

# MARKETPLACE AFFORDABILITY AND THE ENROLLEE EXPERIENCE

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# Through Advocacy, Education, Litigation

*The Virginia Poverty Law Center (VPLC) breaks down systemic barriers keeping low-income Virginians in the cycle of poverty*

# ENROLL VIRGINIA

- Virginia's only statewide Navigator program since 2013, having served over 150,000 Virginians
- Federally funded from 2013 to 2020, currently funded through the VA Health Benefits Exchange (SCC)
- 21 Navigators across the state
- Provide direct assistance in English, Spanish, and Korean
  - Language lines used to assist in other languages; additional accommodations provided as necessary
- Provide policy and complex case support to partners across the state

# NAVIGATOR ROLE

- Educate consumers about the ACA and Medicaid/FAMIS
- Provide one-on-one application and enrollment assistance
- Assist with post-enrollment issues and complex case work
  - Medicaid and Marketplace appeals, special enrollment periods, transitions between programs, premium tax credit reconciliation
- Conduct community engagement and outreach
- Focus on hard-to-reach populations
- Required to be unbiased and provide all assistance for free

# CHANGING LANDSCAPE OF COVERAGE ACCESS & AFFORDABILITY

State Changes, 2019 - present

## Medicaid/CHIP

- Medicaid expansion (set at 138% FPL), 546,974 adults enrolled as of May 1, 2021. Implemented 1/2019.
- Removal of the 40-quarter work requirement for legal permanent residents. Implemented 4/2021.
- Prenatal coverage for women regardless of immigration status. Will be implemented 7/2021
- 1115 Waiver application to extend post-partum coverage to 12-months. Pending federal approval.

## Individual Market

- State-based exchange (SBE). Projected 2024.
- Facilitated enrollment program (identifying uninsured and eligible individuals). Expected as part of SBE.
- Reinsurance program. Projected, 2023.

# CHANGING LANDSCAPE OF COVERAGE ACCESS & AFFORDABILITY

## Federal changes in 2021

- January 28, 2021 Executive Order on Strengthening Medicaid and the ACA
- Opened Marketplace Special Enrollment Period, ends August 15, 2021.
  - 24,634 new enrollees from February 15 - April 30, Virginia
  - 261,943 enrolled during Open Enrollment, Virginia
- American Rescue Plan Act (ARPA)
  - Extended subsidies to those over 400% FPL, 2021 – 2022
    - Previously for those from 100% FPL – 400% FPL
  - Enhanced subsidies for all eligible enrollees, 2021-2022
  - Special rules for Unemployment Insurance recipients, summer 2021 implementation
  - Eliminated APTC repayment, 2020
  - Subsidized COBRA at 100%, April 1, 2021 – September 30, 2021

## ACA SUBSIDIES: PREMIUM TAX CREDITS

- Subsidy amount based on gross household income (Modified Adjusted Gross Income)
  - Household size is determined using tax filing principles
  - Married filers must file jointly
- Calculated using the Second Lowest Cost Silver Plan, aka the “Benchmark Plan”
- Can be applied to any Marketplace plan except Catastrophic Plans
- Subsidies are reconciled on the enrollee’s taxes at the end of the year
- Subsidies insulate enrollees from premium increases and market instability
  - Do not address cost of insurance, health care, or market instability
  - Changes in the Benchmark Plan *can* affect the premiums of subsidized enrollees

# ACA COST-SHARING REDUCTIONS

- Lowers deductibles, out-of-pocket maximums, and other cost-sharing
- Only available in Silver Plans
- Three levels of assistance

Example: Anthem HealthKeepers Silver X 6250

FPL	Actuarial Value	Deductible	Out of Pocket Maximum
100% - 150%	94%	\$50	\$1,400
150% - 200%	87%	\$550	\$2,850
200% - 250%	73%	\$2,400	\$6,800
Above 250%	70% (standard)	\$6,250	\$8,550



# ACA EXPECTED FAMILY CONTRIBUTION BEFORE AND AFTER THE ARPA

Percent of Income Paid for Marketplace Benchmark Plan, by Income		
Household Income as % of FPL	Before ARPA	After ARPA (2021-2022)
Under 100%	Not eligible for subsidies*	Not eligible for subsidies*
100% - 138%	2.07%	0.0%
138% - 150%	3.10% - 4.14%	0.0%
150% - 200%	4.14% - 6.52%	0.0% - 2.0%
200% - 250%	6.52% - 8.33%	2.0% - 4.0%
250% - 300%	8.33% - 9.83%	4.0% - 6.0%
300% - 400%	9.83%	6.0% - 8.5%
Over 400%	Not eligible for subsidies	8.5%

\*Legally Residing immigrants are eligible for subsidies if their income is below 100% FPL and they are ineligible for Medicaid due to their immigration status.

# ARPA IMPACT

- Estimated average savings for enrollees will be \$70 per month
  - Ranging from \$33 per month for people with incomes under 150% FPL to \$213 per month for people with incomes between 400% and 600% FPL
- Households with multiple family members purchasing Marketplace coverage could see even greater savings
- Older adults with income over 400% will see some of the most significant savings
  - On average paying 52% - 77% less, depending on plan selection
- Congress contemplating making subsidy enhancements permanent in future legislation
- ARPA's subsidy enhancements address affordability in the individual market more broadly, equitably and substantially than previously pursued state-based solutions such as reinsurance and expanding AHPs, STLD plans, and catastrophic plans. At no cost to VA and without degrading consumer protections.

# SCENARIO: 27-YEAR-OLD, MONTGOMERY COUNTY

Income	FPL	Before ARPA		After ARPA		
		Subsidy	Premium	Subsidy	Premium	Lowest Cost Plan
\$19,000	149%	\$404.00	<b>\$64.42</b>	\$468.42	<b>\$0</b>	7 free plans (all available)
\$25,000	196%	\$336.63	<b>\$131.79</b>	\$430.09	<b>\$38.33</b>	4 free plans
\$40,000	313%	\$140.75	<b>\$327.67</b>	\$257.09	<b>\$211.33</b>	\$77.10
\$60,000	470%	\$0	<b>\$468.42</b>	\$43.42	<b>\$425.00</b>	\$290.77
\$100,000	784%	\$0	<b>\$468.42</b>	\$0	<b>\$468.42</b>	\$334.19

Note: Shows monthly subsidy and premium amounts based on the benchmark plan

## SCENARIO: 60- & 55-YEAR-OLD COUPLE, ALBEMARLE COUNTY

Income	FPL	Before ARPA		After ARPA		
		Subsidy	Premium	Subsidy	Premium	Lowest Cost Plan
\$25,000	145%	\$1,866.02	<b>\$79.89</b>	\$1,945.91	<b>\$0</b>	10 free plans
\$35,000	203%	\$1,752.56	<b>\$193.35</b>	\$1,884.08	<b>\$61.83</b>	7 free plans
\$50,000	290%	\$1,548.80	<b>\$397.11</b>	\$1,712.58	<b>\$233.33</b>	6 free plans
\$85,000	493%	\$0	<b>\$1,945.91</b>	\$1,343.83	<b>\$602.08</b>	\$122.66
\$125,000	725%	\$0	<b>\$1,945.91</b>	\$1,060.49	<b>\$885.42</b>	\$406.00
\$250,000	1450%	\$0	<b>\$ 1,945.91</b>	\$175.08	<b>\$1,770.83</b>	\$1,291.41

Note: Shows monthly subsidy and premium amounts based on the benchmark plan

# ELIGIBILITY & AFFORDABILITY GAPS, INDIVIDUAL MARKET

## “Family Glitch”

- If employer coverage is affordable for the employee alone and the family can be added to the plan, the entire family is ineligible for subsidies on the Marketplace.
- Affordability threshold is 9.83% of household income.
- Requires a federal fix or state-based subsidies to assist affected families.

## Tobacco rating (surcharge)

- 0% - 50% increase in premiums depending on company and age.
- Consumer pays the full tobacco surcharge, even if eligible for subsidies.
- 11 states have reduced or eliminated the tobacco surcharge.

## Cost-Sharing

- Limited pre-deductible coverage outside of preventative services and screenings, primary care, and generic prescriptions.
- Only those below 250% FPL currently receive help through CSRs.
- Some states have standardized plan designs to increase access to pre-deductible coverage.

# ELIGIBILITY & AFFORDABILITY GAPS, PUBLIC PROGRAMS

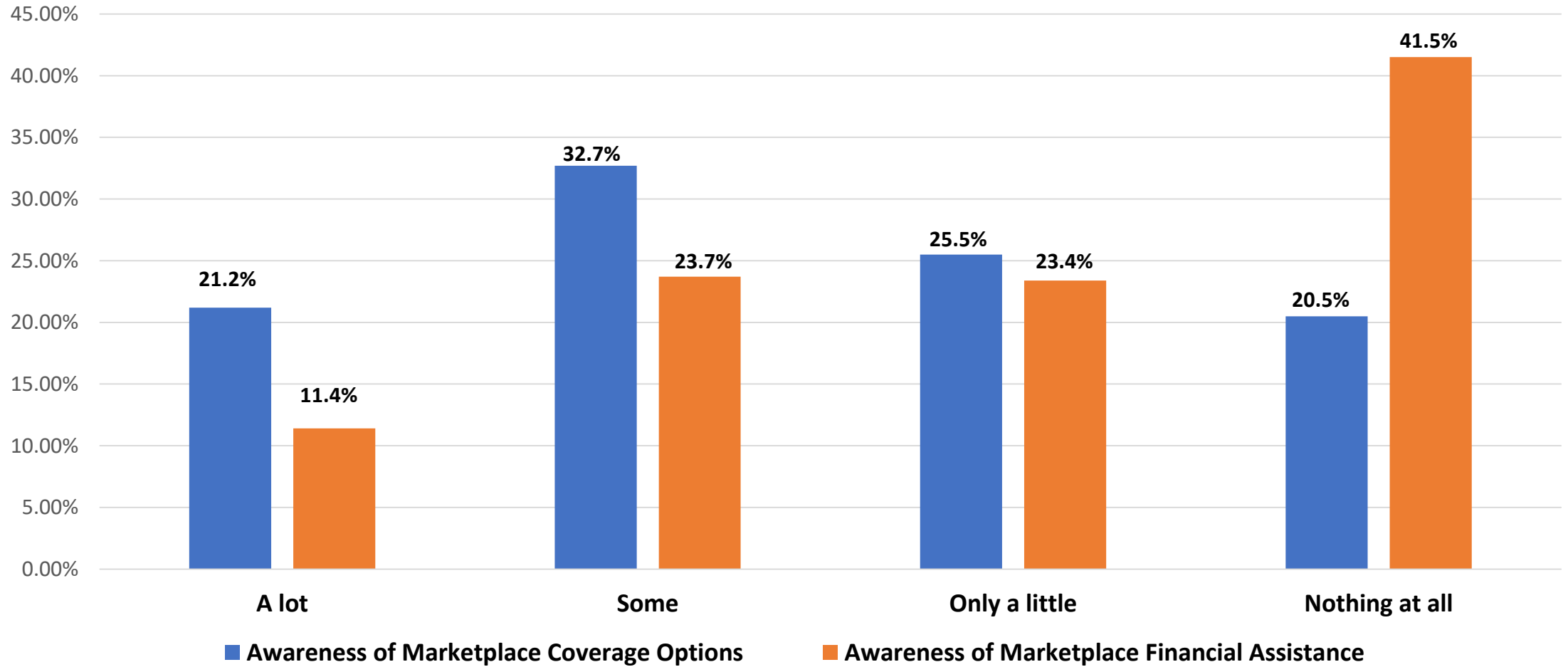
- Undocumented individuals are not eligible for Medicaid or ACA subsidies.
  - General Assembly directed a study on coverage for undocumented children as 6 other states and DC have done.
- Low eligibility levels for FAMIS (CHIP)
  - Virginia's income limit is 205% FPL
  - US median eligibility limit is 255%, median limit for Medicaid Expansion state is 266%
  - Only 7 states have an income limit at 205% or less
- Low Medicaid eligibility levels for Virginians who are older (65+) or have a disability
  - Income limit is 80% FPL. Asset limit is \$2,000 for a single person, \$3,000 for a couple
    - 18 states have an income limit of 100% FPL
    - 11 states have a higher asset limit

83% of uninsured adults who sought Marketplace or Medicaid coverage found at least one enrollment step somewhat or very difficult.

## STATE-BASED EXCHANGE MUST ADDRESS ENROLLMENT CHALLENGES

- “No Wrong Door”
  - Full integration of Medicaid and Marketplace is essential
- Very common changes in circumstances (loss/gain in income, new baby, turning age 65) now lead to very complex transitions and often gaps in or losses of coverage
- Language access and complex eligibility rules for non-citizens
- Technology/broadband access
- Robust outreach plan is critical

# AWARENESS OF MARKETPLACE HEALTH PLANS AND FINANCIAL ASSISTANCE, UNINSURED ADULTS 19-65, 9/2020



Urban Institute Coronavirus Tracking Survey, <https://www.urban.org/sites/default/files/publication/103558/many-uninsured-adults-have-not-tried-to-enroll-in-medicaid-or-marketplace-coverage.pdf>, September 2020



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# Thank You

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