

# Vermont Insurance Marketplace Stability

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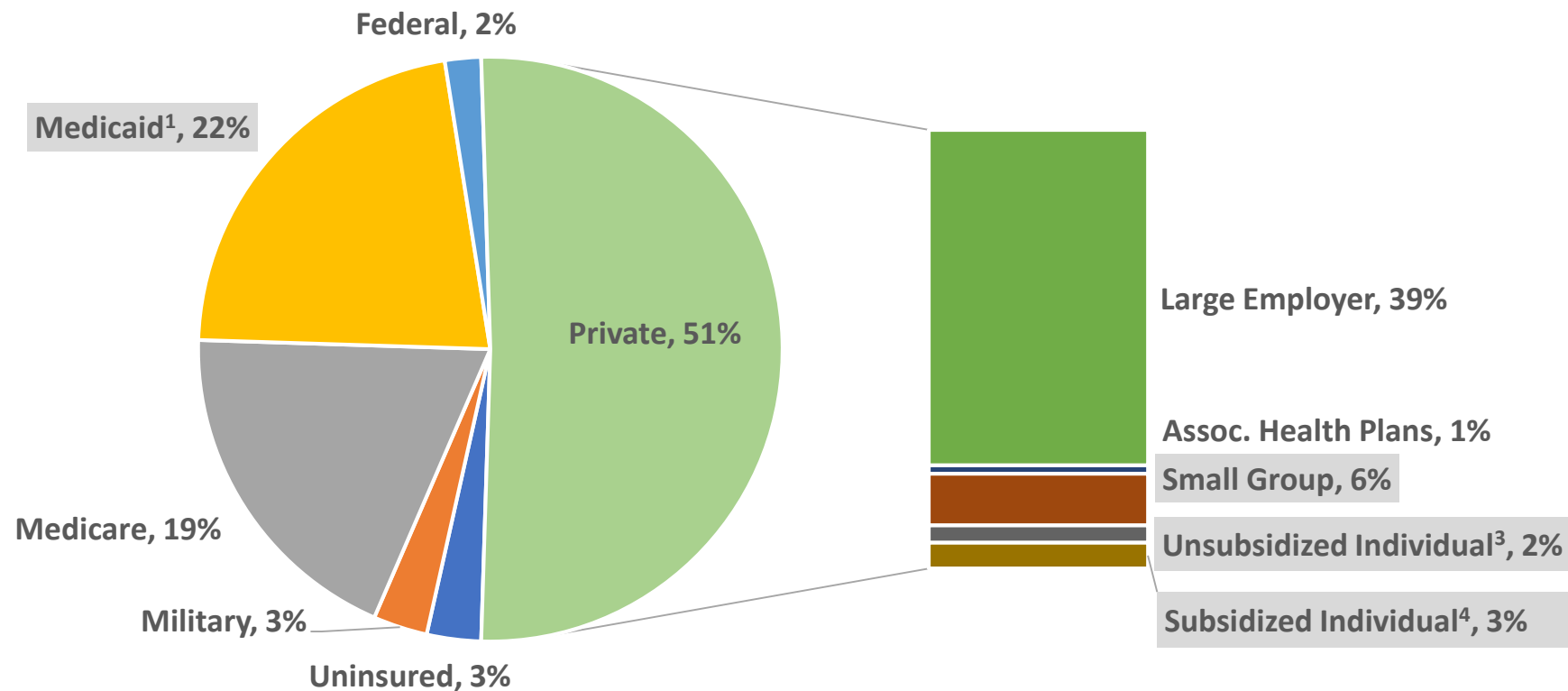
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# Agenda

- Health Insurance In Vermont
  - Who is covered and how
- Health Insurance Coverage Costs
  - Subsidized vs unsubsidized
  - Younger Vermonters
- Exploring Health Insurance Marketplace Reforms

Who is Covered and How?

# Health Coverage in Vermont – Estimate of Primary Coverage by Type\*



- 1- Enrollment administered by DVHA, benefits managed by DVHA
- 2- Certified by DVHA, enrollment and benefits administered by insurance carrier partners
- 3- Certified by DVHA, enrollment administered by DVHA or by insurance carrier partners, benefits managed by carrier partners
- 4- Certified by DVHA, enrollment administered by DVHA, benefits managed by insurance carrier partners

**One out of three Vermonters are covered by a health plan that is administered and/or certified by the Department of Vermont Health Access (DVHA).**

\* Estimates of primary insurance type have been compiled from multiple sources, including the 2018 Vermont Household Health Insurance Survey, and should be viewed as an example of relative scale, not absolute values.

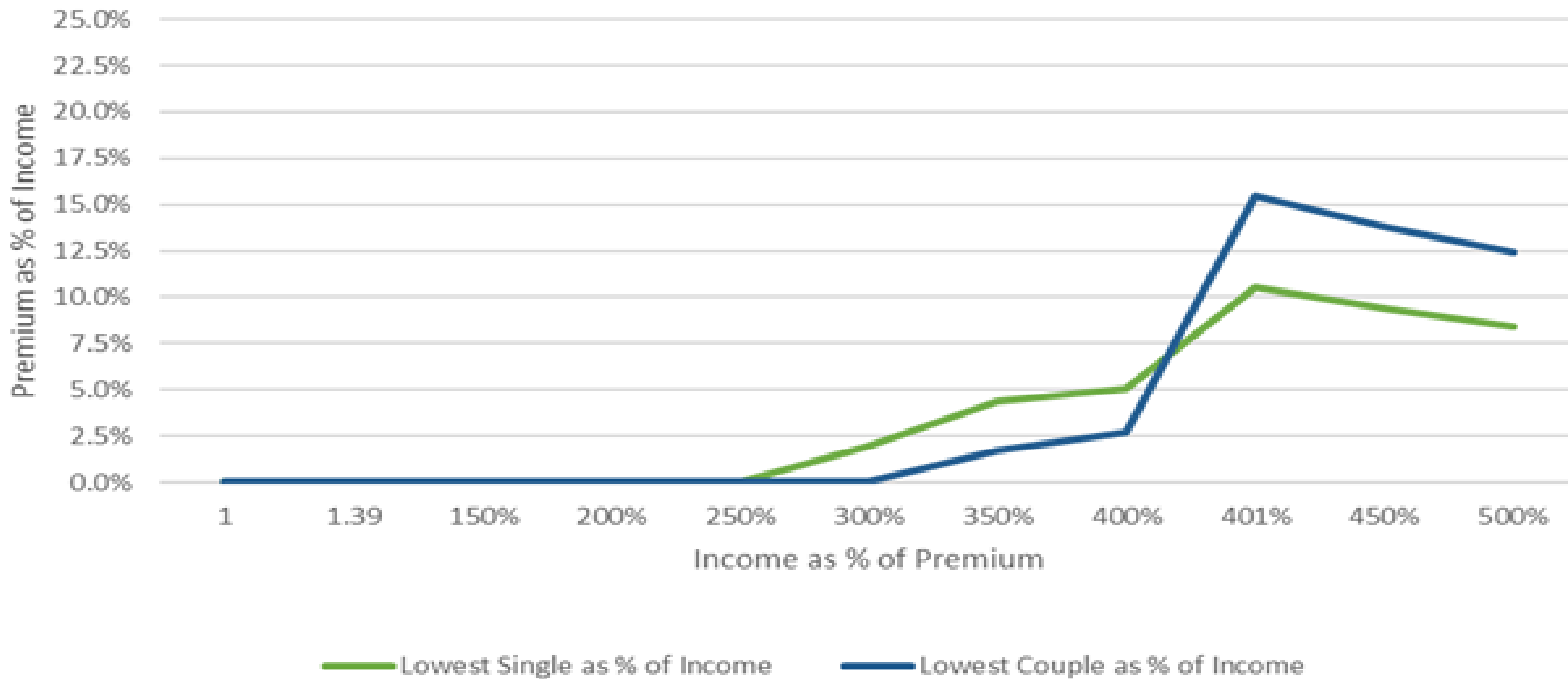
# Health Care Coverage Costs Today: Subsidized vs. Unsubsidized

# Health Care Coverage Costs in the State-Based Health Insurance Market Place

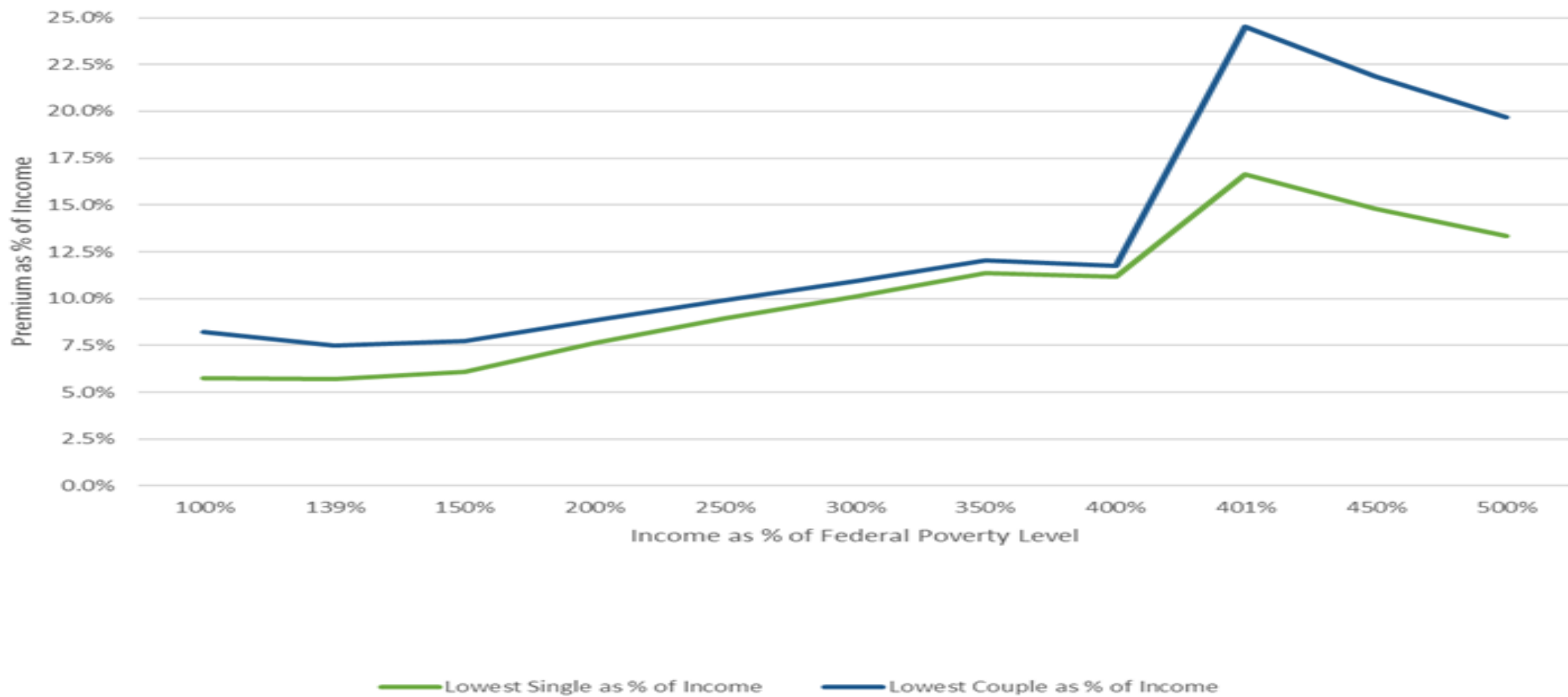
Vermonters' experience of health care coverage costs differs by Federal Poverty Level (FPL), family size, and the offer of Employer Sponsored Insurance (ESI).

This means that Vermonters who do not qualify for subsidies pay a significantly higher percentage of income for health care coverage than Vermonters who receive subsidies.

## 2019 Lowest Cost Bronze (and Dr. D if applicable) Premium



## 2019 Most Popular Gold Standard (and Dr. Dynasaur if applicable) Premium

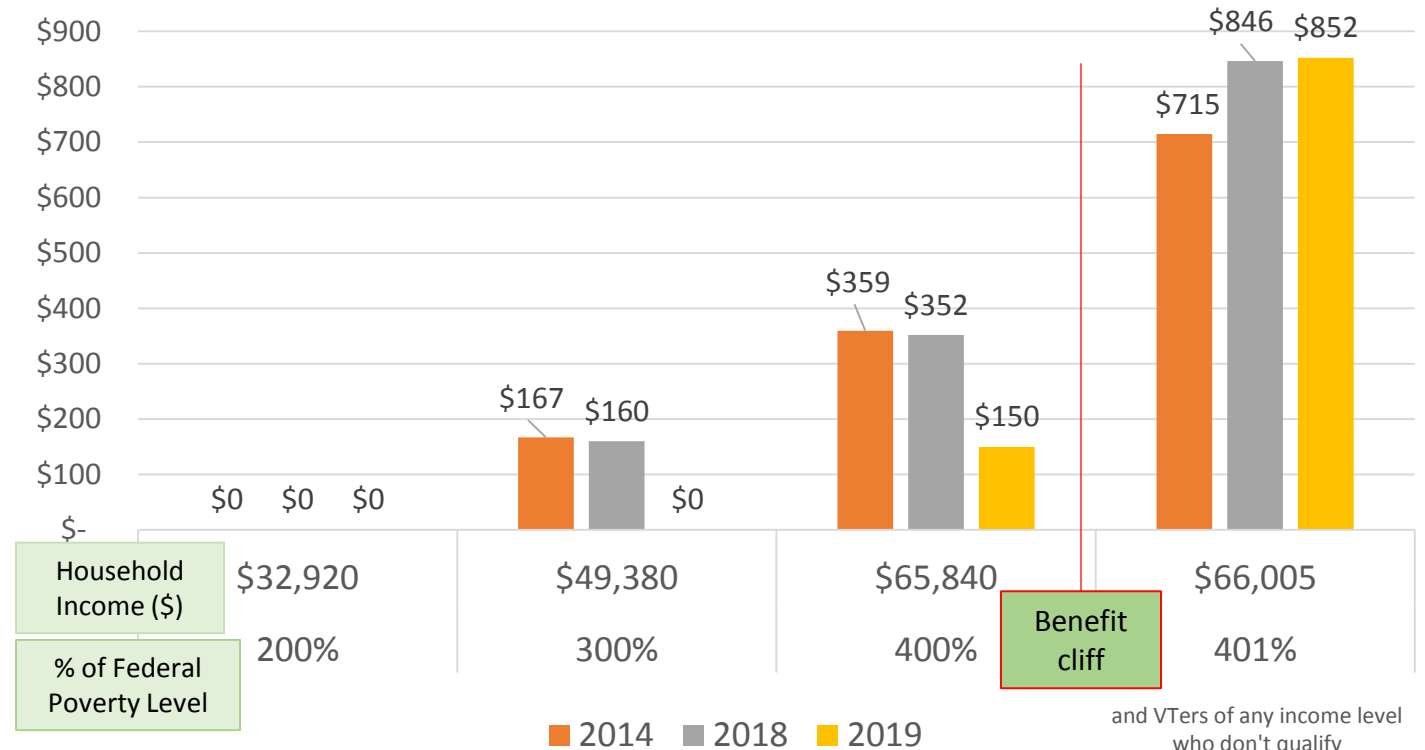




# Increased Subsidies Make for Steeper Benefit Cliff

- Subsidized members could find bronze, gold, and platinum health plans with premiums significantly lower than at any point in the last five years.
  - For example, a couple earning just under \$50,000 would have paid **\$167** per month for the lowest cost two-person plan in 2014.
  - In **2019**, they can get that plan for **\$0** as their subsidies exceed the premium.
- Vermonters just over the subsidy threshold pay slightly more than in past years and face a steeper benefit cliff.
  - Couples face the steepest cliff – paying over \$700 more per month than couples earning slightly less.
  - Households below the threshold can also end up over the cliff due to a federal policy known as the “family glitch.”
  - Nearly 300 Vermonters with incomes under 400% FPL are buying full-cost plans on the exchange due to a household member’s offer of employer-sponsored insurance.

Lowest Cost Bronze Couple Premium by Year  
 Net Monthly Premium for 2-person household, Adjusted for Inflation (2019\$)

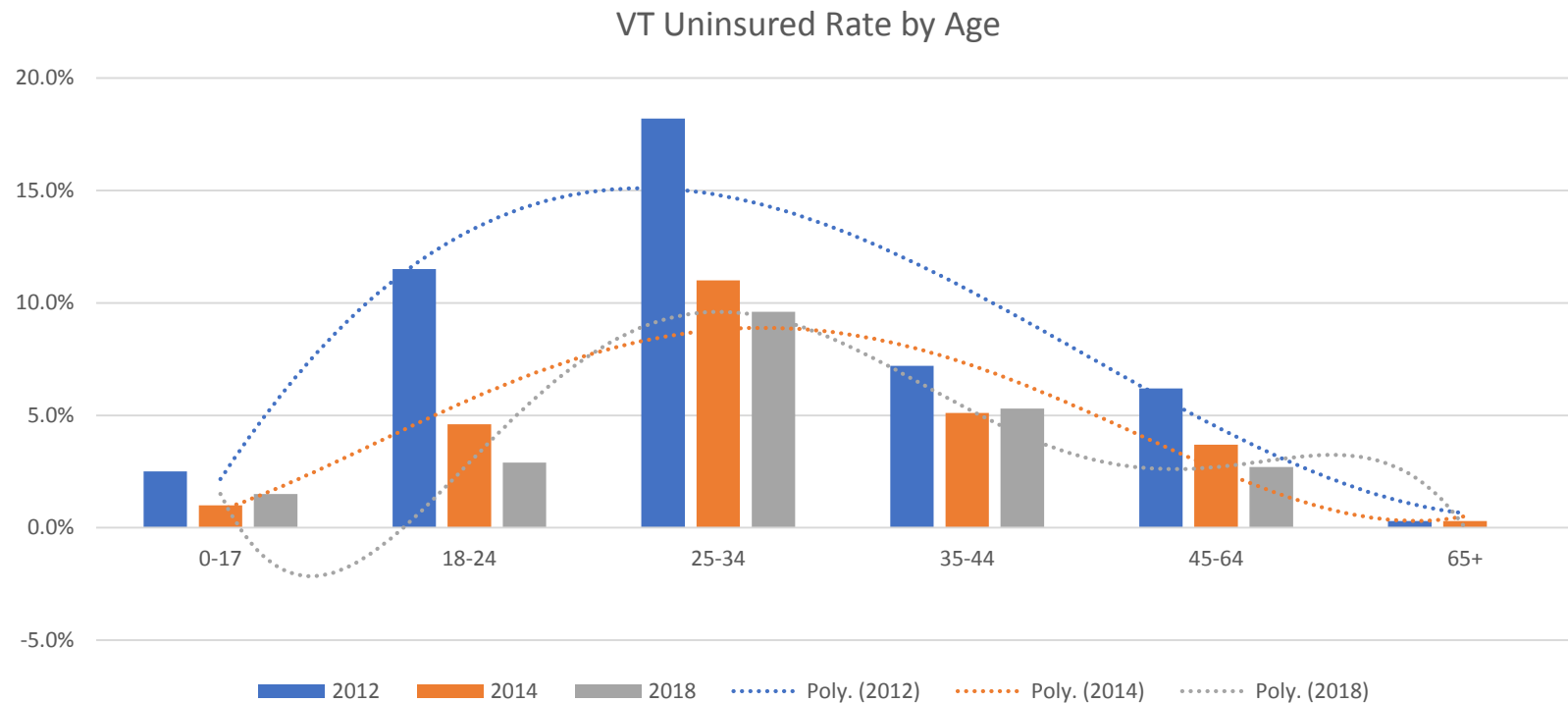


Source: Source: Plan and subsidy costs from Vermont Health Connect. 6.33% cumulative inflation adjustment from <https://www.usinflationcalculator.com/>

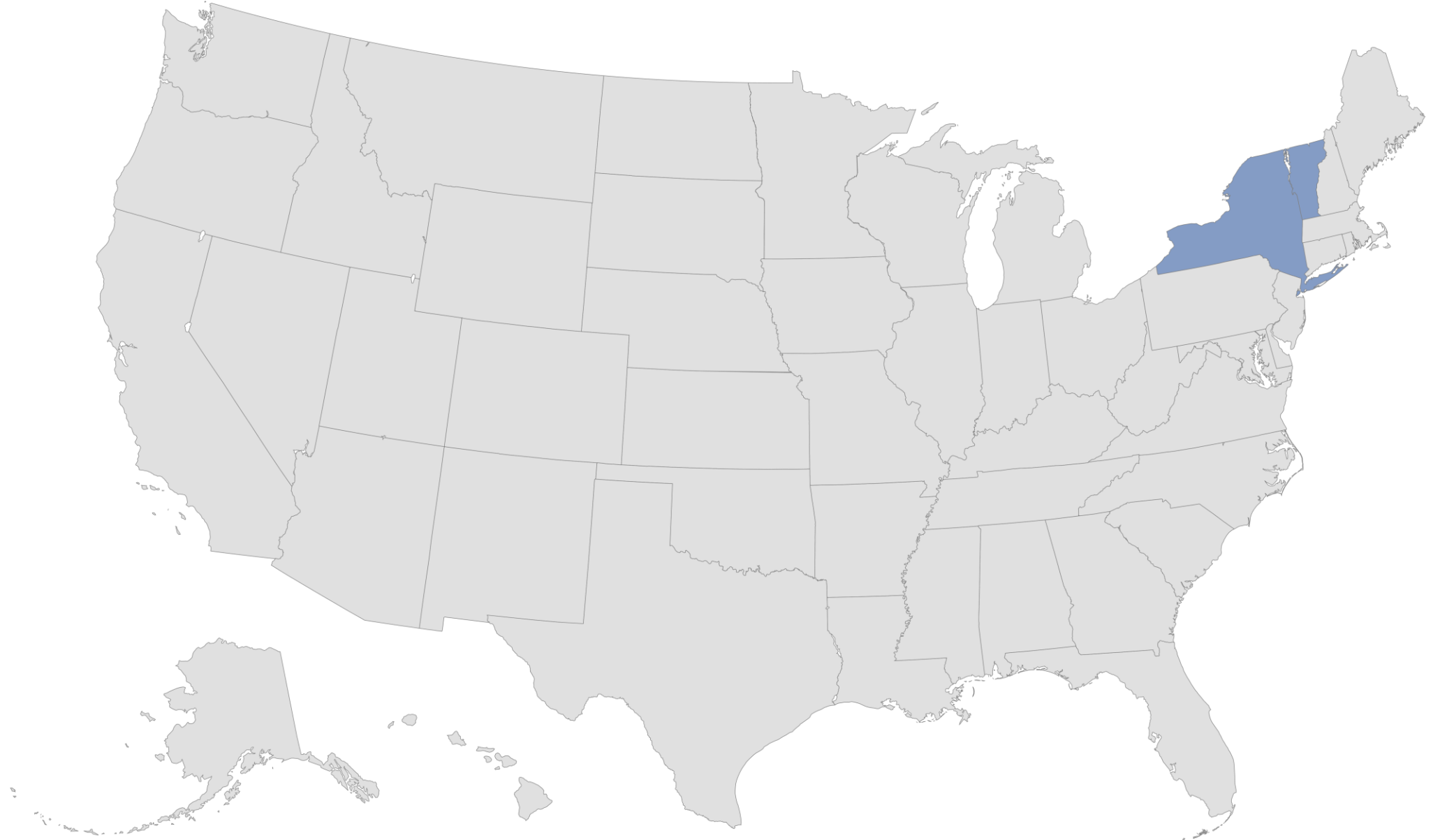
## Health Care Coverage Costs Today: Younger Vermonters

# Health Care Costs Have a Disproportionate Burden on Younger Vermonters

Unsubsidized premiums for 40-year-olds (and younger adults) are already higher in Vermont than in all but five other states.



# States with No Age Rating

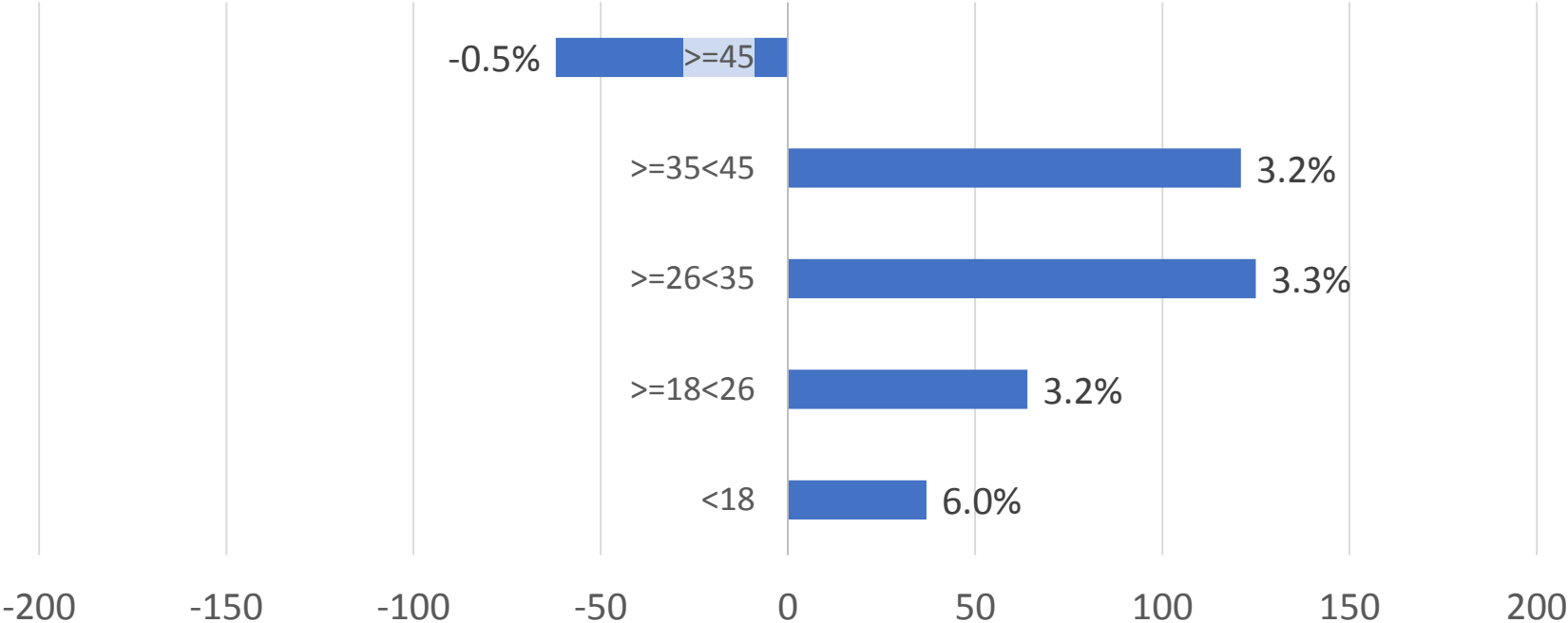


# Young Adults Take Advantage of Increased Subsidies

According to the 2018 Vermont Household Health Insurance Survey, young adults (age 26-34) have the highest uninsured rate in the state. In 2019, the number of young adults enrolled in subsidized plans increased more than any other age group. Enrollment by Vermonters age 45+ fell by 0.5% as more members turned 65 and moved into Medicare than turned 45 and moved into the 45+ age bracket.

Enrollment Change by Age Group - Subsidized Members

2019 enrollment relative to January 2018



# Health Insurance Marketplace Stability

# Vermont Insurance Marketplace Stability

- Persons receiving subsidies pay a much lower amount of income towards health care coverage than persons who do not qualify for subsidies.
- Premiums for qualified health plans available to individuals, families, and small groups in Vermont are likely to increase as some members choose coverage options outside of the exchange market.
- Younger Vermonters face barriers to obtaining health care coverage:
  - Unsubsidized premiums for 40-year-olds (and younger adults) are already higher in Vermont than in all but five other states and,
  - Younger Vermonters are more likely to have additional monthly expenses such as student loan debt, child care, rent or home mortgage payments that they may prioritize over health care coverage.

# Exploring Health Insurance Marketplace Reforms