

## **Silver Solution Proposal to Address 2019 CSR Defunding Discussion Draft – December 2017**

Vermont QHP insurance premium rate development and plan strategy  
modeled on a Silver Load methodology with alternative direct-purchase Silver Plans

- Increase Vermont Health Connect (VHC) Silver Plan premiums to cover the cost of the federal CSR (cost sharing reduction) subsidies
- Nearly identical Silver Plans offered at lower premium levels (eg. MA slightly modified the copay on home health services for non-Connector Silver Plans) for direct purchase, non-subsidized customers
- From a customer perspective, nothing else changes. The lower cost Silver plans are available through direct purchase for group customers and non-subsidized individuals

### Considerations:

- Maximizes federal APTC funding to off-set the loss of federal CSR funding
- Additional benefit to APTC recipients who do not qualify for federal CSRs (between 250% - 400% FPL); qualify for higher subsidy amounts due to increase in Benchmark Lowest Cost Silver Plan
- Require all QHP insurers to use the same approach
- Coordinated member outreach and education
  - general public education
  - clarification for CSR qualified Silver Plan enrollees
  - unsubsidized Silver Plan enrollees (including small group employees) directed to the most beneficial alternative plan (~1,900 members move from VHC to BCBSVT direct enroll)
- State APTC and CSR need to continue to be integrated with the new model
- 37 states utilized comparable approach in 2018 – use experience to implement successfully
- Increases overall Vermont federal ACA funding and baseline for future innovation waivers

### Remains the same:

- Merged individual and small group market risk pool
- Rate Review Process
- ACA Compliant Plan Designs
- Non-CSR plans virtually identical to current plan offerings approved by DVHA
- VHC and Direct Insurer Enrollment Process

### BCBSVT-specific estimates:

- Estimated 10% increase in VHC Silver Plan premiums due to CSR defunding
- Silver Plan enrollment data on the next page

### BCBSVT September 2017 QHP Enrollment

Metal	Small Group	Individual	Grand Total
Catastrophic		235	235
Bronze	5,497	3,659	9,156
Gold	14,055	3,465	17,520
Platinum	9,512	3,093	12,605
<b>Silver</b>	<b>11,963</b>	<b>16,374</b>	<b>28,337</b>
Grand Total	41,027	26,826	67,853

### Silver Plan Enrollment

CSR Level	Small Group	Individual	Grand Total
None	11,963	<b>5,472</b>	17,435
73% (State Only) 250% - 300% FPL		<b>1,824</b>	1,824
77% (Federal and State) 200%-250% FPL		<b>2,947</b>	2,947
87% (Federal Only) 150%-200% FPL		<b>4,468</b>	4,468
94% (Federal Only) 100%-150% FPL		<b>1,659</b>	1,659
100% (Federal Only) <100% FPL – Medicaid Eligible		<b>4</b>	4
<b>Grand Total</b>	<b>11,963</b>	<b>16,374</b>	<b>28,337</b>

### Enrollment by AV Value – Individuals only

Silver Plan	No CSR (5,472)			73%	77%	87%	94%	100%	Grand Total
	Direct Non-APTC	VHC Non-APTC	APTC						
Grand Total	1,736	<b>1,901</b>	1,835	1,824	2,947	4,468	1,659	4	16,374

Premium Cost Impact for Members

Income and Plan Type	# of BCBSVT enrollees	CSRs Funded	Broad Load	Silver Load	Silver Switch
Silver < 100% FPL	4	No change	No change	No change	No change
Silver 100% - 150% FPL	1,659	No change	No change	No change	No change
Silver 150% - 200% FPL	4,468	No change	No change	No change	No change
Silver 200% - 250% FPL	2,947	No change	No change	No change or switch plans	No change or switch plans
Silver 250% - 400% FPL	1,824	No change	No change	No change or switch plans	No change or switch plans
Bronze 250% - 400% FPL	1,835	No change	Better	Better	Better
Gold or Platinum 250% - 400% FPL		No change	Worse	Better	Better
Unsubsidized – Silver (>400%)	3,637 (ind) 11,963 (grp) 15,600 (tot)	No change	Worse	Worse	Switch plans
Unsubsidized – Platinum, Gold, Bronze	39,516	No change	Worse	No change	No change

Source: ACAsignups.net (David Anderson, Charles Gaba, Louise Norris & Andrew Sprung)/modified by BCBSVT

2018 State CSR Defunding Responses

No Changes – Rates Assume CSR Funding	Broad Load	Silver Load	Silver Switch	Mixed Strategies among insurers
3	5	17	20	6
Washington DC North Dakota Vermont	Colorado Delaware Indiana Oklahoma West Virginia	Alaska Arkansas Iowa Kansas Kentucky Louisiana Maine Massachusetts Mississippi Missouri Nebraska New Hampshire New Jersey New York North Carolina Oregon South Dakota Tennessee	Alabama California Connecticut Florida Hawaii Idaho Maryland Michigan Minnesota Nevada Ohio Pennsylvania Rhode Island South Carolina Utah Virginia Washington Wisconsin Wyoming	Arizona Georgia Illinois Montana New Mexico Texas

Source: ACAsignups.net