



Colorado Individual Exchange Renewals

2023 Consumer Impact Analysis

PRESENTED BY:

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Going Beyond the Numbers

Overview

- Connect for Health Colorado (C4) contracted Wakely Consulting Group, LLC (Wakely) to analyze the individual market rate changes for 2023 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 2022 to 2023

	2022	2023
Issuers	8	6
Plans		
On Exchange	257	166
Substantially Similar Off Exchange	21	20
Counties with One Issuer	1	1
Average Rate Change (Non-Subsidy Eligible)	NA	+9% (+\$35)
Average Rate Change (Subsidy Eligible)	NA	-1% (-\$1)
Statewide Rate Change (Average)	NA	+3% (+\$5)

- ARPA refers to the American Rescue Plan Act
- “Non-Subsidy Eligible” eligible individuals are defined based on their eligibility at the beginning of 2022; those reporting utilization of subsidies in the data provided by C4HCO were considered subsidized whereas those members reporting no subsidy were considered unsubsidized
- “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 2022 to 2023

American Rescue Plan Act (ARPA) – Signed March 2021

- Expanded eligibility and amount of premium subsidies for 2021 & 2022 Only

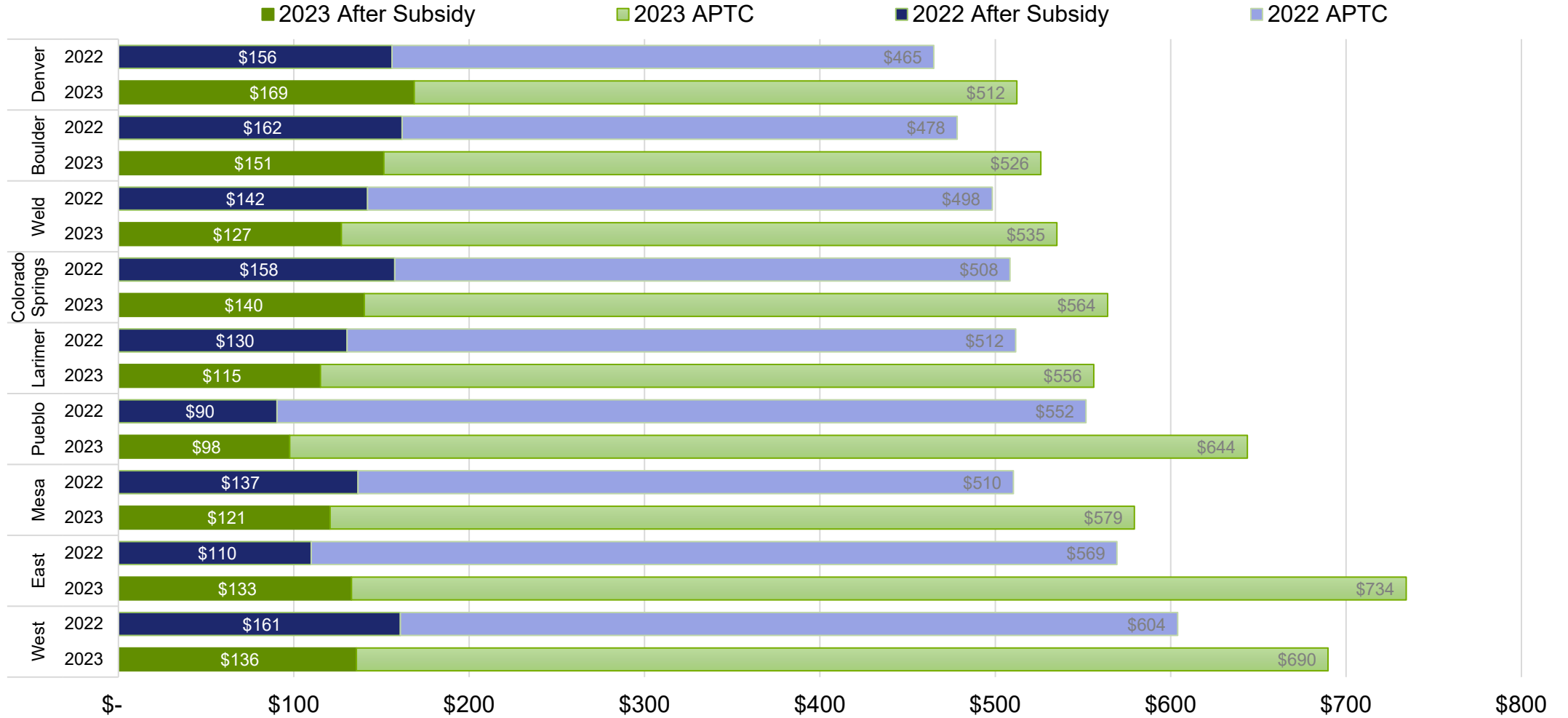
Inflation Reduction Act (IRA) – Signed August 2022

- Extended ARPA eligibility and amount of premium subsidies through 2025
- FPL¹ increased by ~5.5% for 2023 benefit year

Income FPL* %	Premium Cap Max % of Income for 2nd Lowest Silver 2022 and 2023
Under 133%	0.00%
133% - 150%	0.00%
150% - 200%	0% - 2.0%
200% - 250%	2.0%-4.0%
250% - 300%	4.0%-6.0%
300% - 400%	6.0%-8.5%
Over 400%	8.5%

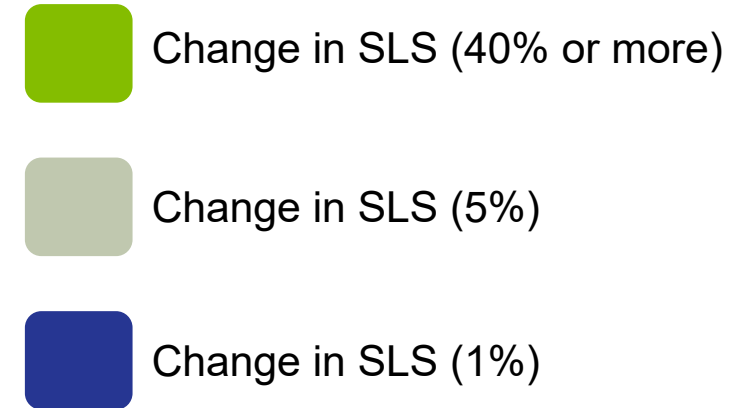
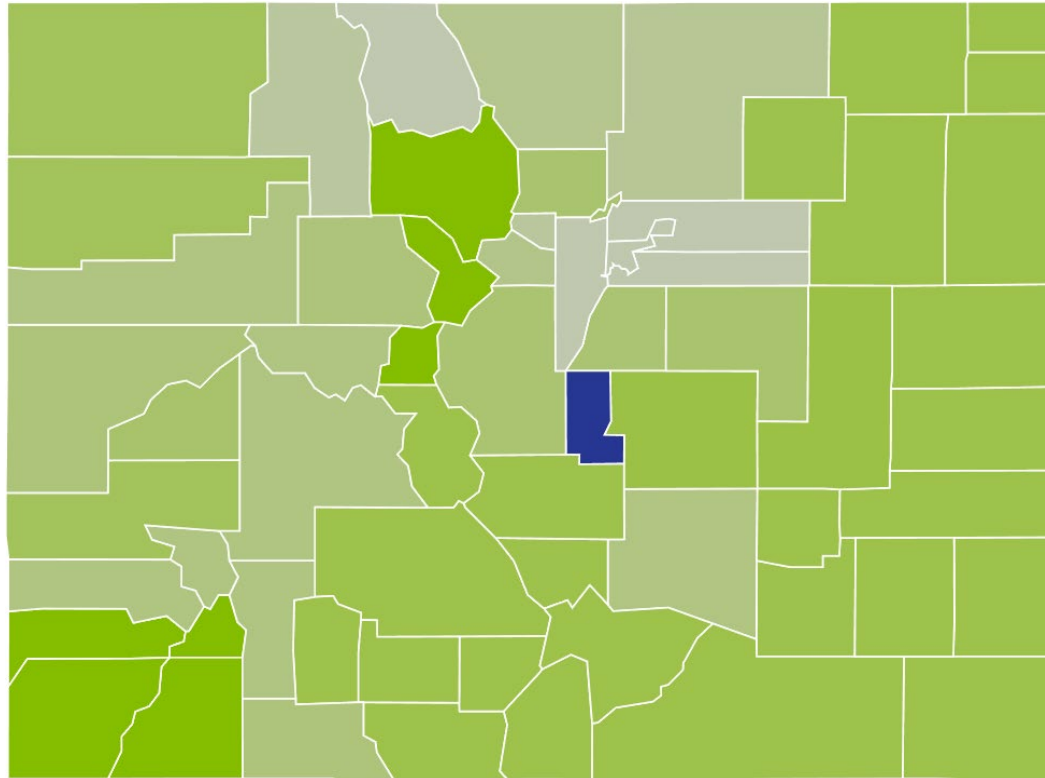
Consumer Impact

2022 to 2023 Auto-Renew Premium Changes



Consumer Impact

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

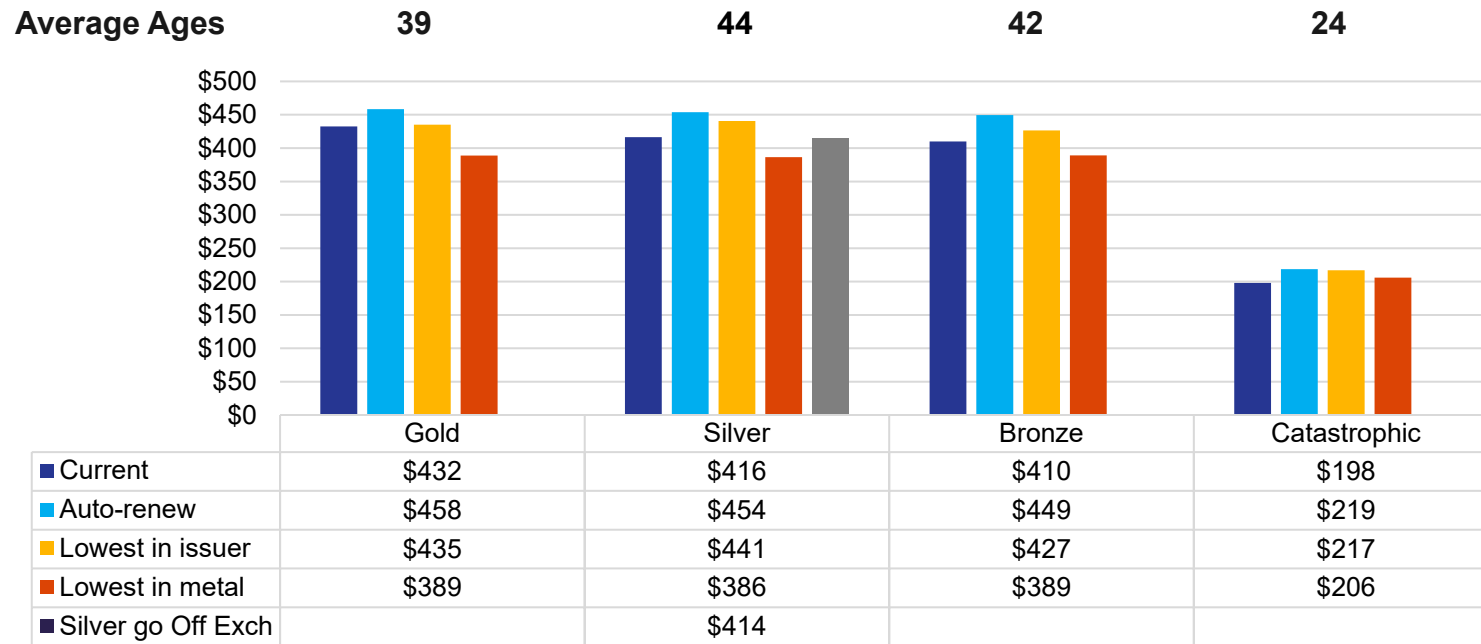


- El Paso, La Plata, Summit, Grand, Montezuma, Lake, Lincoln, San Juan, and Dolores are increasing by more than 25%.
- 78% of rating groups will see a change in SLCS issuer.
- Statewide net premiums are increasing on average 3% or \$5 for subsidy and non-subsidy eligible enrollees.

Consumer Impact

Premium Changes and Shopping Impact

Non-Subsidy Eligible By Metal



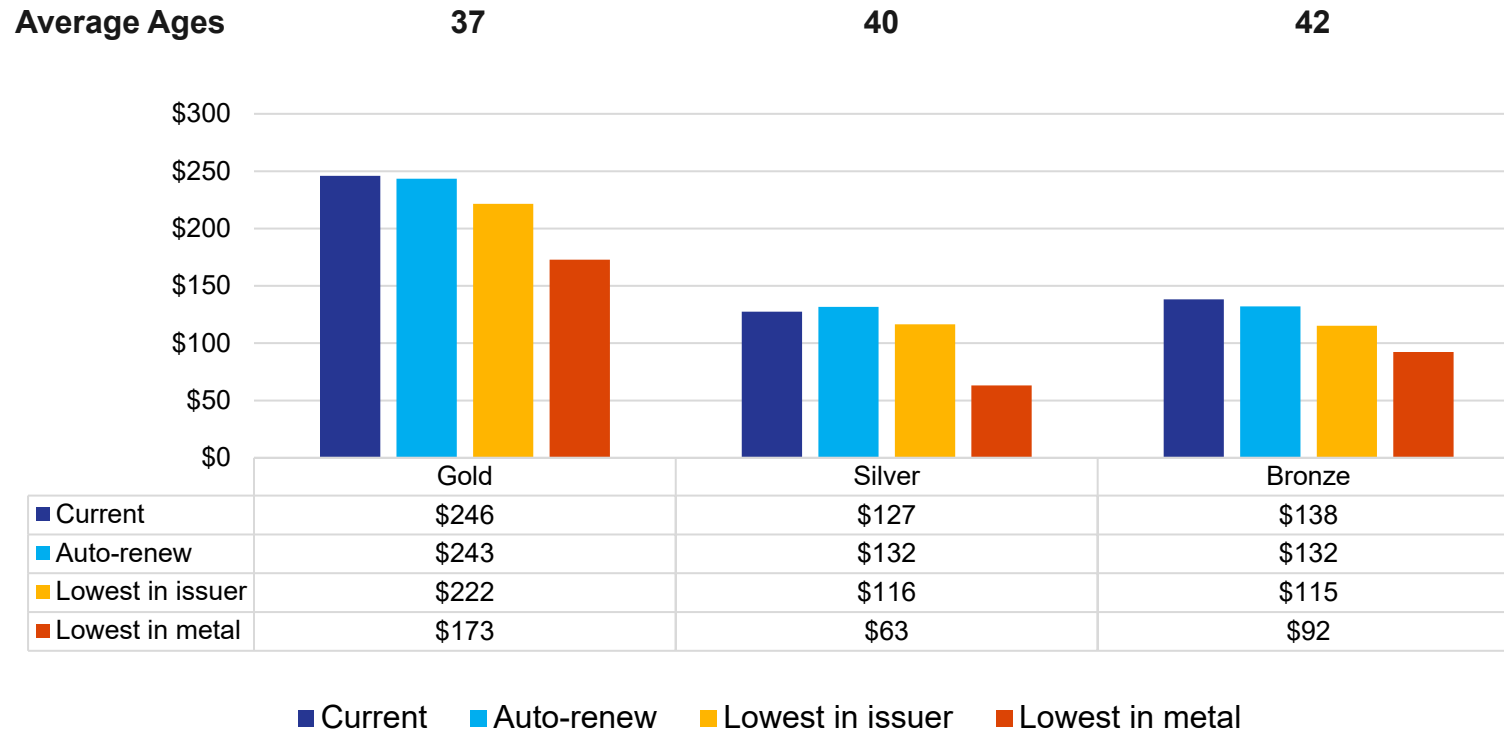
■ Current ■ Auto-renew ■ Lowest in issuer ■ Lowest in metal ■ Silver go Off Exch

- All metal tiers could benefit from shopping, with more savings available if willing to move from current issuer.
- Statewide non-subsidy eligible premiums are increasing 9% or \$35.

Consumer Impact

Premium Changes and Shopping Impact

Subsidy Eligible By Metal



- Subsidy eligible individuals that auto-renew to their current plan are likely to see a net premium increase
- All metal tiers could benefit from shopping
- Statewide subsidy eligible premiums are decreasing -1% or -\$1.

Key Findings

Subsidy Use

- Approximately 15,205 (18,217 in 2021) 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 11,808 (15,554 in 2021) of these are in Bronze plans
 - More than 3,000 of these are in Gold plans, of which roughly 1,200 (1250 in 2020) have household incomes below 200% FPL and are eligible for CSRs that would provide plans with a similar actuarial value for a lower premium
- No (692 in 2020) enrollees appear to be eligible for premium subsidies but are enrolled in Catastrophic plans

Appendix

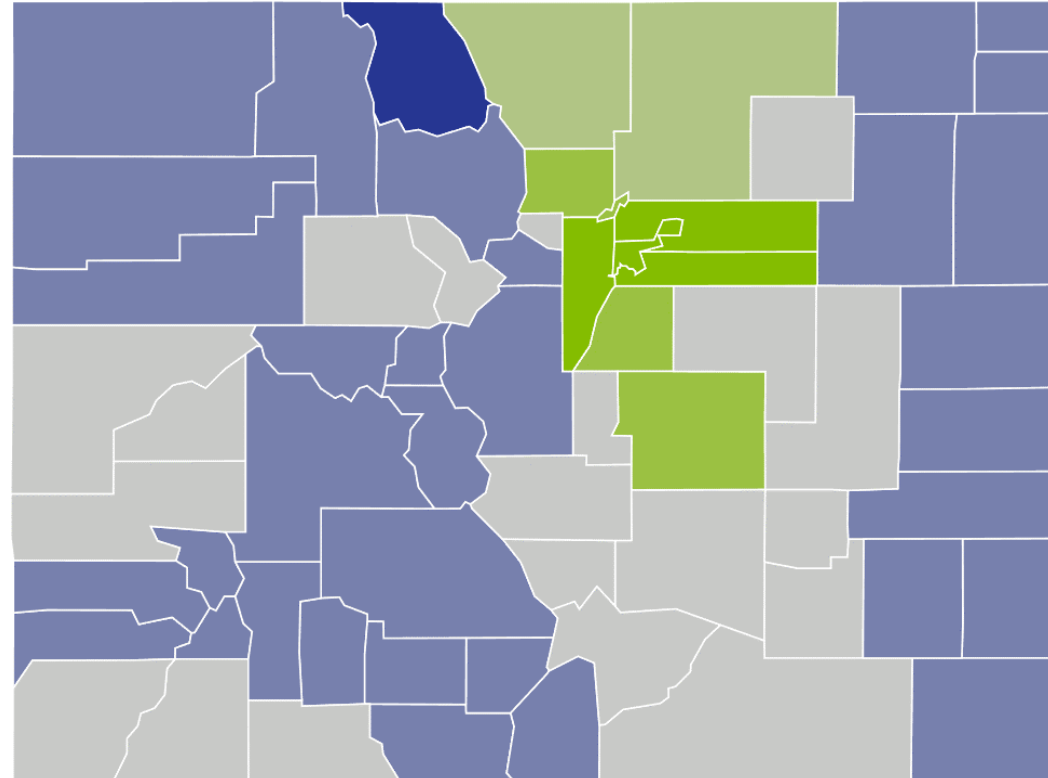
Definitions

- Subsidy eligible: Individuals are defined based on their eligibility at the beginning of 2022; those reporting utilization of subsidies in the data provided by C4HCO were considered subsidy eligible
- Non-Subsidy eligible: Individuals are defined based on their eligibility at the beginning of 2022; those **not** reporting utilization of subsidies in the data provided by C4HCO were considered non-subsidy eligible
- 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 2023 plan on the exchange

Consumer Choice

Issuers Density by County

Issuers in County	Number of Counties	% of 2022 Enrollment
1	1	0%
2	33	10.2%
3	20	14.2%
4+	10	75.6%

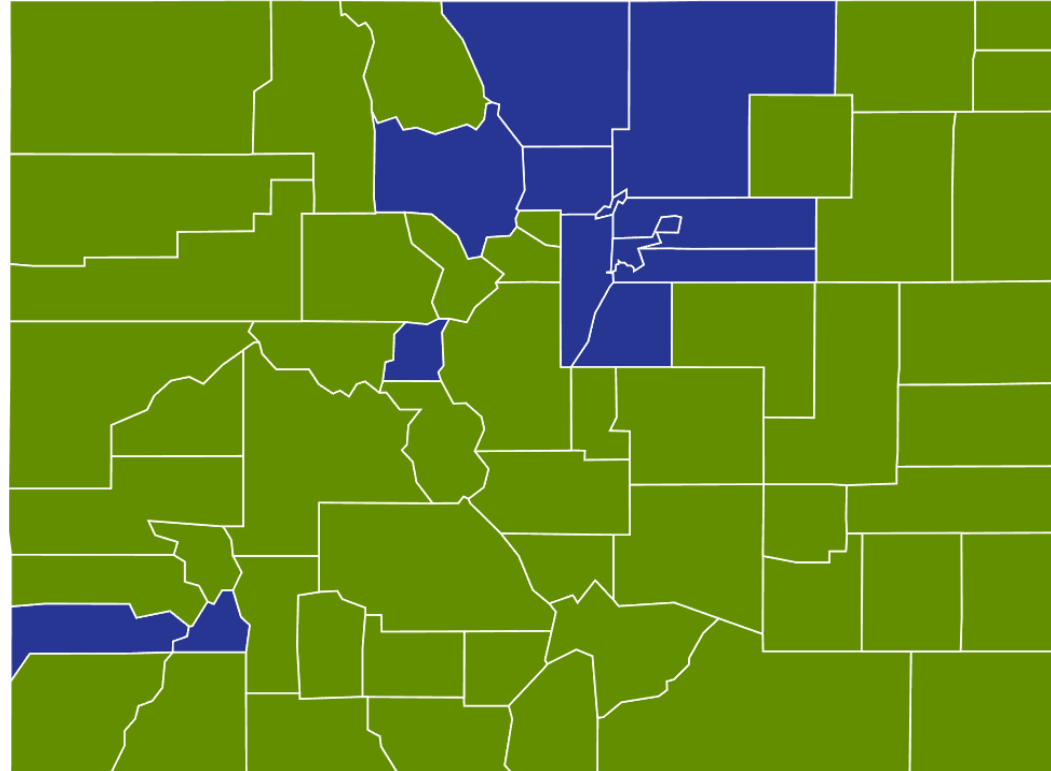


- Only one issuer has plan options in every county of the state in 2022 and 2023
- There will be two or fewer issuer options in 34 of 64 counties in the state. This is higher than 2022 (29).
- Total enrollment in counties with only one issuer option is 0.03% of enrollment.

Consumer Choice

Change in Plan Availability by County

Plan Change by County	Number of Counties	% 2022 Enrollment
Increasing	51	32%
No Change	0	0%
Decreasing	13	68%



- Arapahoe, Denver, Adams and Jefferson county are the most competitive counties, with 112 total offerings
- Rating area 9 has the fewest plan offerings, with 13-36 plan offerings per county.
- Offerings decreased in populous counties.

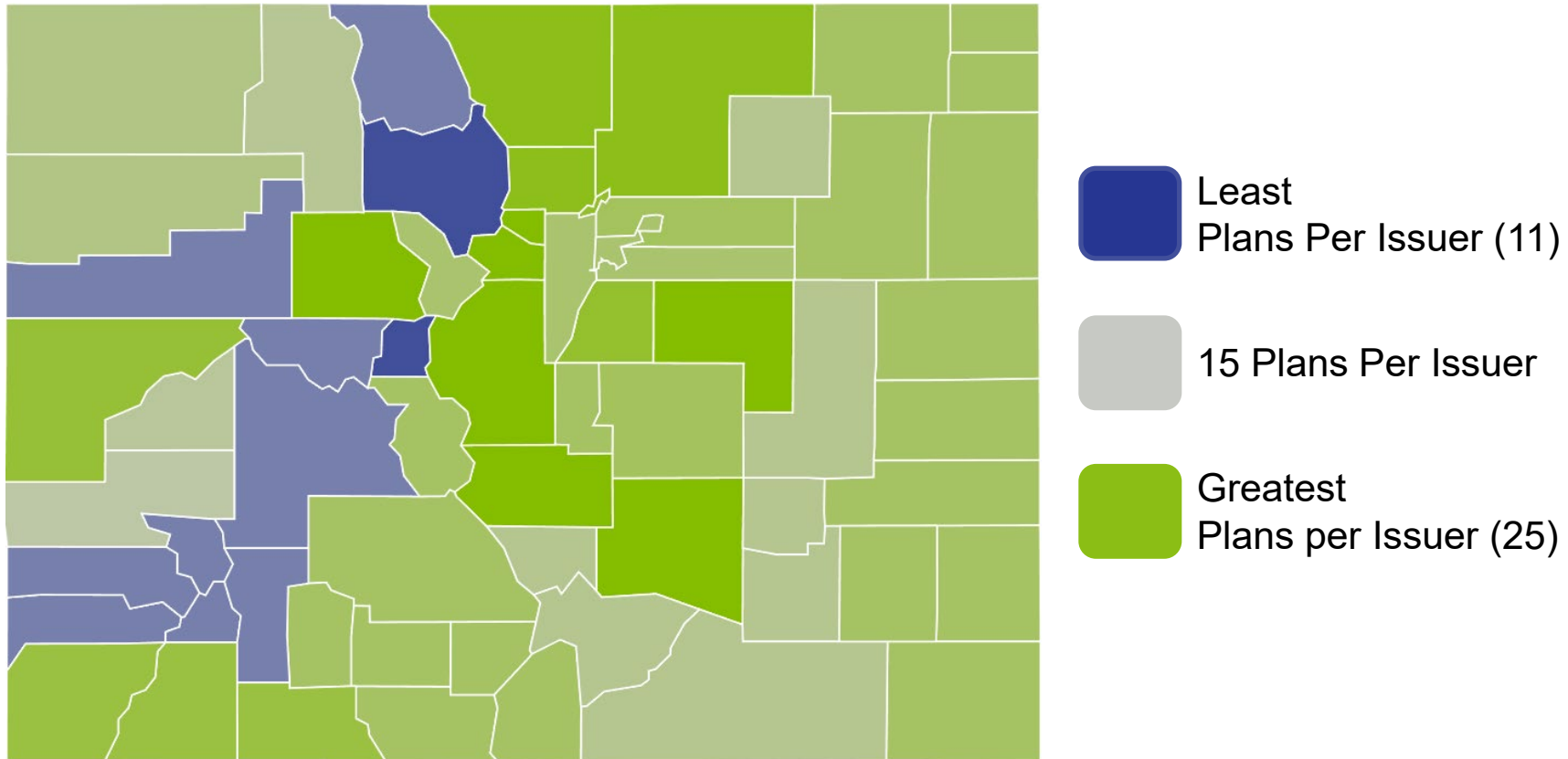
Comparison of Plan Offerings

- There were 257 plans offered on the exchange in 2022 and 166 in 2023
- Growth was in the number of Silver and 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 56,289 enrollees, or 31% of 2022 enrollees
- Not all plans are offered in all regions of the state

	Gold	Silver	Bronze	Catastrophic	Total
2022 Plans	43	103	100	11	257
Continued	18	44	45	5	112
Discontinued	25	59	55	6	145
New	17	20	17	0	54
2023 Plans	35	64	62	5	166
Net Change	-8	-39	-38	-6	-91

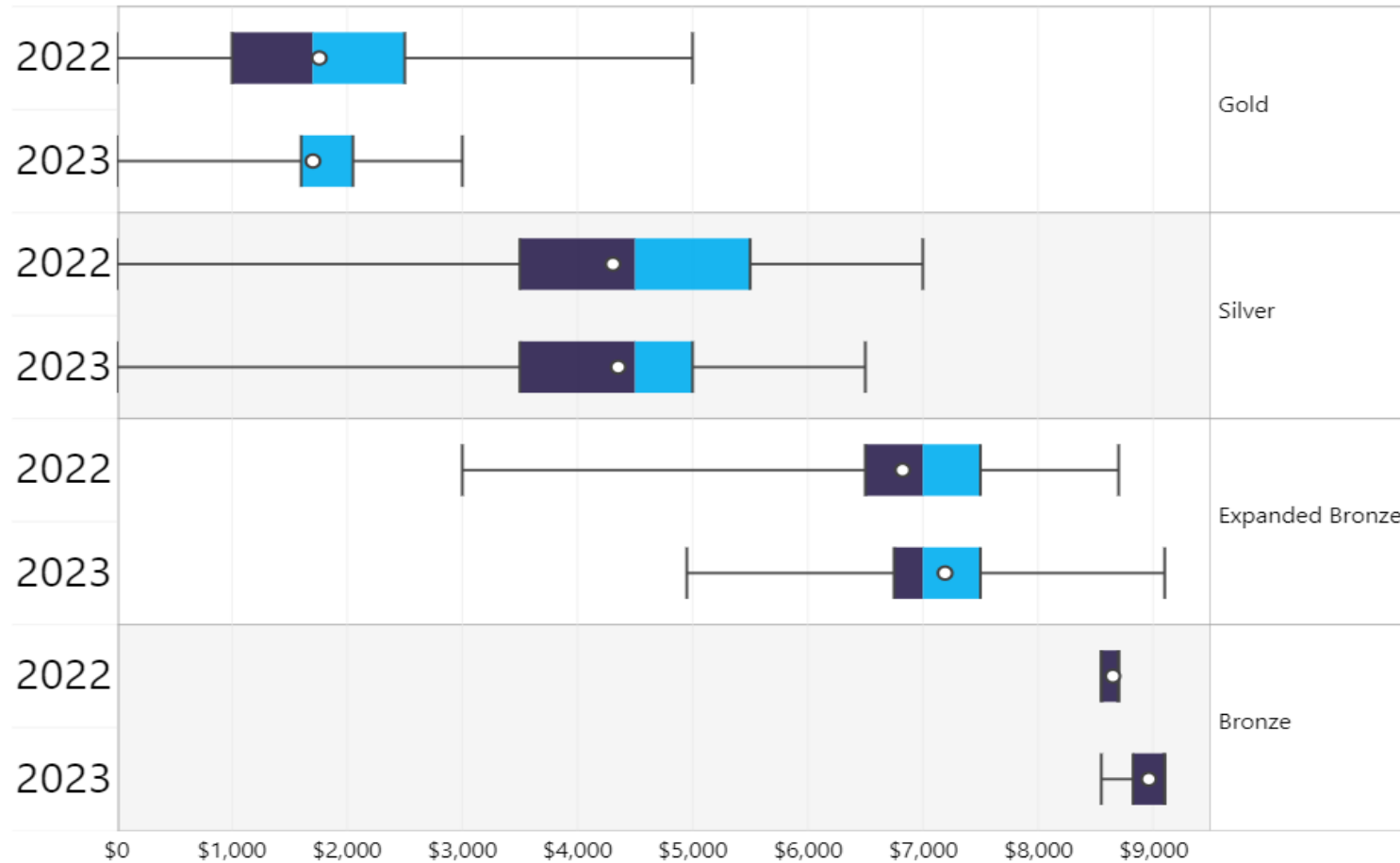
Consumer Choice

Average Plans Per Issuer



- In counties with only one issuer, there are at least 13 plans being offered.
- Broad increase in the number of plans per issuer.

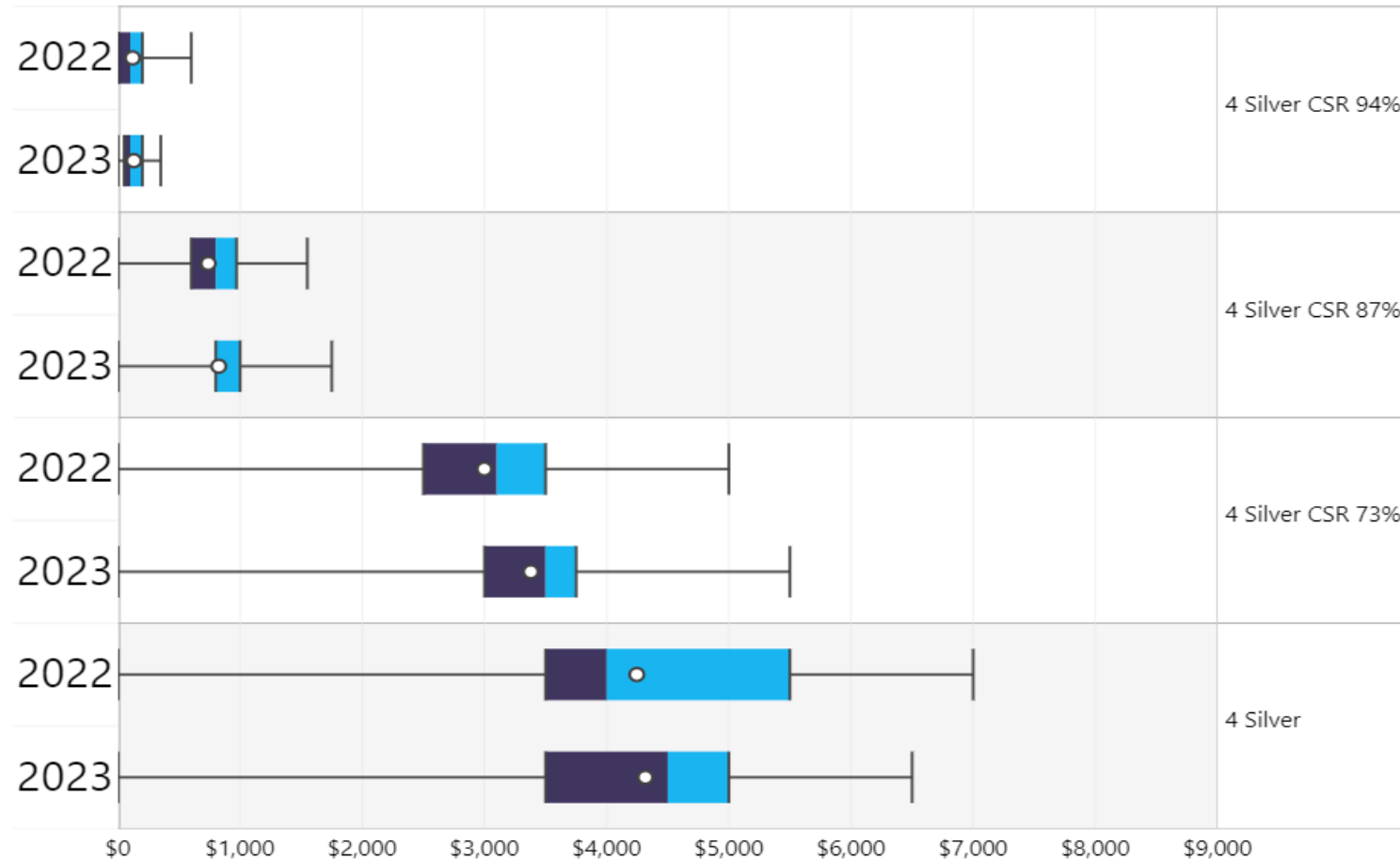
Plan Design



2023 Deductible Ranges

Gold	\$0 - \$3,000
Silver	\$0 - \$6,500
Expanded Bronze	\$4,950 - \$9,100
Bronze	\$8,550 - \$9,100

Plan Design – Silver Variants



2023 Deductible Ranges

Silver 94% AV	\$0 - \$350
Silver 87% AV	\$0 - \$1,750
Silver 73% AV	\$0 - \$5,500
Standard Silver	\$0 - \$6,500

AV and Premium Relationship

2022 Plan AVs and Premiums – Jefferson County



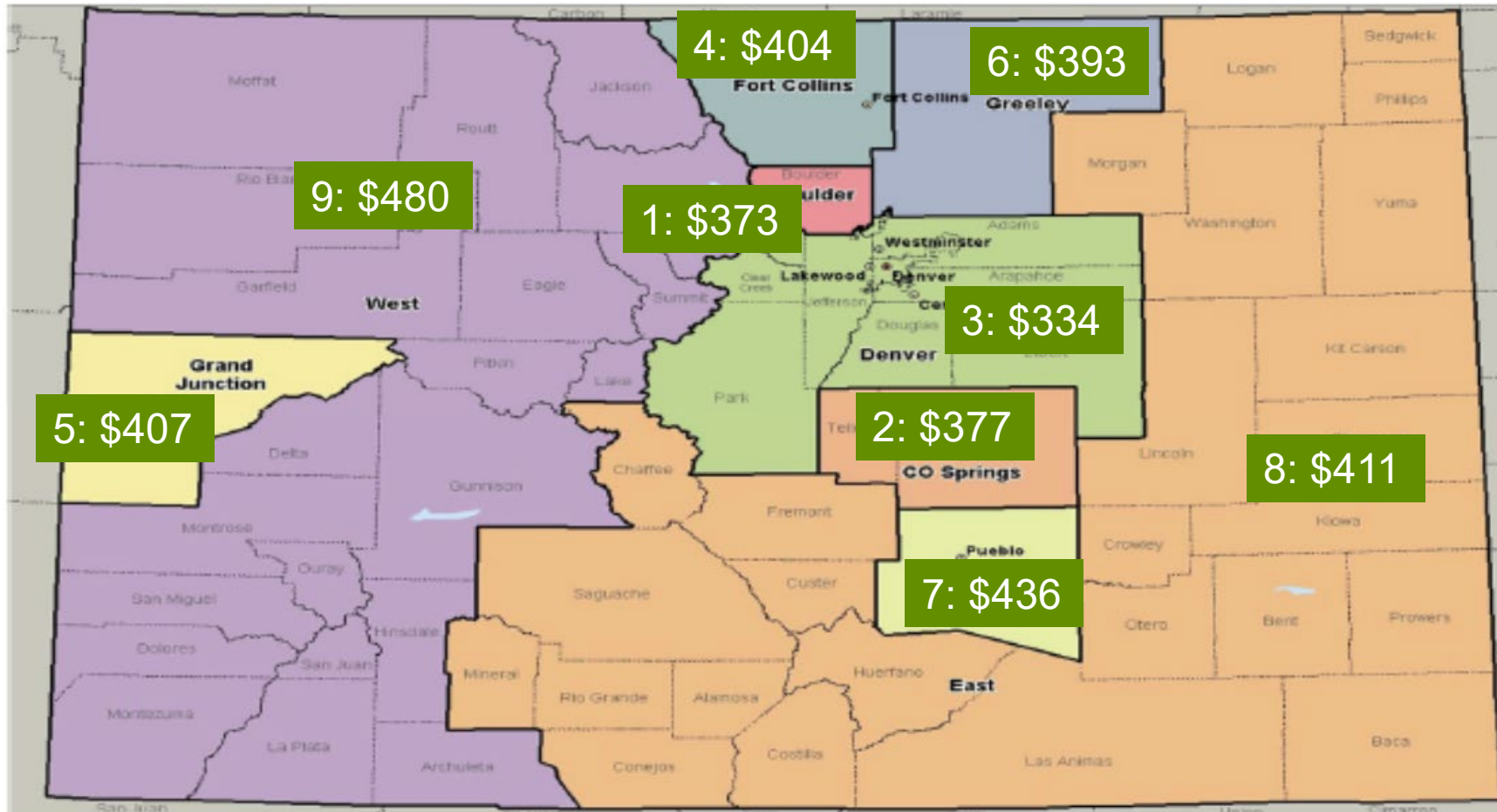
AV and Premium Relationship

2023 Plan AVs and Premiums – Jefferson County



Premiums

Regional Differences in Rates

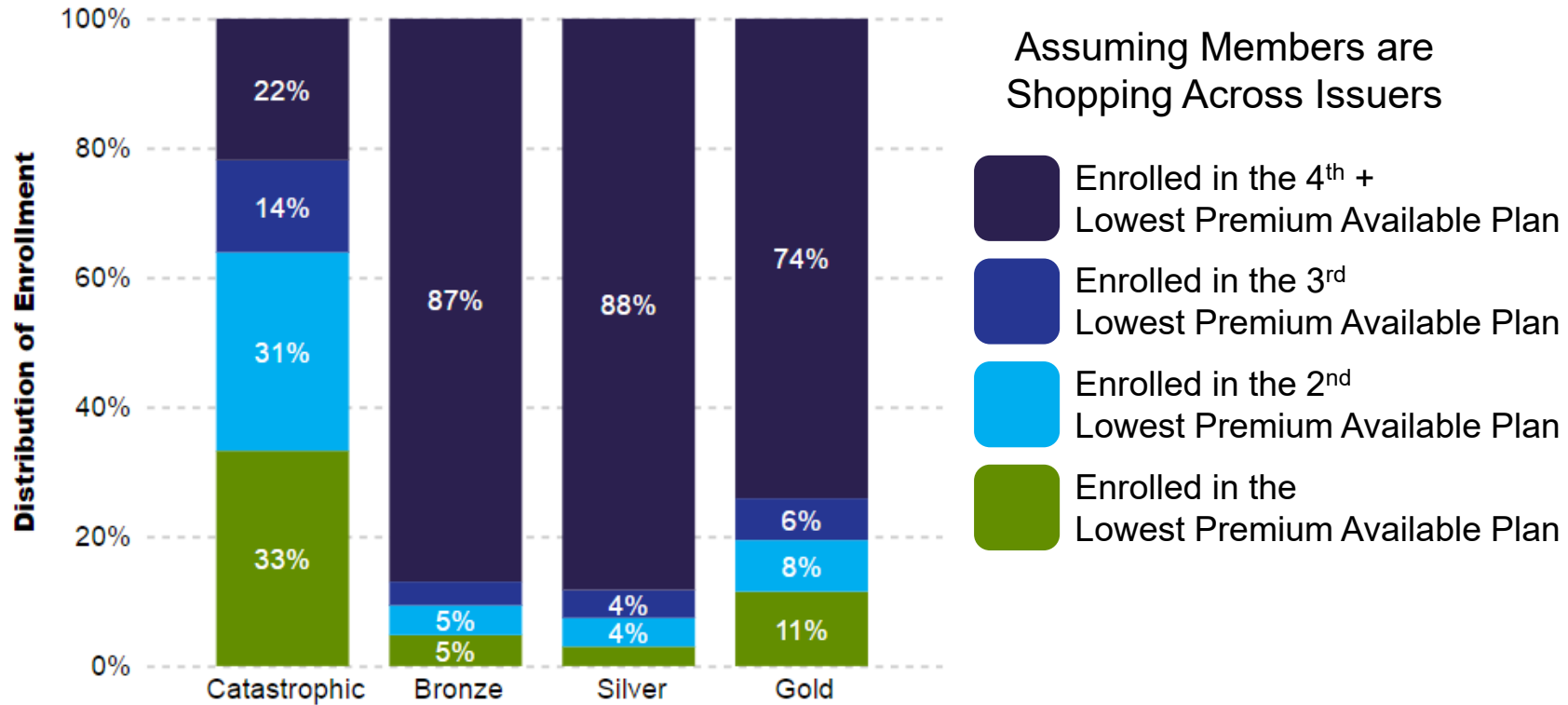


Rates reflect weighted average Second Lowest Silver for Age 40 in rating area before advance premium tax credits

Consumer Impact

Enrollment by Plan Premium Rank

Non-Subsidy Eligible - By Metal

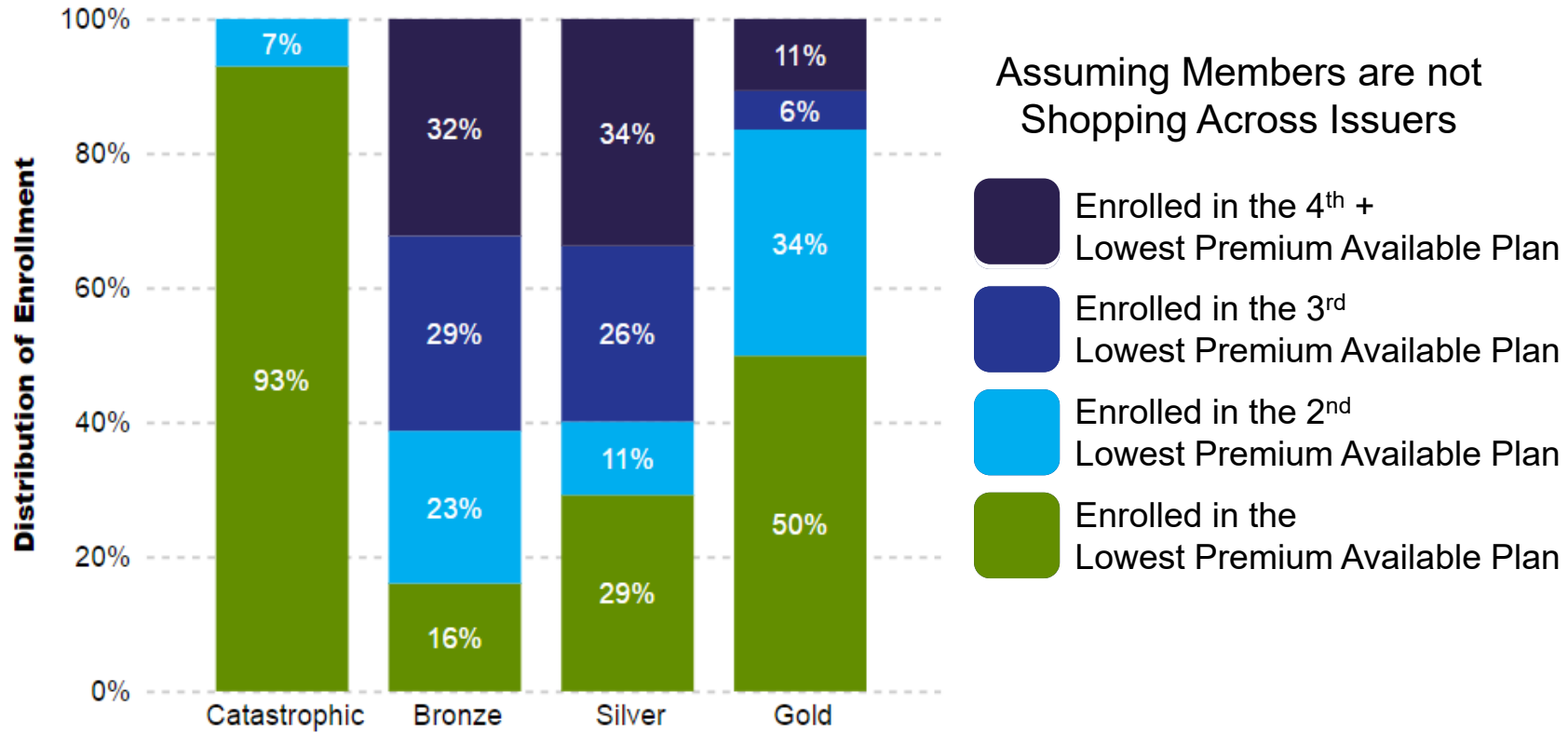


- Enrollees show some preference for lowest cost plans offered in a metal tier.

Consumer Impact

Enrollment by Plan Premium Rank

Non-Subsidy Eligible - By Metal and Issuer

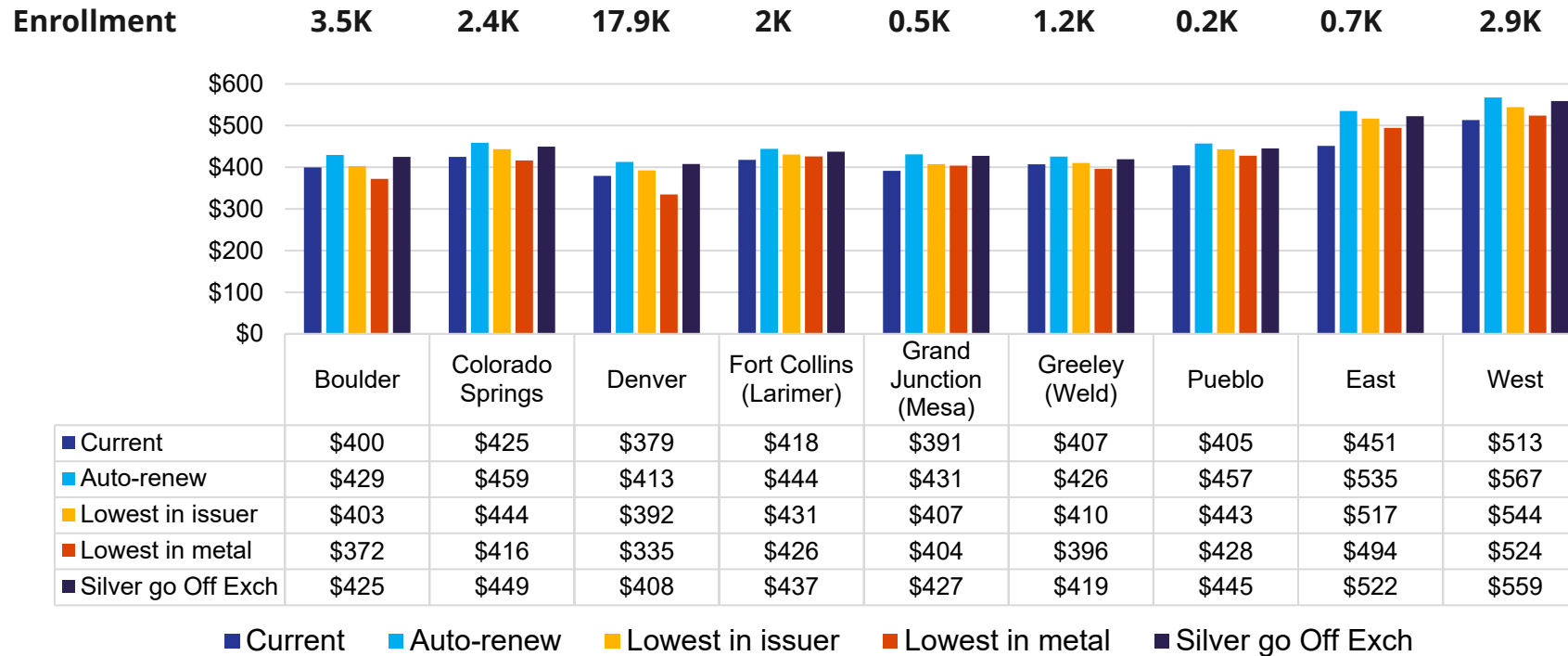


- Within a given issuer, almost half of enrollees opt for the lowest premium plan.

Consumer Impact

Premium Changes and Shopping Impact

Impact of Shopping for Non-Subsidy Eligible Enrollees By Area

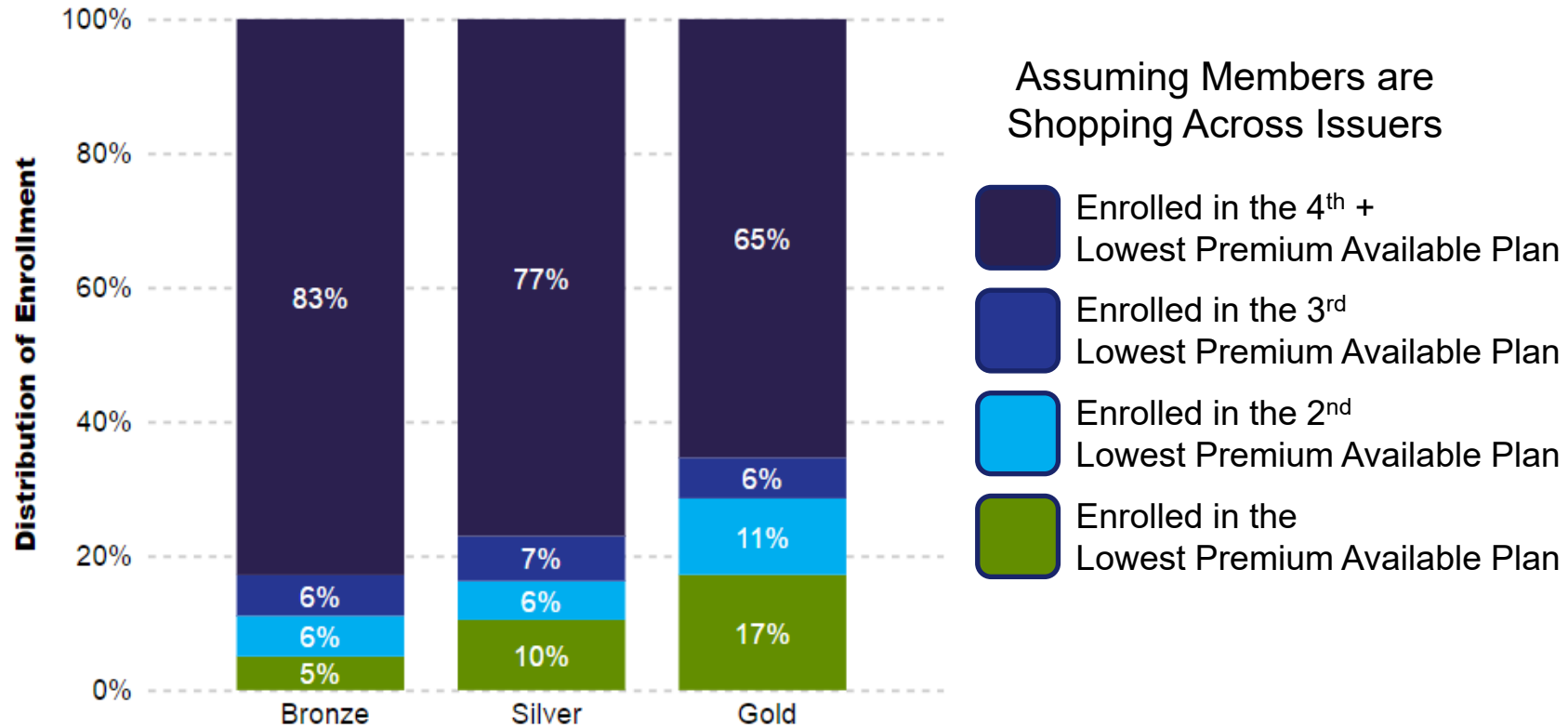


Enrollees in some areas may need to change issuers in order to achieve premium reductions.

Consumer Impact

Enrollment by Plan Premium Rank

Subsidy Eligible - By Metal

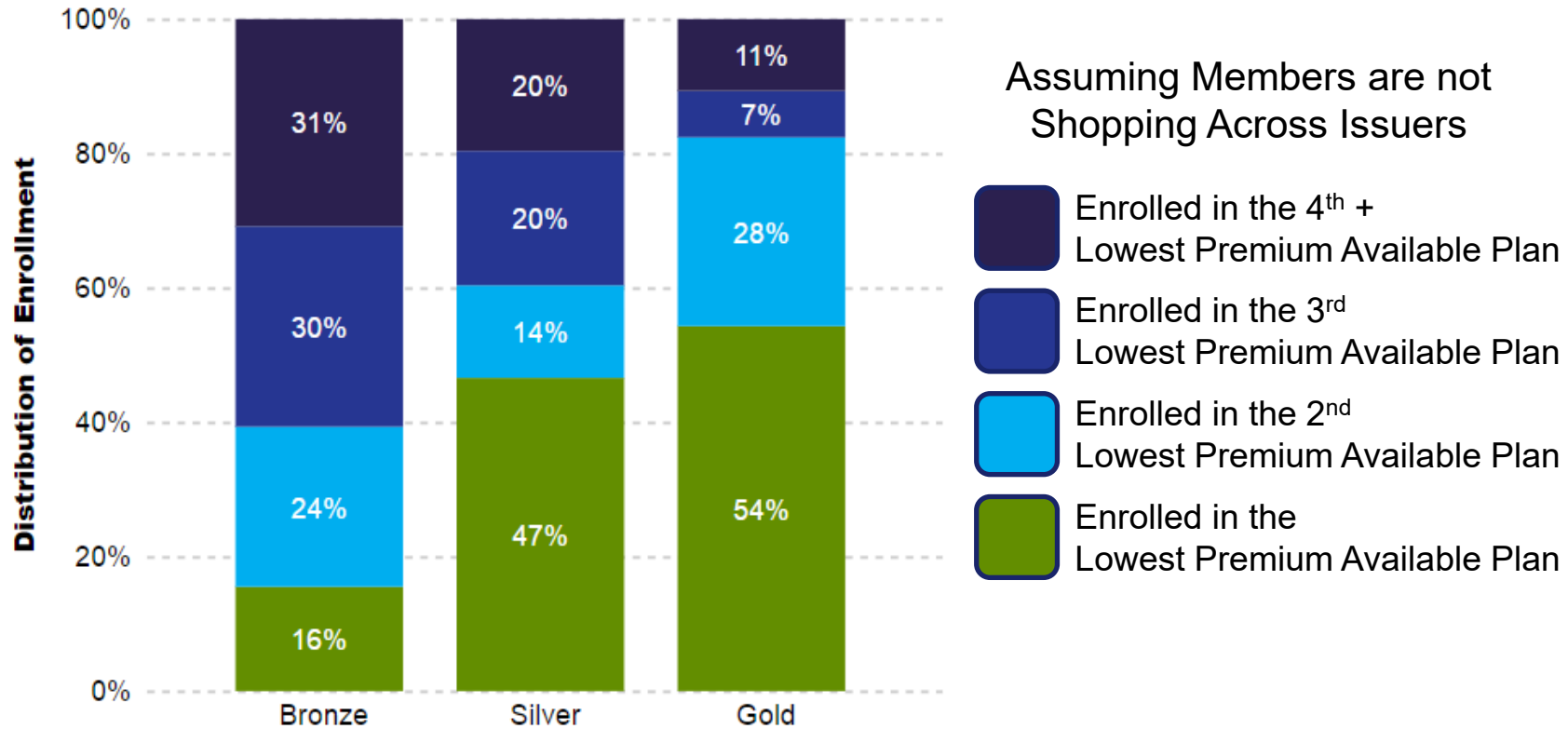


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Consumer Impact

Enrollment by Plan Premium Rank

Subsidy Eligible - By Metal & Issuer

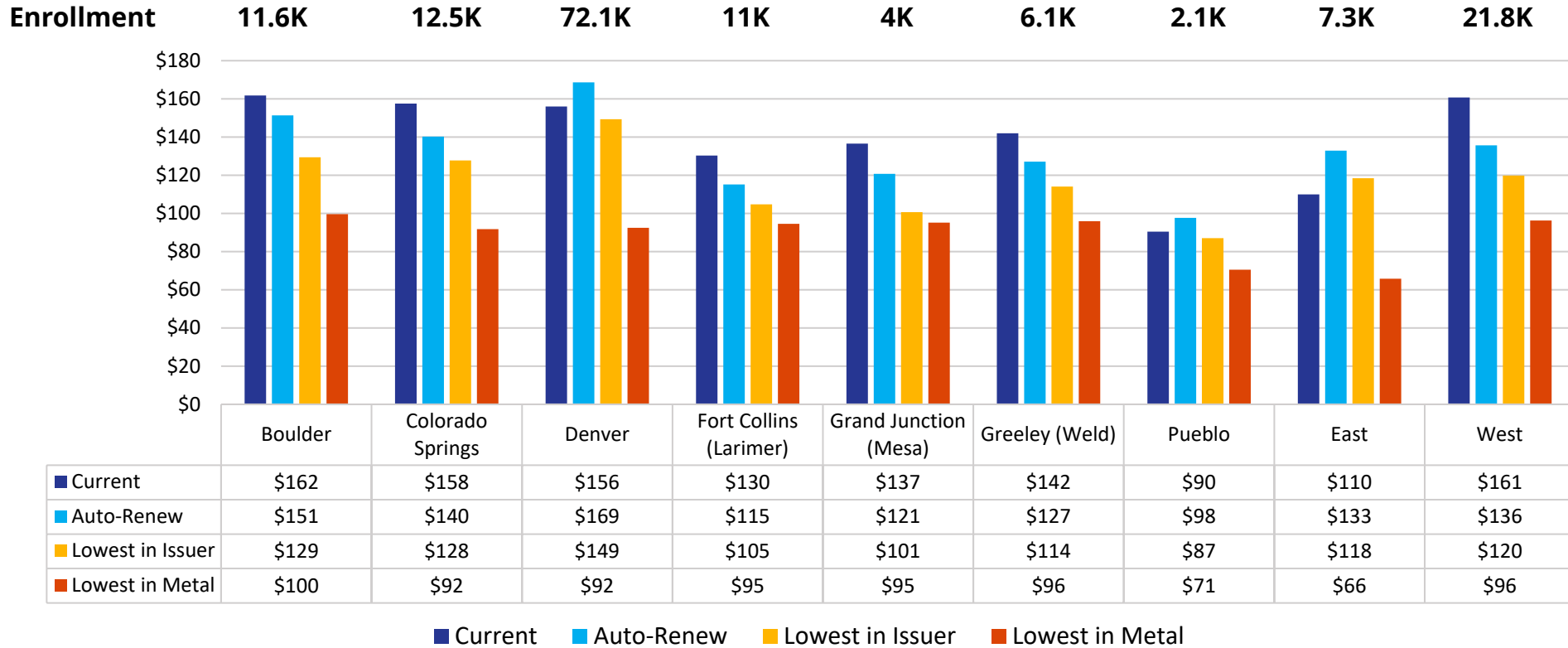


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Consumer Impact

Premium Changes and Shopping Impact

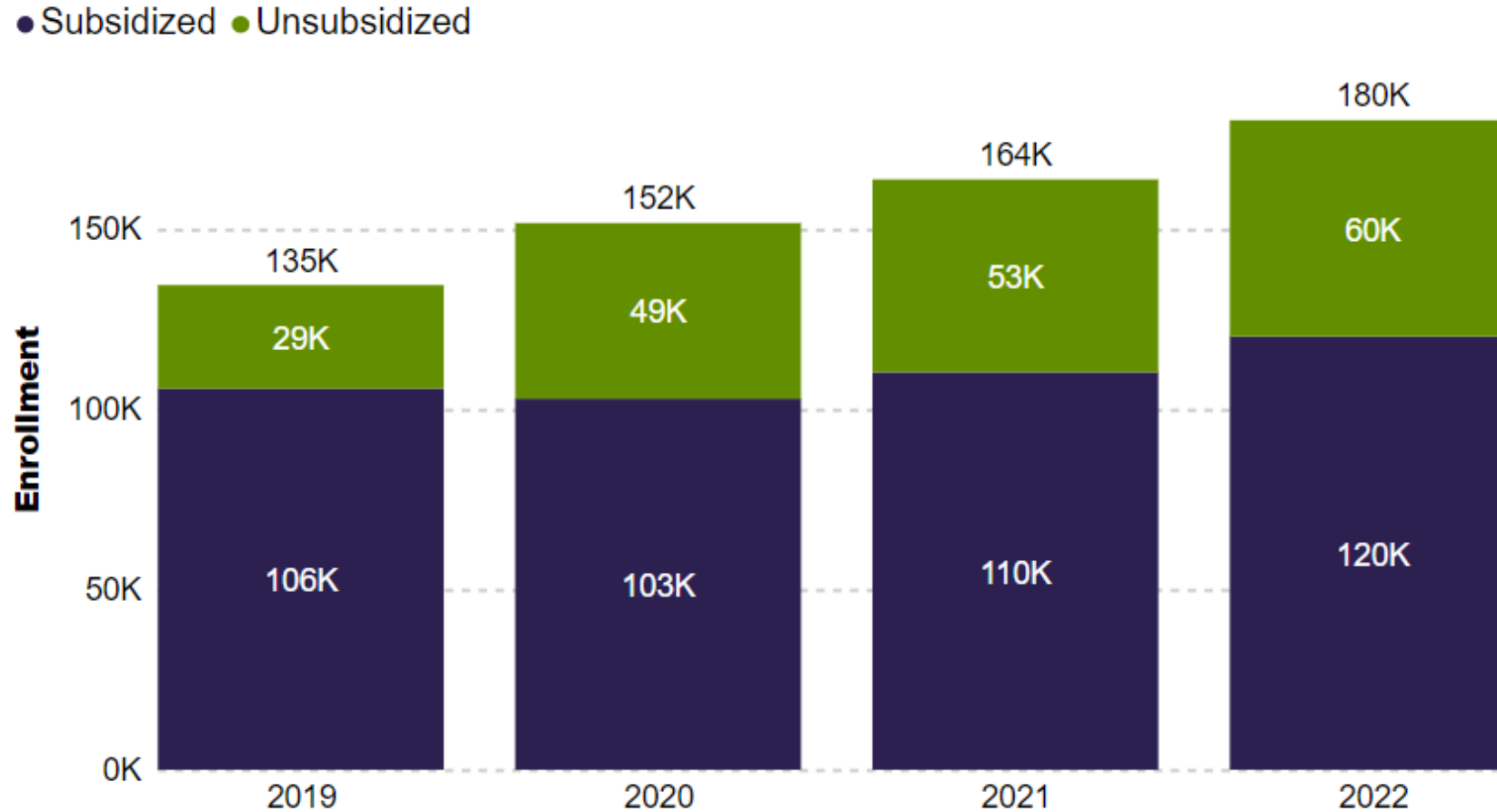
Impact of Shopping for Subsidy Eligible Enrollees By Area



- The increases in APTCs are generally less than the increases 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.

Effectuated Enrollment Changes

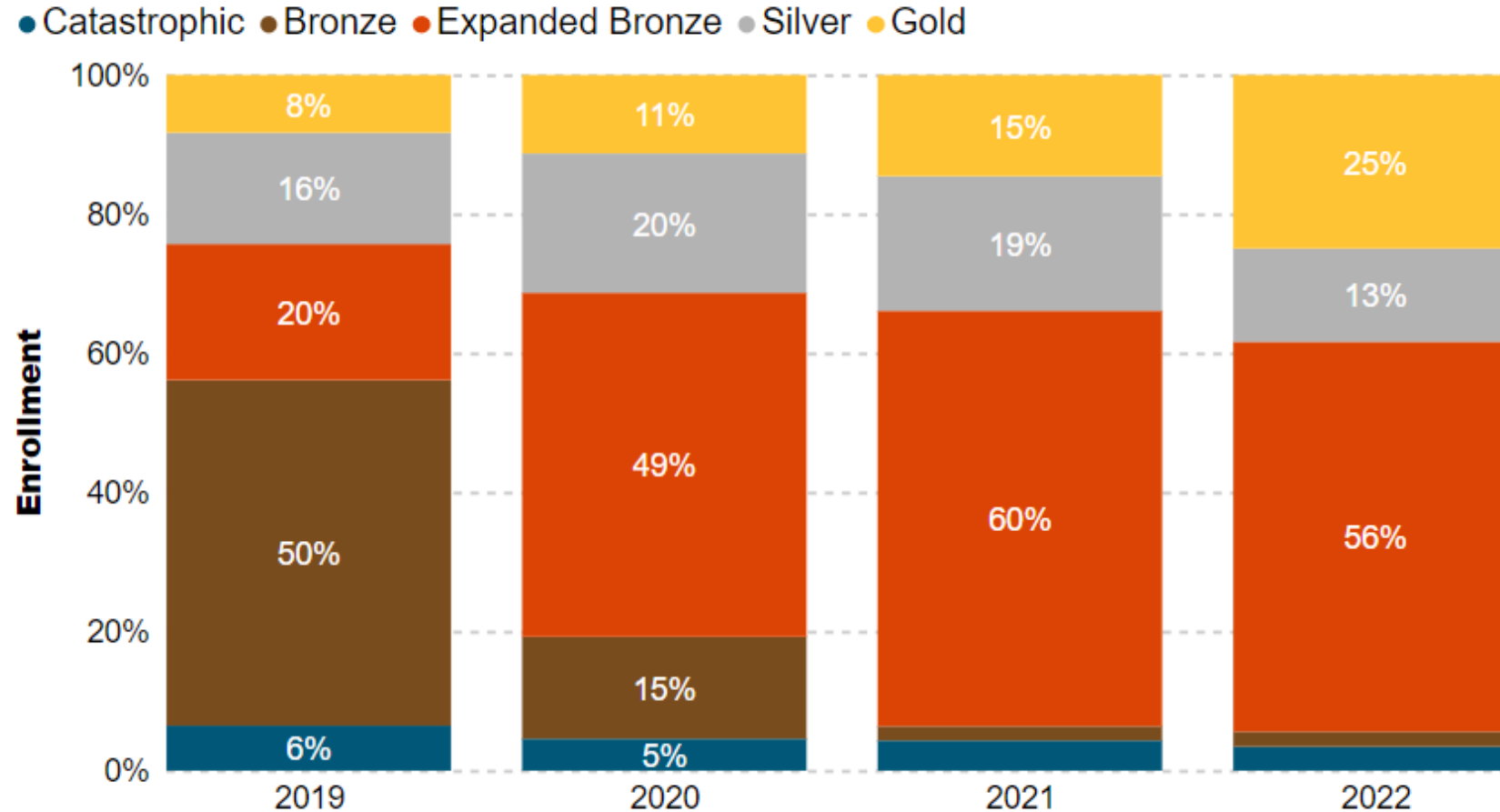
Total Membership Change for Subsidy and Non-Subsidy Eligible Populations



- Note: Definition of subsidy eligible for 2019-2021 defined based on FPL % (> 400% Unsubsidized)

Enrollment Changes

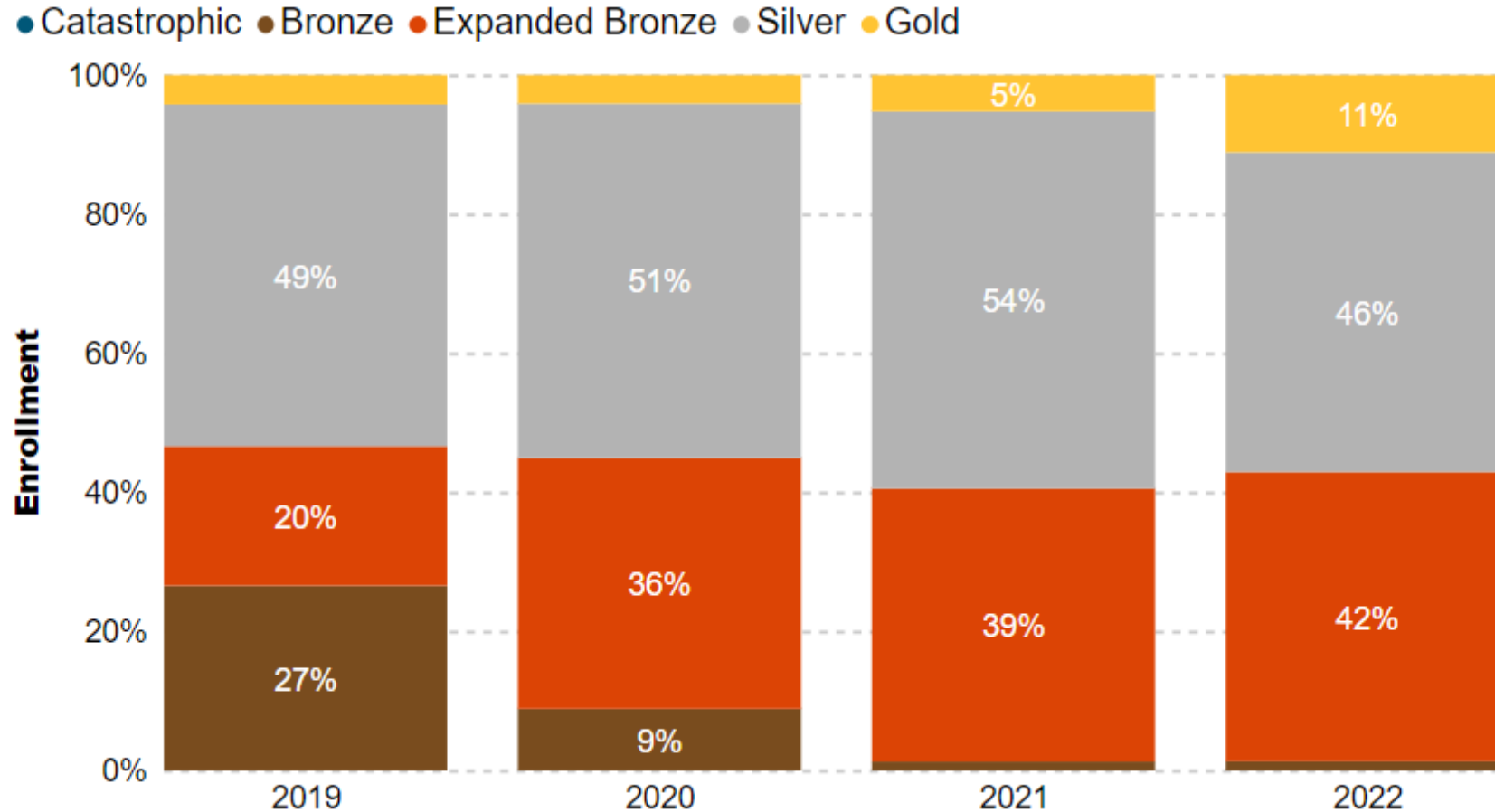
Membership changes by Metal – Non-Subsidy Eligible Enrollees



- Growth of Expanded Bronze plans driven by new enrollees and migration from Bronze plans
- Note: Definition of subsidy eligible for 2019-2021 defined based on FPL % (> 400% Unsubsidized)

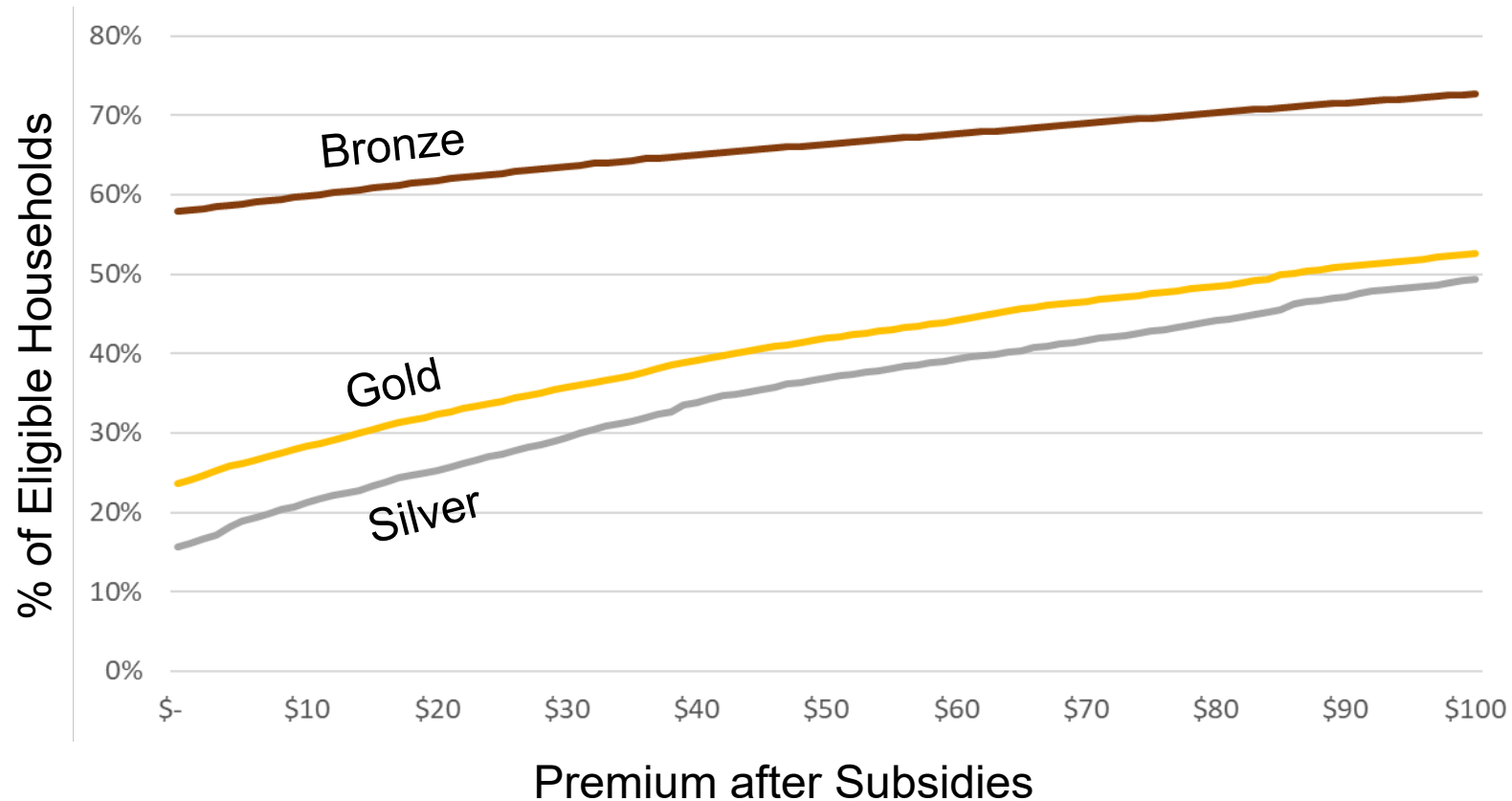
Enrollment Changes

Membership changes by Metal – Subsidy Eligible Enrollees



- Growth of Expanded Bronze plans driven by new enrollees and migration from Bronze plans
- Note: Definition of subsidy eligible for 2019-2021 defined based on FPL % (> 400% Unsubsidized)

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

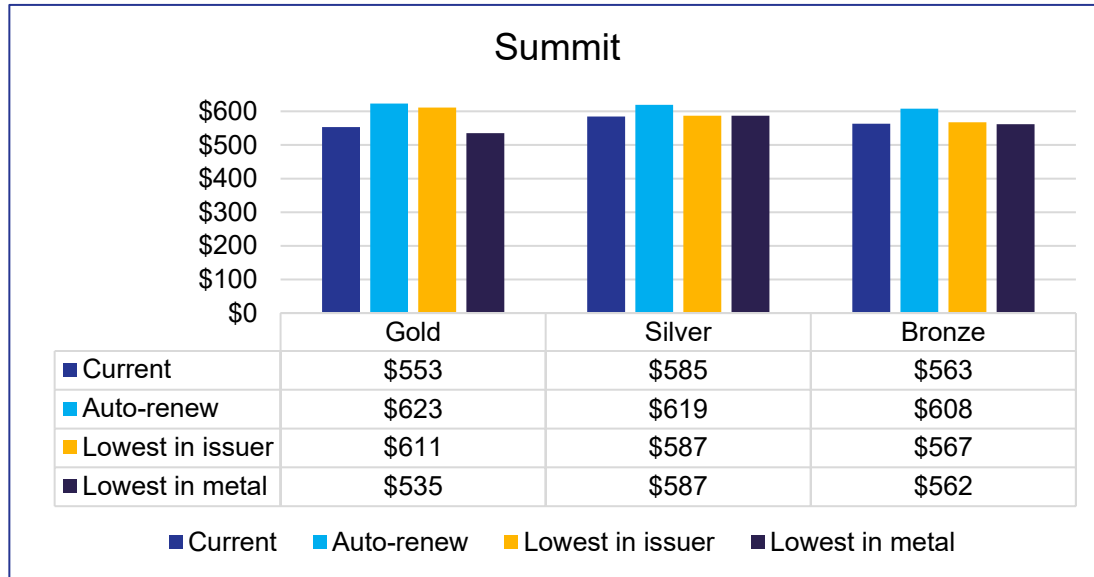


- Some may already be in a low net premium plan, some may need to shop.

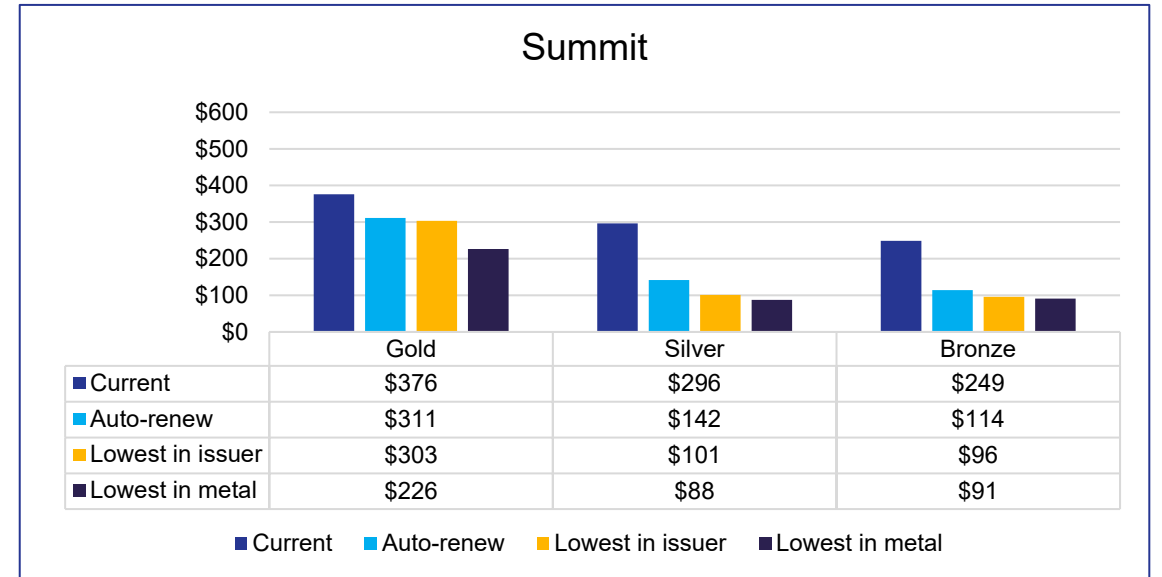
Consumer Impact

Premium Changes and Shopping Impact - Summit

Subsidy Eligible By Metal



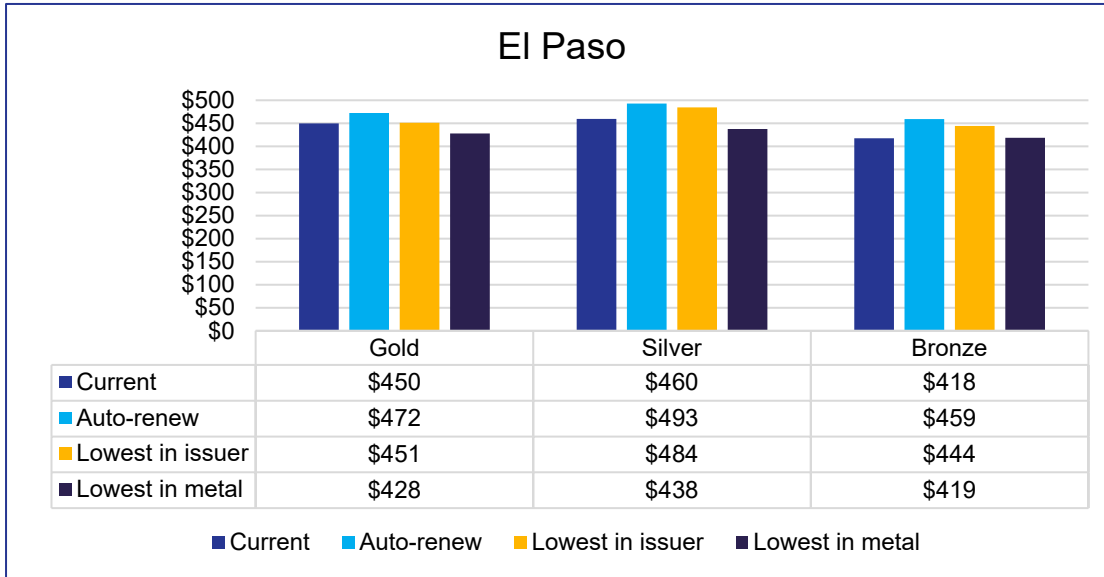
Non-Subsidy Eligible By Metal



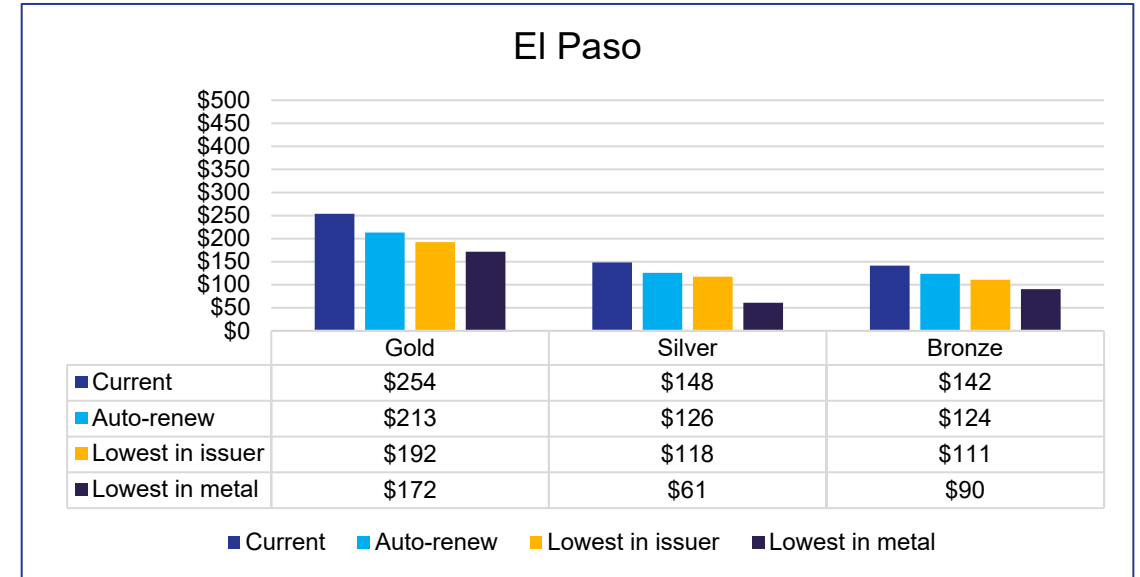
Consumer Impact

Premium Changes and Shopping Impact – El Paso

Subsidy Eligible By Metal



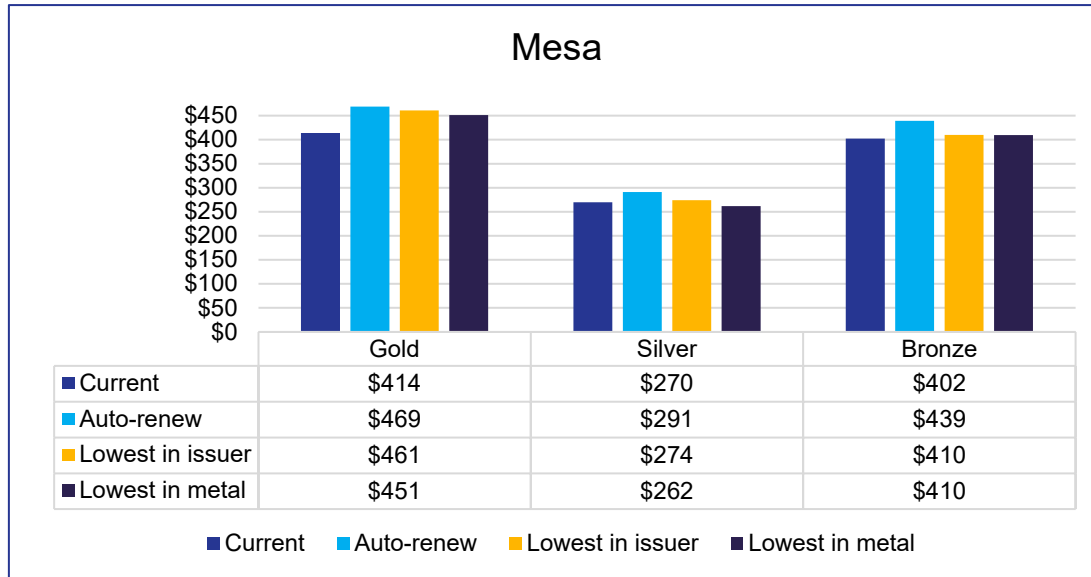
Non-Subsidy Eligible By Metal



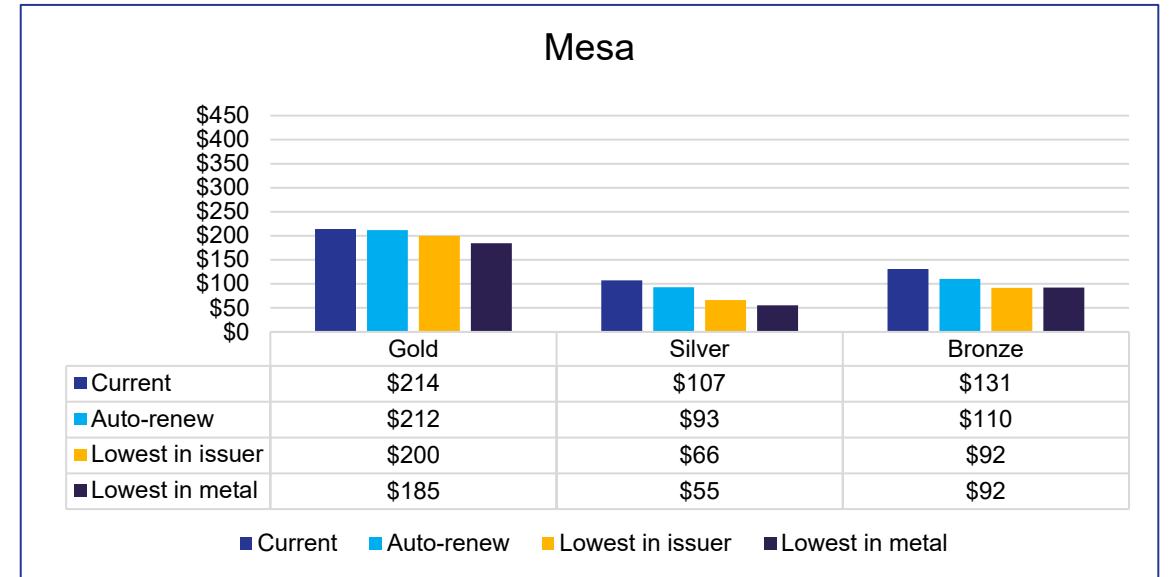
Consumer Impact

Premium Changes and Shopping Impact – Mesa

Subsidy Eligible By Metal



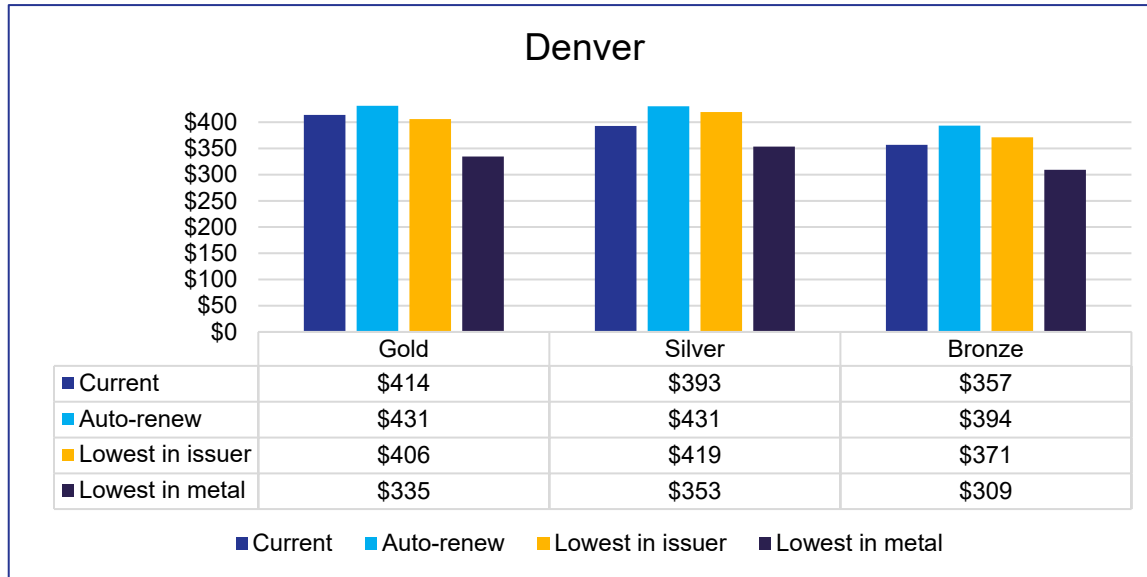
Non-Subsidy Eligible By Metal



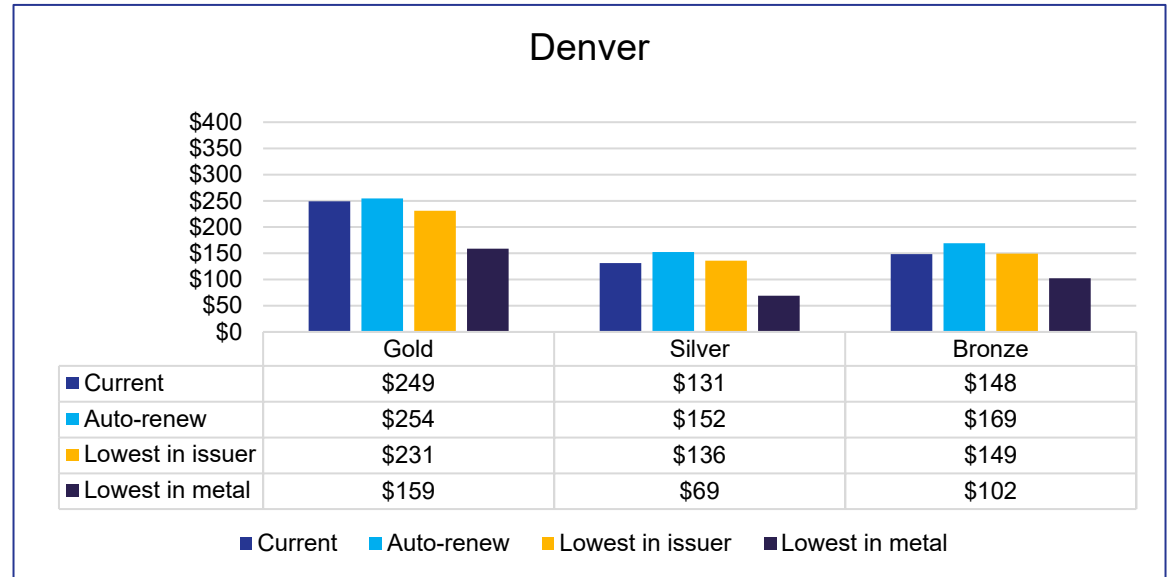
Consumer Impact

Premium Changes and Shopping Impact – Denver

Subsidy Eligible By Metal



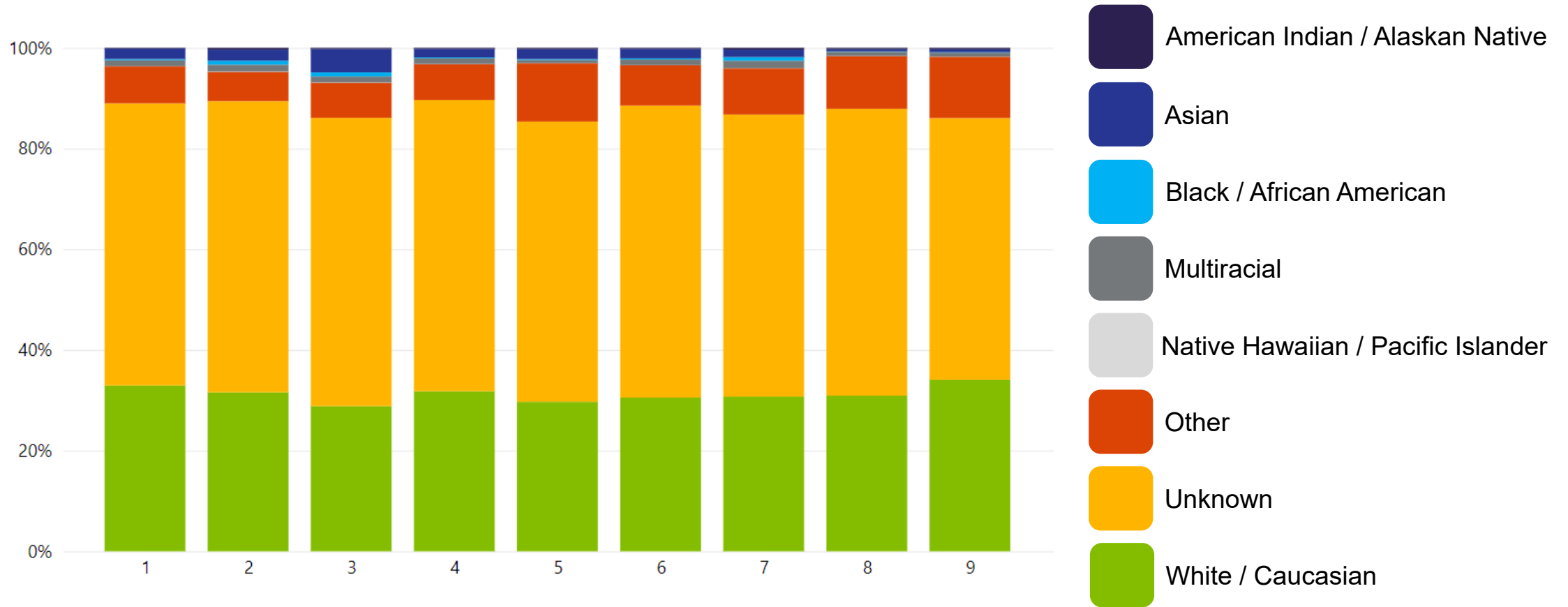
Non-Subsidy Eligible By Metal



Consumer Impact

Race of Enrollees by Rating Area

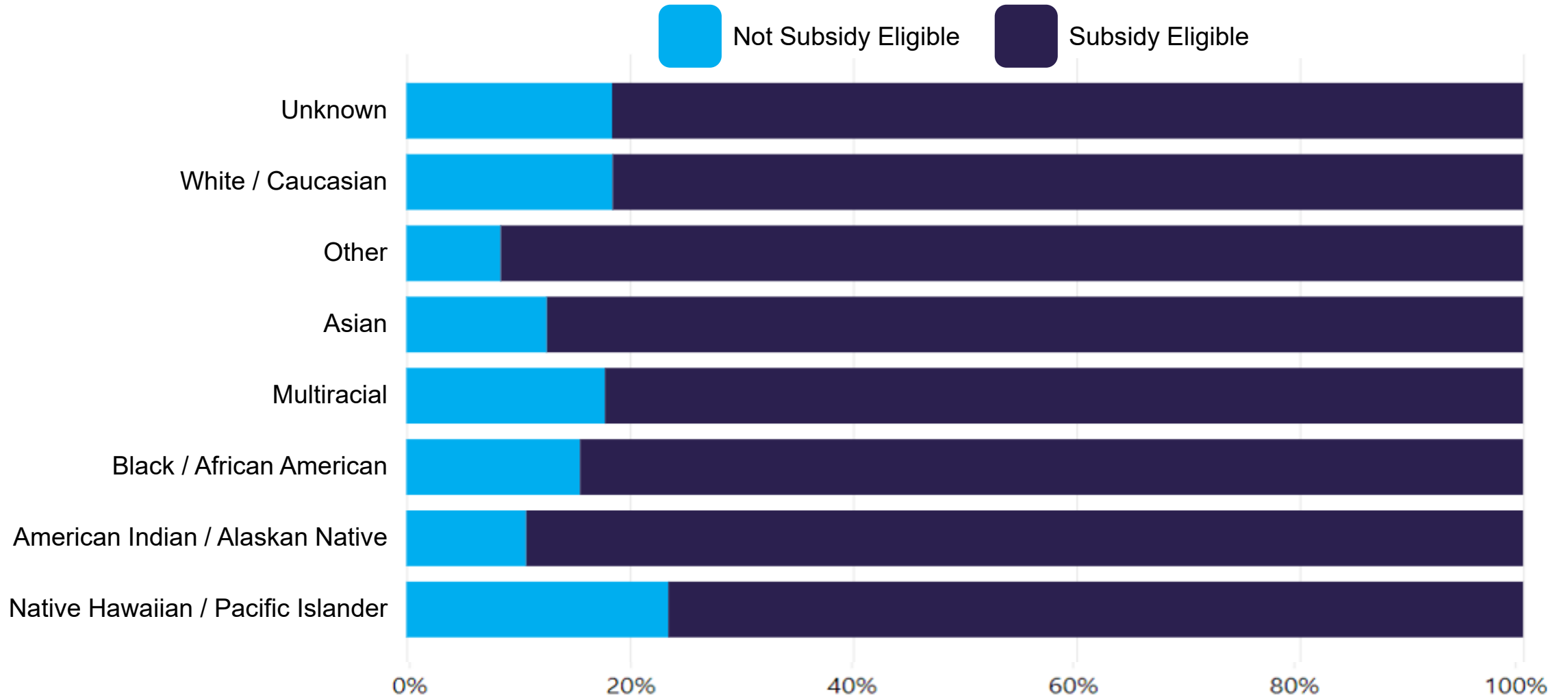
Distribution of Enrollees by Reported Race – Including “Other” and “Unknown”



▪ Note: 66% of respondents identified as “Other” or did not respond (“Unknown”)

Consumer Impact

Subsidy Eligibility of Enrollees by Race

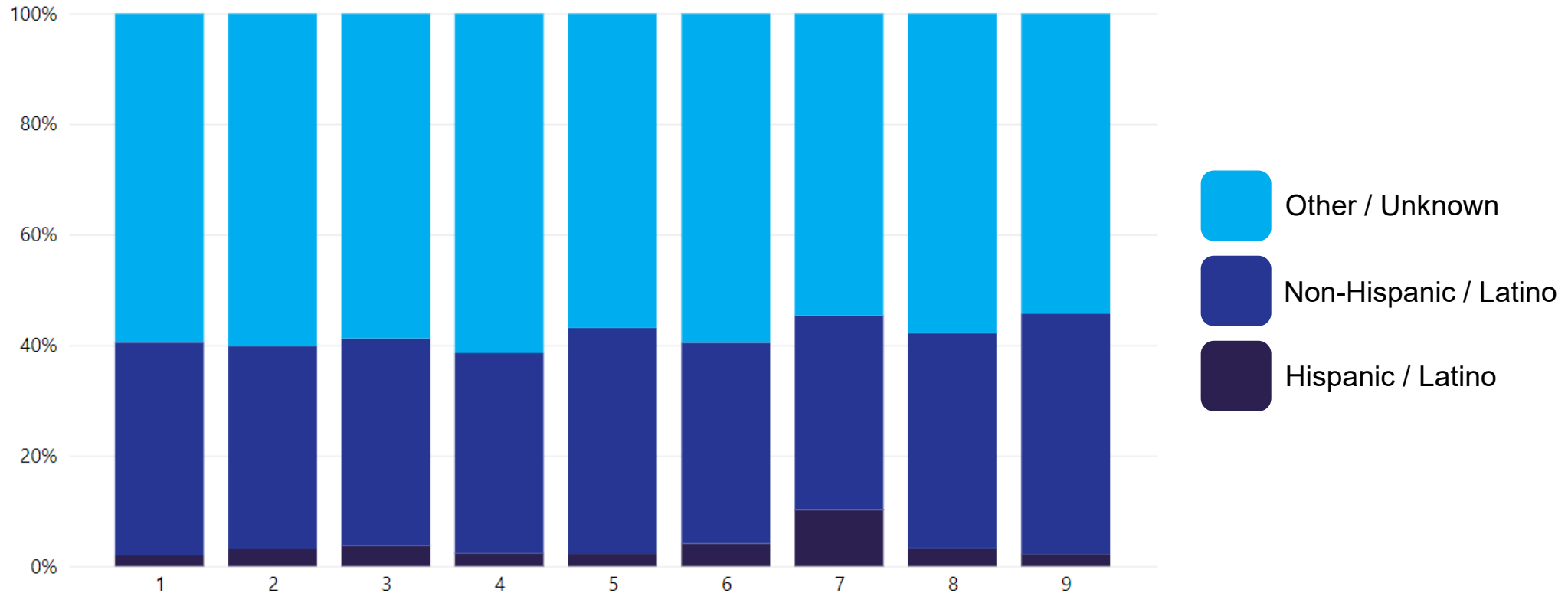


■ Note: 66% of respondents identified as “Other” or did not respond (“Unknown”)

Consumer Impact

Ethnicity of Enrollees by Rating Area

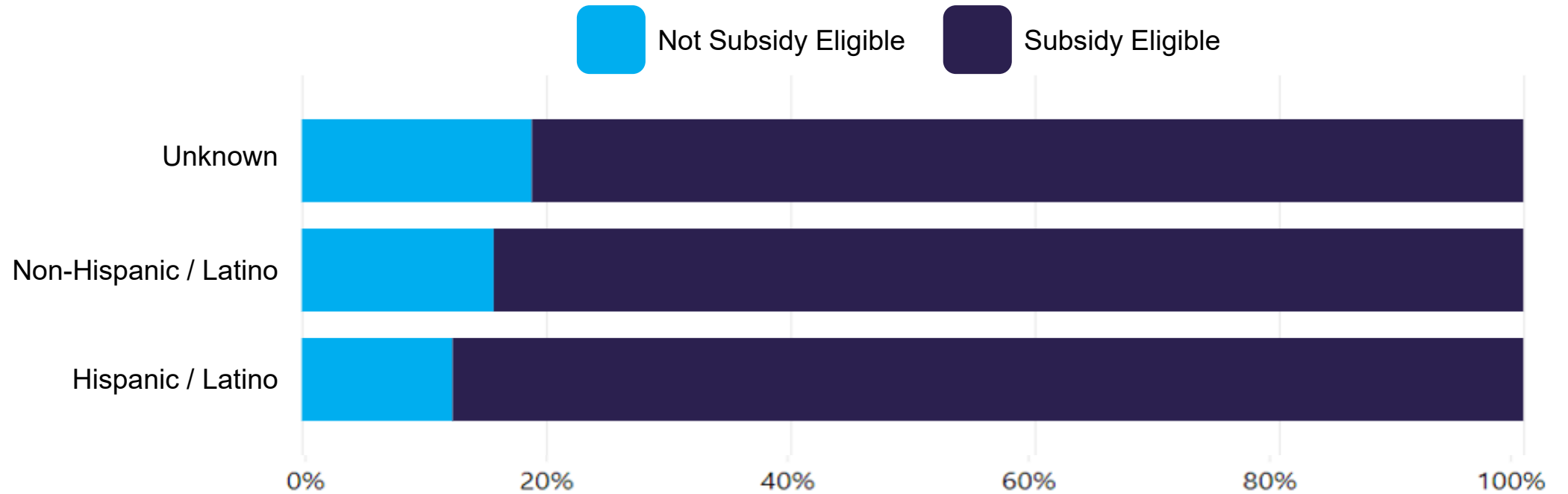
Distribution of Enrollees by Reported Ethnicity – Including “Other” and “Unknown”



■ Note: 58% of respondents identified as “Other” or did not respond (“Unknown”)

Consumer Impact

Subsidy Eligibility of Enrollees by Ethnicity



▪ Note: 58% of respondents identified as “Other” or did not respond (“Unknown”)

Disclosures and Limitations

- **Responsible Actuary.** Julie Andrews is the actuary responsible for this communication. Julie is a member of the American Academy of Actuaries and a Fellow of the Society of Actuaries. She meets the Qualification Standards of the American Academy of Actuaries to issue this report.
- **Intended Users.** This information has been prepared for the use of Connect for Health Colorado (C4HCO) to discuss the potential impact of 2023 Rate Changes. Wakely does not intend to benefit third parties and assumes no duty or liability to those third parties. Any third parties receiving this work should consult their own experts in interpreting the results. This report, when distributed, must be provided in its entirety and include caveats regarding the variability of results and Wakely's reliance on information provided by Colorado issuers and C4HCO.
- **Risks and Uncertainties.** The assumptions and resulting estimates and conclusions included in this report are inherently uncertain. Users of the results should be qualified to use it and understand the results and the inherent uncertainty. Actual results may vary, potentially materially, from our estimates. It is the responsibility of the organization receiving this output to review the assumptions carefully and notify Wakely of any potential concerns.
- **Conflict of Interest.** Wakely provides actuarial services to a variety of clients throughout the health industry. Our clients include commercial, Medicare, and Medicaid health plans, the federal government and state governments, medical providers, and other entities that operate in the domestic and international health insurance markets. Wakely has implemented various internal practices to reduce or eliminate conflict of interest risk in serving our various clients. The responsible actuary is financially independent and free from conflict concerning all matters related to performing the actuarial services underlying this analysis. In addition, Wakely is organizationally and financially independent from C4HCO and any Colorado issuer.
- **Data and Reliance.** Wakely relied on publicly available sources in this assignment. We have reviewed the data for reasonableness but have not performed any independent audit or otherwise verified the accuracy of the data/information. If the underlying information is incomplete or inaccurate, our estimates may be impacted, potentially significantly. Any errors in the data will affect the accuracy of the analysis and the conclusions drawn in this report. When performing financial and actuarial analyses on the current data, assumptions must be made where there is incomplete data. Improvements in data will allow for more accurate analyses and consistent reporting.
- **Subsequent Events.** Filings received after the date indicated will result in variation in results.
- **Contents of Actuarial Report.** This document and the supporting exhibits constitute the entirety of the actuarial report and supersede any previous communications on the project. This report is provided to C4HCO to discuss the potential options to stabilize the marketplaces. Any other use of this report may not be appropriate. Wakely does not intend third parties to rely on this report for any other purpose and assumes no duty or liability to parties other than C4HCO who use or receive this work. This report should only be reviewed and considered in its entirety.
- **Deviations from ASOPS.** Wakely completed the analysis using sound actuarial practice. To the best of our knowledge, the report and methods used in the analysis are in compliance with the appropriate Actuarial Standards of Practice (ASOP) with no known deviations.