

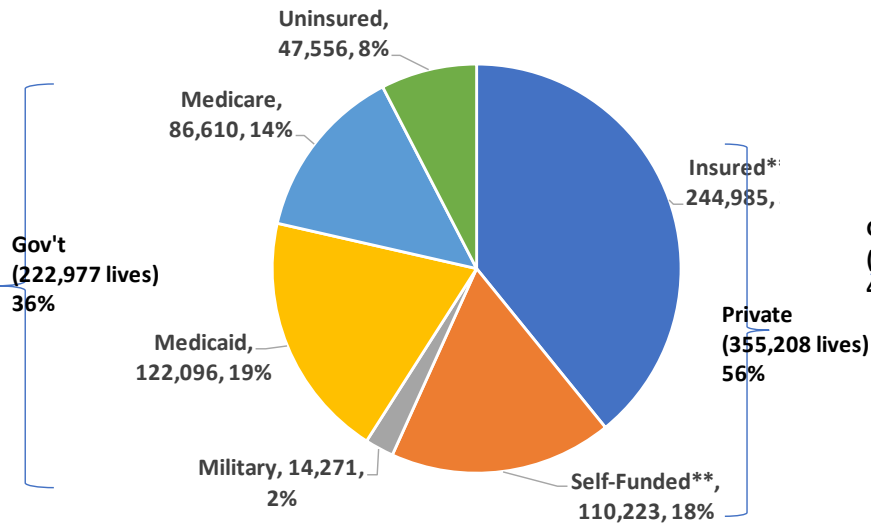
Affordable Care Act Repeal and Repair:

Background on Vermont's Health Insurance Markets

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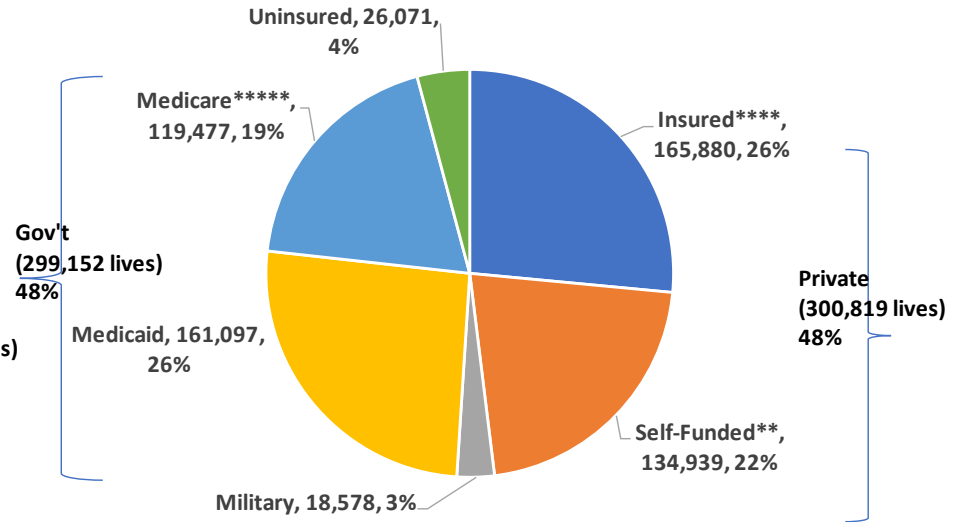
Primary Source of Health Insurance

All Vermont Residents, 2010
N=625,741*



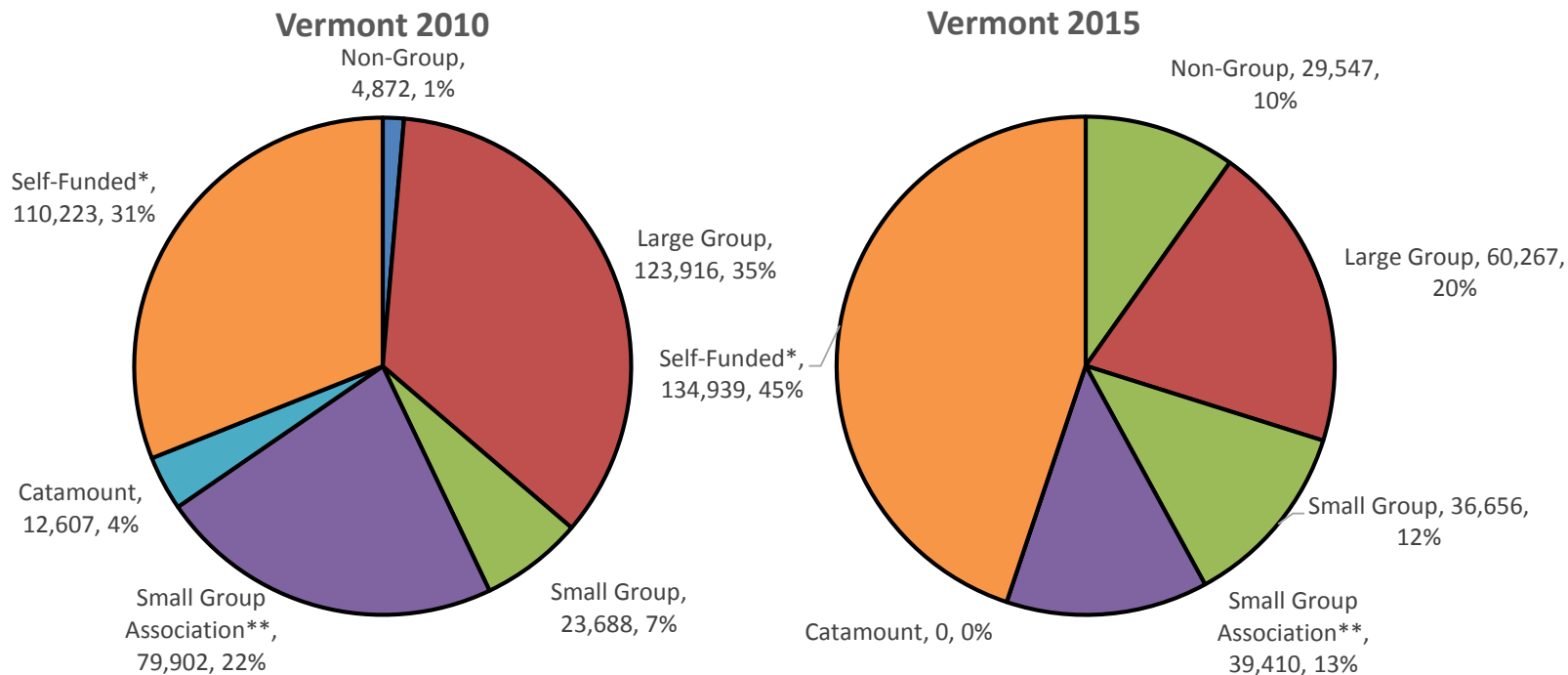
*2010 U.S. Census Bureau State-level annual population estimate.
 **BISHCA did not regulate or collect data on self-funded plans. This is an estimate of the total Vermont lives covered by self-funded plans and includes the Federal Employees Health Benefit Plan.
 ***2009 Vermont Household Insurance Survey number trended forward & weighted based on the U.S. Census Bureau uninsured estimates.
 ****Number includes 61,796 Vermonters covered by health plans licensed in other states.

All Vermont Residents, 2015
N=626,042*



*2015 U.S. Census Bureau State-level annual population estimate.
 **GMCB does not regulate or collect data on self-funded plans. This is an estimate of the total Vermont lives covered by self-funded plans and includes the Federal Employees Health Benefit Plan. Also adjusted for duplicate lives.
 ***2014 Vermont Household Insurance Survey number
 ****Number includes 20,077 Vermonters covered by health plans licensed in other states.
 *****Medicare-methodology for counting lives changed in 2012

Enrollment in Private Major Medical Insurance by Market Segment



*GMCB does not regulate or collect data on self-funded plans. This is an estimate of the total Vermont lives covered by self-funded plans and includes the Federal Employees Health Benefit Plan. Also adjusted for duplicate lives.

**This number includes lives counted in the Trust and Discretionary Categories.

Affordable Care Act: Insurance Market Provisions

Goal = Maximize Participation in the Insurance Risk Pool

- Guaranteed issue (VT-90s; ACA-2014)
- Individual & Employer Mandates (2014)
- Dependent coverage up to age 26
- Ban on Pre-existing Conditions Exclusions
- Tax Credits/Premium Subsidies (2014) – also affordability
 - VT version = Medicaid expansion; Catamount Health (2007)

Affordable Care Act: Insurance Market Provisions

Goal = Spread Risk Across a Population

- *Between healthy & sick and young & middle age/older*
- Community Rating (VT – mid 90s; ACA -2014)
 - Pools risk across a larger pool
 - Averages out costs
- Risk adjustment between carriers (2014)

Affordable Care Act: Insurance Market Provisions

Goal = comprehensive coverage

- Essential Health Benefits & Bronze Minimum (60% AV)
 - Vermont's individual market average in 2012: 51% AV

Goal = access to services

- Annual out of pocket maximum
- No annual or lifetime limits on coverage
- No cost-sharing for preventive services
 - Also promotes earlier receipt of services

Uninsured, Individual and Small Group Risk Pools 2010 to 2015 Comparison

2010

2015

Uninsured
47,556

Catamount
12,607

Associations
79,902

Individual
4,872

Small Group
23,688

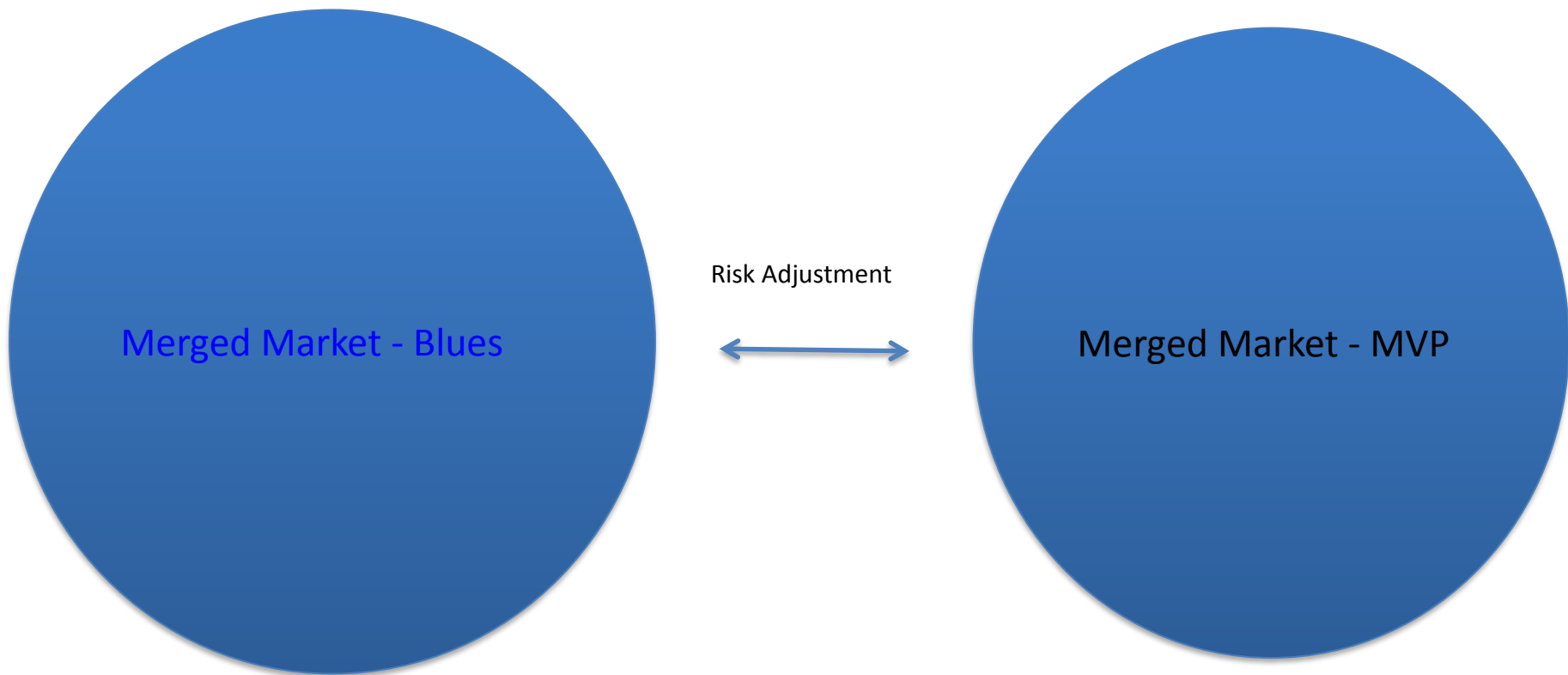


Merged Market
66,203

Associations 39,410

Uninsured 26,071

Individual & Small Group Market Risk Pools Today



Essential Health Benefits

- Based on an existing plan in the Vermont market, which includes Vermont's insurance benefit mandates in effect prior to the ACA
- Plus the following new benefits:
 - Pediatric dental based on CHIP package
 - Pediatric vision based on Federal Employee benefit package
 - Habilitative services

RESOURCE SLIDES

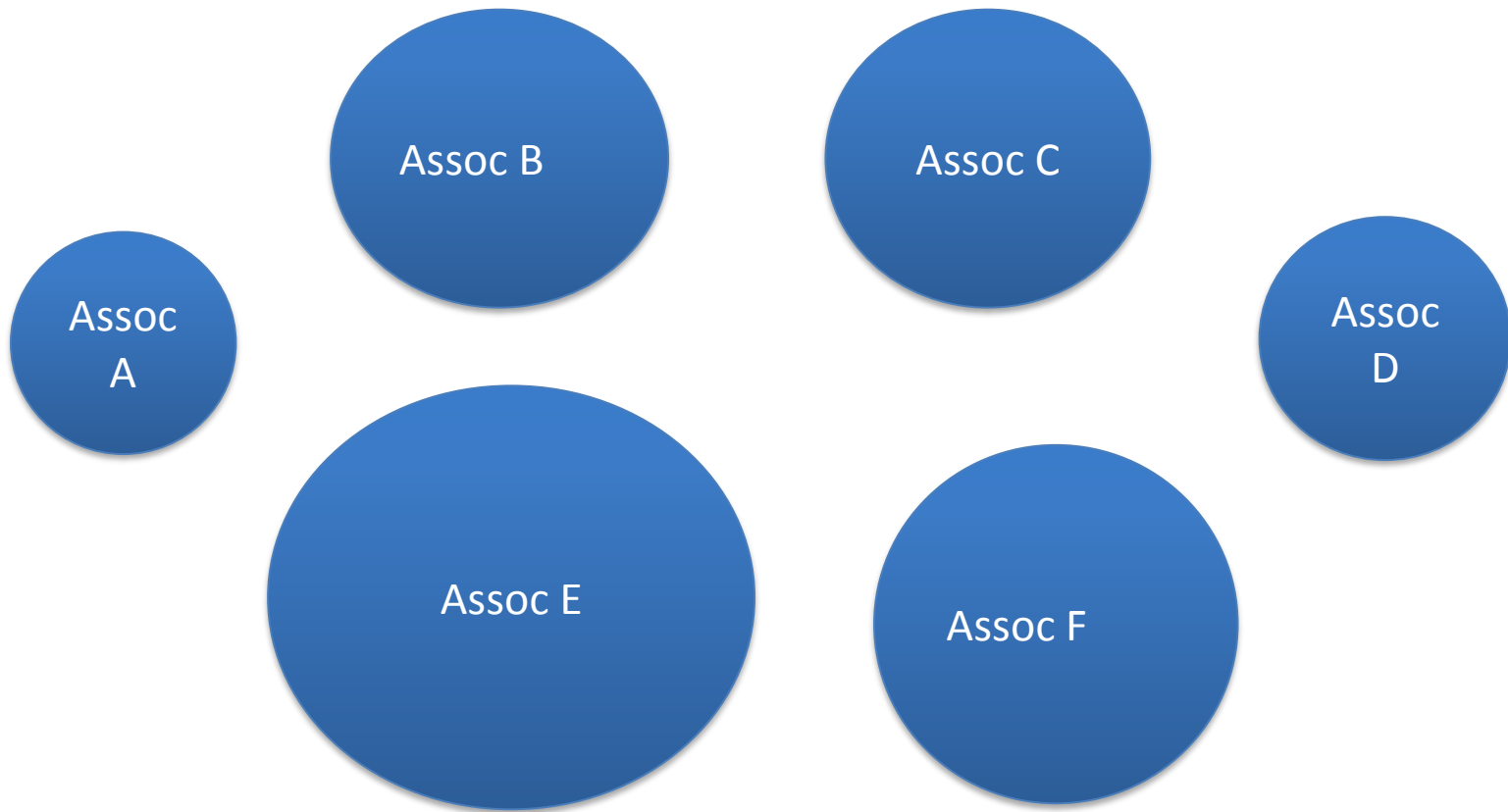
What is an association market?

Associations are entities that offer health insurance to groups of businesses.

- Associations must have a purpose other than offering insurance.
- Prior to ACA, this was an exception to community rating.
- Pooled risk across employer entities choosing to participate.
- In general, small businesses with sicker employees ended up in small group, resulting in higher prices for that pool.
- Created multiple smaller pools than what we have today.
- They remain grandfathered associations.
 - ACA does not include an exception from community rating for association plans (unless governed by ERISA).

Risk Pools – Association Market

Each circle represents separately-rated risk pool



Premiums Impact Enrollment

Affordability of premiums and the impact on enrollment in insurance

Vermont's experience in 2004:

- Vermont Health Access Plan premiums were increased
 - From \$10 to \$50 every **six** months to \$10 to \$60 every month
- Result was a 15 percent drop in enrollment
- Cost was cited as the main factor

S. Artiga & M. O'Malley, "Increasing Premiums and Cost Sharing in Medicaid and SCHIP: Recent State Experiences," Kaiser Commission on Medicaid and the Uninsured Issue Paper, May 2005, citing "Impact of Premiums on the Medicaid Program," Vermont Department of Prevention, Assistance, Transition, and Health Access, April 30, 2004.

Premiums Impact Enrollment

