

Auto-enrollment in practice: Massachusetts' experience

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Reducing Ordeals through Automatic Enrollment: Evidence from a Health Insurance Exchange

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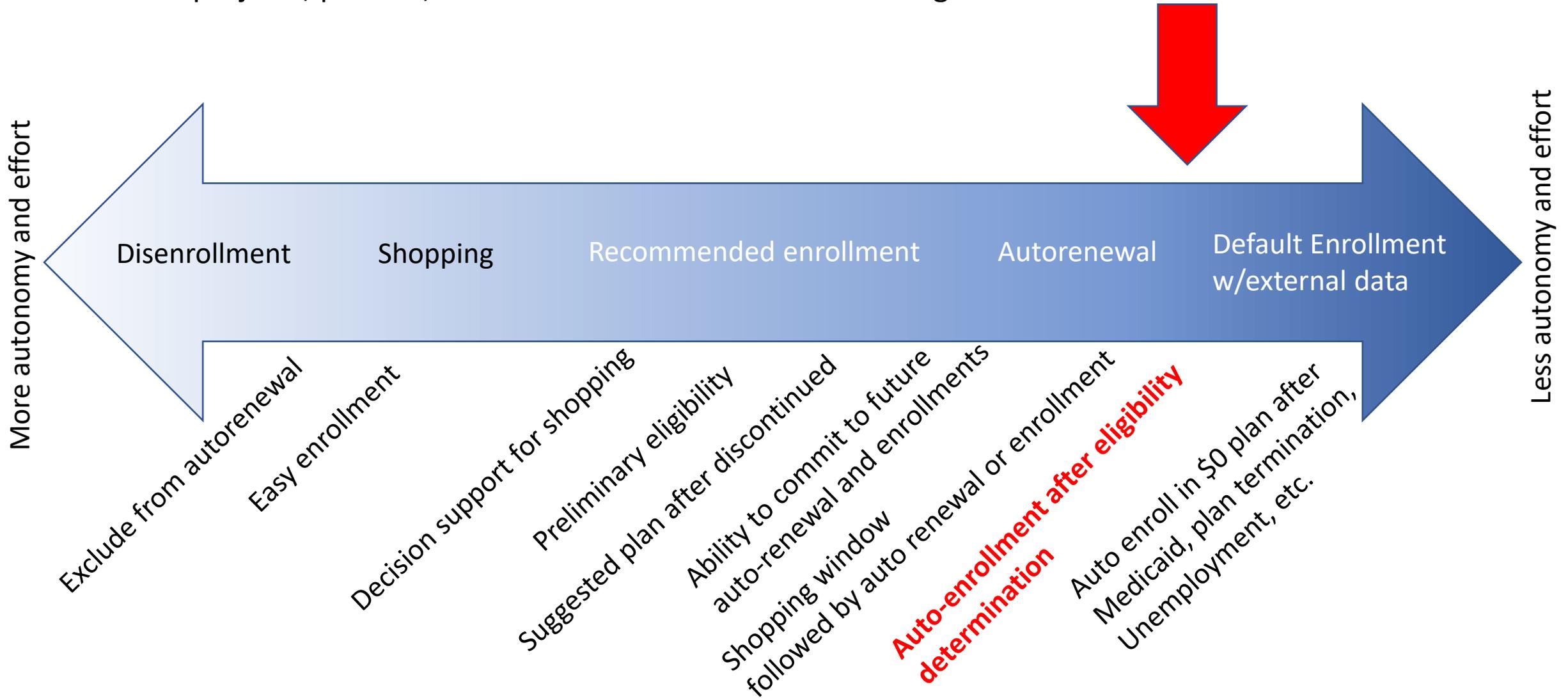
https://scholar.harvard.edu/files/mshepard/files/shepard_wagner_autoenrollment.pdf

Project Overview

- Pre-ACA, Commonwealth Care provided subsidized private insurance for low-income, non-elderly adults without access to other coverage
- Auto-enrollment program applied to a narrow group of adults that qualified for fully subsidized coverage and didn't select a health plan, auto-enrolled after a period of non-response
 - Could opt out or switch plans afterward

Connect for Health wants to facilitate the best customer decision for each customer.

Several projects, policies, or business scenarios could fall along this continuum.



Benefits

- Increased uptake of insurance: 48% higher enrollment under auto-enrollment compared to an active enrollment control group
 - Much larger enrollment than 1 – 3% enrollment impact resulting from interventions that increase outreach, simplify enrollment, add reminders, etc.
 - Enrollment through auto-enrollment program was up to 2x greater than under a mandate penalty
- Enrolled a younger, healthier population
- Cost-effective, compared to affordability interventions

Challenges

- Limited scope: only auto-enrolled individuals who had engaged in an eligibility determination
- Potential duplication with other health coverage for 3 – 4% of the auto-enrolled population
- Coverage was often short in duration, 1 – 3 months, reflecting customers who quickly received coverage from another source

Conclusions

- Intervention had a limited scope
- May provide a positive customer experience for individuals who did not enroll due to selection burden
 - Not enrolling customers who may be surprised to receive health coverage
- Pre-ACA, federal tax reconciliation not a concern for auto-enrolled customers
- Cost-effective program, considering implementation costs
 - Expanding auto-enrollment to a broader group would require a larger technical build, but would also result in more enrollments



Q & A