

# Status of Health Insurance & Short Term Medical

Jan Dubauskas - General Counsel & Chief Regulatory Affairs Officer

July 13, 2018

# Individual Health Insurance Marketplace

- ▶ 2016 U.S. Census Bureau:
  - ▶ Private insurance = 67.5%
    - ▶ Employer-based - 55.75%
    - ▶ Medicaid = 19.4%
    - ▶ Direct-purchase = 16.2%
  - ▶ 28.1 million remain uninsured or 8.8% of the population
    - ▶ Ethnicity Impacts:
      - ▶ Non-Hispanic whites - 6.3%
      - ▶ Blacks - 10.5%
      - ▶ Hispanics - 16.0%

<https://www.census.gov/content/dam/Census/library/publications/2017/demo/p60-260.pdf>

# Who is Covered?

- ▶ Likely Covered:
  - ▶ Age
    - ▶ 65+ - 98.8%
    - ▶ Children up to 19 years old - 94.6%
    - ▶ 19-64 - 87.9%
  - ▶ Disability
    - ▶ Disabled age 19-64 - 91.2%
  - ▶ Work Status and Private Insurance
    - ▶ Full-time, year-round - 84.5%
    - ▶ Part-time or not year-round - 69.0%

<https://www.census.gov/content/dam/Census/library/publications/2017/demo/p60-260.pdf>

# ACA Coverage Then & Now

- ▶ 2013
  - ▶ Total Insured: 271,606,000
  - ▶ Uninsured: 41,795,000
- ▶ 2016
  - ▶ Total Insured: 292,320,000
  - ▶ Uninsured: 28,000,000

<https://www.census.gov/content/dam/Census/library/publications/2017/demo/p60-260.pdf>

# Causes for Increased Coverage

- ▶ ACA
- ▶ Medicaid Expansion - over 16,000,000
- ▶ Social Discourse
  - ▶ Employer mandate
  - ▶ Individual mandate
  - ▶ Awareness

<https://www.medicaid.gov/medicaid/program-information/medicaid-and-chip-enrollment-data/report-highlights/index.html>

# ACA Today

- ▶ 2017
  - ▶ October 2017 Trump Executive Order
    - ▶ DOL, HHS, IRS - STM/AHP
  - ▶ December 2017 Tax Cuts and Jobs Act
    - ▶ 2019 Individual Mandate Penalty - \$0

<https://www.federalregister.gov/documents/2017/10/17/2017-22677/promoting-healthcare-choice-and-competition-across-the-united-states>

# ACA Today

- ▶ 2018
  - ▶ Association Health Plans
    - ▶ Final Rule - June 19, 2018
    - ▶ Sole Proprietors & Small businesses
      - ▶ Band together
      - ▶ Location or vocation
      - ▶ Large group pricing
    - ▶ Effective September 1, 2018
    - ▶ Impact: 3,600,000 ACA + 400,000 uninsured

<https://www.dol.gov/sites/default/files/ebsa/temporary-postings/association-health-plans-final-rule.pdf>

# ACA Today

- ▶ 2018
  - ▶ Short Term Limited Duration Insurance (Short Term Medical)
    - ▶ Proposed Rule - February 20, 2018
      - ▶ Return Federal Rule to up to 364 days
      - ▶ More than 12 months?
      - ▶ Update disclaimer language
    - ▶ Impact: 100,000-200,000 ACA + uninsured

<https://www.federalregister.gov/documents/2018/02/21/2018-03208/short-term-limited-duration-insurance>



# ACA Today

## ▶ CMS Activities:

### ▶ April 9, 2018 - Hardship Exemption Expands for 2018

- ▶ No QHP, county has 1 issuer, etc.

### ▶ July 7, 2018 - Risk Adjuster Payments on Hold

- ▶ Conflicting court decisions, \$10.4B on hold

### ▶ July 10, 2018 - Navigator Funding Reduced

- ▶ Grants reduced to \$10M for OE 2019

- ▶ >1% Navigators vs. <40% Producers

▶ <https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/2018-Hardship-Exemption-Guidance.pdf>

▶ <https://www.cms.gov/Newsroom/MediaReleaseDatabase/Press-releases/2018-Press-releases-items/2018-07-07.html>

▶ <https://www.cms.gov/Newsroom/MediaReleaseDatabase/Press-releases/2018-Press-releases-items/2018-07-10-2.html>

# ACA Today

- ▶ 2019 Premiums Increasing
  - ▶ Maryland
    - ▶ Lowest Cost Bronze - \$443 up 41%
    - ▶ 2<sup>nd</sup> Lowest Silver - \$622 up \$36%
    - ▶ Lowest Cost Gold - \$606 up 35%

<https://www.kff.org/private-insurance/issue-brief/tracking-2019-premium-changes-on-aca-exchanges/>



# The Train Has Left The Station



# NCOIL Can Help

- ▶ Short Term Limited Duration Insurance
  - ▶ Final Rule pending
  - ▶ Effective 60 days later
- ▶ Recommendation: NCOIL enact a Model Law
  - ▶ Mirror the Final Rule
  - ▶ Consistency throughout the US
    - ▶ Efficiencies for DOI's and insurers

# Questions?

# THANK YOU!

