



Obesity and Health Insurance

Role of States and Insurers

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ACA Market Rules Quick Overview

- Guarantee issue/renewability
- No annual/lifetime limits
- Modified Community Rating (age, tobacco, geography)
- Single Risk Pool (individual and small group markets)
- Essential Health Benefits (individual and small group markets)
- Risk Adjustment (individual and small group markets)
- Preventive Services (large group/fully insured, individual, and small group markets)

Issuer Coverage Decisions for New Interventions

- Rough Example
 - CDC estimates obesity costs the healthcare system \$140 billion per year
 - Overall healthcare spend was roughly \$3.8 trillion
 - Per capita healthcare cost in 2019 of \$11,501
 - $.037 * 11501 = \underline{\$426 \text{ per person, per year}}$

Role of States and Insurers

- Benefit requirements (EHB, state benefit mandates)
- Preventive services (Federal)
- Section 1115 Demonstration Waivers (Medicaid)
- Section 1332 State Innovation Waivers (individual and small group)
- Wellness demonstration authority
- Telemedicine
- Social determinants of health
- Multi-year contracts (caveat)

Conclusion

- State legislators can consider a range of options in addressing obesity and insurance coverage
- Better data on cost, quality, and effectiveness are needed, including for vulnerable/underserved populations
- The ACA provides opportunities to craft state-specific solutions through wellness demonstrations and state waivers, including 1115 waivers and section 1332 State Innovation Waivers
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