ACA WG
10 02 2017
Notes

Roll Call

Present
Leighton Ku
Jodi Kwarciany
Dave Chandrasekaran
Colette Chichester, Rob Metz
Laurie Kuiper
Katie Nichol
Dania Palanker
Patricia Quinn
Peter Rankin
Jnatel Sims, John Fleig
Liam Steadman
Jenny Sullivan
Tammy Tomczyk
Kevin Wrege

Absent
Donna Alcorn
Carl Chapman
Maria Gomez
Bonita Pennino
Carolyn Rudd
Margaret Singleton

Ku: A variety of proposals we have discussed will be put together in a package and voted on as such. No votes today. Expect to need another couple of meetings.

Overview of where we are: no repeal and replace; bipartisan in Senate talking again; potential executive order on association plans.

Continue affordability discussions. Two handouts.

Debbie Curtis (HBX): Local reinsurance. Back up again – what is reinsurance? For health insurers, try to project expenses for the next year. Risky. Reinsurance is designed to take away some risk. Attachment point reinsurance: reimbursement for claims between $X and $X. Carriers then get to file for lower premiums than otherwise.

Last time, we got caught up in detailed operational questions. We have spoken to CareFirst; will talk to Kaiser tomorrow.

Chichester: Writ large, supportive of reinsurance by the District. Spoke through options internally. For 2019 we think it is feasible.

Metz: If possible do it through EDGE server; makes it much easier.

Curtis: We are following up on EDGE with CMS.

Kuiper: We also support a reinsurance program. I will save details for our call tomorrow.

Curtis: From the draft recommendation:

> **LOCAL REINSURANCE PROGRAM**
>
> The District of Columbia will implement a local reinsurance program beginning in the 2019 plan year based on carriers' claim costs. The program will take into account the availability of federal reinsurance.
>
> Estimated Funding Required to Reduce Claims Costs*
>
10% Claims Reduction	$7.4 million to $8.8 million
20% Claims Reduction	$14.8 million to $17.7 million

> Historical Federal Reinsurance Payment to Individual Market Carriers
>
2016	$ 4,238,057
2015	$ 6,049,699
2014	$ 4,288,060

> * Projected on a 2018 plan year cost basis.

We will need to be flexible as circumstances change. For example, if the federal government reintroduced a reinsurance program, we would likely want to reduce the District's monetary commitment to a local reinsurance program. We thought perhaps we should point that out.

We will take the recommendations we have walked through and put in a package.

Next Topic: APTC/CSR add-on payments. From CF and our operational team, it would be difficult and expensive to do CSR piece. It is definitely not cost-effective. Staff recommendation is to take it off the table. So we are focusing on APTC. We will be reviewing the "State APTC Wrap" document.

Sarah Bagge (HBX): APTC: a person is expected to spend a certain percentage of income before APTC kicks in. It depends on income. People with a lower income will pay less of a percentage than people with higher incomes. Tax credit amount is what you would have to pay to get the second-lowest cost silver plan.

The proposal works by reducing the expected contribution percentage across the market. There are examples in the handout:

	Total Premium Reduction per Month Options (APTC + State Subsidy)			
Household	**ACA only**	**1.5 Point State Support + APTC**	**1.75 Point State Support + APTC**	**2.01 Point State Support + APTC**
A single 32-year-old ($30,150 annually)	$63.01	$100.70	$106.98	$113.51
A family of 3 (ages 45, 42, and 14) ($61,260 annually)	$495.52	$572.10	$584.86	$598.13

Purvee Kempf (HBX): Modeled after the way it is being implemented in Vermont, but with local data. Three different options of generosity are modeled: 1.5% additional support, 1.75% additional support, and 2.0% additional support (from the local program). The numbers are rough estimates. Assumption is 50% more will get subsidies (about 500 people). Parameters of FPL are not changed; just hopefully more people will sign up.

Lawful resident immigrants are not eligible for Medicaid for the first five years of lawful residency.

Alex Alonso (HBX): 200 of our current recipients – ¼ - are under 215% FPL.

Kempf: Cost estimates:
1.5% - $580
1.75% - $684
2.0% - $795

Alonso: 32 year old example - $266 monthly premium.

Kempf: So under most generous subsidy, a reduction of $113.51/month.

Alonso: The family example – $955 monthly premium

Other factors unique to the District that played into the cost estimates. We have a young population, so the cost of the second-lowest silver plan is lower due to age rating. Single member households comprise 85% of our market. Households with children are more likely to be eligible

for APTC because the cost goes up with more people on the plan, but income remains the same. We assumed existing enrollees will gain more APTC access.

Curtis: You did not assume increased demand?

Alonso: We did not assume that the 17,000 – 18,000 individual market will grow. We anticipate that of our current enrollment, more of them will be receiving APTC.

Metz: Volume of people receiving APTC?

Alonso: Now 1000 people, out of 18,000 in the individual market.

Metz: About less than 10% of the population.

Nichol: Those who do not enroll are just over Medicaid eligibility, probably between 215% and 300% FPL. Can we help them? What about giving a higher percentage to people in that range?

Curtis: So you mean maybe 2% to people at the low range and do 1.5% as income increases.

Kempf: We can try to model. How about 2.25 at lower end and 1.75 at higher end?

Ku: We do not know where the gaps are with respect to affordability. A little more help for people with lower income makes sense. But there are some with higher incomes that have difficulty affording coverage.

Nichol: I agree. My suggestion is based on our experience in helping with enrollment.

Alonso: State subsidy – higher amount goes to higher incomes. As income grows, the percentage applies to a higher income.

Kempf: It is graded, Katie is saying a steeper grade.

Alonso: You want to counteract the grade. The expected contribution level goes up at higher income, and we don't want it to go up as high.

Kempf: She wants the bottom end to be more generous. She wants the bottom end to be much flatter.

Metz: Let's broaden the conversation. Say it is a million dollars. Will it be a permanent program?

Kempf: That will be up to Council, it would have to find the funding.

Curtis: We put language, as we just did on local reinsurance, taking into account what happens at the federal level. We are providing advice to policymakers. Council will have to decide on a dollar amount.

Metz: We need to keep in mind implementation costs. I could ballpark that the amount of implementation would probably be higher than the million dollars. You need to change 834 to add a DC subsidy field, you need to change all the notices, we need to change all billing and invoices. Costly and complex implementation. One or two year program, not worth it.

Sullivan: Consumer aspect – as programs are considered, how do we get the word out.

Curtis: Very important point. We have a tool to communicate with our existing customers. We would have to do a large push to get the word out. Metro bus ads, etc.

Ku: We would have to change IT system, help people understand exactly what they would pay. A general PR push, but specific help.

Other point is there is another state that has done this and can we speak to them about costs.

Alonso: Vermont. I do not know about implementation, but the dynamics there different. 66% of enrollees would receive VT premium assistance and 80% get APTC. VT premium assistance only went up to 300% FPL. 34% of their enrollees are between 55 and 64.

Kempf: Different marketplace, but the goal is the same: to get more people on coverage. Good point from CareFirst – should not be an ad hoc program.

Also, we will work with Katie on modeling more scenarios. A lot of people have affordability issues. We will take that conversation offline.

Kuiper: Wondering with premium subsidy wrap, 2018 or 2019.

Kempf: 2019.

Curtis: 2018 feasibility options. We promised to look at it. Nothing jumping out at us.

Metz: Anything, by the time it gets through Council, we are into the benefit year, which means a rebate program. Even 2019 implementation a tight timeline.

Kempf: Nothing jumps out as doable for 2018, but we are not closing the door just yet.

Ku: Wrapped up and discussed scheduling.