



## POLICY OPTIONS IN BRIEF

There are 7 policy options in the report for Member consideration. Below are highlighted options.

**Option:** Direct the state-based exchange to develop a budget for enhanced marketing and navigator services (Option 1, page 20).

**Option:** Prohibit the use of a tobacco surcharge when setting premiums (Option 2, page 24).

**Option:** Establish state-specific individual mandate penalty (Option 3, page 25).

**Option:** Implement a state-funded cost sharing program through either an FSA-style debit card or by enhancing federal cost-sharing reductions (Options 4-5, pages 27, 28).

**Option:** Establish a public option insurance plan to be sold in all localities, with provider reimbursement rates set below current individual market rates (Options 6-7, pages 31, 32).

## FINDINGS IN BRIEF

### **Younger, healthier individuals left Virginia's market as premiums increased**

Adults between 18 and 34 years old accounted for more than half of the reduction in individual market enrollment since 2016 (not including those were newly eligible for Medicaid expansion). Younger individuals tend to have lower health care costs, so this left a less healthy, higher cost group of Virginians, which further increased premiums. Additionally, more than half of uninsured individuals in this age group indicate they are unaware of individual market coverage options and federal financial assistance that is available to reduce their costs.

### **Improved marketing and navigation could bring more healthy people into the market and assist with plan choice**

Virginia has an opportunity to significantly improve its marketing, outreach, and navigator assistance when it transitions to a state-based exchange in 2023. Federal funding reductions in recent years for marketing and navigators limited Virginia's ability to promote coverage options and help individuals select the best plan based on their circumstances.

### **There are multiple state policy options to improve affordability but impacts are moderate compared to federal subsidies**

State policy options to improve affordability can reduce premiums and out of pocket costs to attract more Virginians into the individual market. However, the impact of these options is estimated to be moderate compared to the federal decision on whether to extend the current enhanced premium subsidies that are scheduled to expire after 2022. Implementing a state-funded cost sharing reduction program is estimated to reduce the number of uninsured in Virginia the most, if enhanced federal subsidies expire. Prohibiting the use a tobacco surcharge is estimated to have the second largest reduction in the number of uninsured. Both options would have a smaller impact if enhanced subsidies are extended.