

Silver Loading

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Silver Loading Background

ACA Federal benefits based on income:

- Advanced Premium Tax Credits (APTC) reduces a member's premium amount based on family income level
- Cost-sharing-reduction (CSR) lowers out-of-pocket costs (deductibles, copays and coinsurance) by increasing the AV value of the Silver Plan for CSR beneficiaries
- October 2017 federal government stopped making CSR payments to insurers, but continued to require the benefits

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ACA Insurance Affordability Programs

0% FPL

100% FPL

200% FPL

300% FPL

400% FPL

\$0

\$12,060

\$24,120

\$36,180

\$48,240

MEDICAID

ADVANCE PREMIUM TAX CREDITS

COST-SHARING REDUCTIONS

FPL Levels shown are 2018 for single person households

The ACA expanded Medicaid to 138% FPL and Vermont elected to implement the coverage expansion.

Cost-Sharing Reductions (CSRs) are for individuals below 250% FPL. In practice, few individuals below 100% FPL are expected to enroll in QHPs.

Advance Premium Tax Credits (APTC) are for individuals 100% to 400% FPL.

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2019 Silver Loading

Goal: Protect consumers by fully offsetting the lost CSR payments with federal advanced premium tax credits

- Proposed “Silver Solution” like most other states
- Increase VHC Silver Plan premiums to cover the cost of the federal CSR subsidies
- Maximizes Vermonters federal APTC funding
- Offer nearly identical direct-purchase Silver Level “Reflective Plans” without the CSR cost included in the premiums to non-subsidized individual and group customers

2020 and Beyond

- Current situation with Silver Loading
- Notice of Benefits and Payment Parameters for 2020
- Reason for proposed statutory change