



CLUB 20 **SUMMER POLICY MEETING**

July 12, 2018

COST SHARING REDUCTIONS AND SILVER LOADING STRATEGY FOR 2019

Who qualifies for Cost Sharing Reductions?

Plan Year 2018 ANNUAL Income Guidelines

Family Size				
1	\$0 – 16,040	\$16,041 – 30,150	\$30,151 – 48,240	\$48,241 and above
2	\$0 – 21,600	\$21,601 – 40,600	\$40,601 – 64,960	\$64,961 and above
3	\$0 – 27,159	\$27,160 – 51,050	\$51,051 – 81,680	\$81,681 and above
4	\$0 – 32,718	\$32,719 – 61,500	\$61,501 – 98,400	\$98,401 and above
5	\$0 – 38,278	\$38,279 – 71,950	\$71,951 – 115,120	\$115,121 and above
6	\$0 – 43,837	\$43,838 – 82,400	\$82,401 – 131,840	\$131,841 and above
FPL	0 – 133%	134 – 250%	251 – 400%	401% and above
	Health First Colorado (Medicaid)	APTC & CSR ²	APTC Only ³	QHP Only ⁴

Plan Year 2018 MONTHLY Income Guidelines¹

Family Size				
1	\$0 – 1,337	\$1,338 – 2,513	\$2,514 – 4,020	\$4,021 and above
2	\$0 – 1,800	\$1,801 – 3,384	\$3,385 – 5,414	\$5,415 and above
3	\$0 – 2,264	\$2,265 – 4,255	\$4,256 – 6,807	\$6,808 and above
4	\$0 – 2,727	\$2,728 – 5,125	\$5,126 – 8,200	\$8,201 and above
5	\$0 – 3,190	\$3,191 – 5,996	\$5,997 – 9,594	\$9,595 and above
6	\$0 – 3,654	\$3,655 – 6,867	\$6,868 – 10,987	\$10,988 and above
FPL	0 – 133%	134 – 250%	251 – 400%	401% and above
	Health First Colorado (Medicaid)	APTC & CSR ²	APTC Only ³	QHP Only ⁴

¹ Health First Colorado (Colorado's Medicaid Program) determines eligibility using monthly income.

What are Cost Sharing Reductions (CSR)

- For eligible Marketplace customers, CSR reduce the amount of deductibles, copayments, and coinsurance required to be paid by the customer.
- Eligible customers must enroll in a Silver Plan to receive CSR.
 - Bronze – 60% actuarial value
 - Silver – 70% actuarial value
 - Gold – 80% actuarial value
 - Platinum – 90% actuarial value

What are Cost Sharing Reductions, continued

- Health insurance companies provided the upfront cost of CSR and were reimbursed by the federal government.
- In October 2017 – the Trump Administration announced it would no longer reimburse health insurance companies for CSR until there was a Congressional appropriation. Congress did not pass the appropriation to fund CSR.
- On October 18, 2017 - the Division of Insurance reported that the decision not to make CSR subsidy payments caused an average increase of 6.1% percent across all metal levels in the individual market for 2018 plans.

How did other states react to the CSR decision for Plan Year 2018?

- **Broad Load** – Load CSR costs onto all metal levels (6, including Colorado).
- **Silver Switch** – Load CSR costs onto Marketplace Silver plans with an off-Marketplace “unloaded” Silver option (20).
- **Silver Load** – Load CSR costs onto all Silver plans (16).
- **Mixed Load** – Allow issuers to pursue own strategies (6).
- **No Load** – Prohibit CSR loading (2 + DC).

DOI Bulletin for Plan Year 2019

- DOI finalized Bulletin No. B-4.100 on June 8, 2018.
- Directs insurance companies to:
 1. Load the rate increase necessary to cover the cost of providing the CSR benefit onto Silver-level plans (this includes the off-exchange mirror of the on-exchange Silver level plan).
 2. Create a *substantially similar* Silver-level plan, without the CSR load, for those off-exchange consumers who do not qualify for advanced premium tax credits or CSR.

Consumer Impacts for Coloradans for Plan Year 2019

Subsidized Consumers

- Increase in APTC will protect them from premium increases
- Still have to purchase on-exchange Silver to get CSR reductions
- Should consider Gold or Bronze

Unsubsidized Consumers

- Could purchase other metal levels on-exchange to avoid CSR load
- Could purchase Silver off-exchange to avoid CSR load

New Consumers

- More consumers may qualify for APTC because Silver benchmark will be higher-priced

Challenges in Messaging

- Reaching non-subsidized consumers who may be auto-renewed into Silver or unknowingly pick a Silver plan
- Informing all consumers of increased APTC
- Notifying of impacts of increased APTC:
 - Jumping down to Bronze – free or very low premium Bronze plans
 - Buying up to Gold – low premium Gold plans (net cost of a Gold plan may be less than a Silver plan)
- Advising of importance of actively shopping

Timeline for Health Insurance Companies - Plan Year 2019

- **June 15** - Deadline to file *proposed* individual and small group plans and premiums with the Division of Insurance (DOI).
- **July 13** - The DOI will make the preliminary information on *proposed* plans and premiums available to the public.
- **August 3** - Deadline for comments from the public.
- **Late Summer / Early Fall** - Release of *final, approved* plans and premiums for 2019.

THANK YOU

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