

Leg & Policy Updates

Connect for Health Colorado Policy Committee
May 24th, 2021



Colorado Standardized Benefit Bill ([HB21-1232](#))

- This bill just passed out of the Senate Health and Human Services Committee. It is now in Senate appropriations.
- Connect for Health Colorado Board has voted to take a support position.
- Monica VanBuskirk, Chief Policy and Relationships Officer gave testimony in support of the bill on behalf of Connect for Health Colorado on Monday, May 17th.
- Connect for Health Colorado is ready to work with the Division of Insurance and implement if passed.



Moving Federal Legislation

The American Jobs Plan and The American Families Plan

- American Jobs Plan (AJP)
 - Currently under negotiations; bill text is imminent
 - Likely to expand long term care under Medicaid
- American Families Plan (AFP)
 - Part two of the administration's infrastructure plan
 - Focused on "social infrastructure"
 - Expected to make ARP provisions permanent.
- Both Infrastructure packages (AJP and AFP) were approved to use the Budget Reconciliation process by the Senate Parliamentarian.
- These packages are subject to change in negotiations as bill text has yet to be introduced.



American Rescue Plan: Marketplace Updates

[ConnectforHealthCO.com](https://connectforhealthco.com)



Key Health Insurance Provisions of American Rescue Plan

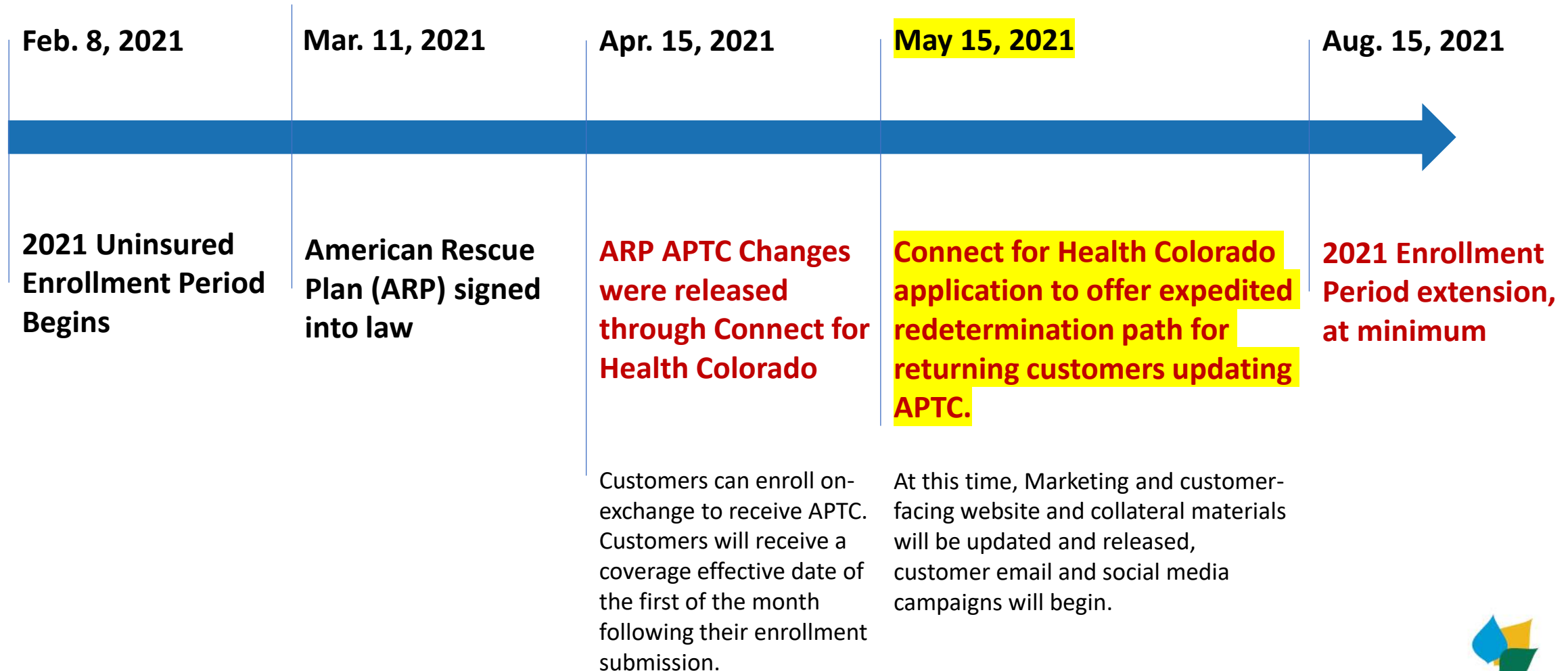
- Colorado will receive more than \$200 million in additional federal dollars from ARP subsidies.
- Individuals can save an average of \$56, or 49%, on their premium.
- Families of four can find average savings of nearly \$170 per month.
- Families receiving Unemployment Insurance for at least one week in 2021 will be **eligible for \$0 net premium options**.
- Expands financial help eligibility to households with income over 400% of the federal poverty level (FPL).
- Customers will receive premium repayment forgiveness from the IRS for the 2020 tax year.

Average C4HCO Net Premiums Under the ARP

Potential Net Premium differences of Connect for Health Colorado enrollees under new affordability percentages in American Rescue Plan

FPL GROUP	AVG NET PREMIUM OLD	AVG NET PREMIUM NEW	\$ Difference	% Difference
400%+	\$ 460.91	\$ 304.43	\$ (156.48)	-34%
301% to 400%	\$ 195.26	\$ 131.76	\$ (63.50)	-33%
251% to 300%	\$ 147.47	\$ 68.88	\$ (78.59)	-53%
201% to 250%	\$ 124.00	\$ 50.42	\$ (73.58)	-59%
151% to 200%	\$ 86.03	\$ 29.17	\$ (56.86)	-66%
133% to 150%	\$ 59.48	\$ 19.98	\$ (39.50)	-66%
<133%	\$ 18.02	\$ 14.98	\$ (3.04)	-17%

Reminder - 2021 Enrollment & Redetermination Timeline



Enhanced Outreach and Marketing (ARP/HIAE)

- Focus on Increased Staffing for Existing Assistance Network Partners
 - Hybrid goal: Outreach/Enrollment Assistance
 - Leverage existing Community based orgs who are known and trusted
 - New customers are twice as likely to complete their enrollment when helped by an Assister
- Digital and Social Media ads, Earned Media
 - Planning a campaign to run throughout the summer
 - Digital ads offer higher control over audience, more responsive to performance
 - Advertising starts the action, gets people in the door



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DOI Regs and Bulletins addressing ARP

- Emergency Regulation 21-E-09 – Concerning Consumer Notification Requirements for Carriers Regarding Premium Tax Eligibility
 - States that Issuers are required to communicate ARP’s APTC benefits to customers by May 24th.
- Bulletin B-4.114 –Transfer of Cost Sharing Accumulations during Special Enrollment Period
 - Clarifies the Division’s position regarding carriers’ treatment of any deductible and maximum out-of-pocket accumulations
- Bulletin B-4.115—Concerning Consumer Notification Requirements for Insurance Producers Regarding Premium Tax Credit Eligibility under the American Rescue Plan Act of 2021
 - Provides guidance for insurance producers to provide written notice to all covered persons whom the insurance producer sold an off-Exchange health benefit plan

<https://doi.colorado.gov/statutes-regulations-bulletins/colorado-insurance-bulletins>

A few things to Note

Eligibility Rules still apply

- ARP / Unemployment Income Benefits rules do not supersede Health First Colorado / Medicaid eligibility.
 - If a customer qualifies for Medicaid, they do not qualify for Marketplace tax credits
- The “Family Glitch” is still in place
 - If an individual is offered affordable coverage by their employer and that plan offers the ability for the Spouse/Dependent to enroll, the family is not eligible for tax credits
 - Also precludes enhanced benefit for UI recipients
 - For 2021, the IRS defines Affordability as 9.83% of income.

Final Rule – Part 2: 2022 Payment Notice

Beth Deines & Molly McClurg



Notice of Benefit & Payment Parameters for 2022

- **Context**
 - Notice and Comment Rulemaking
 - Administrative Procedure Act
 - Final Rule
- **Timeline**
 - Comment Window End: Dec. 30, 2020
 - Part 1: Publication Date: Jan. 19, 2021
 - Part 2: Publication Date: May 5, 2021
- **Effective Date: July 6, 2021**

Final Rule: Part 1

- Reduction of the FFE user fee to 2.25% (down from 3.0%) and further reduction of the SBE-FP user fee to 1.75% (down from 2.5%).
- A new option for Exchanges to satisfy ACA requirements through Direct Enrollment via private sector-operated websites.
- Codification of existing administration guidance on 1332 waiver applications and ongoing monitoring that relaxes ACA requirements.

- Reduction of the FFE user fee to 2.25% (down from 3.0%) and further reduction of the SBE-FP user fee to 1.75% (down from 2.5%).
 - CMS will propose a new FFE user fee rate of 2.75 percent of total monthly premiums; and a new SBE-FP user fee rate of 2.25 percent of monthly premiums.
- A new option for Exchanges to satisfy ACA requirements through Direct Enrollment via private sector-operated websites.
 - CMS will propose a new approach.
- Codification of existing administration guidance on 1332 waiver applications and ongoing monitoring that relaxes ACA requirements.
 - CMS will propose a new approach.

Final Rule

- **Special Enrollment Period changes:**
 - The proposed requirement for all Exchanges to conduct SEP verification for at least 75% of new enrollments was not finalized due to widespread opposition.
 - Clarifications on SEP availability for COBRA enrollees where the employer ceases contributions.
 - Clarification on SEP availability for individuals who are unaware of experiencing a qualifying event.
- **Continued non-enforcement of Employer-Sponsored Coverage Verification requirements.**
- **Extension of CMS review authority to issuers in all states (regardless of FFE, SBE-FP or SBE status).**

Final Rule

- Proposed changes to regulations around web-brokers were not finalized. The prior proposal included expanded flexibility to:
 - Display of on- and off-Exchange offerings on the same page in some circumstances,
 - Provide information in English only (without meeting translation requirements),
 - Allow assisters to use Direct Enrollment (DE) and Enhanced Direct Enrollment (EDE) websites
- Increased clarity on definitions for direct enrollment and enhanced direct enrollment entities to better codify the increasing role of tech vendors in this space, review how a single entity may fit multiple definitions, and how to comply with the plethora of regulations.

Final Rule

- Premium Adjustment Percentage methodology reverted to prior approach (based on less volatility).
- Premium Adjustment Percentage updated to 1.3760% (down from proposed 1.4409%).
- Maximum Annual Limitation on Cost Sharing updated to \$8,700 for self-only coverage and \$17,400 for other-than-self-only coverage (down from \$9,100 for self-only coverage and \$18,200 for family coverage).
- Required Contribution Percentage update to 8.09% (down from proposed 8.47228%)

Additional Changes

- Columbus v. Trump: 2019 rulemaking on network adequacy, standardized plans, income verification, and MLR quality improvement reporting
- CMS is now required to design and propose new standardized plan options, as well as provide differential display of these plans in 2023. We are closely monitoring these changes and how they may impact display of a standardized plan here in Colorado.

Looking Forward

- **Implementation**
 - Limited technical impact, focus is operational
 - Positive trend on affordability for 2022
- **Spring Rulemaking**
 - User Fees, Direct Enrollment via Partner Website, 1332 Waiver Application
- **Exchange Program Integrity Rule**

Questions