

The Underinsured
&
Subsidies available to Vermonters in
the Exchange

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House Ways & Means
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SLIDES with a  mean data were taken from the 2014 Vermont Household Health Insurance Survey:

- Conducted between August 13 and December 4, 2014
- By *Market Decisions* on behalf of the *Vermont Department of Financial Regulations*.
- Released January 2015
- Some slides have been modified by JFO for presentation purposes.

The Underinsured: Defined

NOTE: Although there is a commonly referred to definition, there is no official definition.

Someone is underinsured if they have private health insurance but:

- Annual OOP medical expenses amount to 10% or more of income.

For low income ($\leq 200\%$ FPL)

- Annual OOP medical expenses amount to 5% or more of family income or
- Plan deductible exceeds 5% of family income



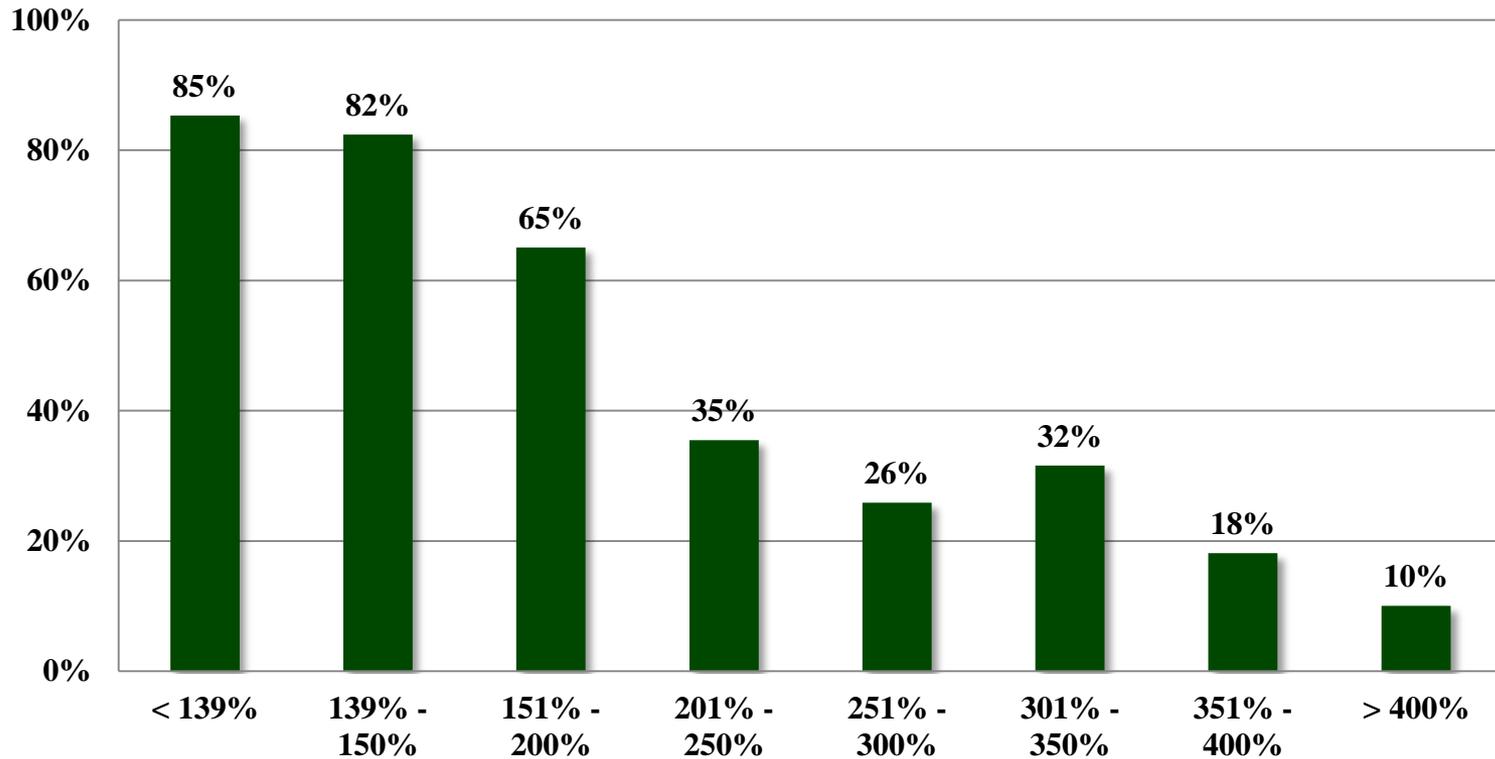
The Underinsured: Demographics

- 27% of privately insured Vermonters are considered underinsured
- Almost two-thirds (63%) of the underinsured are between the ages of 18-24.
- Many of the underinsured are actually Medicaid eligible.

Many of the underinsured are eligible for Medicaid



**Is person on private health insurance underinsured - by Income (FPL)
(% yes among those under age 65)**

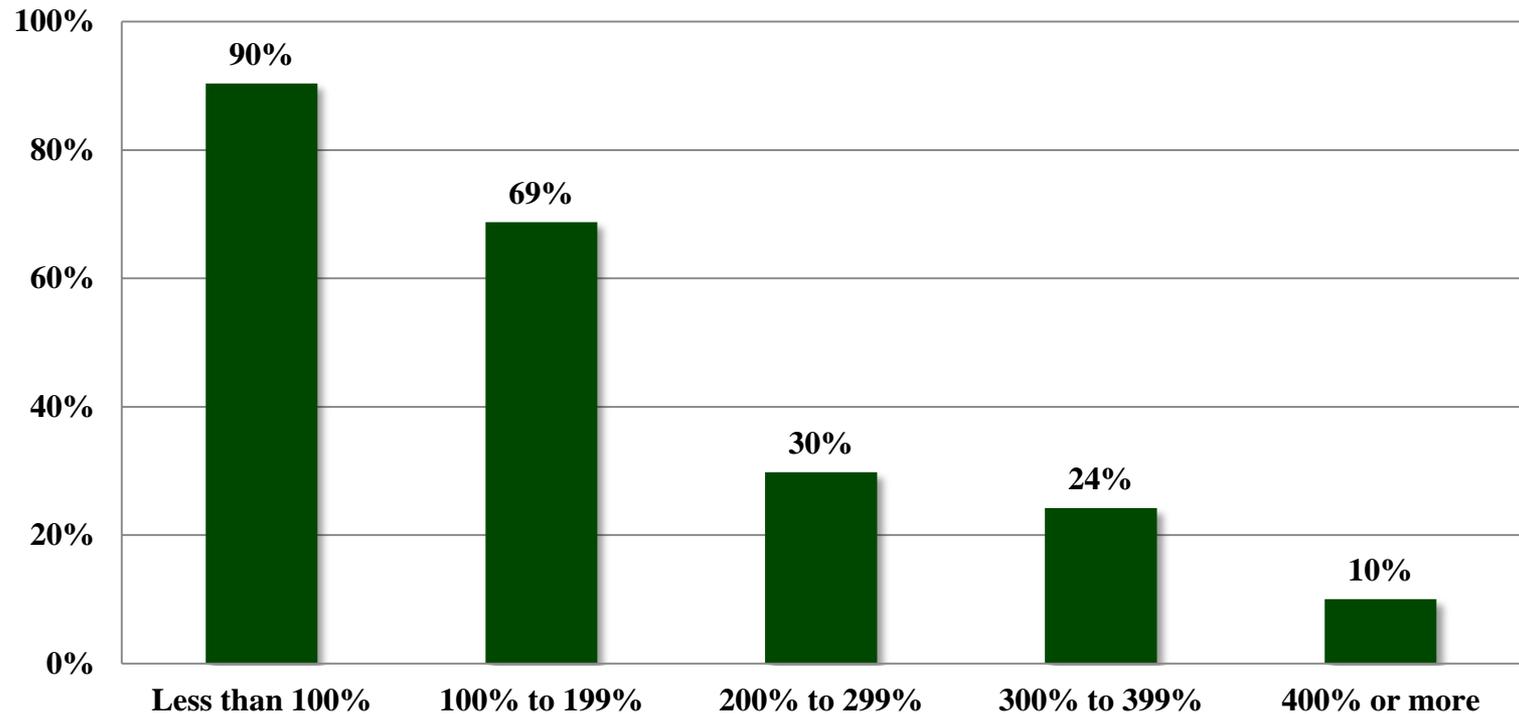


Source: 2014 Vermont Household Health Insurance Survey



The Underinsured by income level

**Is person on private health insurance underinsured - by Income (FPL)
(% yes among those under age 65)**



Source: 2014 Vermont Household Health Insurance Survey

Exchange Cost Sharing Subsidies Reference

FPL%	ACA Subsidy	Vermont Subsidy	Governor's Proposal
100-150% Med Deductible Med OOP Max Rx Deductible Rx OOP Max	94% \$100 / \$200 \$500 / \$1000 \$0 \$200 / \$400	Same	Same
150-200% Deductible OOP Max Rx Deductible Rx OOP Max	87% \$600 / \$1200 \$1250 / \$2500 \$100 / \$200 \$400 / \$800	Same	Same
200-250% Deductible OOP Max Rx Deductible Rx OOP Max	73% \$1900 / \$3800 \$4000 / \$8000 \$100 / \$200 \$1200 / \$2400	77% \$1500 / \$3000 \$3000 / \$6000 \$100 / \$200 \$1000/\$2000	83% N/A
250-300% Deductible OOP Max Rx Deductible Rx OOP Max	70% \$1900 / \$3800 \$5100 / \$10,200 \$100 \$1250 / \$2500	73% \$1900 / \$3800 \$4000 / \$8000 \$100 / \$200 \$1200 / \$2400	79% N/A
300-400% Deductible OOP Max		70% \$1900 / \$3800 \$5100 / \$10,200 \$100 \$1250 / \$2500	

For comparison:

BCBSVT Standard GOLD PLAN	
Deductible	\$750 / \$1500
OOP Max	\$4250 / \$8500
Rx Deductible	\$50
Rx OOP Max	\$1250/\$2500

Note: Many of the deductibles and OOP Max's listed above may be subject to change.

The Underinsured: Exchange Cost-sharing subsidies

*Comparing annual deductibles and OOP Max:
5% income for ≤ 200 FPL*

ANNUAL DEDUCTIBLES COMPARED TO 5% OF INCOME

Family Size Example	140% FPL (2014)	5% of income	Cost-sharing Subsidy on exchange (94% AV) (Annual Deductible)
Family of 1	\$16,338	\$817	Medical Deductible: \$100 RX Deductible: \$0 <i>Beneficiary Premium = \$26/month</i>
Family of 4	\$33,390	\$1,670	Medical Deductible: \$200 RX Deductible: \$0 <i>Beneficiary Premium = \$53/month</i>

ANNUAL OUT-OF-POCKET MAX COMPARED TO 5% OF INCOME

Family Size Example	140% FPL (2014)	5% of income	Cost-sharing Subsidy on exchange (94% AV) (Annual OOP Max)
Family of 1	\$16,338	\$817	Med OOP max: \$500 RX OOP max: \$200 <i>Beneficiary Premium = \$26/month</i>
Family of 4	\$33,390	\$1,670	Med OOP max: \$1,000 RX OOP max: \$400 <i>Beneficiary Premium = \$53/month</i>

Family Size Example	200% FPL (2014)	5% of income	Cost-sharing Subsidy on exchange (87% AV) (Annual Deductible)
Family of 1	\$23,340	\$1,167	Medical Deductible: \$600 RX Deductible: \$100 <i>Beneficiary Premium = \$93/month</i>
Family of 4	\$47,700	\$2,385	Medical Deductible: \$1200 RX Deductible: \$200 <i>Beneficiary Premium = \$191/month</i>

Family Size Example	200% FPL (2014)	5% of income	Cost-sharing Subsidy on exchange (87% AV) (Annual OOP Max)
Family of 1	\$23,340	\$1,167	Med OOP max: \$1,250 RX OOP max: \$400 <i>Beneficiary Premium = \$93/month</i>
Family of 4	\$47,700	\$2,385	Med OOP max: \$2,500 RX OOP max: \$800 <i>Beneficiary Premium = \$191/month</i>

Note: The Beneficiary premium include state and federal premium tax credits

The Underinsured: Exchange Cost-sharing subsidies

*Comparing annual deductibles and OOP Max:
10% income for > 200 FPL*

ANNUAL DEDUCTIBLES COMPARED TO 10% OF INCOME

Family Size Example	225% FPL	10% of income	Cost-sharing Subsidy on exchange (77% AV) (Annual Deductible)
	(2014)		
Family of 1	\$26,258	\$2,626	Medical Deductible: \$1500 RX Deductible: \$100 <i>Beneficiary Premium = \$124/month</i>
Family of 4	\$53,663	\$5,366	Medical Deductible: \$3000 RX Deductible: \$200 <i>Beneficiary Premium = \$254/month</i>

Family Size Example	275% FPL	10% of income	Cost-sharing Subsidy on exchange (73% AV) (Annual Deductible)
	(2014)		
Family of 1	\$32,093	\$3,209	Medical Deductible: \$1900 RX Deductible: \$100 <i>Beneficiary Premium = \$194/month</i>
Family of 4	\$65,588	\$6,559	Medical Deductible: \$3800 RX Deductible: \$200 <i>Beneficiary Premium = \$397/month</i>

ANNUAL OUT-OF-POCKET MAX COMPARED TO 10% OF INCOME

Family Size Example	225% FPL	10% of income	Cost-sharing Subsidy on exchange (77% AV) (Annual OOP Max)
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Family of 1	\$32,093	\$3,209	Med OOP max: \$4,000 RX OOP max: \$1,200 <i>Beneficiary Premium = \$194/month</i>
Family of 4	\$65,588	\$6,559	Med OOP max: \$8,000 RX OOP max: \$2,400 <i>Beneficiary Premium = \$397/month</i>

Note: The Beneficiary premium include state and federal premium tax credits



Approximately half (52.2%) paid \$1,500 or less out of pocket for medical expenses in 2014.

Over the last 12 months, about how much has your household had to pay ‘out of pocket’ for...

	Prescription Medications	Dental and Vision Care	Mental Health Care	All Other Medical Expenses	All Medical Expenses
\$250 or less	55.2%	42.5%	94.8%	43.2%	14.3%
\$251 to \$500	17.0%	19.1%	2.3%	17.4%	9.5%
\$501 to \$1,000	16.0%	17.5%	1.3%	14.7%	14.2%
\$1,001 to \$1,500	6.7%	8.4%	0.4%	6.7%	14.2%
\$1501 to \$2,000	1.8%	5.3%	0.3%	6.8%	9.7%
\$2,001 to \$3,000	1.2%	3.8%	0.5%	4.7%	14.0%
\$3,001 to \$4,000	0.9%	1.3%	0.1%	1.3%	8.1%
\$4,001 to \$5,000	0.6%	0.9%	0.1%	2.3%	5.3%
\$5,001 or more	0.5%	1.1%	0.2%	2.9%	10.6%

Questions?