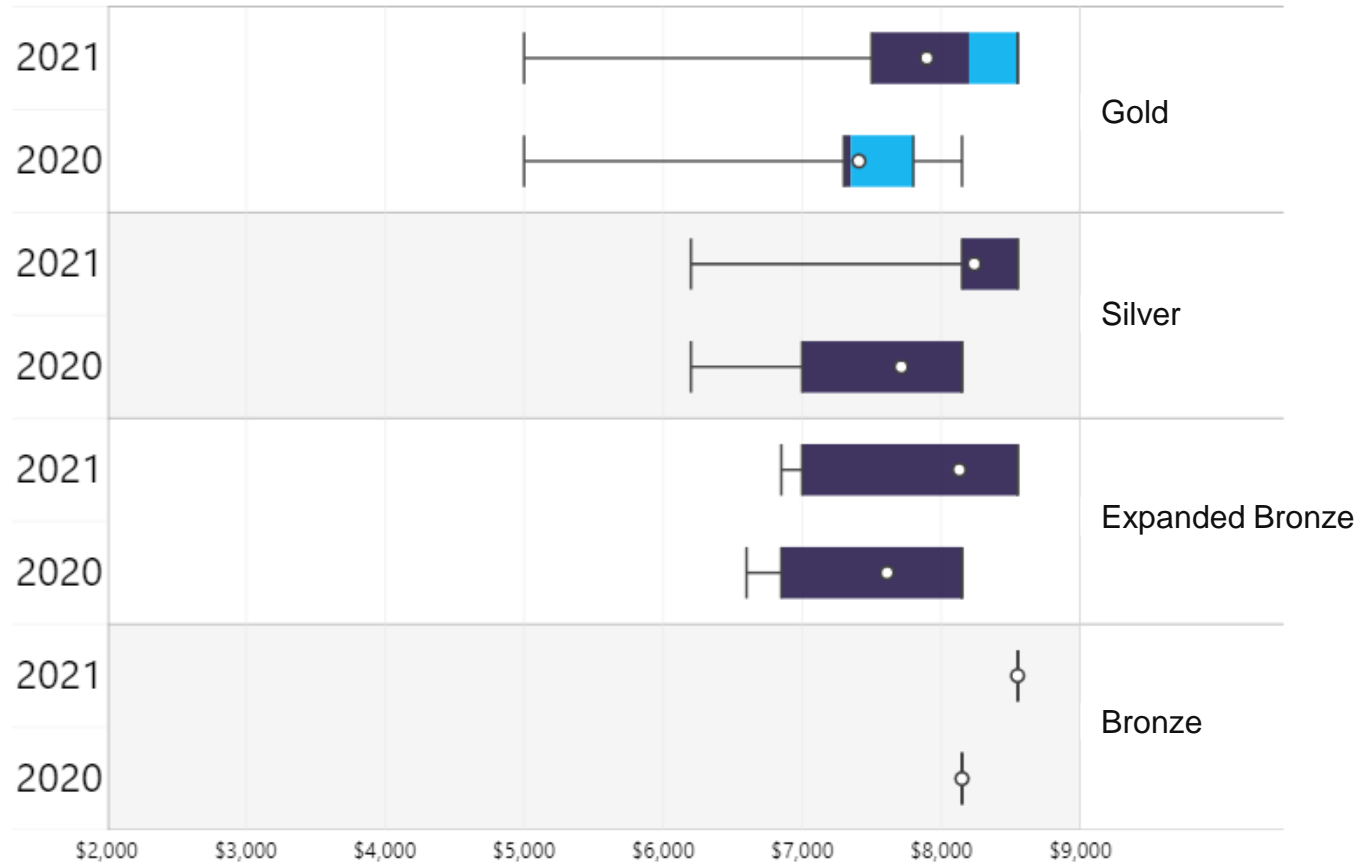
Plan Design



2021 Deductible Ranges

Bronze: \$8550
 Expanded Bronze: \$5000-\$8550
 Silver: \$0-\$7100
 Gold: \$0-\$3000

Plan Design



2021 Max Out of Pocket Ranges

Gold \$5000-\$8550

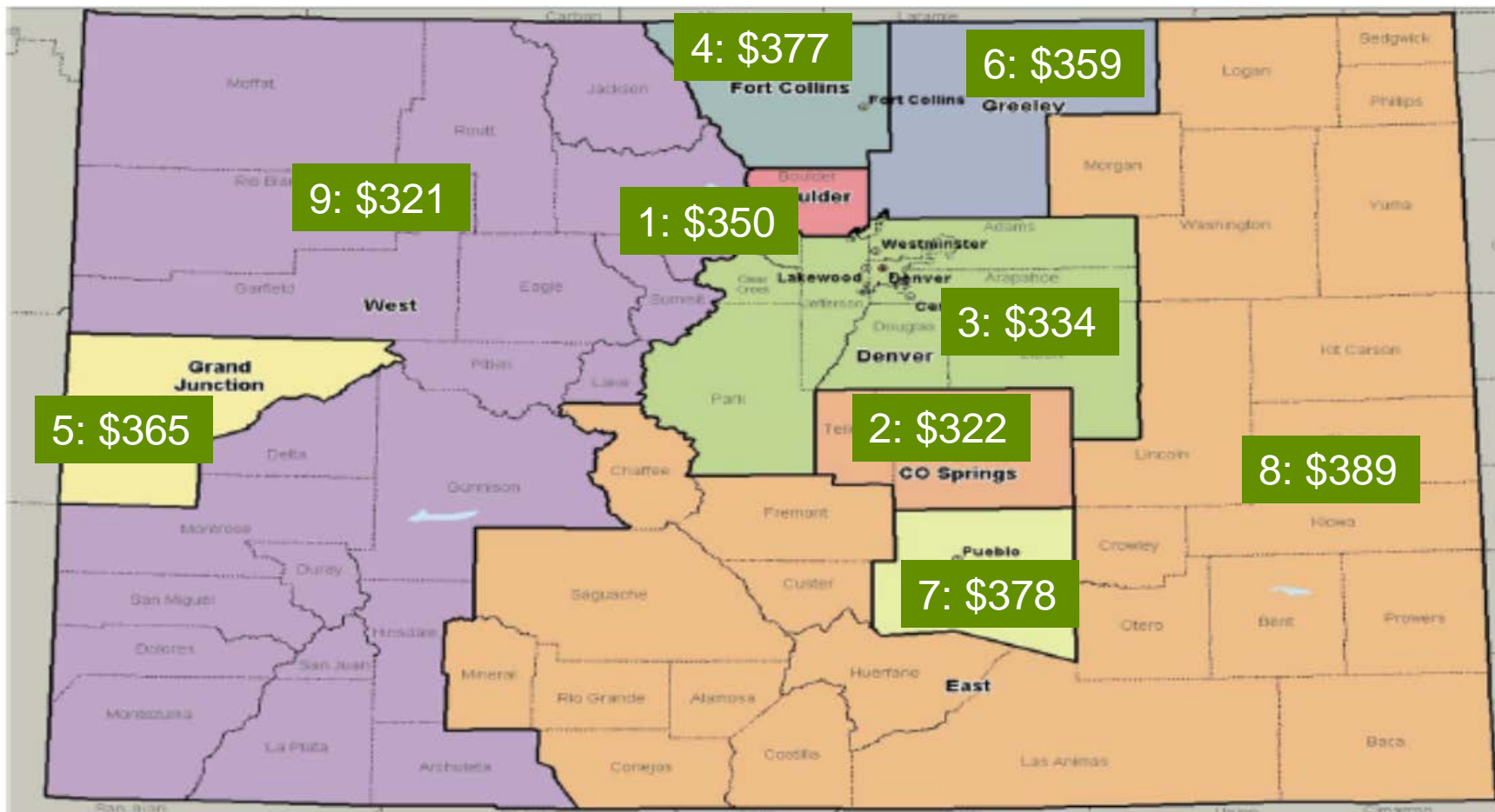
Silver: \$6200-\$8550

Expanded Bronze: \$6850-\$8550

Bronze: \$8550

Premiums

Regional Differences in Rates



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

Enrollment Changes

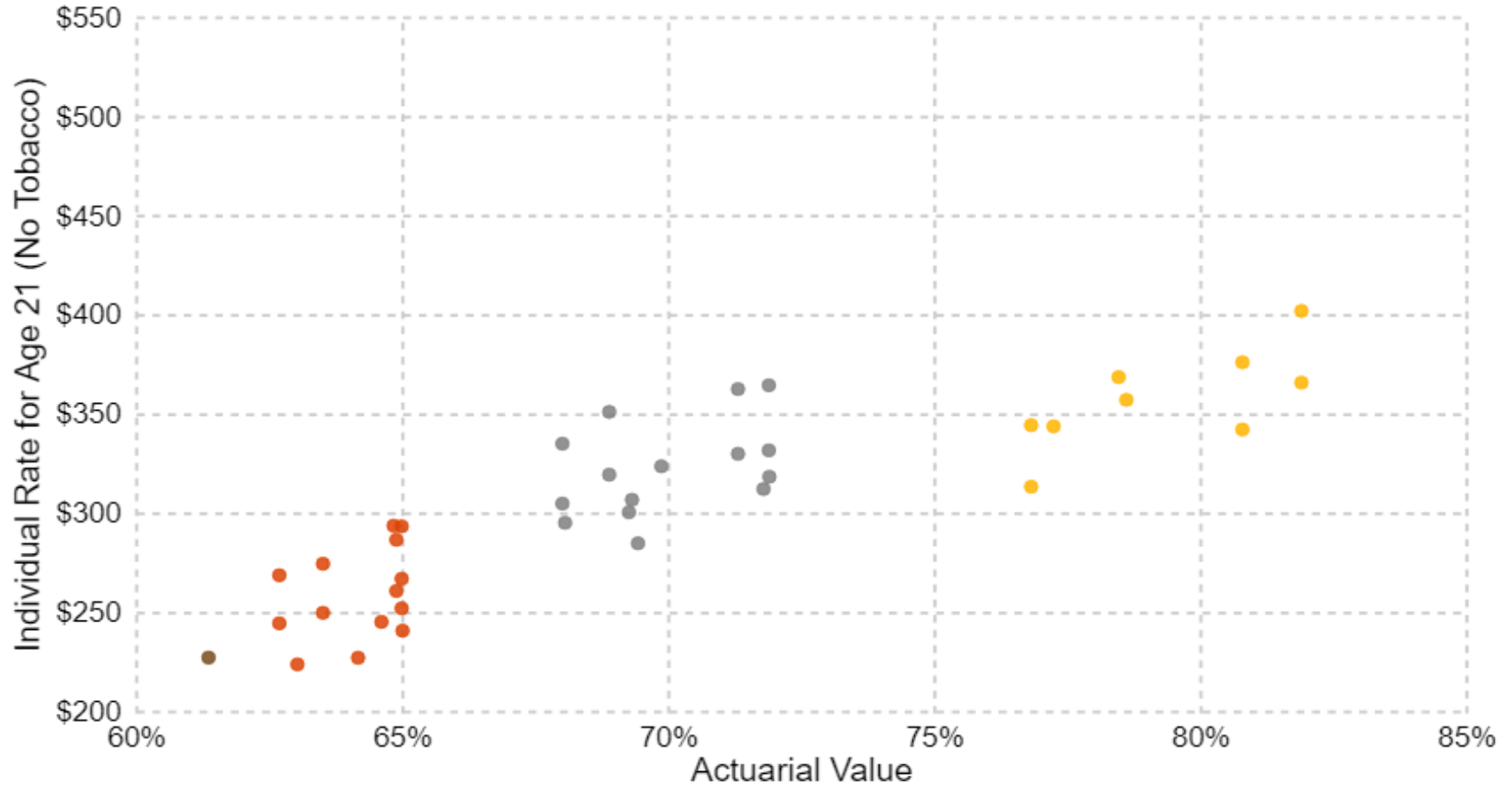
Enrollment shifting between metal tiers

- Subsidized enrollment saw its first decrease in 3 years.
- Large increase in the enrollment of unsubsidized members. Driven by
- Continued migration of members from Bronze plans to Expanded Bronze plans due the constraints in Bronze plan design

AV and Premium Relationship

Plan AVs and Premiums – Pueblo County

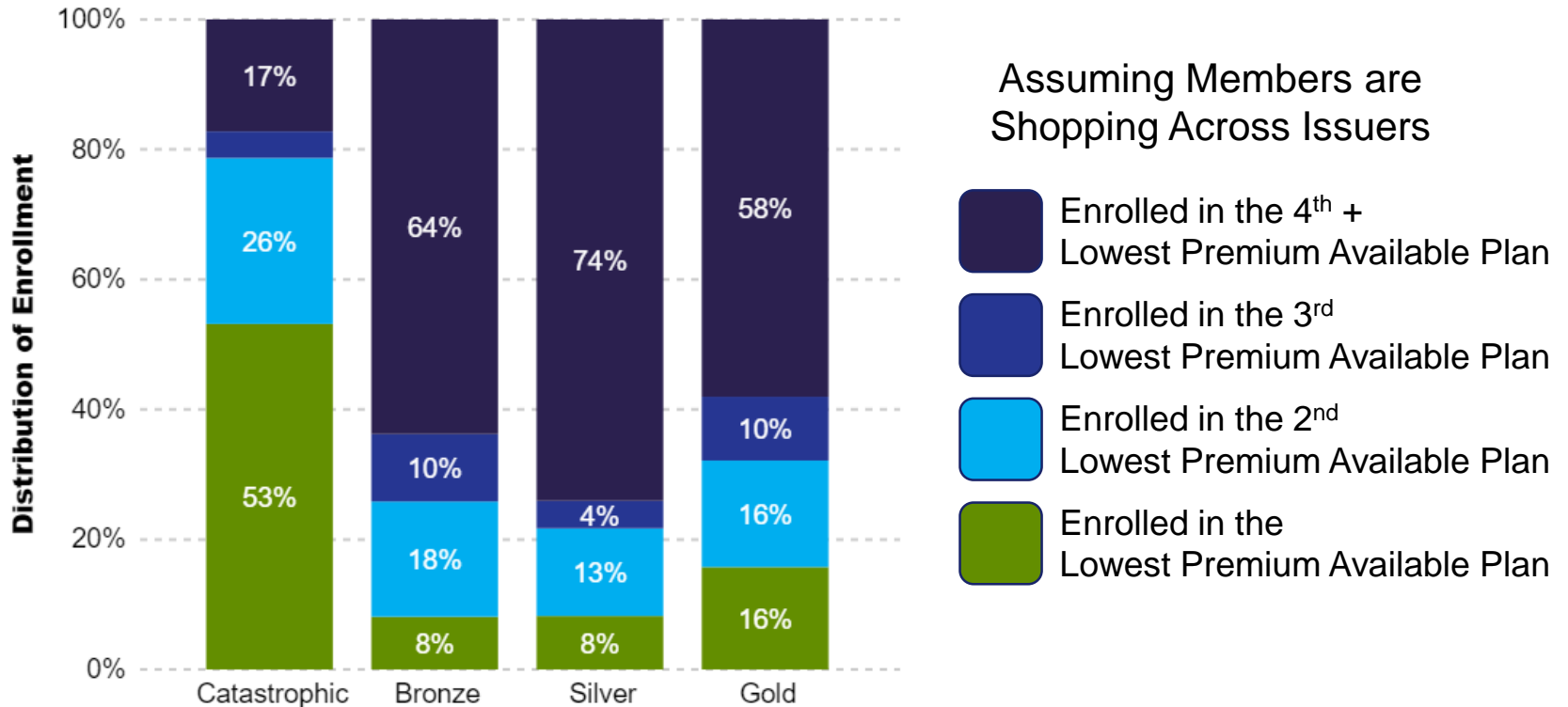
Level of Coverage ● Bronze ● Expanded Bronze ● Silver ● Gold



Consumer Impact

Enrollment by Plan Premium Rank

Non-Subsidy Eligible - By Metal

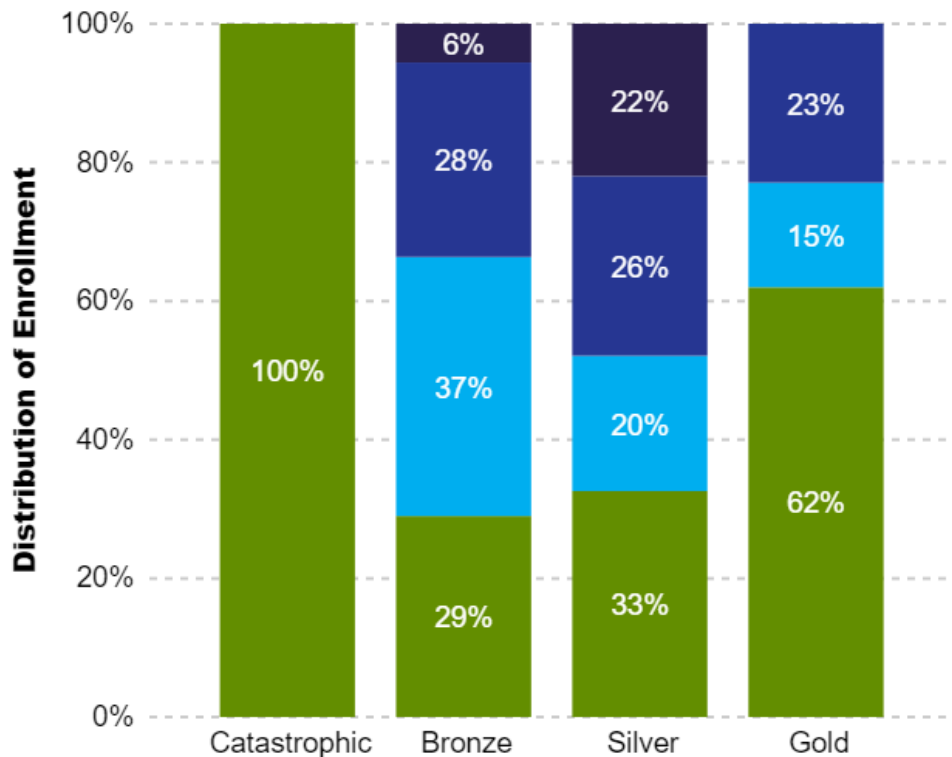


Enrollees show some preference for lowest cost plans offered in a metal tier.

Consumer Impact

Enrollment by Plan Premium Rank

Non-Subsidy Eligible - By Metal & Issuer



Assuming Members are not Shopping Across Issuers

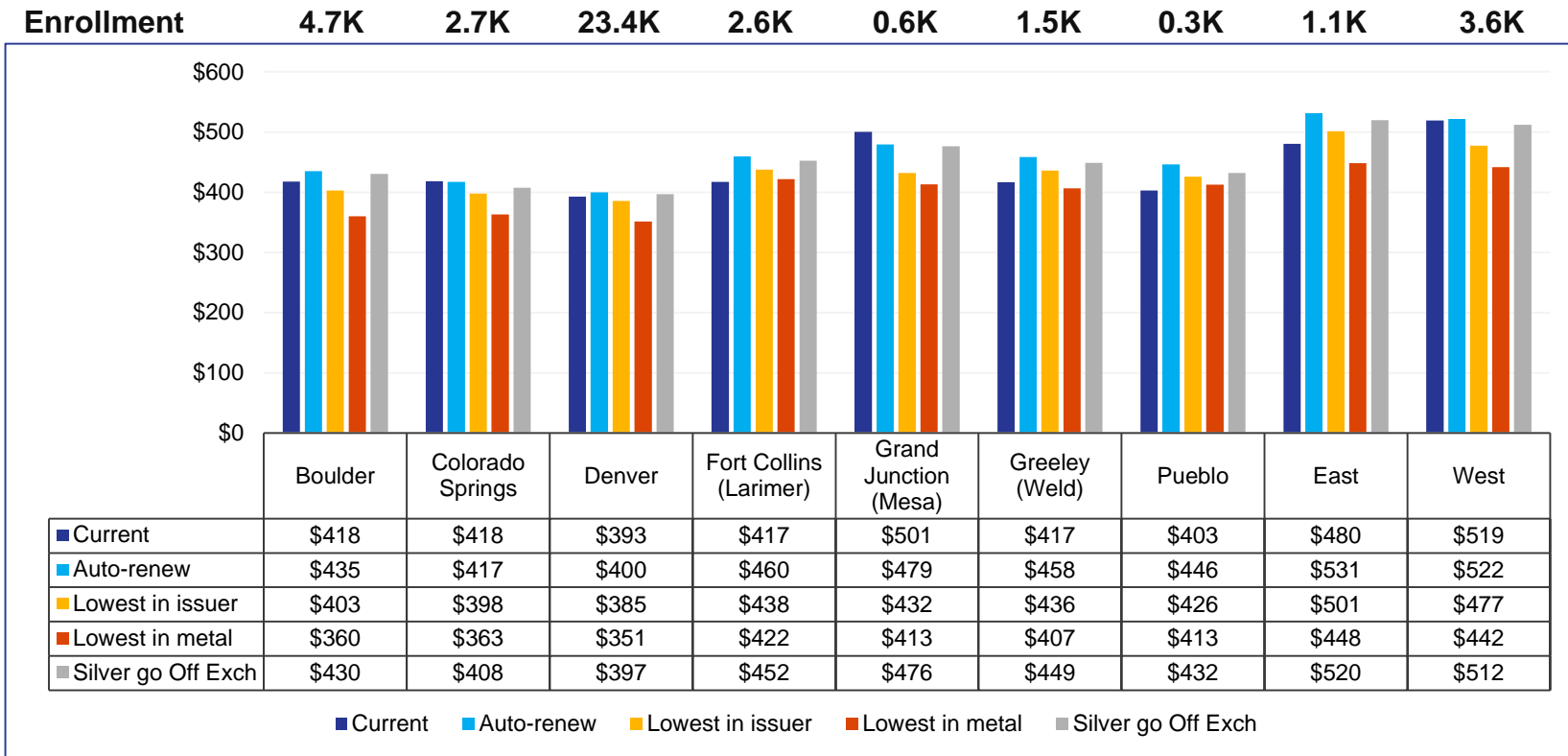
- Enrolled in the 4th + Lowest Premium Available Plan
- Enrolled in the 3rd Lowest Premium Available Plan
- Enrolled in the 2nd Lowest Premium Available Plan
- Enrolled in the 1st Lowest Premium Available Plan

Within a given issuer, almost half of enrollees opt for the lowest premium plan.

Consumer Impact

Premium Changes and Shopping Impact

Impact of Shopping for Non-Subsidy Eligible Enrollees By Area



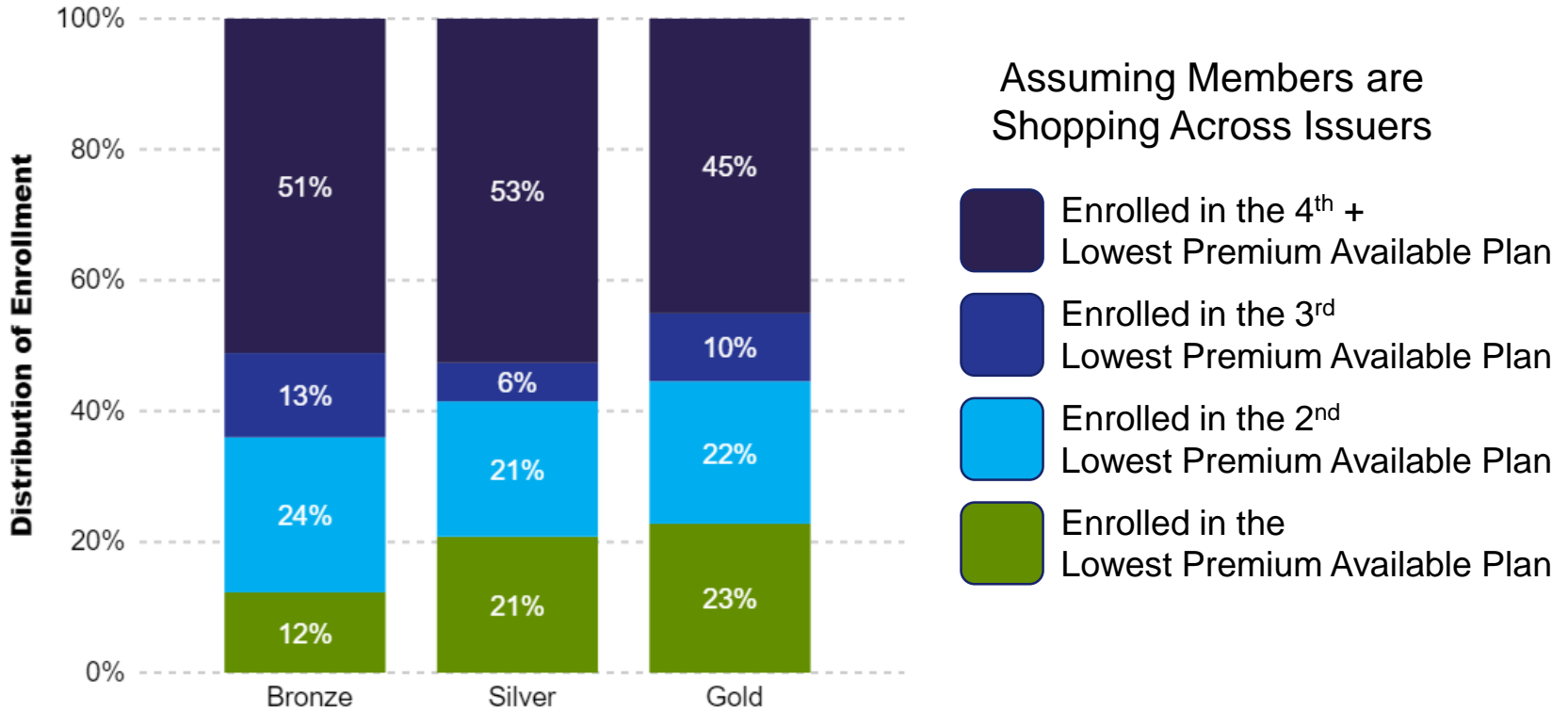
The decreases in APTCs are generally less than the decreases in standard plan rates. After APTC, premiums rise for enrollees in aggregate if individuals auto-renew.

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

Consumer Impact

Enrollment by Plan Premium Rank

Subsidy Eligible - By Metal

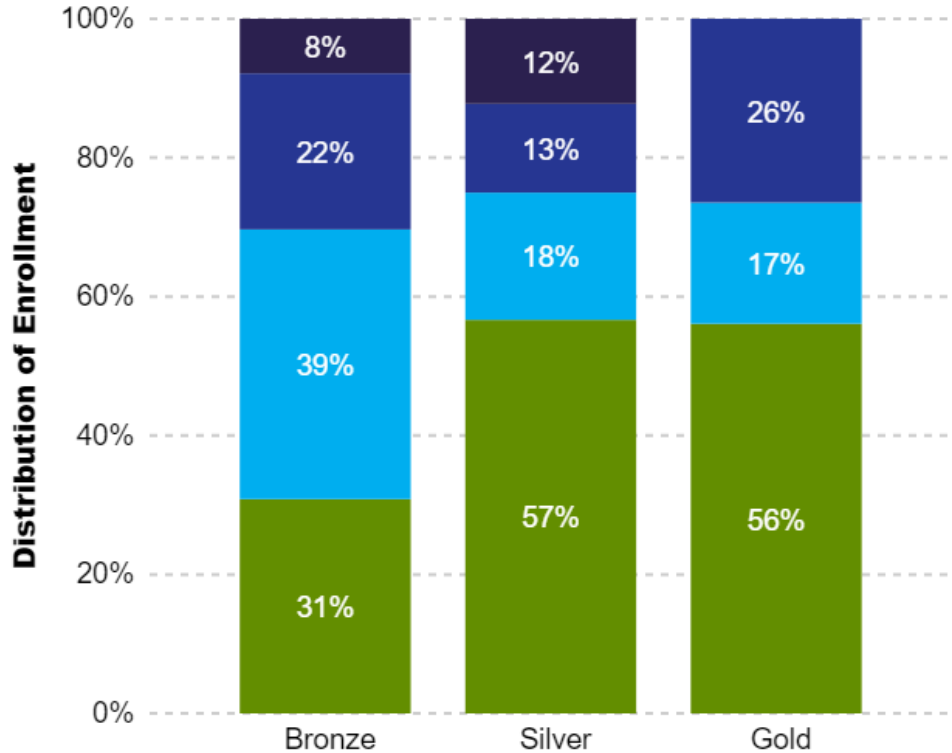


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Enrollment by Plan Premium Rank

Subsidy Eligible - By Metal & Issuer



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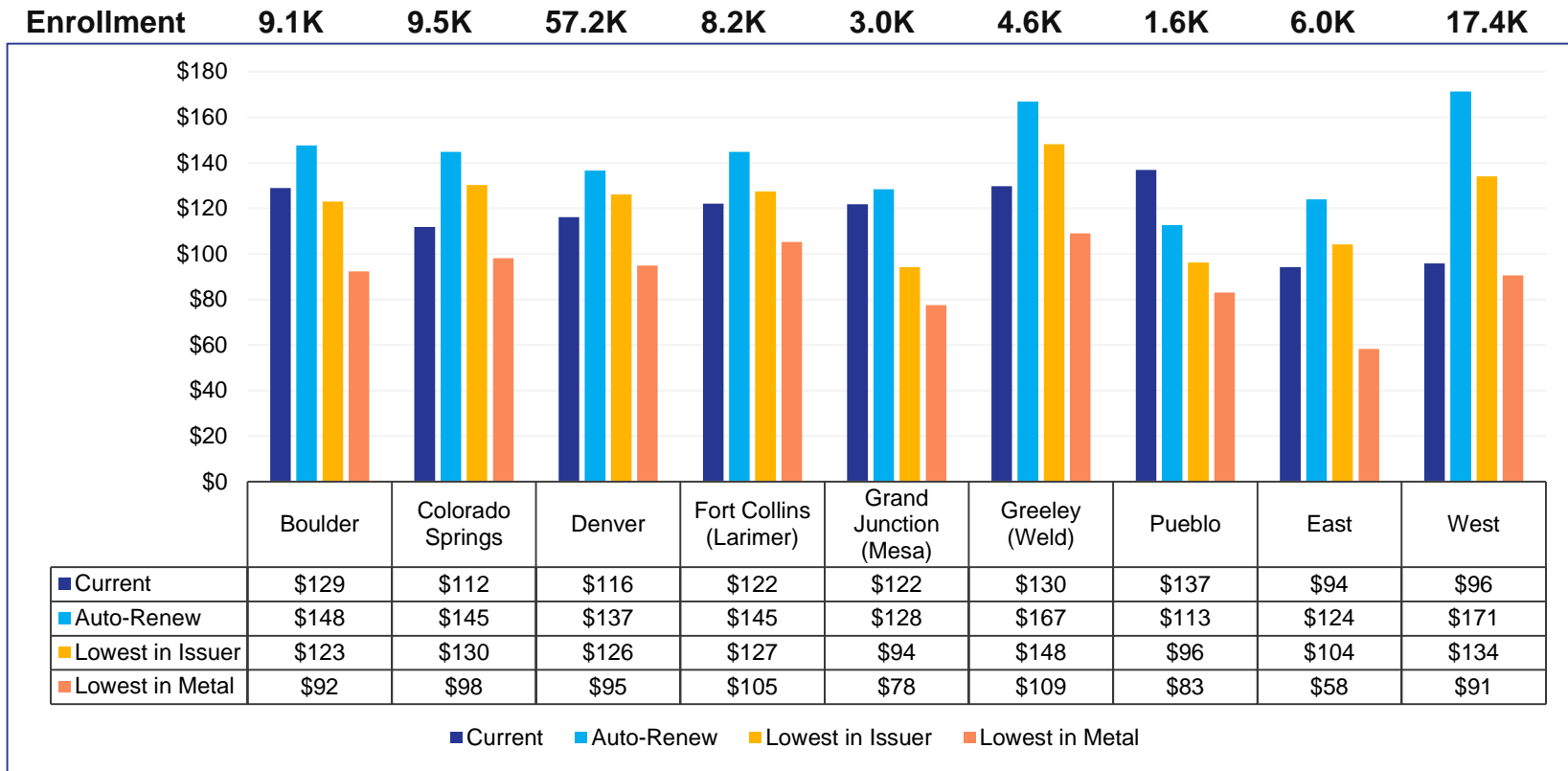
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Consumer Impact

Premium Changes and Shopping Impact

Impact of Shopping for Subsidy Eligible Enrollees By Area

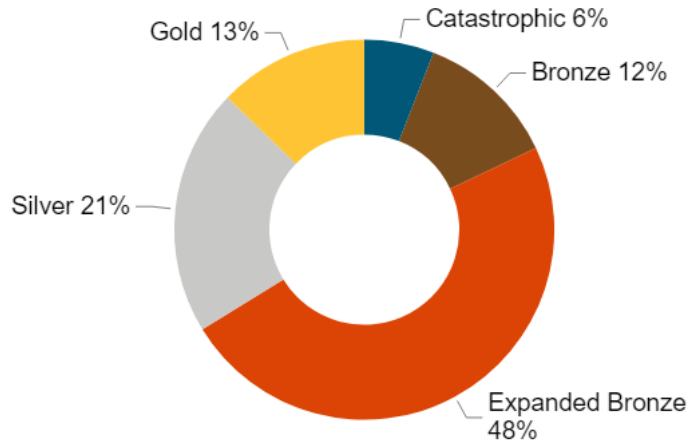


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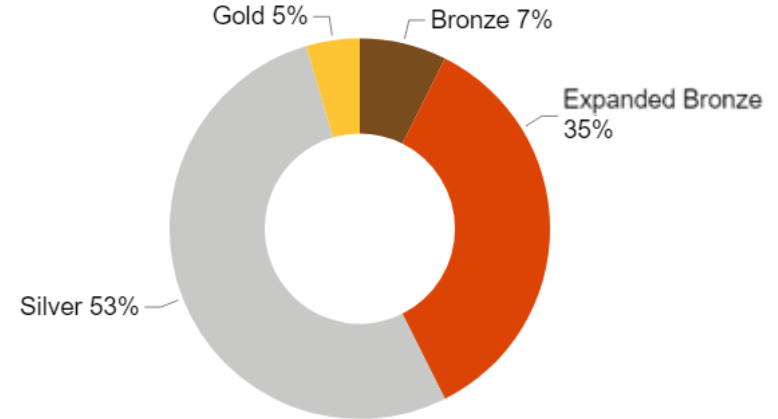
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Enrollment Changes

Newly Enrolled Unsubsidized Members



Newly Enrolled Subsidized Members



Continuing Members Enrolled in a Bronze Plan in 2019

