

Colorado Individual Exchange Renewals

# Consumer Impact Analysis

November 9, 2020

PRESENTED BY  
Julie Andrews, FSA, MAAA  
Freddy Quiram

# Overview

- Connect for Health Colorado (C4) contracted Wakely Consulting Group, LLC (Wakely) to analyze the individual market rate changes for 2021 before and after federal premium subsidies
- Analysis was performed using QHP templates provided by the Colorado Department of Regulatory Agencies (DORA) and enrollment data provided by C4

## Caveats and Limitations

- Wakely relied on plan data provided by DORA and plan information provided by C4; any errors in the underlying data could have any impact on the results. Wakely performed reasonability checks of the data but did not audit the data for accuracy.
- This presentation and attachments should only be shared in their entirety and should only be utilized by qualified individuals
- Analysis is meant to approximate rather than replicate premiums from C4 system
- Analysis does not explicitly account for plans with elective abortion coverage for which federal funding is not available
- Enrollment data includes duplicates if same Member ID appears in multiple Family IDs
- Enrollment data had some individuals with no valid plan ID or no valid county, which are excluded from any premium analysis

# Key Changes

# Key Changes 2020 to 2021

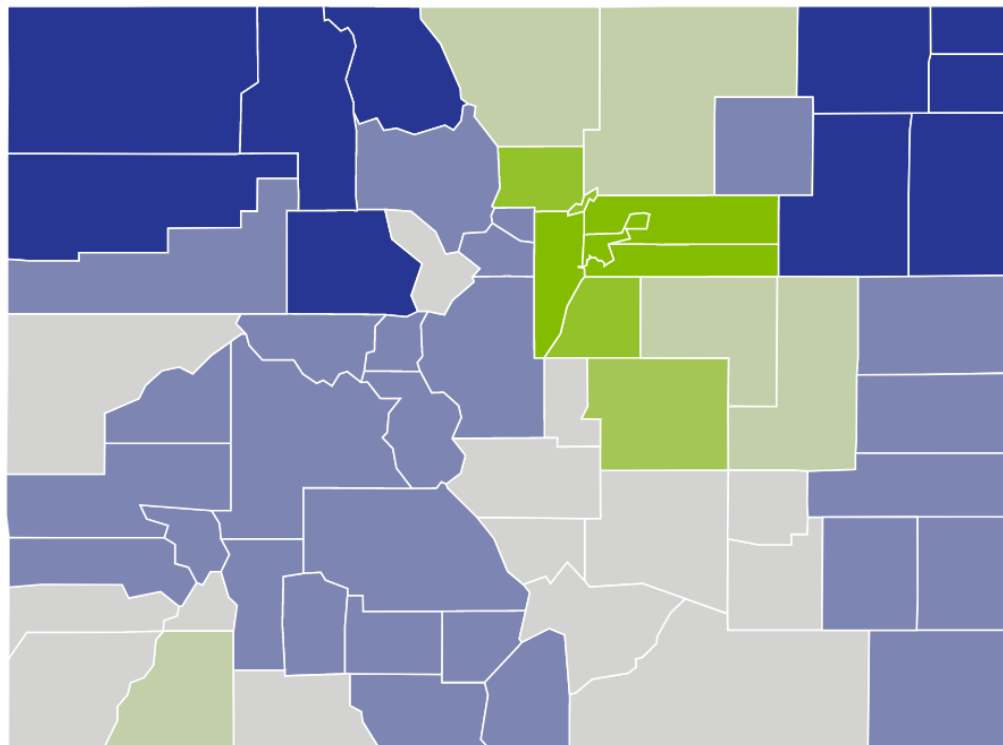
	2020	2021
Issuers	8	8
Plans		
On Exchange	130	159
Substantially Similar Off Exchange	49	33
Counties with One Issuer	22	10
Weighted Average Rate Change (Unsubsidized)	-18% (-\$99)	3% (\$12)
Weighted Average Rate Change (APTC-Eligible)	19% (\$22)	26% (\$30)

- “Substantially Similar Off-Exchange” refers to silver plans which have a nearly identical cost-sharing structure as an on-exchange silver counterpart. These Off-Exchange options do not have CSR loads, however consumers are not eligible for premium tax credits (APTC) if they enroll in these options. (Colorado Bulletin B 4.100)

# Consumer Choice

## Issuers Density by County

Issuers in County	Number of Counties	% of 2020 Enrollment
1	10	4%
2	27	10%
3	14	7%
4+	13	79%

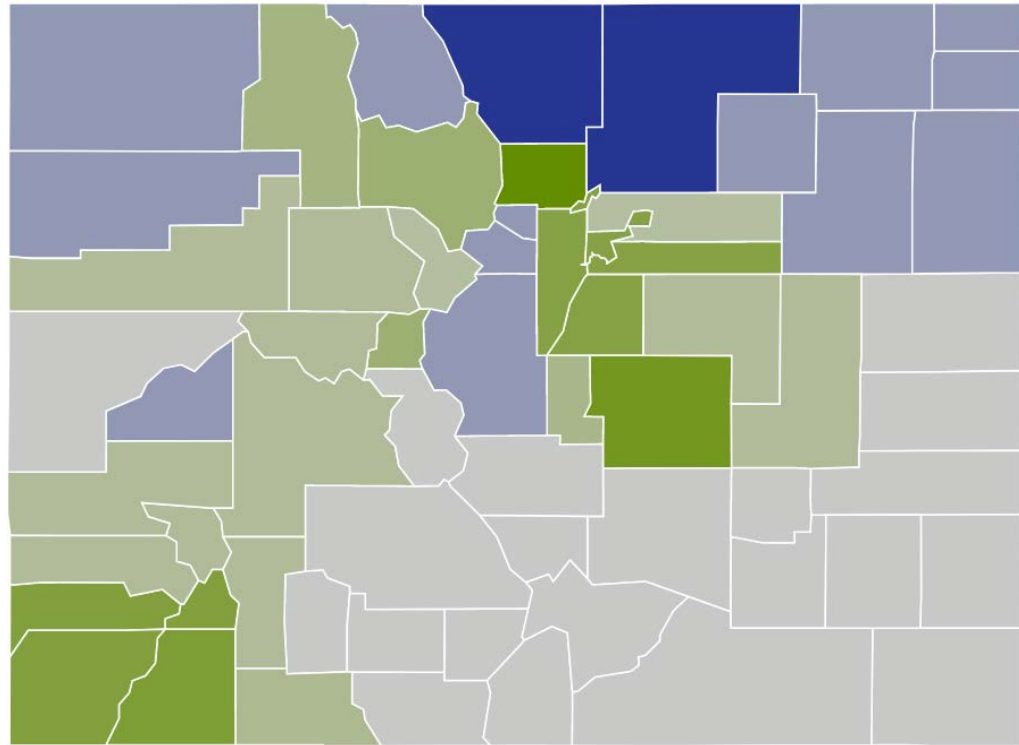
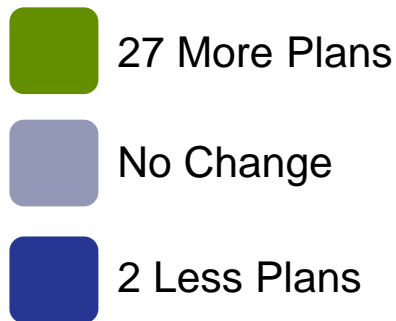


- Only one issuer has plan options in every county of the state in 2020 and 2021
- There will be two or fewer issuer options in 37 of 64 counties in the state. This is lower than 2020.
- Total enrollment in counties with only one issuer option is 3.6% of enrollment. This is a decrease from 10.3% of enrollment in single issuer counties last year.

# Consumer Choice

## Change in Plan Availability by County

Plan Change by County	Number of Counties	% 2020 Enrollment
Increasing	49	86%
No Change	13	3%
Decreasing	2	11%



- Two entreats in Boulder make this the most competitive region with 27 plan offerings
- Only two counties (Larimer & Weld) will have less offerings than 2020
- Majority of the counties in the West add new plans

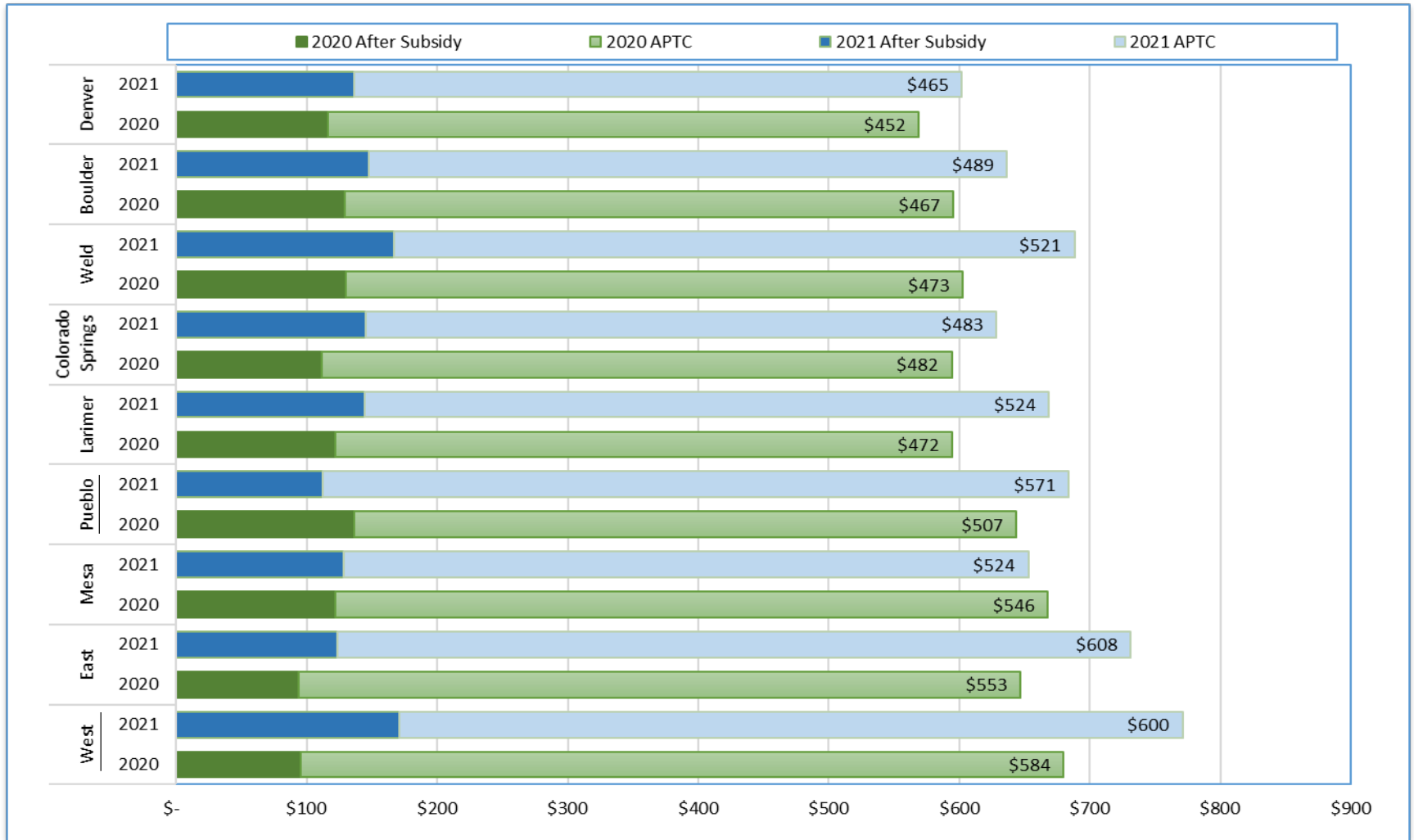
# Comparison of Plan Offerings

- There were 130 plans offered on the exchange in 2020 and 159 in 2021
- Growth was in the number of Silver and Expanded Bronze plans offered
- Plans identified as continuing include plans replaced with new plans
- Discontinued plans in the table are those where enrollees will need to select new plan, and include 4,289 enrollees, or 2.9% of 2020 enrollees
- Not all plans are offered in all regions of the state

	Gold	Silver	Expanded Bronze	Bronze	Catastrophic	Total
<b>2020 Plans</b>	<b>25</b>	<b>49</b>	<b>38</b>	<b>9</b>	<b>9</b>	<b>130</b>
Continuing	17	33	33	1	6	90
Merging	3	4	4	0	1	12
Discontinued	0	-4	-1	0	0	-5
New	7	25	21	2	2	57
<b>2021 Plans</b>	<b>27</b>	<b>62</b>	<b>58</b>	<b>3</b>	<b>9</b>	<b>159</b>
<b>Net Change</b>	<b>2</b>	<b>13</b>	<b>20</b>	<b>-6</b>	<b>0</b>	<b>29</b>

# Consumer Impact

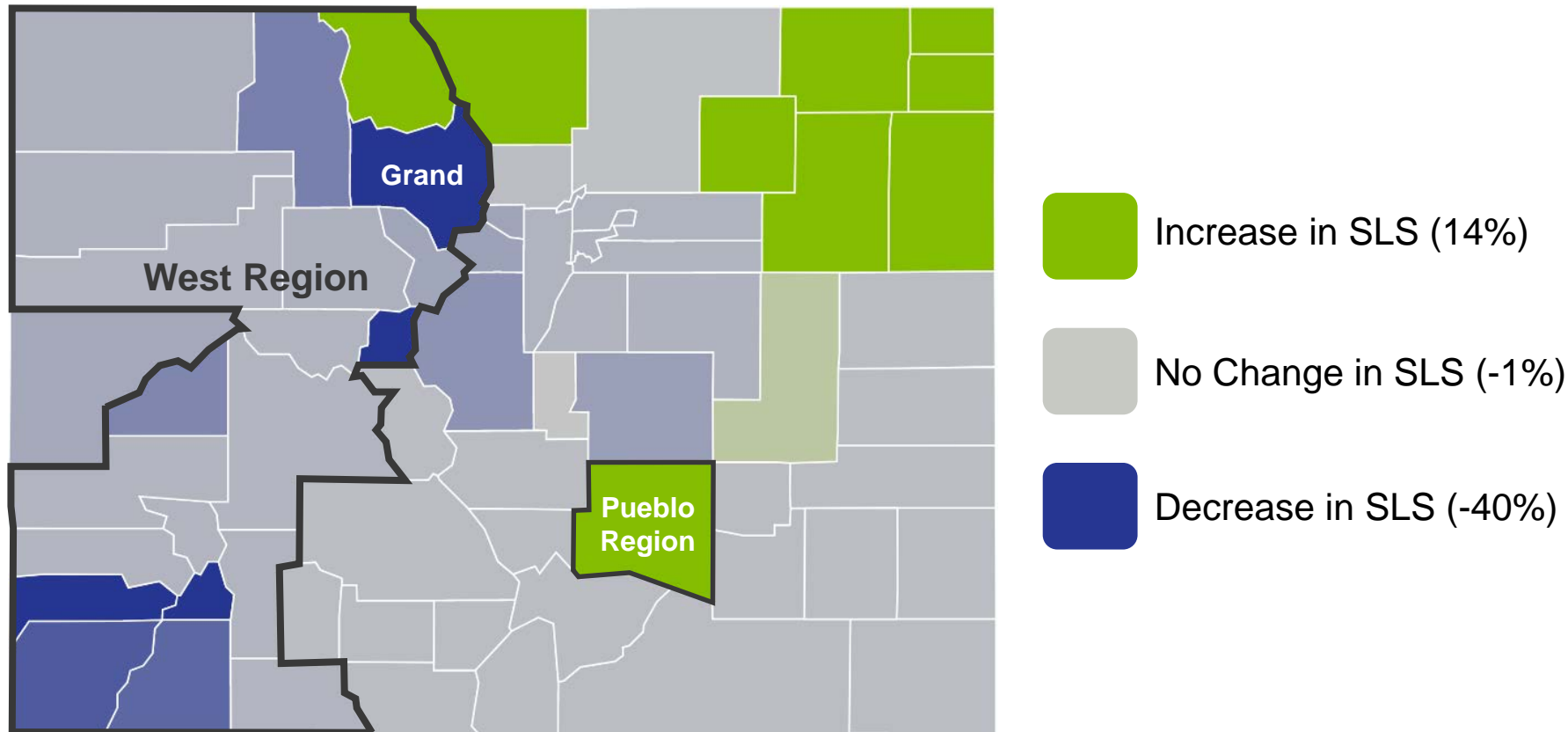
## 2020 to 2021 Auto-Renew Premium Changes





# Consumer Impact

Weighted Average Change in Second Lowest Silver (SLS) by County

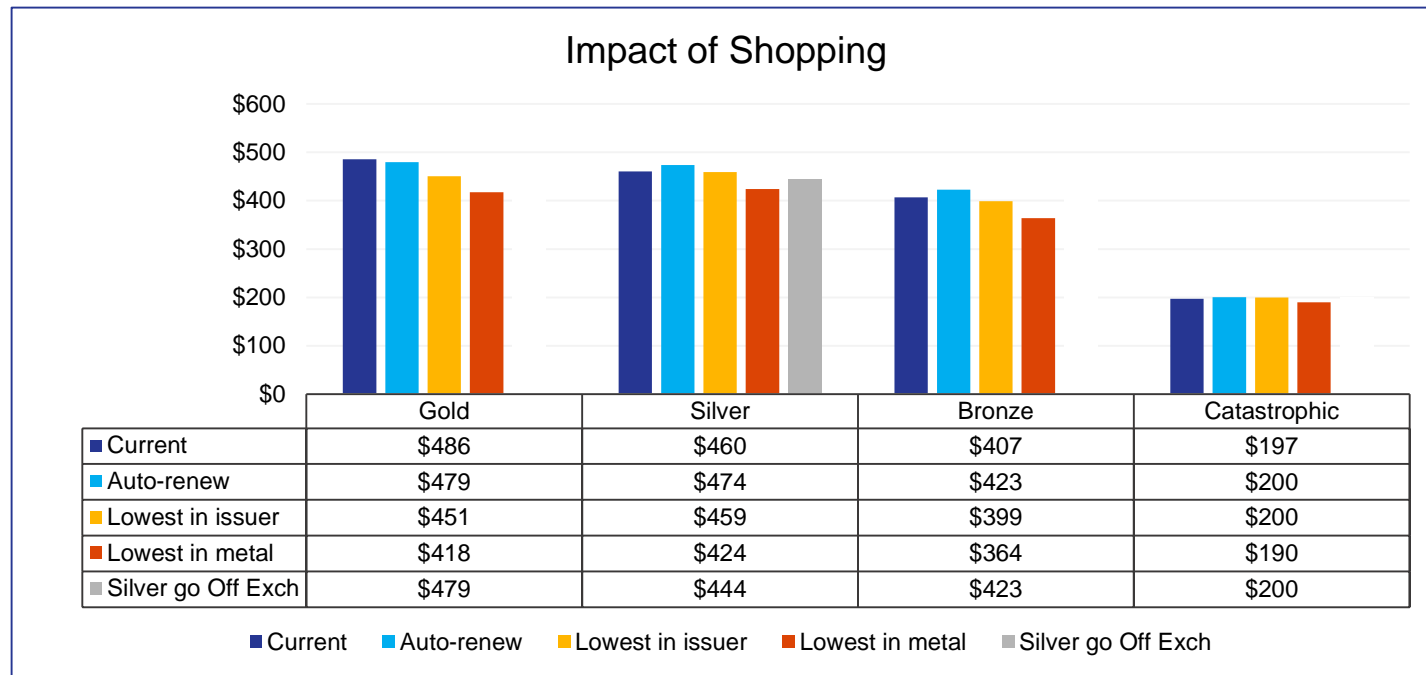


- Grand, Routt, Delta, Montezuma, Dolores and San Juan saw decreases (<25%)
- Pueblo, Logan, Yuma, Washington and Phillips saw increases (>10%)
- ~70% of rating groups will see a change in SLCS issuer.

# Consumer Impact

## Premium Changes and Shopping Impact

### Non-Subsidy Eligible By Metal



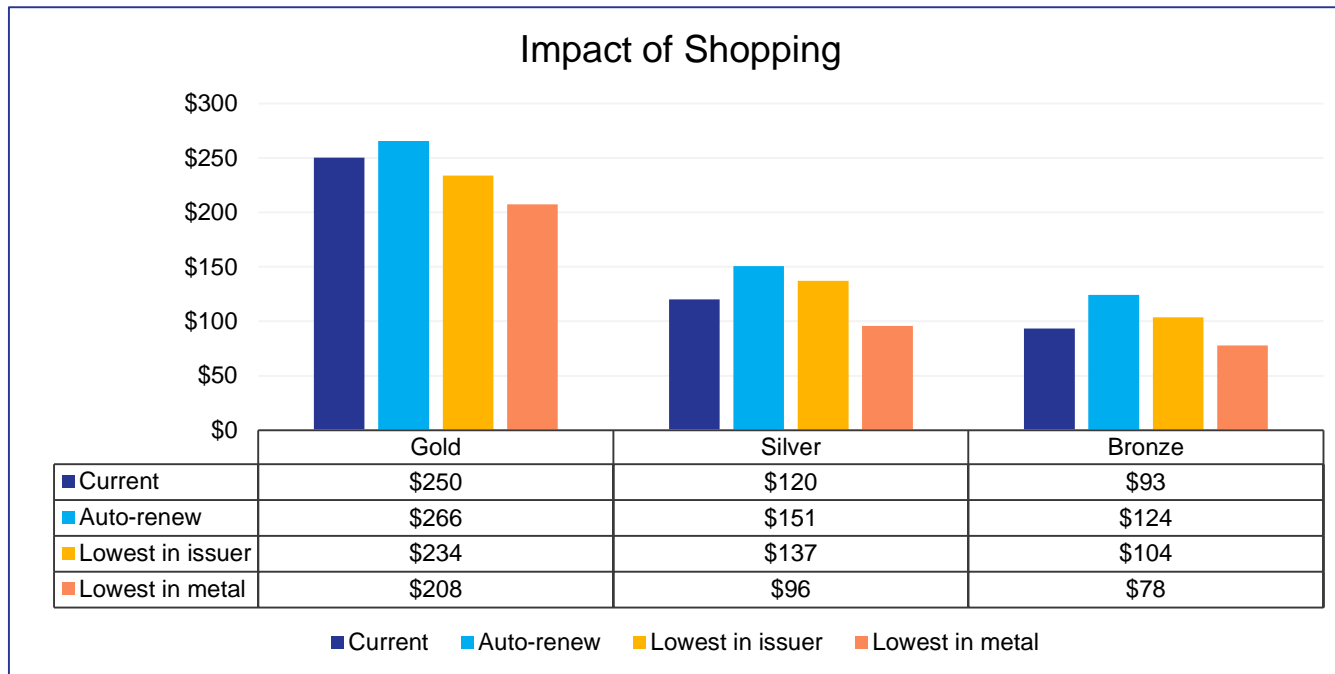
Silver enrollees may choose to enroll in a substantially similar Off-Exchange Silver plan, which would result in an average 2021 premium of \$474, and a 6% decrease from similar on exchange plans.

All metal tiers could benefit from shopping, with more savings available if willing to move from current issuer.

# Consumer Impact

## Premium Changes and Shopping Impact

### Subsidy Eligible By Metal



Subsidized individuals that auto-renew to their current plan are likely to see a net premium increase because second lowest cost silver reductions has reduced their APTC, and because plan premiums are increasing, or not decreasing at the same rate as APTCs.

All metal tiers could benefit from shopping, and achieve an overall decrease in net premium from 2021.

# Key Findings

## Subsidy Use

- Approximately 20,353 enrollees appear to be eligible for Cost Sharing Reduction (CSR) plans but are not enrolled in Silver plans so they cannot take advantage of CSRs
  - Roughly 18,250 of these are in Bronze plans
  - More than 2,000 of these are in Gold plans, of which roughly 800 have household incomes below 200% FPL and are eligible for CSRs that would provide plans with a similar actuarial value for a lower premium
- 516 enrollees appear to be eligible for premium subsidies but are enrolled in Catastrophic plans
- Due to the decrease in the second lowest cost silver premiums in most areas of the state, there are 1,974 households in coverage through C4 who may stop receiving subsidies because the cost of the benchmark plan is lower than their required contribution
  - These households are roughly split amongst silver and bronze plans and reside primarily in Rating Area 3
  - Rate increases resulting from the potential loss of subsidy will exceed 150%

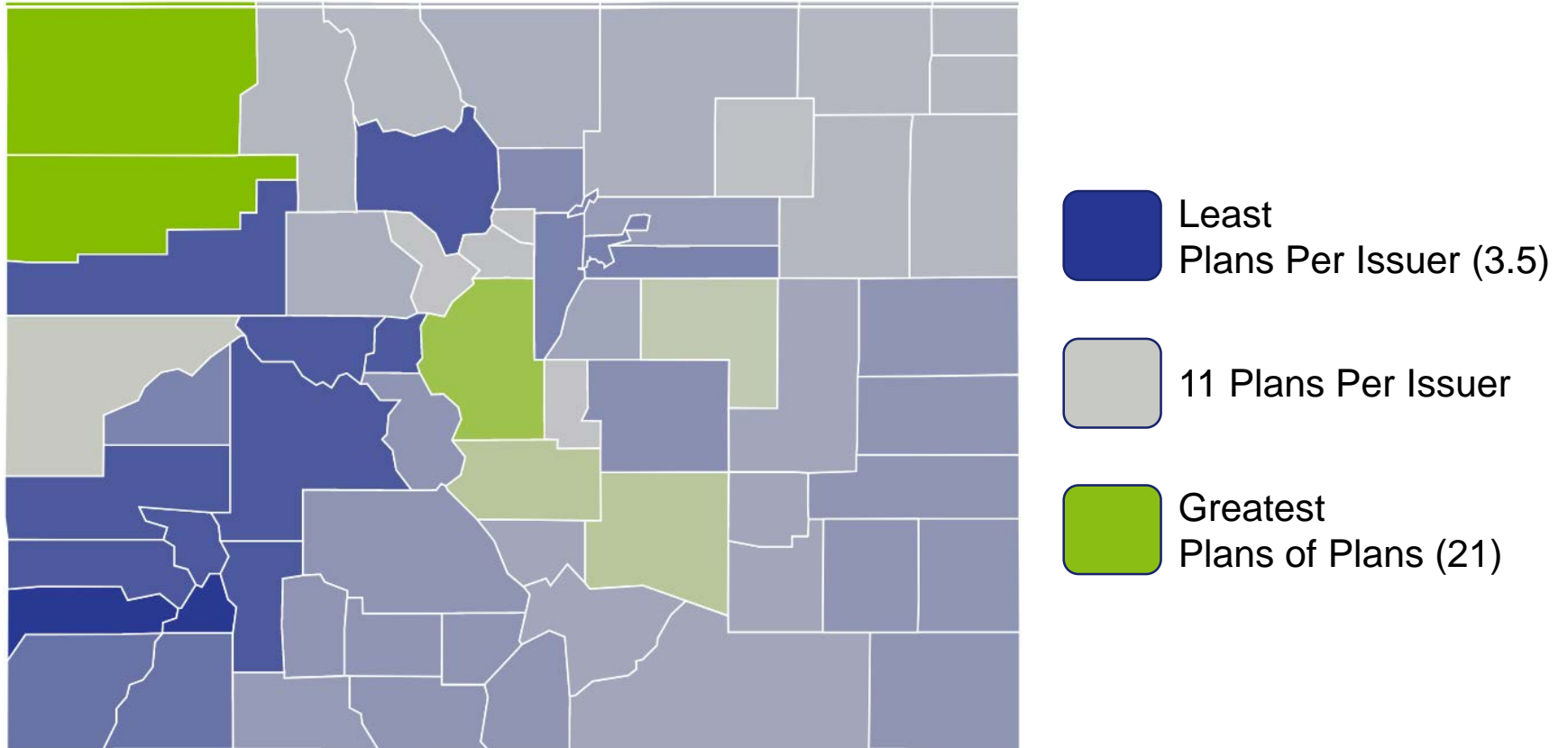
# Appendix

# Definitions

- Subsidy-eligible: Reported % of FPL in Enrollment detail between 0% and 400%
- Non-Subsidy-eligible: Reported % of FPL in Enrollment detail above 400% or not indicated
- Enrollee: Individual member enrolled in a plan
- Household: Group of family members covered by same plan
- County/zip group: Subset of zip codes within a county where all zip codes have same benchmark plan
- Discontinued Plans:
  - Plans that are not cross-walked to a 2021 plan on the exchange

# Consumer Choice

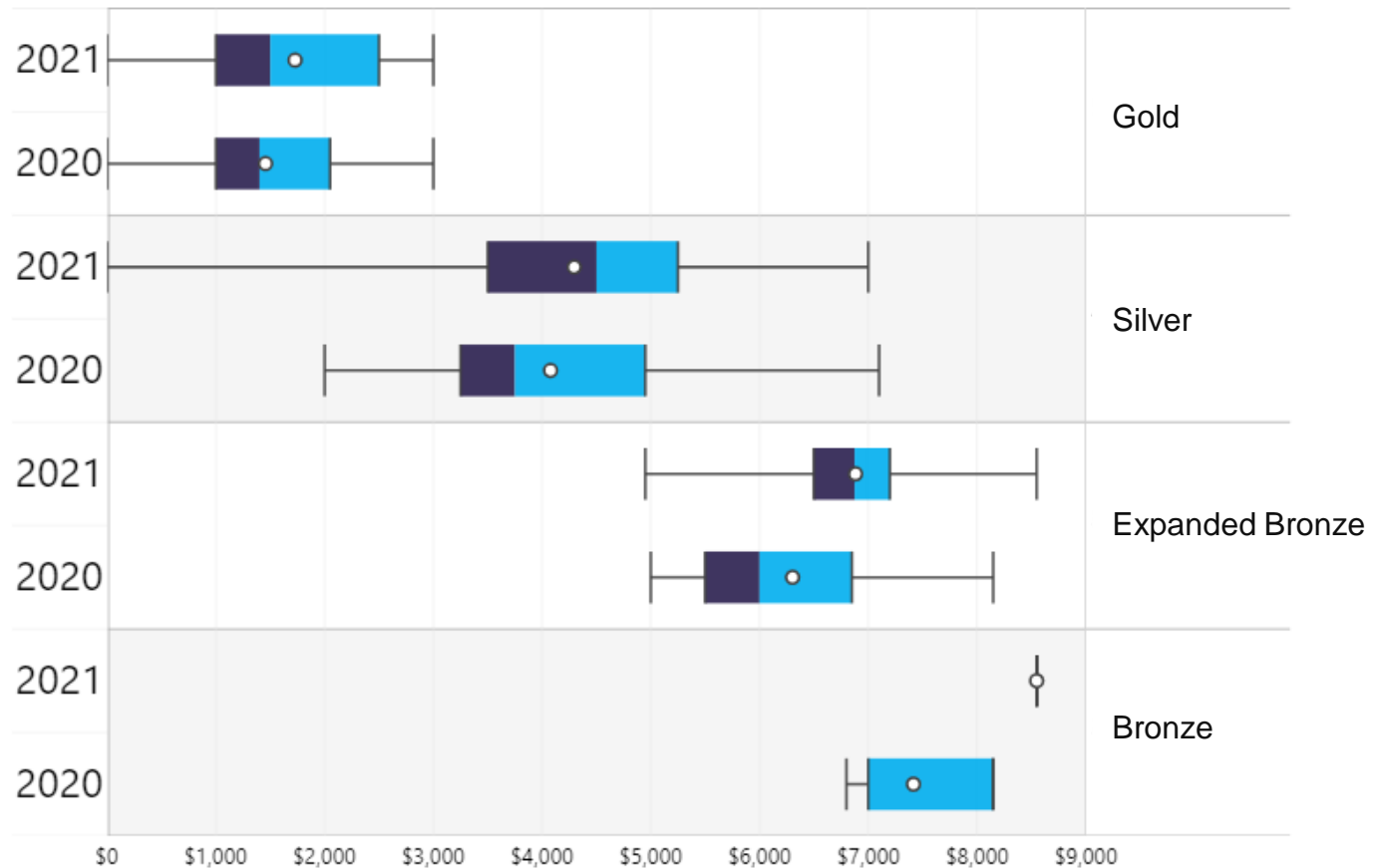
## Average Plans Per Issuer



In counties with only one issuer, there are at least 11 plans being offered.

No material difference in number of plans offered per issuer by county from 2020.

# Plan Design



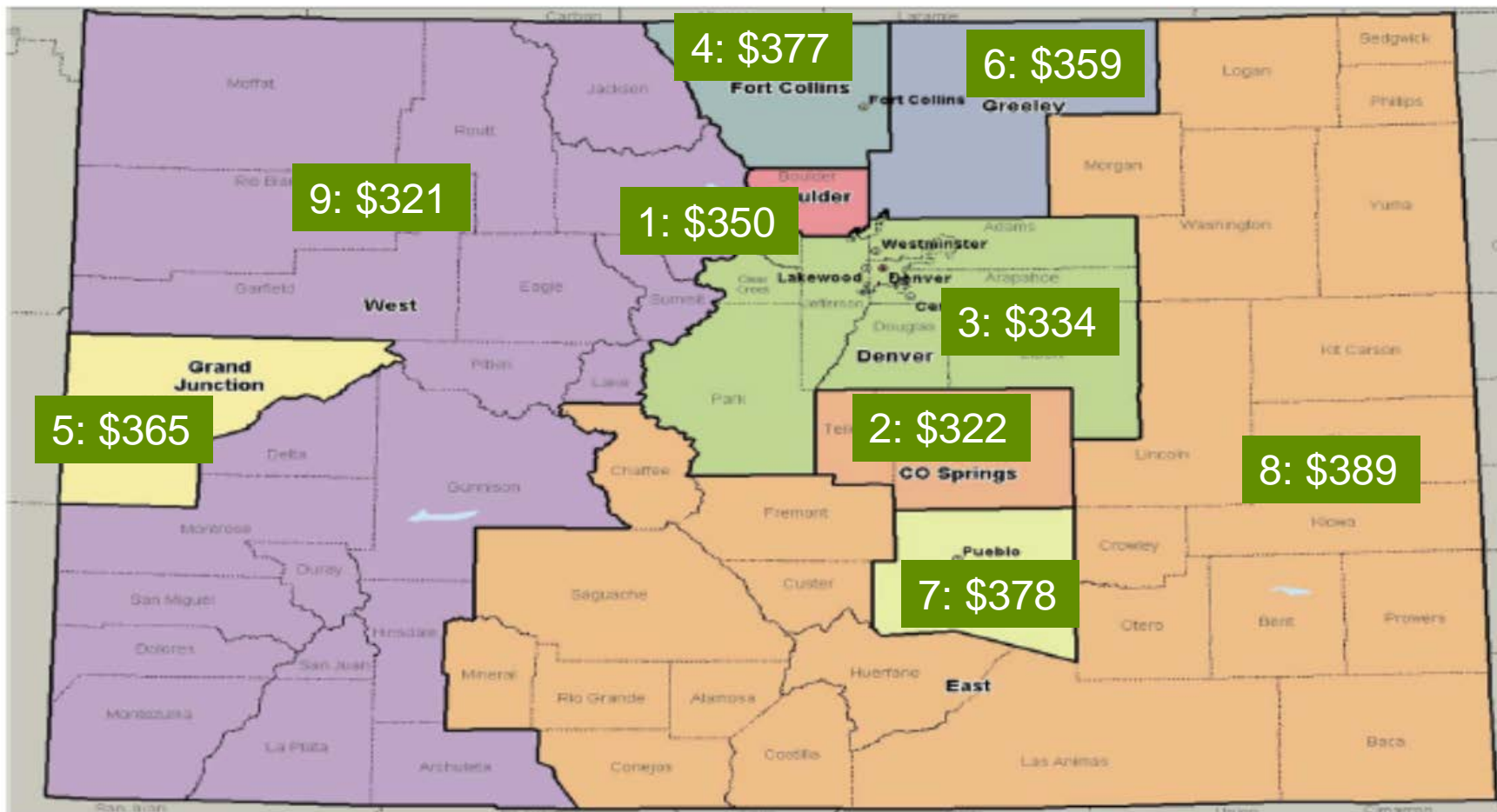
## 2021 Deductible Ranges

Bronze: \$8550  
 Expanded Bronze: \$5000-\$8550  
 Silver: \$0-\$7100  
 Gold: \$0-\$3000



# Premiums

## Regional Differences in Rates

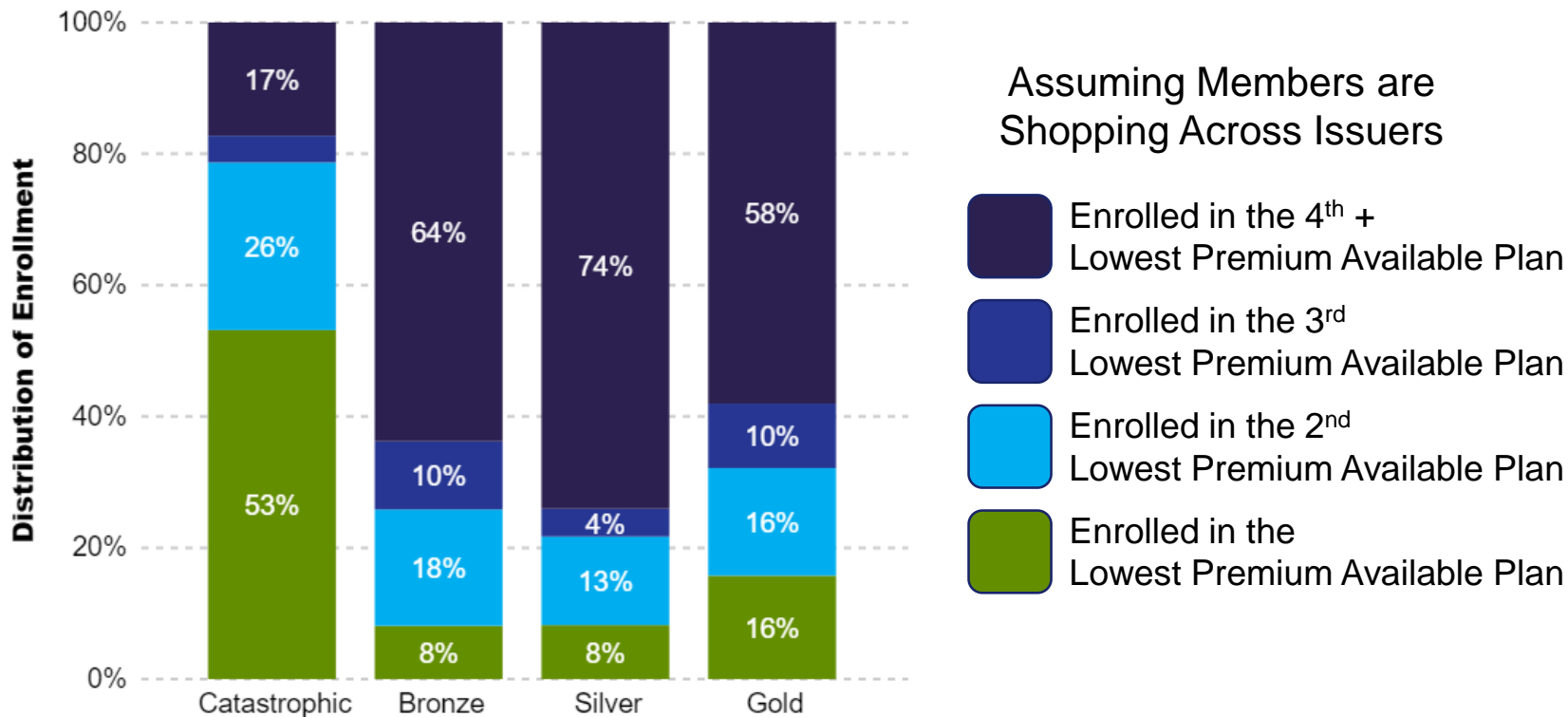


Rates reflect Second Lowest Silver for Age 40 in rating area before advance premium tax credits

# Consumer Impact

## Enrollment by Plan Premium Rank

### Non-Subsidy Eligible - By Metal

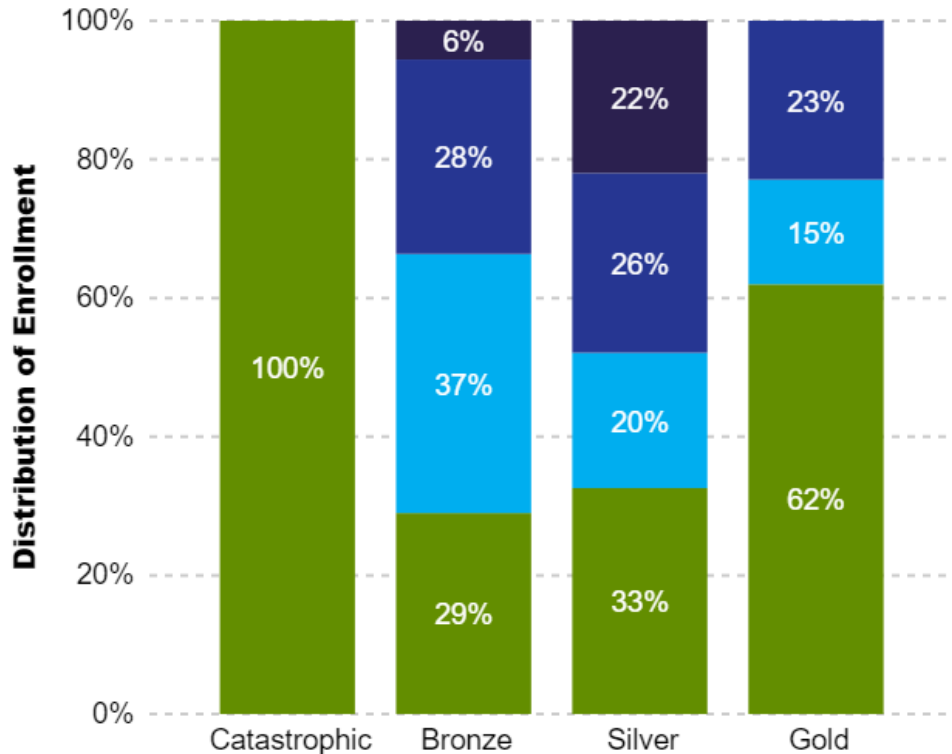


Enrollees show some preference for lowest cost plans offered in a metal tier.

# Consumer Impact

## Enrollment by Plan Premium Rank

### Non-Subsidy Eligible - By Metal & Issuer



Assuming Members are not Shopping Across Issuers

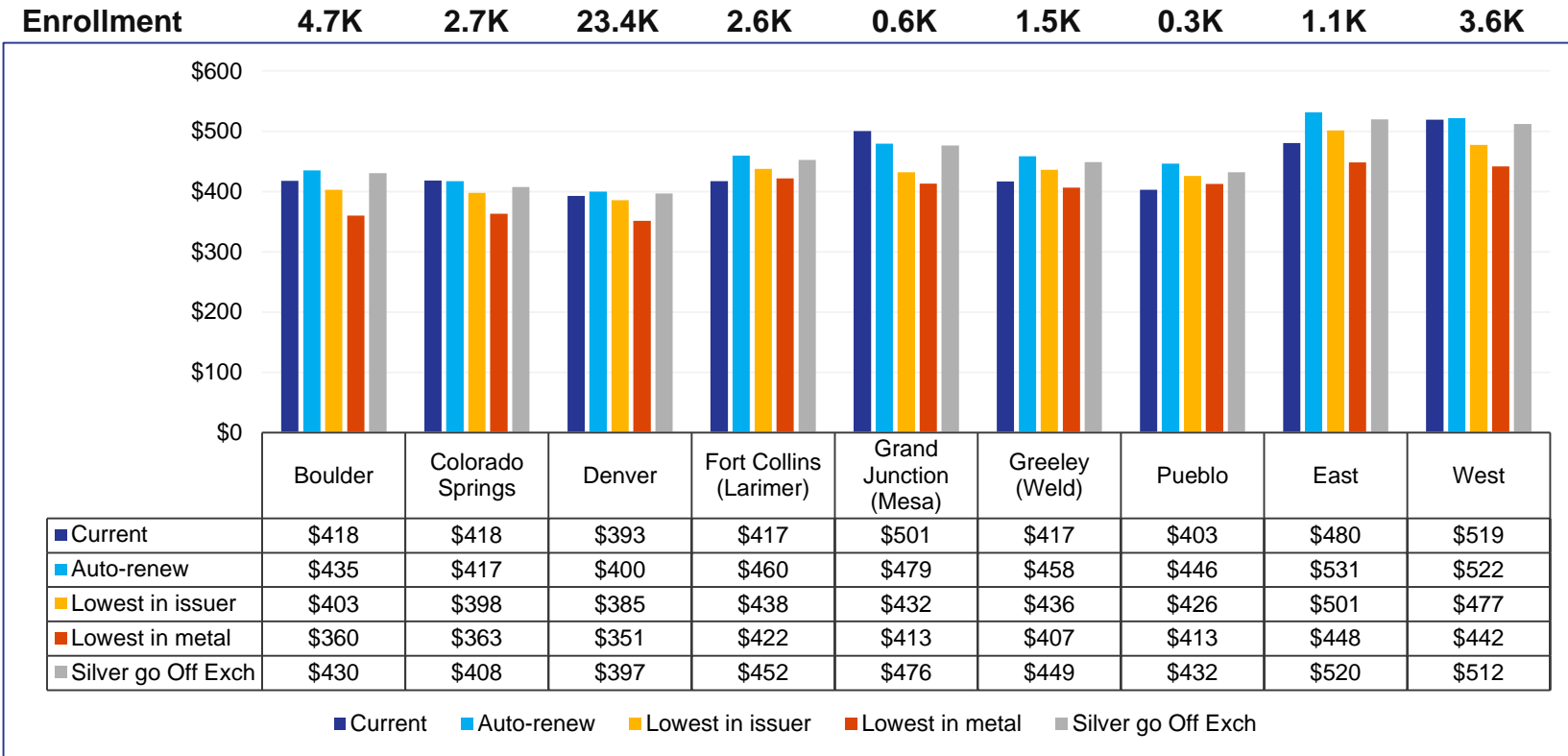
- Enrolled in the 4<sup>th</sup> + Lowest Premium Available Plan
- Enrolled in the 3<sup>rd</sup> Lowest Premium Available Plan
- Enrolled in the 2<sup>nd</sup> Lowest Premium Available Plan
- Enrolled in the 1<sup>st</sup> Lowest Premium Available Plan

Within a given issuer, almost half of enrollees opt for the lowest premium plan.

# Consumer Impact

## Premium Changes and Shopping Impact

### Impact of Shopping for Non-Subsidy Eligible Enrollees By Area



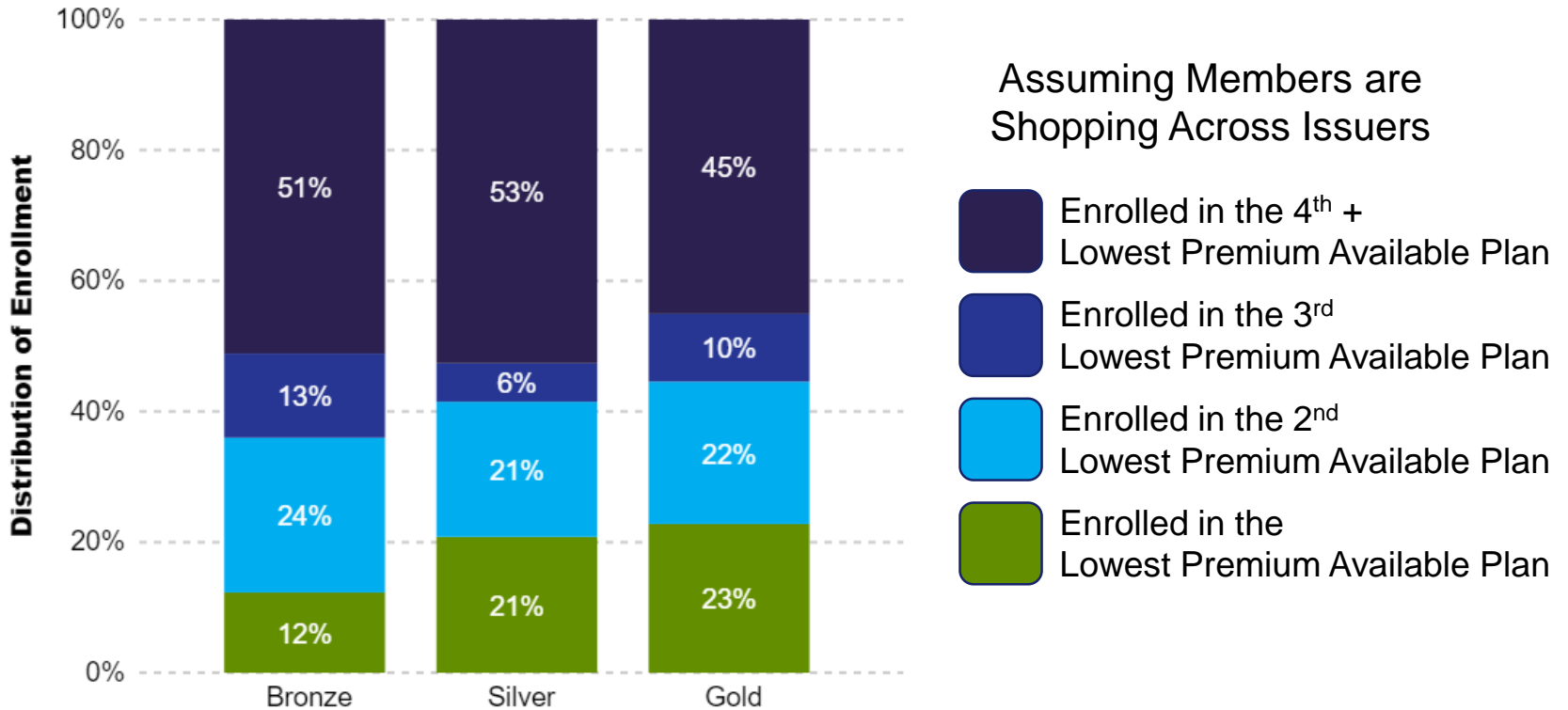
The decreases in APTCs are generally less than the decreases in standard plan rates. After APTC, premiums rise for enrollees in aggregate if individuals auto-renew.

Enrollees in some areas may need to change issuers in order to achieve premium reductions.

# Consumer Impact

## Enrollment by Plan Premium Rank

### Subsidy Eligible - By Metal

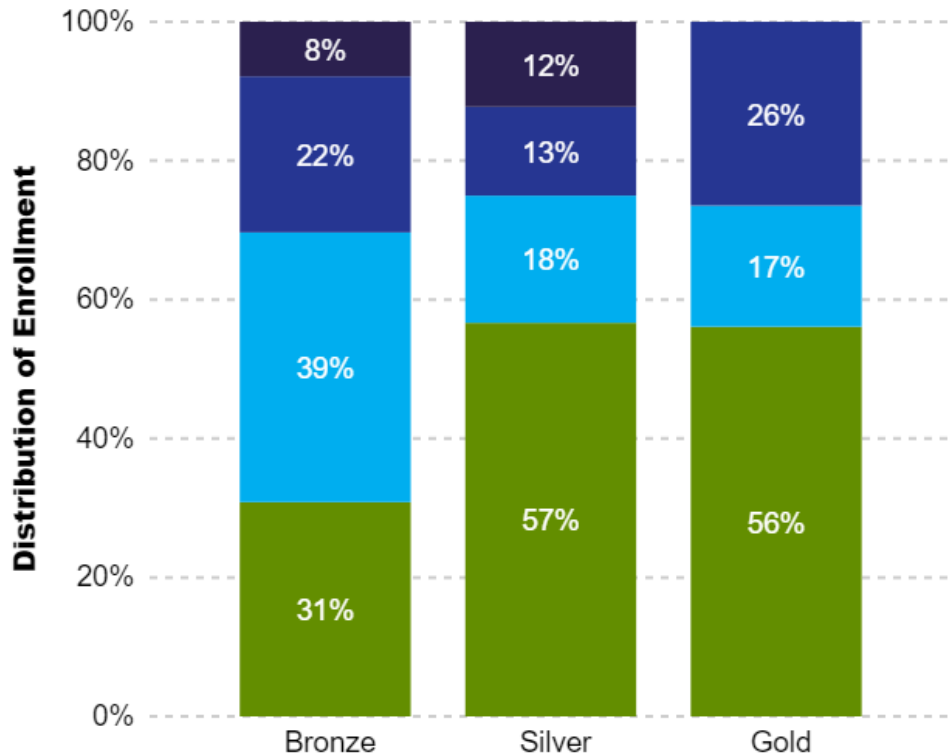


Enrollees show some preference for lowest cost plans offered in a metal tier.

# Consumer Impact

## Enrollment by Plan Premium Rank

### Subsidy Eligible - By Metal & Issuer



Assuming Members are not Shopping Across Issuers

- Enrolled in the 4<sup>th</sup> + Lowest Premium Available Plan
- Enrolled in the 3<sup>rd</sup> Lowest Premium Available Plan
- Enrolled in the 2<sup>nd</sup> Lowest Premium Available Plan
- Enrolled in the 1<sup>st</sup> Lowest Premium Available Plan

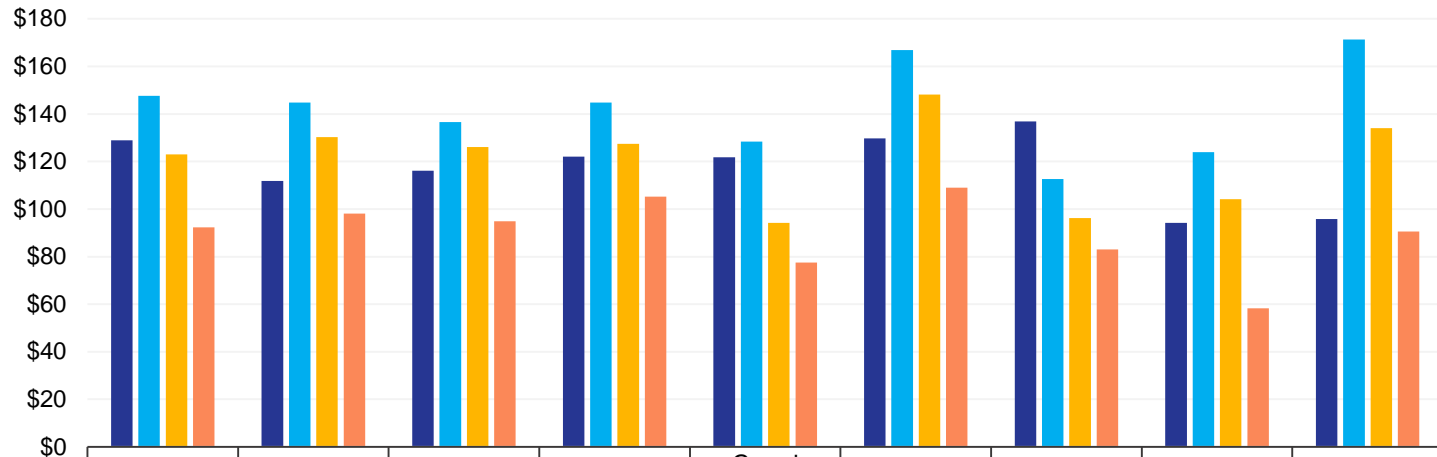
Enrollees show some preference for lowest cost plans offered in a metal tier.

# Consumer Impact

## Premium Changes and Shopping Impact

### Impact of Shopping for Subsidy Eligible Enrollees By Area

Enrollment      9.1K      9.5K      57.2K      8.2K      3.0K      4.6K      1.6K      6.0K      17.4K



	Boulder	Colorado Springs	Denver	Fort Collins (Larimer)	Grand Junction (Mesa)	Greeley (Weld)	Pueblo	East	West
■ Current	\$129	\$112	\$116	\$122	\$122	\$130	\$137	\$94	\$96
■ Auto-Renew	\$148	\$145	\$137	\$145	\$128	\$167	\$113	\$124	\$171
■ Lowest in Issuer	\$123	\$130	\$126	\$127	\$94	\$148	\$96	\$104	\$134
■ Lowest in Metal	\$92	\$98	\$95	\$105	\$78	\$109	\$83	\$58	\$91

■ Current    ■ Auto-Renew    ■ Lowest in Issuer    ■ Lowest in Metal

The decreases in APTCs are generally less than the decreases in standard plan rates. After APTC, premiums rise for enrollees in aggregate if individuals auto-renew.

Enrollees in some areas may need to change issuers in order to achieve premium reductions.