

Consumer Impact Analysis

Colorado Individual Exchange Renewals

The Importance of Shopping

October 9, 2017

Prepared by Aree Bly, FSA, MAAA
Brittney Phillips, ASA, MAAA
Wakely Consulting Group, LLC

Presented By Michael Conway
Deputy Commissioner of Insurance
Colorado Division of Insurance



COLORADO
Department of
Regulatory Agencies
Division of Insurance

Overview

- Colorado Department of Regulatory Agencies (DORA) provided support to Wakely Consulting Group to analyze Connect for Health Colorado (C4) individual market rate changes before and after federal premium subsidies
- Analysis was performed using QHP templates provided by DORA and enrollment data provided by C4
- Analysis includes only those plans offered by C4 in the individual market
- 152,304 total enrollees included in the analysis

Definitions

- Subsidy-eligible: Reported % of FPL in Enrollment between 0% and 400%
- Non-Subsidy-eligible: Reported % of FPL in Enrollment above 400%, NULL, or -1
- Discontinued Plans:
 - Plans that are not cross-walked to a 2018 plan on the exchange
 - Areas within continuing plans where plan is no longer available in a specific county/zip
- Enrollee: Individual member enrolled in a plan
- Household: Group of family members covered by same plan

Key Findings

Consumer Choice

- Only one carrier has plan options in every county of the state in 2017 and 2018
- There will be three or fewer carrier options in 56 of 64 counties in the state (14 will only have one option)
- The number of plan options is decreasing in most areas of the state
 - Teller, Douglas, Park, Pueblo, La Plata, and Archuleta will have more plans available in 2018
- The average number of plans available will decrease from 48 in 2017 to 44 in 2018 (weighted by enrollment)
- For any given county, the number of plan offerings is changing by between 7 more plans and 12 fewer plans
- No Platinum plans are offered by any carrier on the exchange in 2017 or 2018
- 34,112 consumers (22%) are enrolled in plans no longer being offered in their area in 2018 and will need to select new plans

Change in Plan Counts by Rating Area

Rating Area	Area	Enrollment	Total Plans in 2017	Total Plans in 2018	Change in Total Plans
1	Boulder	9%	56	50	-6
2	CO Springs	8%	35-62	37-50	-12 to 2
3	Denver	49%	25-57	25-57	-6 to 2
4	Fort Collins	7%	56	44	-12
5	Grand Junction	3%	20	18	-2
6	Greeley	4%	56	44	-12
7	Pueblo	1%	35	37	2
8	East	5%	30-50	20-44	-10 to -6
9	West	15%	15-41	13-37	-6 to 7

- Chart shows range of number of plans in counties within Rating Areas
- Most Rating Areas will see a decrease in the number of plans available, though some areas will see a slight increase
 - Six counties (Teller, Douglas, Park, Pueblo, La Plata, and Archuleta) will have more plans offered in 2018
 - Six counties (Adams, Clear Creek, Gilpin, Garfield, Routt, and Grand) will not see a change in number of plans offered

Key Findings

Premium Changes

Non-Subsidy Eligible

Metal Tier	Enrollees Not Eligible for Subsidies	2017 Premium	2018 Premium - Auto Renew	% Change over 2017
Gold	2,751	\$404	\$536	33%
Silver	7,850	\$378	\$503	33%
Bronze	20,176	\$365	\$482	32%
Catastrophic	1,746	\$190	\$246	29%
Total	32,523	\$362	\$479	32%

For non subsidy-eligible enrollees in 2017, premiums for plans continuing in 2018 are increasing by 32% on average (weighted on enrollment).

No Platinum plans are available on the exchange in 2017 or 2018.

Key Findings

Premium Changes

Non-Subsidy Eligible

Rating Area	Description	Enrollees Not Eligible for Subsidies	2017 Premium	2018 Premium - Auto Renew	% Change over 2017
1	Boulder	3,824	\$349	\$460	32%
2	Colorado Springs	2,253	\$350	\$459	31%
3	Denver	19,591	\$333	\$441	32%
4	Fort Collins (Larimer)	2,319	\$388	\$510	31%
5	Grand Junction (Mesa)	220	\$545	\$704	29%
6	Greeley (Weld)	1,235	\$380	\$491	29%
7	Pueblo	330	\$419	\$538	28%
8	East	578	\$468	\$665	42%
9	West	2,173	\$559	\$750	34%

Enrollees in the East regions will experience the largest premium increase if they auto-renew.

Enrollees in Grand Junction, Greeley, and Pueblo will experience the lowest average increases.

Key Findings

Consumer Savings

Non-Subsidy Eligible

Metal Tier	Enrollees Not Eligible for Subsidies	2018 Premium – Auto Renew	2018 Premium – Switch to Lowest Cost	% Savings Opportunity of Switching on Avg.
Gold	2,751	\$536	\$456	15%
Silver	7,850	\$503	\$437	13%
Bronze	20,176	\$482	\$439	9%
Catastrophic	1,746	\$246	\$222	10%
Total	32,523	\$479	\$428	11%

Many consumers will have an opportunity to find lower cost plans in 2018 if they shop.

Premium Changes for Enrollees

Non Subsidy-Eligible

Metal Tier	Enrollees	2017 PMPM Premium	2018 PMPM Premium - Auto Renew	% Change Over 2017	2018 PMPM Premium – Switch to Lowest Cost	% Change Over 2017
Gold	2,751	\$404	\$536	33%	\$456	13%
Silver	7,850	\$378	\$503	33%	\$437	16%
Bronze	20,176	\$365	\$482	32%	\$439	20%
Catastrophic	1,746	\$190	\$246	29%	\$222	17%
Total	32,523	\$362	\$479	32%	\$428	18%

- Average premium increase of 32% could be held to as low as 18% if enrollees switch to the lowest cost plan in current metal level
- Based on current enrollment in continuing plans
- The age factors for children under 21 are increasing from 20-53% in 2018. The age factors for enrollees age 21 and over will remain the same as 2017. Approximately 3% of the average premium increase is attributable to this change.

Premium Changes for Enrollees

Non Subsidy-Eligible

Rating Area	Description	Enrollees	2017 PMPM Premium	2018 PMPM Premium - Auto Renew	% Change Over 2017	2018 PMPM Premium – Switch to Lowest Cost	% Change Over 2017
1	Boulder	3,824	\$349	\$460	32%	\$402	15%
2	Colorado Springs	2,253	\$350	\$459	31%	\$407	16%
3	Denver	19,591	\$333	\$441	32%	\$394	18%
4	Fort Collins (Larimer)	2,319	\$388	\$510	31%	\$448	15%
5	Grand Junction (Mesa)	220	\$545	\$704	29%	\$680	25%
6	Greeley (Weld)	1,235	\$380	\$491	29%	\$441	16%
7	Pueblo	330	\$419	\$538	28%	\$505	21%
8	East	578	\$468	\$665	42%	\$583	24%
9	West	2,173	\$559	\$750	34%	\$705	26%
Total		32,523	\$362	\$479	32%	\$428	18%

- Enrollees in the East Rating Area on average would see highest increase in premium if they do not shop
- Boulder and Fort Collins enrollees on average could keep premium to a 15% increase if they shop

Key Findings

Change in Average Subsidies

Subsidy Eligible

Rating Area	Description	Enrollees Eligible for Subsidies	2017 PMPM Subsidy	2018 PMPM Subsidy	Change in Average PMPM Subsidy	% Change in Average PMPM Subsidy
1	Boulder	7,071	\$235	\$404	\$170	72%
2	Colorado Springs	5,663	\$262	\$429	\$167	64%
3	Denver	42,470	\$242	\$409	\$167	69%
4	Fort Collins (Larimer)	7,495	\$299	\$460	\$161	54%
5	Grand Junction (Mesa)	1,051	\$482	\$666	\$184	38%
6	Greeley (Weld)	3,685	\$303	\$482	\$178	59%
7	Pueblo	1,678	\$396	\$592	\$196	49%
8	East	2,276	\$443	\$666	\$222	50%
9	West	14,715	\$561	\$779	\$218	39%
	Total	86,104	\$316	\$494	\$178	56%

The second lowest cost silver premium used for determining subsidies is increasing by 21% on average for subsidy-eligible enrollees

Average subsidy PMPM increases by \$178, or 56%

The Boulder and Denver regions show the largest increases

Key Findings

Premium Changes

Subsidy Eligible

Metal Tier	Enrollees Eligible for Subsidies	2017 PMPM Premium After Subsidy	2018 PMPM Premium After Subsidy - Auto Renew	% Change over 2017
Gold	3,139	\$282	\$253	-10%
Silver	41,719	\$150	\$131	-12%
Bronze	40,323	\$138	\$101	-27%
Catastrophic *	923	\$195	\$246	26%
Total	86,104	\$150	\$123	-18%

* Subsidies are not available for Catastrophic plans

Before subsidies, premiums for subsidy-eligible enrollees are increasing by \$151 PMPM on average while subsidies are increasing by \$178 PMPM on average

As a result, subsidized premiums are decreasing by 18% on average

Key Findings

Premium Changes

Subsidy Eligible

Rating Area	Description	Enrollees Eligible for Subsidies	2017 PMPM Premium After Subsidy	2018 PMPM Premium After Subsidy - Auto Renew	% Change over 2017
1	Boulder	7,071	\$165	\$124	-25%
2	Colorado Springs	5,663	\$159	\$120	-24%
3	Denver	42,470	\$153	\$114	-25%
4	Fort Collins (Larimer)	7,495	\$152	\$132	-13%
5	Grand Junction (Mesa)	1,051	\$127	\$124	-3%
6	Greeley (Weld)	3,685	\$154	\$113	-27%
7	Pueblo	1,678	\$159	\$124	-22%
8	East	2,276	\$154	\$143	-7%
9	West	14,715	\$127	\$142	12%

The West Rating Area is the only Rating Area in which the average increase in subsidy is lower than the average increase in premiums. As a result, this Rating Area reflects an average after subsidy premium increase while other Rating Areas reflect an after subsidy premium decrease.

Key Findings

Consumer Savings

Subsidy Eligible

Metal Tier	Enrollees Eligible for Subsidies	2018 PMPM Premium After Subsidy- Auto Renew	2018 PMPM Premium After Subsidy – Switch to Lowest Cost	% Savings Opportunity of Switching on Avg.
Gold	3,139	\$253	\$189	25%
Silver	41,719	\$131	\$74	43%
Bronze	40,323	\$101	\$66	34%
Catastrophic	923	\$246	\$222	10%
Total	86,104	\$123	\$76	38%

While on average premiums after subsidy are decreasing from 2017, many consumers will have an opportunity to find even lower cost plans in 2018 if they shop

Key Findings

Consumer Savings

Subsidy Eligible

Rating Area	Description	Enrollees Eligible for Subsidies	2018 PMPM Premium After Subsidy- Auto Renew	2018 PMPM Premium After Subsidy – Switch to Lowest Cost	% Savings Opportunity of Switching on Avg.
1	Boulder	7,071	\$124	\$74	40%
2	Colorado Springs	5,663	\$120	\$72	40%
3	Denver	42,470	\$114	\$73	36%
4	Fort Collins (Larimer)	7,495	\$132	\$70	47%
5	Grand Junction (Mesa)	1,051	\$124	\$95	23%
6	Greeley (Weld)	3,685	\$113	\$69	39%
7	Pueblo	1,678	\$124	\$85	31%
8	East	2,276	\$143	\$73	49%
9	West	14,715	\$142	\$91	36%

Highest opportunity for savings (as a % of 2018 auto-renewal premium) in Larimer and East RatingAreas

After Subsidy Premium Changes for Enrollees

Subsidy-Eligible

Metal Tier	Enrollees	2017 PMPM Premium After Subsidy	2018 PMPM Premium After Subsidy - Auto Renew	% Change Over 2017	2018 PMPM Premium After Subsidy – Switch to Lowest Cost	% Change Over 2017
Gold	3,139	\$282	\$253	-10%	\$189	-33%
Silver	41,719	\$150	\$131	-12%	\$74	-50%
Bronze	40,323	\$138	\$101	-27%	\$66	-52%
Catastrophic	923	\$195	\$246	26%	\$222	14%
Total	86,104	\$150	\$123	-18%	\$76	-49%

- All tier enrollees except catastrophic are expected to see premium reduction on average even if they auto-renew
 - Subsidies are not available for Catastrophic plans
- Significant savings are available through shopping

After Subsidy Premium Changes for Enrollees

Subsidy-Eligible

Rating Area	Description	Enrollees	2017 PMPM Premium After Subsidy	2018 PMPM Premium After Subsidy - Auto Renew	% Change Over 2017	2018 PMPM Premium After Subsidy - Switch to Lowest Cost	% Change Over 2017
1	Boulder	7,071	\$165	\$124	-25%	\$74	-55%
2	Colorado Springs	5,663	\$159	\$120	-24%	\$72	-55%
3	Denver	42,470	\$153	\$114	-25%	\$73	-52%
4	Fort Collins (Larimer)	7,495	\$152	\$132	-13%	\$70	-54%
5	Grand Junction (Mesa)	1,051	\$127	\$124	-3%	\$95	-25%
6	Greeley (Weld)	3,685	\$154	\$113	-27%	\$69	-55%
7	Pueblo	1,678	\$159	\$124	-22%	\$85	-47%
8	East	2,276	\$154	\$143	-7%	\$73	-53%
9	West	14,715	\$127	\$142	12%	\$91	-28%
Total		86,104	\$150	\$123	-18%	\$76	-49%

- West Rating Area enrollees on average would see increase in premium if they do not shop

Key Findings

Subsidy Use

- Approximately 20,594 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 18,500 of these are in Bronze plans
 - More than 1,600 of these are in Gold plans, of which roughly 1,000 have household incomes below 200% FPL and are eligible for CSRs that would provide plans with a similar actuarial value for a lower premium
- 908 enrollees appear to be eligible for premium subsidies but are enrolled in Catastrophic plans
- Due to the increase in the second lowest cost silver premiums in most areas of the state, there are 5,900 households in coverage through C4 who can now receive subsidies because the cost of the benchmark plan is higher than their required contribution

Near \$0 Premium Plan Availability for Enrollees

Metal Tier	2017 Enrollees \$0 premium	Enrollees with \$0 premium Auto-Renew	Enrollees with \$0 premium If Shop	Enrollees losing \$0 premium	2018 Enrollees with Potential \$0 premium
Gold	9	0	0	9	0
Silver	564	52	88	476	7,459
Bronze	493	124	229	264	10,306
Total	1,066	176	317	749	17,765

- 749 enrollees will not be able to maintain current \$0 premium
- Significantly more households could achieve \$0 premium in 2018
 - 7,459 enrollees in current silver plans could get to \$0 premium
 - 10,306 enrollees in current bronze plans could get to \$0 premium
- Increase is due to increase in benchmark premiums, and thus APTC for many households
- References to \$0 premium include \$1 premium for plans with elective abortion coverage which is not subsidized