Health Reform 201
The Road Ahead for Healthcare Reform in Utah

October 25, 2016

Who is UHPP?
Utah Health Policy Project is a non-profit, non-partisan organization advancing sustainable health care solutions for underserved Utahns, through better access, education, and public policy

www.healthpolicyproject.org
@UHPP
www.facebook.com/uthpp
Private insurance is sold in three markets

Individual
An individual or family policy purchases a policy directly from a private insurance company

Employer: Small group
Employer-based insurance often subsidized by the company for employees and their dependents

Employer: Self-insured
A group health plan in which the employer assumes risk for providing health care benefits to employees

Key Terms

ACA or Obamacare Insurance
Private insurance plans sold on healthcare.gov with monthly premiums subsidized for some people
The three pillars of health reform

- Expand Coverage
- Ensure Quality
- Contain Costs

The new health insurance calendar

2016
- Open Enrollment: JANUARY 1 - JANUARY 31
- Special Enrollment: FEBRUARY 1 - OCTOBER 31
- Open Enrollment: NOVEMBER 1 - DECEMBER 31

2017
- Open Enrollment: JANUARY 1 - JANUARY 31
- Special Enrollment: FEBRUARY 1 - OCTOBER 31
- Open Enrollment: NOVEMBER 1 - DECEMBER 31

Next Open Enrollment: Nov. 1, 2016 -- Jan. 31, 2017
What is a Qualifying Life Event?

....that triggers a Special Enrollment Period

- Graduate from college
- Get married
- Turn 25 years old
- Start a new job
- Have or adopt a baby
- Lose health insurance
- Move (even within Utah)
- Change immigration status
- Get divorced

Each of these events triggers a 60-day window to enroll on healthcare.gov

How the ACA changed healthcare (as we know it)

- Adults under age 26 can stay on their parents' insurance plan
- No lifetime caps on insurance payments
- Utah uninsured rate
  - 29.0% in 2010
  - 18.4% in 2013
  - Source: Utah DOH
- Insurance offers free preventative care like blood pressure checks, flu shots, and health screenings
- No one can be denied or priced out of coverage for a pre-existing condition
- Men and women pay the same for coverage
All plans will have **10** essential benefits

1. Ambulatory (ie. out-patient) services
2. **Emergency services**
3. Hospitalization
4. Maternity and newborn care
5. Mental health and substance use disorder services, including behavioral health treatment
6. **Prescription drugs**
7. Rehabilitative and habilitative services and devices
8. **Laboratory services**
9. Preventive and wellness services and chronic disease management
10. **Pediatric services, including dental and vision care**

Adult dental and vision can be purchased as extras


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**What is the ACA marketplace like?**

**Nutrition Facts**

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<tbody>
<tr>
<td>Amount Per Serving</td>
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<tr>
<td>Calories 360</td>
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<tr>
<td>Carbs from Fat 16g</td>
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<tr>
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<tr>
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<td>Total Carbohydrate 35g</td>
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<tr>
<td>Dietary Fiber 11g</td>
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<tr>
<td>Sugars 6g</td>
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<tr>
<td>Protein 3g</td>
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Costs for health plans will differ by metal tier

<table>
<thead>
<tr>
<th>Bronze</th>
<th>Silver</th>
<th>Gold</th>
<th>Platinum</th>
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<tbody>
<tr>
<td>60%</td>
<td>70%</td>
<td>80%</td>
<td>90%</td>
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Lower Premiums

Higher Premiums

Higher cost-sharing

Lower cost-sharing

What are the penalties for remaining uninsured in 2017?

- $695 per adult
- $347.50 per child
- Up to $2,085 per household*

...or 2.5% of adjusted gross income**

(*) Flat fee is adjusted for inflation after 2016

(**) Gross income minus the filing threshold
Utah’s ACA sign-ups reached 164,415 in March 2016

Costs for health plans will differ by metal tier
How does the ACA affect you?

- **Large company Self-insured**: No changes to coverage
- **Small company Group insurance**: Policies must cover 10 essential health benefits
- **Senior citizen On Medicare**: Prescription drug “donut hole” gone by 2020
- **Lost job / Part-time job Uninsured**: Eligible to use the new insurance marketplaces to:
  1) Shop for coverage
  2) Qualify for Medicaid
  3) Receive tax credits
- **Small business / Self employed No or bad insurance**: 15%
- **Young people Uninsured**: 85%

What is a “Marketplace”?

A *new, transparent, and competitive insurance shopping experience*

- Consumers can buy **affordable and qualified health plans**
- New choices that **meet minimum benefits**
What is the marketplace like?

Shopping for breakfast cereal...

The drop of “effectuated” enrollment in 2016 was smaller than in previous years

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<td>Initial</td>
<td>Effectuated</td>
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<tr>
<td>84601</td>
<td>84,601</td>
<td>175,637</td>
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<tr>
<td>140,612</td>
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<tr>
<td>-8.8%</td>
<td>-6.4%</td>
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Why are people dropping their coverage mid-year?

1) Premium cost
2) Under utilization
3) Paperwork errors

Starting in 2014, the ACA initiated a generational decline in the U.S. uninsured rate

Uninsured Rate, 1963-2014:Q2

Percent
25
20
15
10
5
0


Source: NHIS; Cohen et al. (2009); Klemm (2000); CMS (2009); CEA calculations (see appendix).
Note: Data for 2014 are quarterly. Data for earlier years are generally either annual or bi-annual.
After dropping rapidly in 2014-15, the U.S. uninsured rate is leveling off.

Source: Gallup Healthways Well-Being Index (Q4 2015)

Utah’s uninsured rate is decreasing according to all three state and national surveys.

Sources:
- U.S. Census, 2006-2015 American Community Survey 1-year, 5-year estimates, S2701
- UT: DOH (BRFSS)
- UT: Gallup-Healthways
- UT: Census/SAHIE

http://www.well-beingindex.com/arkansas-kentucky-reduce-uninsured-rate&utm_medium=newsfeed&utm_campaign=tiles
The latest U.S. Census data shows a 16% drop in the Utah’s uninsured rate between 2014-15

American Indians and Hispanics experience the highest rates of being uninsured in Utah


Source: U.S. Census Bureau, 2015 American Community Survey 1-Year Estimates
Despite recent declines, the uninsured rate for Hispanic children (age 0-17) is still 3x higher than for non-Hispanic children.

Hispanic children account for 40% of all uninsured children in Utah, yet represent only 17% of all children in the state.

Six Key Enrollment Barriers

1. The application is too complicated
2. Language and cultural barriers
3. Distrust for DWS
4. Education: Not knowing they qualify
5. Policy issues that serve as barriers
6. Need for a system change

Connecting Kids to Coverage (CK2C) Grant

- July 2016 – July 2018
- $840,000 (2 years)
- 3 Team Leads
- 15 AmeriCorps enrollment specialists
- Active in 10 counties
What Makes the CK2C Grant Unique

• UHCs recruited from the communities we serve
• Regional approach
• Focused on children
• One-on-one assistance
• Community partnerships
• Language translation

CK2C Grant Goals

1. Enroll 18,000 children/parents into Medicaid or CHIP
2. Provide renewal assistance to 5,400 children/parents into Medicaid or CHIP
3. Ensure Medicaid or CHIP coverage is retained for 13,500 children/parents
4. Educate 25,000 individuals about Medicaid, CHIP and affordable health care options
5. Provide translation services to 7,000
Who is signing up for the ACA in Utah?

Over half of Utah’s ACA enrollment is under age 34

17% of Utahns enrolling on healthcare.gov describe themselves as racial minorities

15% of Utahns enrolling on healthcare.gov live in rural ZIP codes
85% of Utahns enrolling on healthcare.gov received a premium subsidy

**Subsidy Status**

- **Utah**
  - Received subsidy: 87%
  - No subsidy: 13%

**Healthcare.gov**

- Received subsidy: 85%
- No subsidy: 15%

**Source:** Health Insurance Marketplaces 2016; Average Premiums After Advanced Premium Tax Credits in the 38 States Using the Healthcare.gov Eligibility and Enrollment Platform: Nov. 1-Dec. 26, 2015; Released 1/21/16

Most Utahns choose Silver-level plans that offer a balance between premiums and cost-sharing

**Utah**

- Bronze: 11%
- Silver: 74%
- Gold: 15%

**Healthcare.gov**

- Catastrophic: 6%
- Bronze: 1%
- Silver: 1%
- Gold: 21%
- Platinum: 71%

**Source:** Addendum to the Health Insurance Marketplaces 2016 Open Enrollment Period: Final Enrollment Report; For the period: November 1, 2015 – February 1, 2016; Released March 11, 2016
Premium subsidies make health insurance more affordable in Utah

Impact of subsidies on Utah consumer costs

Average UT Monthly Premium: $271

- Consumer Cost: $84 (31%)
- Subsidy Amount: $187 (69%)

ACA enrollment in Utah by % poverty level

- Under 100%: 2%
- 100% to 150%: 16%
- 150% to 200%: 21%
- 200% to 250%: 34%
- 250% to 400%: 25%

Source: Addendum to the Health Insurance Marketplaces 2016 Open Enrollment Period: Final Enrollment Report; For the period: November 1, 2015 – February 1, 2016

Over half of re-enrolling ACA consumers in Utah switched health plans in 2016

Origin of all Utah consumers

- Newly enrolled: 42%
- Re-enrolled: 58%

Plan selection by all Utah re-enrolled consumers

- Switched plan: 56%
- Same plan: 44%

Source: Addendum to the Health Insurance Marketplaces 2016 Open Enrollment Period: Final Enrollment Report; For the period: November 1, 2015 – February 1, 2016