

Auto-enrollment: Part III

Emma Oppenheim

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Massachusetts Recap

- Pre-ACA, Commonwealth Care provided subsidized private insurance for low-income, non-elderly adults without access to other coverage
- Adults that qualified for fully subsidized coverage and didn't select a health plan were auto-enrolled after a period of non-response
 - Could opt out or switch plans afterward

Massachusetts Recap

Benefits	Challenges
<p>Increased uptake of insurance: 48% higher enrollment under auto-enrollment compared to an active enrollment control group</p> <ul style="list-style-type: none">- Much larger enrollment than 1 – 3% enrollment impact resulting from interventions that increase outreach, simplify enrollment, add reminders, etc.- Enrollment through auto-enrollment program was up to 2x greater than under a mandate penalty	<p>Limited scope: only auto-enrolled individuals who had engaged in an eligibility determination</p>
<p>Enrolled a younger, healthier population</p>	<p>Potential duplication with other health coverage for 3 – 4% of the auto-enrolled population</p>
<p>Cost-effective, compared to affordability interventions</p>	<p>Coverage was often short in duration, 1 – 3 months, reflecting customers who quickly received coverage from another source</p>

Customer trust considerations

- Limited research on trust considerations
- Auto-enrollment into coverage may create distrust with customers who are unclear on how or why they were enrolled in coverage
- Customers may have a lack of knowledge about the tax reconciliation process and may not complete their 8962 form

Customer trust – tax claw-backs

- Potential for tax claw-back, may hurt customer trust in exchange and/or government if offered coverage was advertised as having \$0 premiums.
 - Tax reconciliation not required for customers who become Medicaid eligible
 - Tax reconciliation scaled for customers making < 400% FPL

Repayment Limits for Advanced Premium Tax Credits, 2021 Tax Year

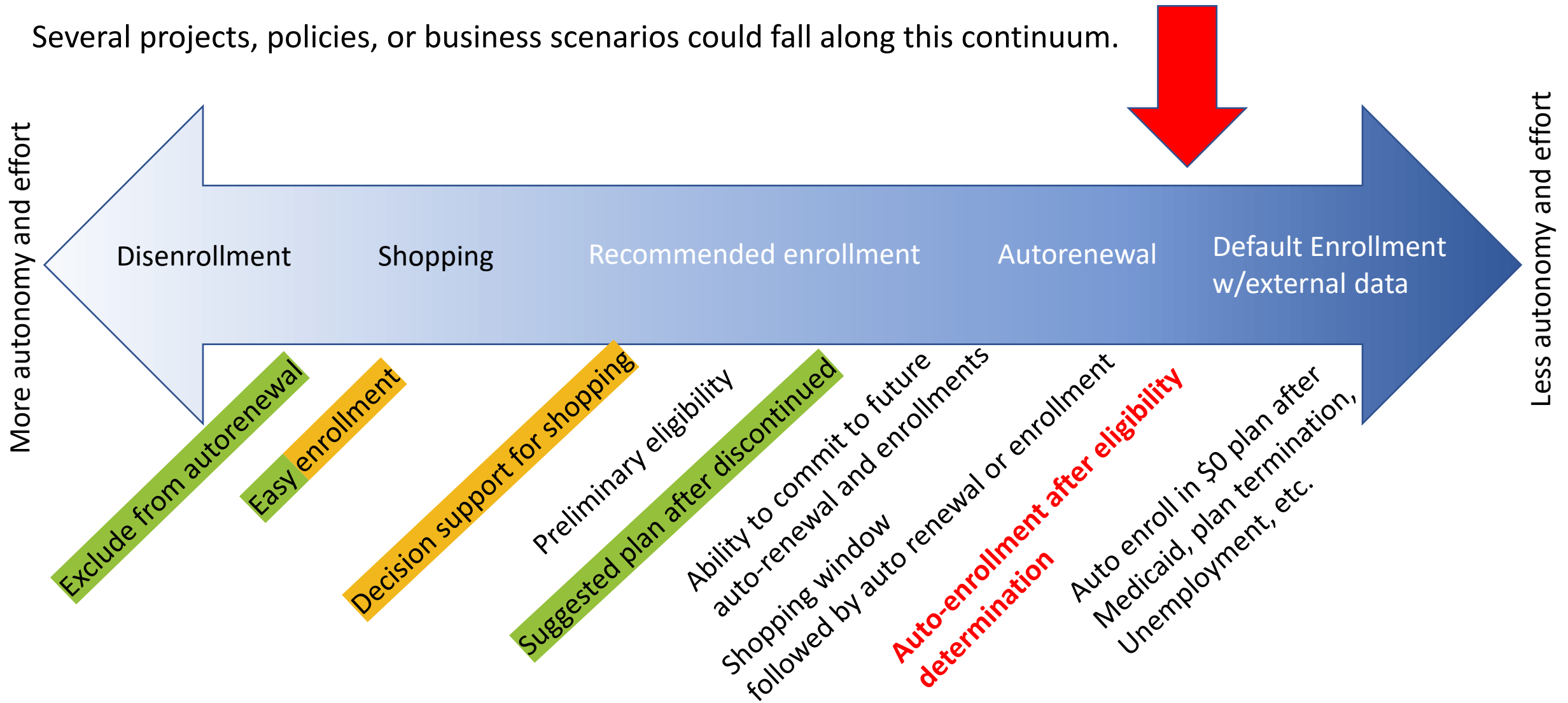
Income as percentage of poverty line	Annual income for an individual	Repayment limit for an individual	Annual income for a family of four	Repayment limit for other taxpayers
Under 200%	Under \$25,520	\$325	Under \$52,400	\$650
At least 200% but less than 300%	\$25,520 to \$38,280	\$800	\$52,400 to \$78,600	\$1,600
At least 300% but less than 400%	\$38,280 to \$51,040	\$1,350	\$78,600 to \$104,800	\$2,700
400% and above	\$51,040 or more	None	\$104,800 or more	None

Burden reduction activities to-date

Yellow = in progress

Green = implemented

Several projects, policies, or business scenarios could fall along this continuum.



Discussion: Guiding principles for burden reduction activities

- How should each of these objectives be weighed when evaluating burden reduction activities?
 - Increase enrollments
 - Reduce administrative burden
 - Potential for tax reconciliation claw-backs
 - Customer privacy and trust
 - Customer autonomy and choice



Appendix—Additional Background on MA Pre-ACA Auto-Enrollment

Auto-enrollment in Massachusetts

- Program not continued under Affordable Care Act
- Cut due to budget shortfall in 2010
 - Premium subsidies were state funded
- **Tax reconciliation wasn't a consideration pre-ACA**

Plan Selection Options

- In Massachusetts, plan assignment was random
 - Greater probability weight for insurers with lower (state-paid) prices
- Options for plan selection include:
 - Highest AV for \$0
 - Random selection among \$0 plans
 - Plans with no non-EHB services and/or membership fees