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Web Briefing for Journalists on the Second Open Enrollment Period

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OPERATOR: I would like to turn the conference over to Penny Duckham. Please, go ahead.

PENNY DUCKHAM: Hello, and welcome to today's web briefing, which as you know is exclusively for journalists to give you the chance to ask questions as we look ahead to the second open enrollment this Saturday, November the 15th. I am Penny Duckham, and I am the executive director of the Kaiser Foundation's Media Fellowships Program and this is the latest in the series for journalists to give you the chance to ask detailed questions.

I have colleagues here in Washington, D.C., who have been crunching numbers and data, so a lot of this is very timely. It is also very heavy on numbers and data. So, we will be starting as we have previously with short presentations—but, really, the bulk of this briefing is intended for you to ask all those questions and hope that we can answer. So with that, I am here with my colleagues; Jennifer Tolbert, the Kaiser Foundation State Health Policy director; and Karen Pollitz, senior fellow; and Cynthia Cox, senior policy analyst. We will start with these brief presentations. If you can send in your questions by chat, as for now, we will be working through as many of them as we possibly can as soon the presentations are over. Jen, over to you.

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JENNIFER TOLBERT: Great, thanks, Penny. So, as Penny said this webinar will focus on what to expect from the second open enrollment period, which begins this Saturday on November 15th. Just as a reminder, open enrollment is the only time during the year when people can sign up for non-group coverage. Outside of the open enrollment period, you must have a qualifying event to enroll in or change health plans. This is true both inside and outside of the Marketplaces. As we look ahead to the start of the second open enrollment period, I wanted to take a quick look back at the first open enrollment period.

So, last year, the open enrollment period lasted for six months; from October 1, 2013 through March 31, 2014. There were early website issues both at healthcare.gov and across many state websites which hindered enrollment, initially. As a result, enrollment was slow to ramp up, but as these issues were resolved and as the outreach efforts begin to take hold, enrollment increased. By the end of the open enrollment period, over 8 million people had signed up for qualified health plan coverage. Just to note, 28-percent of those individuals who signed up for coverage were in the coveted 18 to 34 age group, and 85-percent were eligible for subsidies. According to the Department of Health and Human Services, as of October, there were 7.1 million people who were still enrolled in coverage and paying premiums.

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Importantly, most people, as you can see from this slide, most people waited to the end of the open enrollment period to sign up for coverage. Almost half of those sign ups took place in the final weeks. As we will discuss — and particularly, Karen will discuss — consumers have a good reason not to wait to the last minute during this second open enrollment period. I just want to quickly note that, although, we are focusing on the Marketplaces, it is also worth noting that enrollment in Medicaid has also increased as a result of the Medicaid expansion. As of August 2014, CMS, The Centers for Medicare and Medicaid Services, reported that Medicaid enrollment had increased by 8.7 million since October 2013.

Sustained Marketplace and Medicaid expansion decisions will remain much the same in 2015 with a few notable exceptions. Three state-based Marketplaces — New Mexico, Nevada, and Oregon — will use healthcare.gov in 2015 while Idaho, which had used healthcare.gov in 2014 will move to a fully state-run website. On the Medicaid side, only Pennsylvania will be newly implementing the Medicaid expansion with enrollment set to begin on January 1, 2015. It is worth noting that states can choose to expand Medicaid at any time and we will continue to monitor state decisions.

Under the ACA, there will be some other changes that will affect consumers in the Marketplace. The required premium contribution amounts for those receiving subsidies are increasing slightly. However, consumers will still be eligible for premium tax credits if they have income between 100 and 400-percent of the federal poverty level and meet other requirements. They will simply have to pay a little bit more for their coverage in 2015. Now, I am not showing it on this slide, but, also important, the federal poverty measure changes each year. This year, the poverty level income for a single person was $11,490. For next year, that measure increases to $11,670. That means that subsidies will increase slightly for people if their income remains the same from 2014 to 2015.

Another key change is that the maximum out of pocket limit on cost sharing will increase in 2015 to $6,600 per person and $13,200 for a family. However, the limit for those eligible for cost sharing reductions — those are people with incomes between 100 and 250-percent of the federal poverty level will remain the same in 2015. Just to note, the out of pocket limit caps the total amount of deductibles, copays, and coinsurance that consumers can be required to pay in a year for in-network services. Once the out of pocket limit is reached, the health plan must pay a 100-percent of the covered health care cost for the rest of the year. Then, importantly, the penalty for not having health insurance will also be increasing in 2015.

So, one of the more important questions for the second open enrollment period is, what is happening to premiums?

Based on our preliminary analysis of premium data overall, premiums for the second lowest cost silver plans are holding steady across the country. The second lowest cost silver plan is key because this is the premium on which the tax credits are based. In fact, on average, when we look across the largest cities in the 49 states for which premium data were available, those premiums for the benchmark silver plans declined by .2-percent from 2014 to 2015. Of course, this overall decline maps variations across states. Premiums are increasing in some states and declining in others. Now, some of these changes are being driven by insurers leaving or entering the markets, or insurers adjusting their prices to reflect the experience of the first year.

So, as I mentioned earlier, the majority of enrollees in the Marketplace are receiving subsidies to lower the cost of their coverage. So, I thought it would be helpful to quickly review how tax credits work. Premium tax credits are only available for people who enroll in Marketplace plans. If you sign up for coverage outside of the Marketplace, you are not eligible for these subsidies.

The formula for determining an individual's premium tax credit amount starts with the premium for the second lowest cost silver plan available in the Marketplace. In this example, if the individual is 40 years old and living in Denver, the unsubsidized premium for the second lowest cost silver plan this year is $3,000 or $250 per month. From that amount, the formula subtracts the required contribution for that person based on their income. Those were the percentages I showed on the earlier slide. In this example, the 40-year-old Denver resident earns $30,000 per year or 261-percent of the federal poverty level. Therefore, the required contribution is 8.37-percent of income which works out to $2,512 a year or $209 per month. So, the tax credit for this person in Denver is equal to the unsubsidized benchmark premium, $250 per month, minus the required contribution of $209 per month or $41 per month. Now, once this tax credit amount has been determined, individuals can apply that tax credit to any plan in the Marketplace except catastrophic plans. So, as we show on this slide, the lowest cost bronze plan is offered at a $186 per month. Using the $41-tax credit, the individual on this example would pay $145 for this bronze plan.

Now because the tax credit formula caps what a person has to pay for the second lowest cost silver plan to a percentage of income, an increase in the cost of this benchmark plan will not be felt by many consumers. Our analysis here shows the effects of those tax credits on the benchmark premiums. In this case, we held income constant at $30,000. Because the federal poverty measure is increasing for 2015, people whose income remains the same will pay a lower percentage of their income toward coverage. As a result, premiums with tax credits will be slightly lower in 2015.

However, there are some very low cost markets with where the benchmark plan costs less than the $209 monthly premium that consumers of this age and income would have to pay under the tax credit formula. In those Marketplaces, consumers can expect wider swings in the cost of the benchmark plan premium because they are not shielded by the cap. So, for example, in Minneapolis, in 2015, the benchmark plan will increase from $145 to $183 per month. Because that $183 is still less than the required premium contribution, the individual in Minneapolis will have to pay the full amount.

Now to be protected from increases in premiums, those eligible for tax credits must enroll in the benchmark silver plan. Importantly, the benchmark plan in a given area in 2015 may not be the same as the benchmark plan in 2014. Consumers, particularly those renewing coverage, need to understand these changes. So, to describe the renewal process and other issues, I will now turn things over to Karen.

KAREN POLLITZ: Thanks, Jen. So, a new activity for the second open enrollment period will be renewal of coverage. Everyone who has a Marketplace plan now and who wants to stay covered under a Marketplace plan as of January 1 must either renew their plan coverage or pick a new plan during open enrollment. People may not realize this, particularly if they bought their Marketplace plan midyear after a qualifying event. Before the ACA, non-group plans typically renewed on the anniversary date of first purchase, but now the market is moving to plan years that are based on the calendar year. So, everyone who is in a Marketplace plan now should have already received or will receive by tomorrow a notice from their health plan explaining that their coverage under their plan will end on December 31st.

The notice will indicate whether the insurer will offer that same plan again in 2015, and if so, what it will cost and what changes might be taking place under the plan. For example, the higher out of pocket limit on cost sharing that Jen mentioned. The notice will remind consumers that open enrollment begins this Saturday, November 15th and that this is the time when consumes can decide whether to keep what they have or shop for new coverage. The notice will also inform consumers that if they do not act affirmatively to renew coverage by December 15th, they will automatically be renewed in the plan they are in for January 1st in most cases.

Automatic renewal of coverage is the default option. Consumers, though, are encouraged to shop around. New Marketplace plans will be offered in 2015. On average, one to two new insurance companies will be participating in Marketplaces in 2015; in some states, more. New Hampshire, where only one insurer offered Marketplace coverage this year, for example, will have four insurers offering coverage in 2015. There will be six, five new issuers in Ohio; six in Pennsylvania; and then, in some Marketplaces, insurance companies will be leaving.

So, plan offerings may change and premiums are also changing as Jen just described. This is a new system and it is still evolving in many areas, and it probably will not be at steady state for a few more years. So, it is a good idea for consumers to check in, see what is being offered and what it costs, and make an active decision about whether to keep their current plan or change. If consumers do not affirmatively act by December 15th, in almost every state, they will be automatically renewed in their current coverage for January 1, 2015.

There are a few exceptions. If their plan is no longer being offered, but their insurance company is continuing to offer other plans in the Marketplace, consumers who do not act in the first month will be automatically enrolled in a similar plan that their insurance company offers. If the insurance company is leaving the non-group market altogether, then the person will not be auto-renewed and their coverage will end on January 1st if they have not acted.

The notices that consumers get in the mail this week will explain the auto-enrollment and whether any of these special situations apply to them. Then, in a few state

Marketplaces — Oregon and Massachusetts — there will not be auto-renewal at all because of changes that these states are making to their Marketplace websites. Consumers should be aware that if they are auto-enrolled in a plan because they did not act by December 15th, they still have the rest of open enrollment to make a change. So, if somebody wakes up on New Year's Day and decides to change plans, they still can. If they pick a plan by the 15th of January, their new coverage will start on February 1st. If they wait later than that, their new coverage will start March 1st.

Consumers who are receiving advanced premium tax credits in 2014 or the APTC, also, must renew this subsidy during open enrollment. The premium tax credits also apply based on a calendar year. Remember, as Jen told you, 85-percent of consumers in the Marketplace plans this year are receiving premium tax credits.

As we just discussed, the amount of premium tax credit a person is eligible for is likely to change next year, at least, by a little bit, certainly based on things that consumers can recognize, if nothing else. Everyone had a birthday and they are a year older, so their premiums and their tax credits will change a little bit because of that. The federal poverty level is being adjusted. Other things can also change that consumers might not recognize or anticipate; in particular, the cost of the second lowest cost silver plan in an area might change. That could significantly affect the amount of premium tax credit that people are eligible for in 2015. So, consumers are strongly advised during open enrollment to go back to the Marketplace and update their application for financial assistance.

In federal Marketplace states, consumers can log on to healthcare.gov and they will see screens that have been pre-populated with the information they entered last time. When they update that and hit submit, within a few seconds, they will receive a new premium tax credit determination for 2015 and that will reflect all the changes that they just entered as well as other changes they might not be aware of like changes in the cost of a benchmark plan.

In federal Marketplace states, once consumers get that new premium tax credit determination, they have to take one more step and select a plan. Even if people want to keep the same plan for next year, they must reselect that plan on the Marketplace website in order to apply the new tax credit amount to their plan for 2015. If consumers don't update their application by December 15th in federal Marketplace states, they will automatically have the amount of their 2014 premium tax credit continued for 2015. In most cases, that amount will be a little bit wrong; too high or too low.

There are some exceptions to the auto-renewal for the premium subsidies. There will not be automatic renewal for consumers who did not authorize the Marketplace to check their updated income tax information. That is not many consumers, probably only about 100,000 did not provide that authorization the last time they enrolled. For those who did authorize the Marketplace to check and whose most recent income tax return — which should be their 2013 income tax return — shows an income above five times the poverty level, those consumers also will not automatically have their premium tax credit renewed, but they can go in and apply to have their tax credit continued. There will be other exceptions as well in a few states. In Maryland, for example, which is also changing its website, all consumers receiving premium tax credits will have to go in and reapply to have that subsidy continue on January 1st.

Now, automatic renewal was adopted as the default to protect consumers so they would not accidentally have a lapse in coverage or in their subsidies, but automatic renewal could produce some surprising results for consumers in some areas, especially if they live in an area where the benchmark plan is changing. Let us go back to our example in Denver. There, the benchmark plan is changing. In 2014, the second lowest cost silver plan was offered by Humana and the unsubsidized rate for a 40-year-old was $250 a month as we saw. When you follow the formula for the premium tax credit, a 40-year-old earning $30,000 would receive a $41 credit, and so they would only pay $209 a month for that benchmark plan in 2014. In 2015, the unsubsidized premium for that Humana plan is actually going down by $1 to $249, but it will no longer be the second lowest cost silver plan. In 2015, that benchmark plan will be offered by a different insurer, Colorado Health Insurance. The premium for that plan will be $211 a month. Once you plug the new benchmark plan premium into the formula and subtract the amount that this person is required to contribute, the result is a tax credit of only $3 a month.

So, if our sample consumers switches to the new second lowest cost silver plan, their net premium will go down by $1 to $208 a month. Less than they were paying in 2014. If the person auto-renews their coverage in the same plan this year, the monthly payment will increase to $246 a month. Even though the premium for the plan is going down, their tax credit is going down by more. So, that is an 18-percent increase over what they were paying this year. Now, this will not happen every year everywhere, but it illustrates why it is a good idea for a consumer to check in during open enrollment, and update their application, and make a deliberate choice about their coverage for 2015.

Okay, well, enough math. Let us move on to something simpler like income taxes. The other new activity that will happen this time around relates to tax filing requirements under the Affordable Care Act. This year, 2014, was the first year that the individual responsibility requirement or the individual mandate took effect. Anybody who did not have health insurance coverage for all 12 months in 2014 may owe a tax penalty for the months that they were uninsured. This requirement affects all of us, not just consumers who buy coverage through the Marketplace. The penalty for 2014 for one adult is the greater of $95 or 1-percent of income above the fax filing threshold. The penalty is capped as the annual national average premium for a bronze level health plan available through the Marketplace. For 2014, that amount is $2,448 per individual or $204 per month.

At the end of January this year, when people normally are getting their W-2s and their 1099s in the mail, all consumers should look out for a new form, the 1095-B. Here it is on this slide. If you had health insurance in 2014, you should be getting a form 1095-B from your health plan or insurer. If you did not have coverage all year, you still may not owe a penalty because there are a number of exemptions available. For example, there is an exemption if coverage was unaffordable and the lowest cost plan option available to you cost more than 8-percent of your income; or if you had just a brief lapse in coverage this year, there is an exemption for that. The Congressional Budget Office has estimated that most — more than 80-percent — of people who remain uninsured will qualify for one of these exemptions. Consumers who lack coverage need to know about the exemptions and how to obtain them.

Some, you can claim right on the tax form when you file your 2014 return, for example, the exemption for a short lapse in coverage. However, some of the exemptions such as hardship exemptions can only be obtained if you apply to the Marketplace. There is still time to apply if you had a gap in coverage this year. If consumers have questions or need help, they should call their Marketplace call centers, or ask a navigator, or other in-person assister.

In addition to showing on your tax return that you had coverage — and that is all of us — people who got coverage through the Marketplace and who were eligible for tax credits will have a second tax related activity. Those who received advanced premium tax credit — APTC — during 2014, should expect a second tax form to come in the mail by the end of January. That will be Form 1095-A. That will come from the Marketplace. It will show the amount of APTC that was paid on a consumer's behalf to their health plan during the year. This information will also be reported to the IRS. Now, remember, the amount of APTC that the Marketplace said people were eligible for last year during open enrollment was based on their estimated 2014 income. When people filed their 2014 income tax return, they will know their actual 2014 income and they will need to reconcile and return any difference between estimated and actual income.

Consumers will use a new form when they file as shown here, Form 8962, to calculate that reconciliation. People who overestimated their income for this year and so took less APTC than they were eligible for, can collect the difference as a tax refund when they file. Those who underestimated their income and so took more APTC than they were eligible for might have to repay some or all of the difference. There are tax on the amount of overpayment that consumers have to pay. Those tax increase with income. Once your income crosses four times the poverty level, you are required to repay the full amount of APTC that was paid on your behalf during the year.

So, that is what is changing for this next open enrollment. Many are now wondering how this will all work and how many people will enroll. There is no way of knowing that today. Significant challenges definitely lie ahead. In particular, public understanding and awareness of the Affordable Care Act remains limited. Our tracking poll found that nearly 90-percent of the uninsured do not realize that open enrollment begins again this Saturday. Most uninsured are unaware that there is significant new financial help to help make coverage more affordable. So, there will be challenges signing up additional uninsured people and connecting them to coverage.

As for retaining coverage for folks newly insured this year, the significant challenge will be that this whole process is new. It is new for consumers. It is new for Marketplaces and insurance companies, and their staff, and their computer systems. New and returning consumers will likely need to rely on in-person assisters as they did last year. These navigator and assisters were very effective in many Marketplaces in helping people navigate the enrollment systems. This year, many of the assisters are returning. They are now more experienced and still very dedicated. So, that's the reason for optimism, and of course, federal and state agencies have invested efforts this year to improve their websites, and application forms, and call centers so that open enrollment will proceed even more smoothly this year.

Just to recap. A couple of key dates to keep in mind. The 15th, every time a 15th shows up on your calendar, something should be happening. November 15th, this Saturday, open enrollment begins. Again, it is good for consumers to get an early start and do not wait until the last minute because on December 15th, consumers who have not yet acted, who were already enrolled, in most cases, will automatically be reenrolled in their current plan and their current tax credit amount for January 1st. If consumers forget and do not act by December 15th, they can still make changes through the end of open enrollment, February 15th, 2015 is that key date.

Finally, April 15th is the deadline for filing our 2014 income tax return. That is when all of us will have to indicate whether we had coverage this year. If not, we might owe a penalty. This is when people who did receive premium tax credits for the Marketplace this year must reconcile their estimate tax credit amount with the actual income and what they were eligible for. Now, I turn it back to Penny. Oh, I am sorry, turn it back to Cynthia.

CYNTHIA COX: Okay, thank you. Alright, so I am going to give a quick run through of our updated calculator. Bear with us just a minute while we pull that up on the screen. So, the first thing you may notice is that we have renamed this tool the Health Insurance Marketplace Calculator, which we think more accurately describes of what the tool can do. It is formerly known as the subsidy calculator. Now, the calculator has been updated with 2015 premiums in 48 states plus the District of Columbia. So, this includes states that use healthcare.gov and states that run their own Marketplaces. Massachusetts and Hawaii will be added as soon as their premiums are available.

Now, you see the calculator on your screen. This is what appears on our website. I am going to give a quick example from my hometown of Dallas, Texas. Here you can see I have entered in a zip code in Texas. I am entering in an income of $30,000 per year for someone who does not have employer coverage, a household of two people, one adult who is 40 years old with one child. I am going to hit submit and pull up the results. So, here you can see that the amount of financial help this family would be eligible for is here. The amount that they would pay for a silver plan is here. This is the amount that they would pay for the second lowest cost silver plan available for them. This is the benchmark plan of which determines how much of the past credit they are eligible for. Now, we also show how much the premium would have been for the family if it were not for the tax credits that they are eligible for.

Scrolling down, we have a few more results that helps explain how this family is exactly affected the coverage expansion and by other coverage options that might be available for them. For example, in Texas, children may be eligible for CHIP as they are under age 19. So, we let the person know that their child may be eligible for that program. We also provided an example of how they can apply their tax credit towards other levels of coverage. For example, a bronze plan which would provide the lowest cost bronze plan that would be available to this family both in monthly and in yearly terms. Down below, we explain how their out of pocket costs are calculated. For this particular family, they would be eligible for a second type of assistance which is called the cost sharing subsidy. This reduces how much they are liable for if they have significant health care expenses. So, you will notice that it has a lower out of pocket maximum than normally would be the case for a family of this size.

Down at the bottom, we also note when people would be eligible to purchase catastrophic coverage. As you can see, this is also fully customized to this family and this zip code. We also provide some answers to frequently asked questions below. Up above, I just want to point out that you can embed this tool on your website. You can also, of course, link to it; but if you want to share this with your IT folks, they should be able to figure out pretty easily how to embed it on your site. Alright, that is it, thanks.

PENNY DUCKHAM: Okay, well, thank you very much. We have covered a lot of ground. I am so sorry a number of you had problems right at the outset of this presentation with the audio. We can go back over any of these slides and/or answer related questions. So, that is what we will do for the remainder of the web briefing. Keep sending in your questions via chat and we will get to as many of them as we can. If you think it is relevant, and you want to let us know which state you are in or indeed which city, that always helps in case we might have something specific to tell you with that regard. Otherwise, we will be taking questions as they come in.

And the first one is from Stacey Singer of the Palm Beach Post. She is asking, how many folks signed up and then did not pay their premiums? Jen, I think you touched on that.

JENNIFER TOLBERT: Yes, so at the end of the open enrollment period, so as of April 19, 2014, HHS reported that 8.01 million people had selected a qualified health plan. Now, all of those individuals had not actually paid that first month's premium, but we did not get any additional information on the number of people who had paid their premium until August, at which point the number of people who were enrolled in coverage and paying premiums was 7.3 million which, then, dropped a little bit further to 7.1 million in October.

The dropoff, I think, was to be expected. People have changes in circumstances throughout the year. People who did not have a job or had a lower paying job at the beginning of the open enrollment period may have had a change in circumstance. They may have obtained a job that provided employer sponsored coverage. So, we would have expected some drop off. I think the drop off was probably, particularly, large in this first open enrollment period. We will see what happens during the next year.

PENNY DUCKHAM: We have another question from Florida. This is from metro Orlando. Abraham Aboraya is saying in metro Orlando, 20-percent of residents are at the poverty line. How much of the remaining market for health insurance is going to be for people who are low-income and, therefore, less likely to be able to afford insurance? This, of course, touches on the Medicaid gap, too. Do you want to pick up on that?

KAREN POLLITZ: So, for people right at 100-percent poverty, they do qualify for premium tax credits and cost sharing subsidies. In fact, the most comprehensive premium and cost sharing subsidies occur right at the poverty level. So, a single person would have to pay $20 a month, less than $20 a month for a silver plan that would have enhanced coverage. The cost sharing subsidies is essentially, take a silver plan if your income is that level and plus it so that it is even generous than a platinum plan. So, the deductibles would fall away. The copays would be reduced. So, someone right at the poverty level would qualify. If their income is lower than that, though, they will not qualify for Marketplace subsidies because Florida has not expanded Medicaid eligibility. Those are the people who would fall in what we sometimes call the coverage gap. There are 4 or 5 million such people across the nation, living in the states with income below poverty where the state has not expanded.

PENNY DUCKHAM: Okay, including Florida?

JENNIFER TOLBERT: Including Florida, right. I should note, we just posted yesterday an updated brief that provides updated estimates of the number of people who fall into the coverage gap across the states. So, if you are interested in that number for Florida, it is available on our website.

PENNY DUCKHAM: Great, thank you. Greg Grisolano: This is a shift towards looking at the results of the midterm elections. Is it reasonable to anticipate further modifications to the Affordable Care Act? If so, what modifications might consumers want to prepare for now?

KAREN POLLITZ: That is really hard to predict. I think, there have been a number of discussions about modifications to the legislation; what those would be and whether they would be enacted as opposed to just proposed, I think we will have to see. So, I think right now, consumers maybe want to just focus on what is right in front of them and see what their plan options are, what they need to do to continue coverage if they have it, or to enroll in coverage if they do not.

PENNY DUCKHAM: We are now going to go back to looking at premiums. This is a question from Christopher Terndrup. Is there any indication as to why specific states have a bigger increase in premiums than other states?

KAREN POLLITZ: Well, let me start on that, and then I will have Cynthia correct me because she is my teacher. Going back to that bar chart which I cannot possibly do. I do not even know who has got the clicker. This is Karen, again, speaking. Keep going three more to the right. One, two—

CYNTHIA COX: No, no, other way.

KAREN POLLITZ: The other way. Yeah, the bar chart. The unsubsidized premium changes, I think, are a reflection of two main things. One is competition in the Marketplace. As I mentioned, there are new insurers that did not participate in the first year that are coming into the Marketplace. Other insurers that tried to price their product and thought they were being competitive have, maybe, rethought that and are trying to lower their premiums in order to gain more market share and, possibly, that second lowest cost silver plan benchmark status. In other areas, I think, we see increases. There was a lot of uncertainty in 2014. This was a new Marketplace; new people coming in for coverage. So, insurers are adjusting their premiums in both directions to try to have a more accurate forecast of what their claims costs will be this year. So, you will see differences in premiums. If you go to Cynthia's calculator, you can also compare to 2014, and look up even in your own rating area, and see what the differences are.

If you want to advance two other slides, these changes in what the premiums that people will see after taking into account their tax credits. Here, I think, you see, almost everywhere, it is about a 1-percent decline. In some areas, it is a bigger increase or a bigger decrease. These tend to be very low-cost areas. As Jen mentioned, Minneapolis offered the cheapest by far benchmark plan in 2014. While their rates are increasing for 2015, they are still going to be close to the cheapest in the whole country. So, in some areas where the inexpensive benchmark plan was so affordable that the cap on what you have to pay did not even kick in, those consumers can still ride these premium differences up or down. So, that is what is going on there.

PENNY DUCKHAM: There is a comment here from Rick Jurgens. I am not sure if this is correction or just additional piece of information that the number of insurers in the New Hampshire Marketplace increased from 1 in 2014 to 5 in 2015.

KAREN POLLITZ: Yes, that is what I meant to say; four more entered.

PENNY DUCKHAM: So, that is just a correction, right.

KAREN POLLITZ: Okay, sorry.

PENNY DUCKHAM: A clarification.

KAREN POLLITZ: Thank you.

PENNY DUCKHAM: Clarification. Jim Landers asks, is all the information about how many companies are offering policies and what those policies are, is that information available just on the exchanges, or is CMS making that available outside the exchanges?

CYNTHIA COX: This is Cynthia. So, we will be posting that information shortly. We have compiled the information for

Marketplace plans that are on healthcare.gov and also, through the state district changes. So, we will be providing some updates on the number of insurers offering. Right now, we have on our state health facts website some preliminary information about the number of insurers offering in each state and comparing them from 2014 to 2015. Now, that the final rates have come out in almost every state we will be updating that table very soon.

PENNY DUCKHAM: Heather Boerner has a couple of questions. The first one is, how many insurers are leaving the Marketplaces?

KAREN POLLITZ: That information is also on state health facts. I think the average is .3 insurers leaving the Marketplace. So, in a few that had a lot of insurers like California, there may be two or three that are leaving. I cannot do all 50 states from memory. It is zero for most states, but you are seeing an exodus in some states. That is on our state health facts webpage. Just click on the health reform button and look at the Marketplace indicators.

PENNY DUCKHAM: Another question from Heather, who writes for a provider audience, what changes should we expect from a provider perspective? What uncertainties do they need to be aware of? Is there anything in particular that they should be watching out for?

KAREN POLLITZ: This is Karen. I think providers need to be aware that the cost sharing that consumers face will be increasing under most plans this year. So, I know that is always an issue for doctors if the claim for your particular service hits the deductible or hits a copay or coinsurance. So, the cost sharing will be increasing for 2015. Again, that is why it is important for people with incomes at 2 and a half times the poverty level or below to take a careful look at the special modified silver plans that offer reduced cost sharing for people with more modest incomes.

PENNY DUCKHAM: This is a question, I think, that that goes back to the tax issues. Christopher Terndrup asking for clarification. What is considered "a brief lapse" in coverage?

KAREN POLLITZ: A brief lapse in coverage is considered less than three months. That is the rule. However, for 2014, because open enrollment extended so far into the year, anyone, even if they were uninsured for all of the first open enrollment period, that will also qualify as a short coverage lapse. So, if you waited until the end of March, and so your coverage did not take effect until May 1st, those first four months of the year would still not be counted as being subject to a penalty. Otherwise, it is three months and has to be three consecutive months. So, if you have a brief lapse of two months at the beginning of the year, and then you get covered, and then you lose it again for a third month. That last month is subject to a penalty. It is only your first brief coverage lapse during the year that gets exempted.

PENNY DUCKHAM: This is, perhaps, hard to answer, but Steve Jordon is asking. Are there any contingencies to extend the open enrollment period if problems arise? Of course, that did happen last time.

KAREN POLLITZ: This is Karen. I have not heard any specific discussions about that. As you point out, it did happen last year. So, we will have to see.

PENNY DUCKHAM: Kelsey Dallas, here is another. First of all, how does the Kaiser Foundation predicts the King versus Burwell case might impact this open enrollment period?

KAREN POLLITZ: I do not believe we have made such a prediction. Oh, this open enrollment period? Well, I stand by my first answer. I think, whatever happens the decision will not be until after open enrollment has ended. So, just mind what is in front of you and that will keep most people busy.

PENNY DUCKHAM: Okay, now, back into premiums. Carolyn Bigda is asking, is there any sense of how much the average premium will rise or fall for young individuals, the 20 to 30-year-old somethings?

CYNTHIA COX: So, we have not done these projections yet. We are going to be, again, putting up some more detailed analyses. We have put up a table, as Jen and Karen have walked you through, that shows the premium changes for a 40-year-old.

This information could easily be recreated for a young adult in your area by using our subsidy calculator, but we will be putting out some more detailed analyses now that we have those data.

PENNY DUCKHAM: Karen, you mentioned our recent survey findings. I guess, this is a follow up question from Dion Rabouin. Why do 9 out of 10 people not know that open enrollment begins Saturday? I mean, did we have any explanation behind that?

JENNIFER TOLBERT: Well, I think it is an unfortunate continuation of a trend that has been going on for quite a while now. Our tracking poll data have shown for many years that people really are not that familiar with what is in the ACA, whether it will help them, what the rules and the dates are. So, this is still new. People, even if they heard about open enrollment last year, they may realize that it comes around every year towards the end of the year. It is hard to say why it is. I think there are a number of barriers that in-person assisters and Marketplaces will be trying to overcome to do more targeted outreach to try and find populations who, maybe, are not as connected to the internet; who, maybe, do not speak English as their primary language, or may have other literacy barriers, or other access barriers. It is hard to get out and really try to bring this information and this assistance to them directly to try to get them signed up.

PENNY DUCKHAM: Of course, as clarification, that survey finding was 9 out of 10 who are currently uninsured.

JENNIFER TOLBERT: Correct.

PENNY DUCKHAM: I do not know what broader population might be. Perhaps, it is equally quite news to them as well. That is why you are all on this call and going to be doing such great jobs to spread the word. In a sort of related question from Nicholas Nehamas of the Miami Herald, given this relatively low level of awareness among the uninsured, is HHS doing radio, billboards, in key markets like Florida?

KAREN POLLITZ: I actually do not know what the —

JENNIFER TOLBERT: No.

KAREN POLLITZ: I do not have that information, I am sorry.

PENNY DUCKHAM: No?

JENNIFER TOLBERT: No, we do not know what they are doing in terms of broad based advertising. This is Jen. One thing I can say, though, is that in talking with assisters across the country and we did speak with a group of assisters in Miami, specifically, what they told us is they learned from the first open enrollment period the importance of conducting outreach early. So, they had planned to begin reaching out to potential populations early in the process, much earlier than they did last year, and doing much more targeted outreach for this open enrollment period. So, while it is uncertain what types of media and ads will be happening particularly in the states with the federal Marketplace, at least the assisters will be out there early trying to get the word out and educate consumers.

PENNY DUCKHAM: Jen, this is a question for you. You touched on this earlier, really. From Jay MacDonald asking about Medicaid expansion, which does continue under the ACA, what are the latest on the number of states that have expanded Medicaid? How many states are in the process of, potentially, expanding? Roughly, how many consumers might acquire Medicaid coverage in 2015?

JENNIFER TOLBERT: This is the map. You can see here that 16 states including D.C. with state-based Marketplaces have implemented the Medicaid expansion. An additional 12 states with the federally facilitated Marketplace or running partnership Marketplaces have also expanded Medicaid, which leaves 23 states that have not yet expanded. As I mentioned, Pennsylvania was the most recent state to decide to implement the expansion with coverage slated to begin January 1st. A handful of other states are still openly debating the issue, particularly, Utah and Indiana. We will continue to monitor this across all states and we will see what happens over the coming year.

PENNY DUCKHAM: Brian Lyman from Alabama comments on the fact that Alabama had the least competitive health insurance Marketplace a few years ago, but now, will have two insurers competing throughout the state this year, and asks, has there been early indication of the effects of that on rates.

CYNTHIA COX: Yes. So, this is Cynthia. The question is very on point. So, Alabama did have the least competitive health insurance market before the ACA went into effect. Now, with the Marketplace in 2015, there will actually be, I think, three insurers participating in the state as a whole and two of which will be offering in, I think, every county in the state. One of those is United Health which, now, is going to be offering the lowest cost silver plans in most of the state. So, that is an example where you have a new insurer coming into the market, offering competitive rates. This is something we've seen across the country in many other states as well.

While I am on this plane, I just want to clarify one thing I said before about young adult premiums. You can actually use the same table that we had presented before to look at the percent change. For young adults, it is actually going to be the same percent change for other ages as well, but the dollar amount change in premium is something you would have to recreate by using our subsidy calculator or heathcare.gov. We will have our 2014 calculator reposted to a different website so that you can do 2014 to 2015 comparison in your area very easily. That should be up in the next couple of days.

PENNY DUCKHAM: Great, thank you. Kim Mulford asks, can you compare premiums offered on the Marketplace to similar plans offered outside the Marketplace? Price is higher outside the Marketplace, obviously, not accounting for tax credit.

CYNTHIA COX: Sorry, [inaudible 00:55:45].

PENNY DUCKHAM: Oh.

CYNTHIA COX: Sorry, thank you. So, we tried, actually, to compile off-exchange or outside of the Marketplace premiums, but this information is not presented in a standardized form on the Marketplace plans. So, generally speaking, when insurers offer the same plan both on and off of the exchange, the premium is going to be comparable. There might be other plans that offered off-exchange that we just do not have access to. So, we are not able to really provide an analysis of the off-exchange markets.

PENNY DUCKHAM: Actually, I had a question. You mentioned that we do not have Massachusetts and Hawaii in there yet. Any idea of when that might be available?

CYNTHIA COX: Hopefully, we will be able to get Massachusetts and Hawaii premiums by the 15th, when they will they post their plan finder, presumably.

[Interposing]

PENNY DUCKHAM: That would be helpful, right. We have one more question. We are coming towards the end here. So, we are just going to rattle through a few more questions, then we can answer any subsequent questions offline afterwards. This is a follow-up from Greg Grisolano about the Supreme Court arguments given his readership which includes a lot of people who are concerned about the ACA and they are confused about what the court's decision to hear the case might actually mean. So, I am not sure that I can go through the entire question here. I think it is just, again, should this be something that they bear in mind as they are making decisions and what impact it might have on their taxes?

KAREN POLLITZ: Yeah, so the court case has to do with whether the law is written in such a way that tax credit subsidies are only available in states where the state operates the Marketplace. So, in the first year, 2014, the tax credits were available in every state. In 2015, they are available in every state. I suppose something could change in the future, but for now, the tax credits are available no matter where you live. The obligation to have coverage applies no matter where you live. So, people are going to have to pay attention when they file their 2014 taxes to make sure that they are square with all of that and keep that in mind as they are signing up for coverage for 2015.

PENNY DUCKHAM: Here are a couple of questions from Martha Kunz still on these tax issues. How big a problem do you think confusions over rebasing of tax credits might be, the confusion of reenrollment and the new basis for the benchmark plans?

KAREN POLLITZ: This is Karen. This is new and I have learned from last year not to make predictions about things that have not happened yet. So, it is a new system. The Marketplaces are getting used to it. The insurance companies are getting used to it. Consumers, assisters, we are all going to have to have to go down this learning curve, I think, for the first time and see how it works. The simple message for people is that if you do not do anything, you will, in most cases, continue at steady state, but it is a good idea because there are changes that you can recognize and foresee, and there are changes that you may not be able to recognize that all could affect what your coverage ends up costing in 2015. So, it really is a good idea to take the first month of open enrollment; go on to your Marketplace website; see what the plans are; update your application; and then, see what the new plans will cost with your new premium tax credit amounts; and then, make your decision about how to continue from there. That really is the thing to do.

PENNY DUCKHAM: The last question we are going to get to today is from Bernard Wolfson of the Orange County Register. Do you see evidence of improvements for 2015 in access to providers and information about who is in the various networks given the chaos and dislocation that was such a significant problem in the first enrollment period?

KAREN POLLITZ: This is Karen. I think we have not really seen any information yet on the plan networks. It was hard to see information in the first year and to evaluate it. So, suffice it to say there definitely were some new narrower network products that were being offered. I think, overall, about half the plans — right, Cynthia — that were offered in the federal Marketplace were HMO plans. So, they were closed network plans. So, the breadth of the network really mattered there because you did not get any coverage if you went out of network unless it was for emergency care.

So, that is something that a lot of people will be watching in 2015. It still is difficult, though. Other than reading through the directory line by line and counting cardiologists, it still is, I think, a difficult thing to evaluate. I know one state in 2014 did offer a provider search tool for their Marketplace residents so that you could actually enter your doctor or your hospital, and then see all the plans, at least at that time, that included the provider and the network. I think, other Marketplaces are hoping to develop those kinds of information and search tools for consumers as soon as they can.

PENNY DUCKHAM: Thank you, we have covered a lot today. This briefing and the PowerPoint slides will be posted, the

[1] The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

latest, by tomorrow morning. Also, Cynthia mentioned the Health Insurance Marketplace Calculator which will be available and a number of other related materials. We are certainly available here to pick up any further questions that came up today or did not. You may or may not know that we have a number of related resources which are listed here. There is a very neat YouToons video, if you have not taken a look at it to give you a refresher course on health insurance. A quiz, FAQs, all these things are available for free.

So, thank you for joining us today. We look forward to working with you as you keep everyone informed about what is going to happen on all these dates beginning with the 15th. Thank you.

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