

# Vermont Insurance Marketplace Stability

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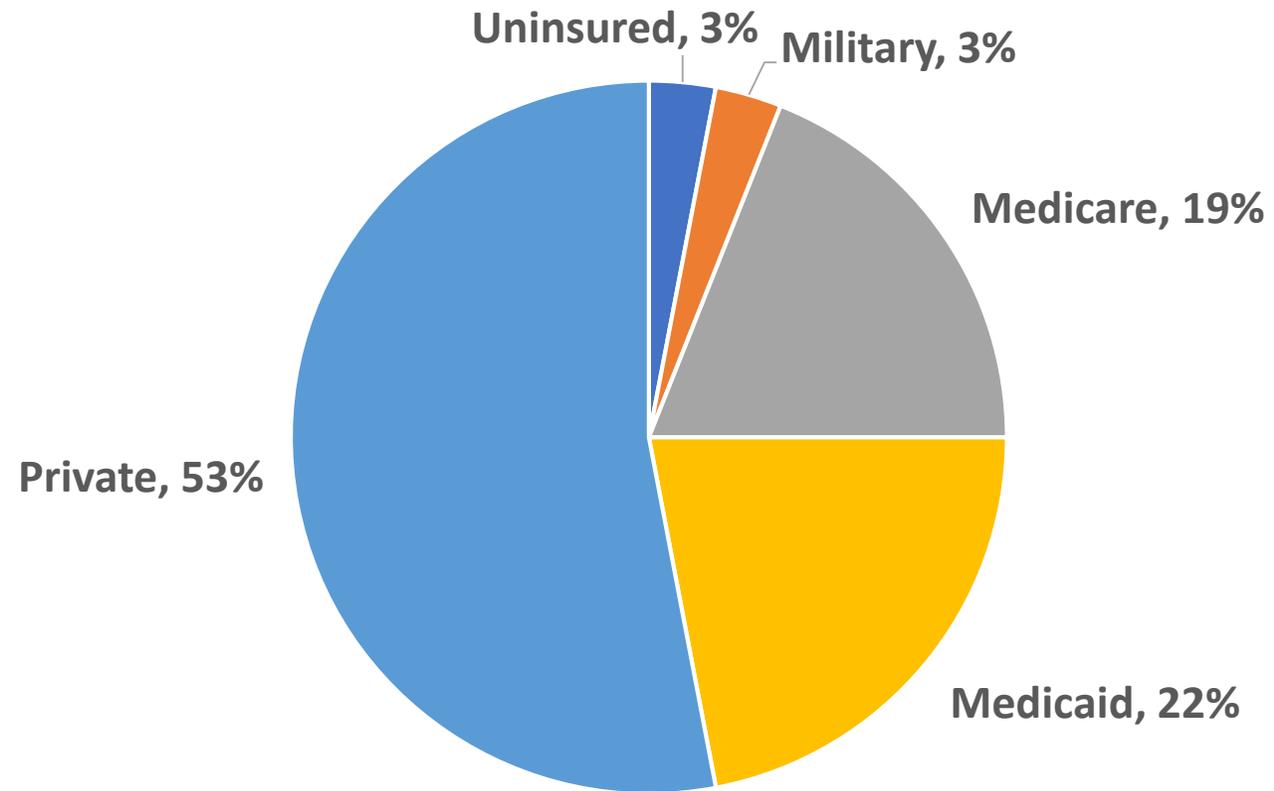
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# Agenda

- Health Insurance In Vermont
  - Review who is covered and how
- Health Insurance Coverage Costs
- Health Insurance Marketplace Stability
- Exploring Health Insurance Marketplace Reforms

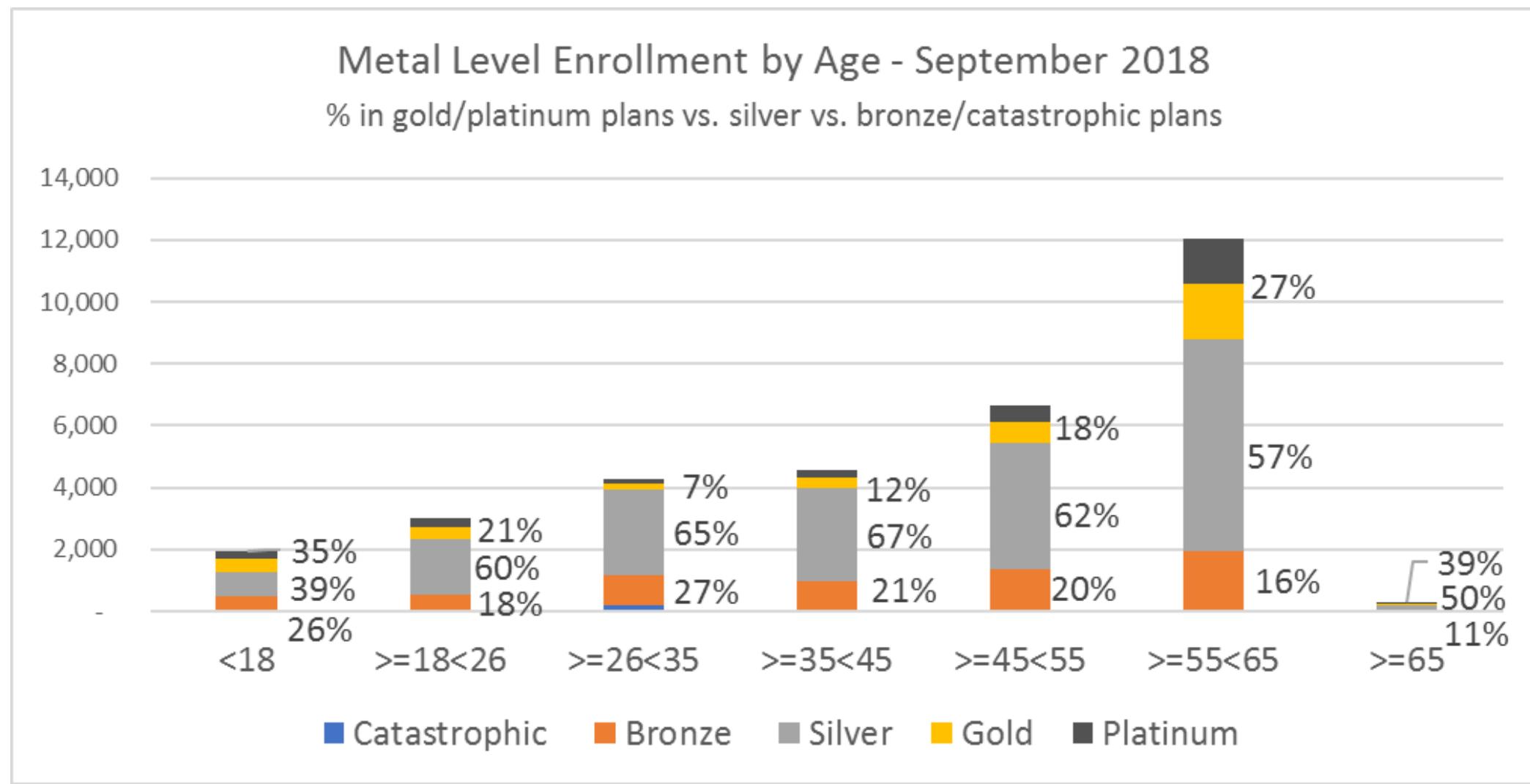
Who is Covered and How?

# Health Coverage Map – Estimate of Vermont Coverage by Major Payer Type\*



\* Estimates of primary insurance type have been compiled from multiple sources, including the 2018 Vermont Household Health Insurance Survey, and should be viewed as an example of relative scale, not absolute values.





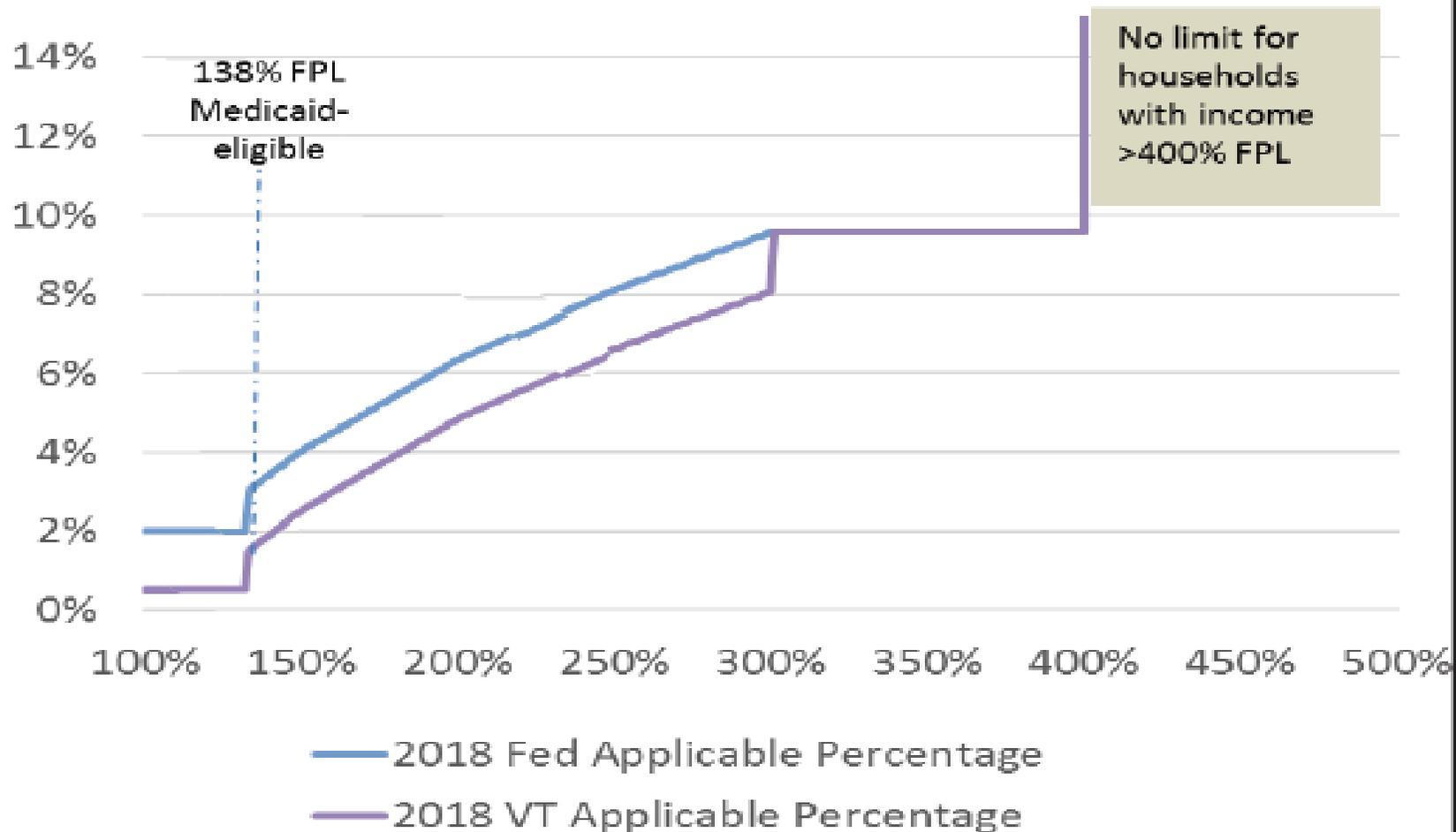
# Health Insurance Coverage Costs Today

# Health Care Coverage Costs in the State-Based Health Insurance Market Place

- Vermonters' experience of health care coverage costs in the state-based marketplace differs by Federal Poverty Level (FPL), family size, and the offer of Employer Sponsored Insurance (ESI).

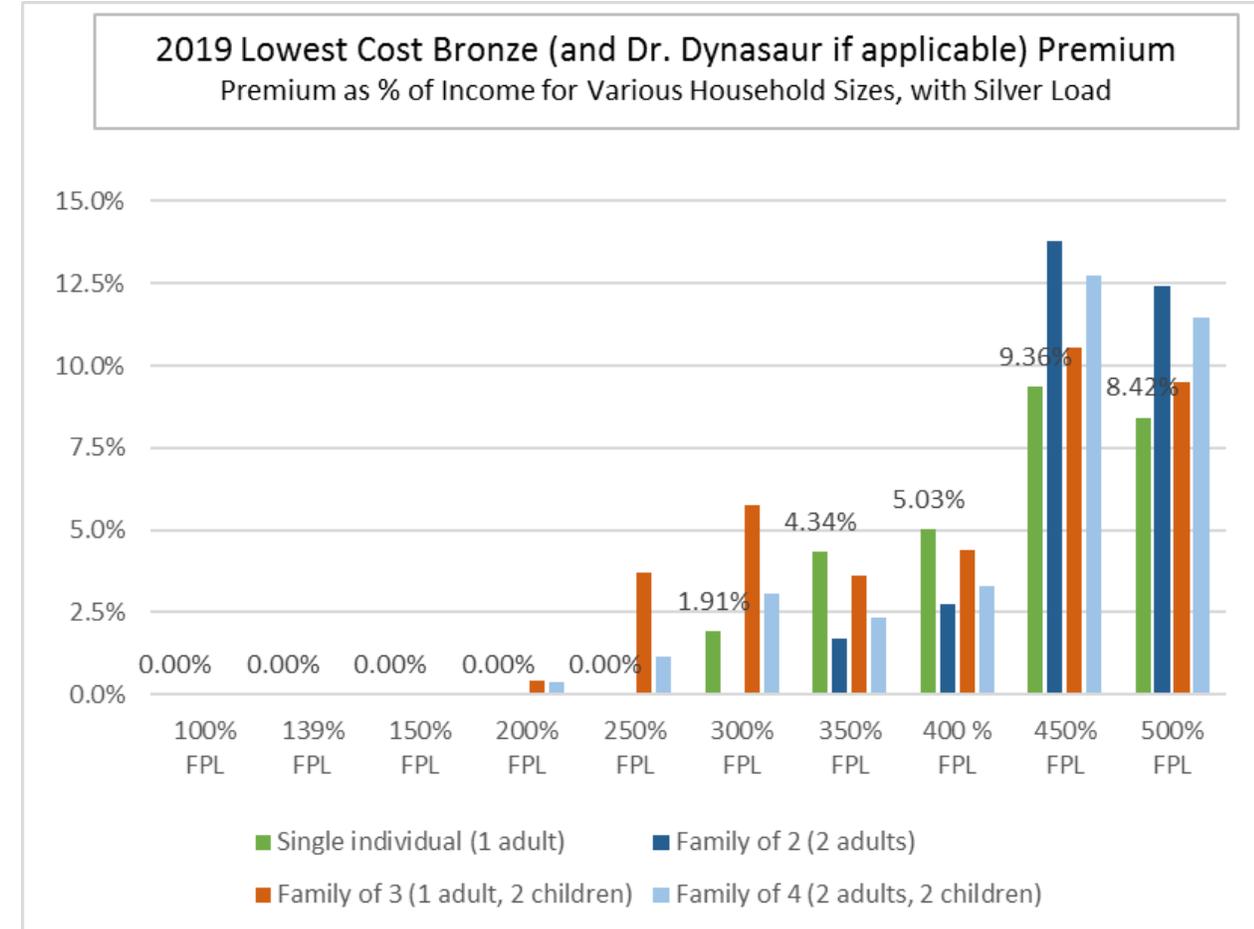
## Federal and State Applicable Percentage

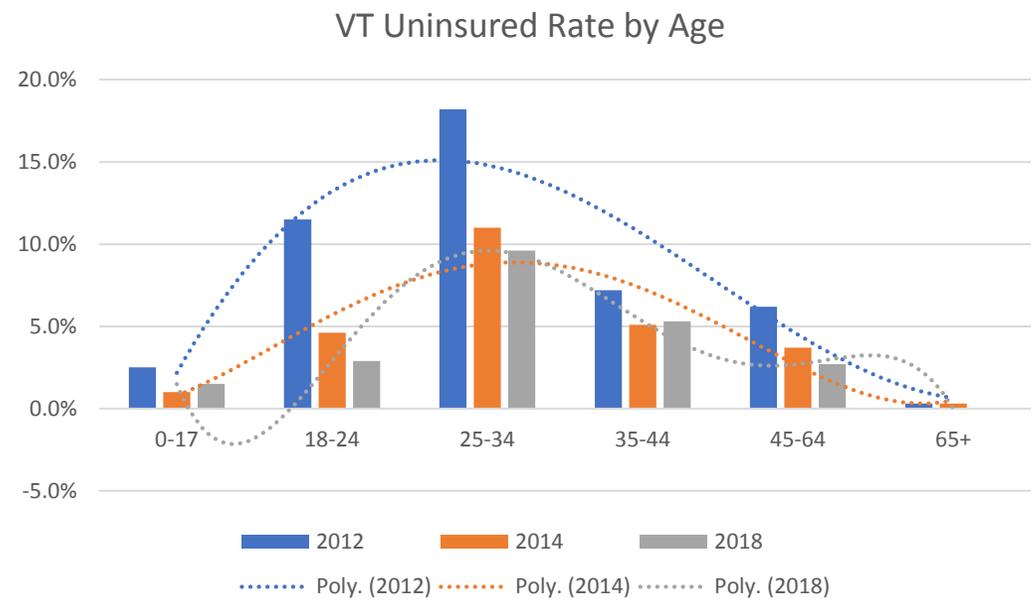
Limit on % of income households can pay for premium of benchmark second lowest cost silver plan (SLCSP)



## With silver-loading:

- Most individuals who buy through Vermont Health Connect have the option of at least one plan that is 100% premium subsidized.
  - Individuals on the edge of the subsidy cliff (400%) can get a plan for just 5% of their income.
  - Other household sizes, especially couples, receive even bigger benefits. A couple earning \$50,000 can buy a bronze plan for \$19 per month, though it would have significant out-of-pocket exposure.
  - Single parents pay a higher percentage of their income in the middle income ranges but lower once they cross the subsidy threshold.
- **Unsubsidized members don't receive the benefits of silver loading.**
  - **A couple earning just over 400% FPL (~\$66,000) would have to pay over 15% of annual income (~\$11,000) just on the premium of the lowest cost plan, and would then be on the hook for high out-of-pocket costs if they needed to use coverage.**





## Observations

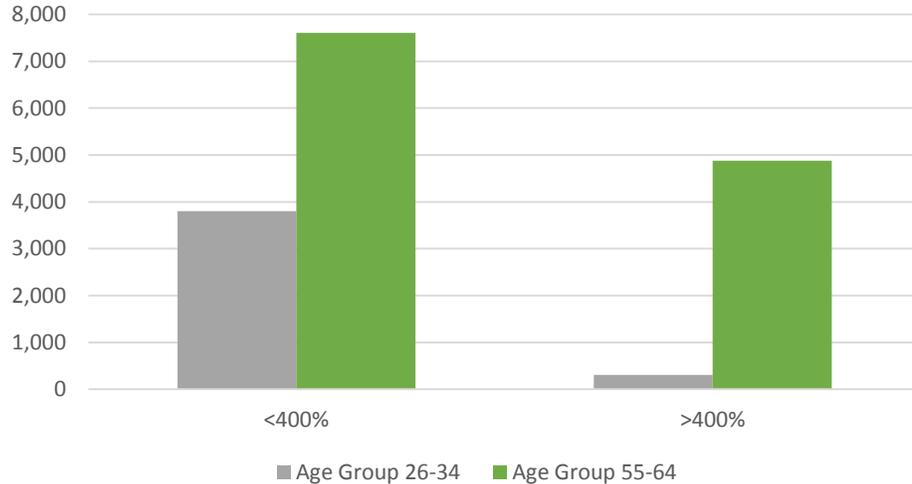
Age is still a major determinant of whether Vermonters get health insurance.

► The 25-34 age group has nearly a 10% uninsured rate (likely higher if 25-year-olds were to be excluded, because they can remain on their parents' health plan), triple the overall rate.

Uninsured Rate by Age (VHHIS Data)			
Age Group	2012	2014	2018
0-17	2.5%	1.0%	1.5%
18-24	11.5%	4.6%	2.9%
25-34	18.2%	11.0%	9.6%
35-44	7.2%	5.1%	5.3%
45-64	6.2%	3.7%	2.7%

# Finding a Way to Afford: by Age

Enrollees in Individual Market



## Observations

Comparing the 45-64 group to 26-34:

- ▶ Older Vermonters who get insurance on their own are nearly 5x as likely to be unsubsidized as the younger counterparts (39% vs. 7%)
- ▶ In other words, one out of every 14 younger enrollee is unsubsidized, compared to two out of every five older enrollees.
- ▶ This is likely due to a combination of:
  - ▶ The older demographic having higher incomes, and
  - ▶ The higher income younger demographic not deeming the cost of unsubsidized insurance to be worth the benefit.

Unsubsidized premiums for 40-year-olds (and younger adults) are already higher in Vermont than in all but five other states.

## Unsubsidized by Age

(% of total Individual enrollment in VHC and Direct Enroll with income >400% or unknown)

Age Group	Percentage
<18	71%
18-25	47%
26-34	7%
35-44	22%
45-54	30%
55-64	39%
>=65	60%

# Health Insurance Marketplace Stability

# Vermont Insurance Marketplace Stability

- Premiums for qualified health plans available to individuals, families, and small groups in Vermont are likely to increase as some members choose coverage options outside of the exchange market.
- Younger Vermonters face barriers to obtaining health care coverage:
  - Unsubsidized premiums for 40-year-olds (and younger adults) are already higher in Vermont than in all but five other states and,
  - Younger Vermonters are more likely to have additional monthly expenses such as student loan debt, child care, rent or home mortgage payments that they may prioritize over health care coverage.

# Exploring Health Insurance Marketplace Reforms

# States with No Age Rating

