

# Changes in Premium and Out-of-Pocket Costs from 2018 - 2019

October 15, 2018

John – Pierre Cardenas | Director, Policy and Plan Management



## Changes in Consumer Experience

- Premiums:
  - The State Reinsurance Program (SRP)
  - Cost sharing reduction (CSR) payments “Silver-loading”
  - Advanced Premium Tax Credits (APTC)
- Out-of-pocket costs:
  - Before deductible services
  - Deductible
  - Plan generosity (Actuarial Value, AV)
  - Health Savings Account (HSA)

## 2018 to 2019 Premiums without APTC<sup>1</sup>

Carrier (Network)	Enrollment <sup>2</sup> (on/off MHC)	2019 Rates (w/o Reinsurance)	2019 Rates (w/ Reinsurance)
CareFirst (HMO)	109,368	18.5%	-17%
CareFirst (PPO)	13,074	91.4%	-11.1%
Kaiser Permanente (HMO)	69,837	37.4%	-7.4%
<b>Total</b>	<b>192,279</b>	<b>30.2%</b>	<b>-13.2%</b>

<sup>1</sup>As of October 1, 2018, 18,009 enrollees do not receive APTC on Maryland Health Connection.

<sup>2</sup>Enrollment as of June 30, 2018.

## 2018 to 2019 Premiums with APTC<sup>3</sup>

- Consumers will receive less APTC in 2019 than in 2018, but still more than otherwise due to “silver-loading”:
  - The SRP reduced premiums for silver plans from -7.2% to -14.5%.
  - Silver plan premiums on Maryland Health Connection are 11% to 28% higher than off-Exchange premiums.
- Depending on their plan and carrier, assuming no change in income, some consumers will pay more in 2018 than in 2019, others will pay less.
  - The SRP reduced premiums differently depending on metal level and carrier
    - Bronze plans -4.4% to -19.1%
    - Silver plans -7.2% to -14.5%
    - Gold plans -9.3% to -15.3%
- Consumers will pay less in 2019 if their premium decrease was greater than their APTC decrease and vice versa.

<sup>3</sup>As of October 1, 2018, 112,587 enrollees receive APTC.

## 2018 to 2019 Premiums with APTC

- Consumers enrolled in the lowest cost gold plan will experience a premium decrease.
- Consumers enrolled in the lowest cost bronze plan may experience a premium increase, or decrease, depending on family composition and income.
- Consumers enrolled in the lowest cost silver plan will experience a premium increase, the amount depends on family composition and income.
- Consumers enrolled in CareFirst-only areas will experience a premium decrease. The impact of “silver-loading” is most pronounced in these areas.
- Scenarios may be found in the Appendix of this presentation.

## Market Trends

- All premiums are going down, but some out of pocket costs are rising
- Different experience depending on the carrier and plan
- Even more important to shop

### Top 5 Plans: 2018 to 2019 Deductible and Actuarial Value (AV) Changes.\*

2018 Plan	2019 Plan	Deductible Change	AV Change
KP MD Silver 6000/35/Dental	KP MD Silver 6000/35/Dental	\$0	+ .47% (67.08% → 67.55)
BlueChoice HMO Silver \$3500 VisionPlus	BlueChoice HMO HSA Silver \$3000 VisionPlus	- \$500	-4.4% (70.70% → 66.30%)
HealthyBlue HMO Gold \$1000	HealthyBlue HMO Gold \$1750	+ \$750	- .63% (78.54% → 77.91%)
BlueChoice HMO Bronze \$6550	BlueChoice HMO Bronze \$7900	+ \$1350	-1.96% (60.49% → 58.53%)
KP MD Bronze 6200/20%/HSA/Dental	KP MD Bronze 6200/20%/HSA/Dental	\$0	+ .44% (60.59% → 61.03%)

\*Top 5 Plans account for 80% of enrollments on Maryland Health Connection.

## QHP Characteristics

- One bronze option with first-dollar coverage (Kaiser Permanente)
- Two silver options with first-dollar coverage (Kaiser Permanente)
- Two options, gold and platinum, with \$0 deductibles (Kaiser Permanente)
- Three gold options with deductibles from \$1000 to \$1750 (CareFirst PPO & HMO; Kaiser Permanente)

Carrier (Network)	Plans Offered	Metal Levels Offered (#)	HSA Offerings
CareFirst (HMO)	4	Bronze (1), Silver (1), Gold (1), Catastrophic (1)	Bronze (1) Silver (1)
CareFirst (PPO)	3	Bronze (1), Silver (1), Gold (1)	Bronze (1) Silver (1)
Kaiser Permanente (HMO)	10	Bronze (2), Silver (3), Gold (3), Platinum (1), Catastrophic (1)	Bronze (1) Silver (1)

## SADP Characteristics

- Many product and benefit options for consumers to select from
- All SADPs have a maximum OOP of \$350 and \$700 for the pediatric dental benefit
- Adult benefits vary from plan to plan, research is important before selecting dental benefits for adults

Carrier (Network)	Plans Offered	Tiers Offered (#)	Family/Child-only
Alpha Dental (HMO)	2	Low (1) High (1)	Family (2)
CareFirst (PPO)	2	Low (1) High (1)	Family (2)
Delta Dental (PPO)	2	Low (1) High (1)	Family (2)
Dominion National (HMO & PPO)	8	Low (4) High (4)	Child-only (4) Family (4)

Questions?

# Appendix



## Rate Scenarios 2018 – 2019: Bronze

Scenarios		CareFirst and Kaiser							
		APTC Amount		APTC Diff (2019-2018)	Lowest Bronze				Bronze Diff (2019-2018)
Household	Income	2018	2019		2018-- Before APTC	2018-- After APTC	2019-- Before APTC	2019-- After APTC*	
21	\$25,000	\$216.18	\$188.40	(\$27.78)	\$245.96	\$29.78	\$233.55	\$45.15	\$15.37
64	\$36,000	\$774.51	\$690.49	(\$84.02)	\$737.88	\$7.97	\$700.65	\$10.16	\$2.19
60, 55, 24, 19	\$53,000	\$2,130.23	\$1,939.46	(\$190.77)	\$1,693.44	\$11.06	\$1,607.99	\$8.61	(\$2.45)
40,38, 16, 14, 8	\$60,000	\$561.17	\$495.96	(\$65.21)	\$620.81	\$59.64	\$589.48	\$93.52	\$33.88
40, 38	\$32,000	\$726.84	\$658.36	(\$68.48)	\$620.81	\$6.70	\$589.48	\$3.16	(\$3.54)
Scenarios		CareFirst Only							
		APTC Amount		APTC Diff (2019-2018)	Lowest Bronze				Bronze Diff (2019-2018)
Household	Income	2018	2019		2018-- Before APTC	2018-- After APTC*	2019-- Before APTC	2019-- After APTC*	
21	\$25,000	\$478.00	\$404.66	(\$73.34)	\$303.04	\$1.61	\$245.16	\$1.25	(\$0.36)
64	\$36,000	\$1,559.98	\$1,339.25	(\$220.73)	\$909.12	\$4.82	\$735.48	\$3.75	(\$1.07)
60, 55, 24, 19	\$53,000	\$3,932.88	\$3,428.33	(\$504.55)	\$2,086.43	\$11.06	\$1,687.93	\$8.61	(\$2.45)
40,38, 16, 14, 8	\$60,000	\$1,222.00	\$1,041.77	(\$180.23)	\$764.88	\$4.05	\$618.78	\$3.16	(\$0.89)
40, 38	\$32,000	\$1,387.67	\$1,204.17	(\$183.50)	\$764.88	\$4.05	\$618.78	\$3.16	(\$0.89)

## Rate Scenarios 2018 – 2019: Silver

Scenarios		CareFirst and Kaiser							
		APTC Amount		APTC Diff (2019-2018)	Lowest Silver				Silver Diff (2019-2018)
Household	Income	2018	2019		2018-- Before APTC	2018-- After APTC	2019-- Before APTC	2019-- After APTC	
21	\$25,000	\$216.18	\$188.40	(\$27.78)	\$341.50	\$125.32	\$316.25	\$127.85	\$2.53
64	\$36,000	\$774.51	\$690.49	(\$84.02)	\$1,024.50	\$249.99	\$948.75	\$258.26	\$8.27
60, 55, 24, 19	\$53,000	\$2,130.23	\$1,939.46	(\$190.77)	\$2,351.23	\$221.00	\$2,177.38	\$237.92	\$16.92
40,38, 16, 14, 8	\$60,000	\$561.17	\$495.96	(\$65.21)	\$861.95	\$300.78	\$798.22	\$302.26	\$1.48
40, 38	\$32,000	\$726.84	\$658.36	(\$68.48)	\$861.95	\$135.11	\$798.22	\$139.86	\$4.75
Scenarios		CareFirst Only							
		APTC Amount		APTC Diff (2019-2018)	Lowest Silver				Silver Diff (2019-2018)
Household	Income	2018	2019		2018-- Before APTC	2018-- After APTC*	2019-- Before APTC	2019-- After APTC*	
21	\$25,000	\$478.00	\$404.66	(\$73.34)	\$437.27	\$2.01	\$382.68	\$2.68	\$0.67
64	\$36,000	\$1,559.98	\$1,339.25	(\$220.73)	\$1,311.81	\$6.03	\$1,148.04	\$8.04	\$2.01
60, 55, 24, 19	\$53,000	\$3,932.88	\$3,428.33	(\$504.55)	\$3,010.60	\$13.85	\$2,634.75	\$18.44	\$4.59
40,38, 16, 14, 8	\$60,000	\$1,222.00	\$1,041.77	(\$180.23)	\$1,103.67	\$5.08	\$965.89	\$6.76	\$1.68
40, 38	\$32,000	\$1,387.67	\$1,204.17	(\$183.50)	\$1,103.67	\$5.08	\$965.89	\$6.76	\$1.68

## Rate Scenarios 2018 – 2019: Gold

Scenarios		CareFirst and Kaiser								
		APTC Amount		APTC Diff (2019-2018)	Lowest Gold			Gold Diff (2019-2018)	Notes:	
Household	Income	2018	2019		2018-- Before APTC	2018-- After APTC	2019-- Before APTC	2018-- After APTC		
21	\$25,000	\$216.18	\$188.40	(\$27.78)	\$351.66	\$135.48	\$319.29	\$130.89	(\$4.59)	
64	\$36,000	\$774.51	\$690.49	(\$84.02)	\$1,054.98	\$280.47	\$957.87	\$267.38	(\$13.09)	
60, 55, 24, 19	\$53,000	\$2,130.23	\$1,939.46	(\$190.77)	\$2,421.18	\$290.95	\$2,198.31	\$258.85	(\$32.10)	
40,38, 16, 14, 8	\$60,000	\$561.17	\$495.96	(\$65.21)	\$887.59	\$326.42	\$805.89	\$309.93	(\$16.49)	Children eligible for MCHP
40, 38	\$32,000	\$726.84	\$658.36	(\$68.48)	\$887.59	\$160.75	\$805.89	\$147.53	(\$13.22)	
Scenarios		CareFirst Only								
		APTC Amount		APTC Diff (2019-2018)	Lowest Gold			Gold Diff (2019-2018)	Notes:	
Household	Income	2018	2019		2018-- Before APTC	2018-- After APTC	2019-- Before APTC	2019-- After APTC*		
21	\$25,000	\$478.00	\$404.66	(\$73.34)	\$403.92	\$1.66	\$342.29	\$1.40	(\$0.26)	
64	\$36,000	\$1,559.98	\$1,339.25	(\$220.73)	\$1,211.76	\$4.97	\$1,026.87	\$4.21	(\$0.76)	
60, 55, 24, 19	\$53,000	\$3,932.88	\$3,428.33	(\$504.55)	\$2,780.99	\$11.40	\$2,356.67	\$9.66	(\$1.74)	
40,38, 16, 14, 8	\$60,000	\$1,222.00	\$1,041.77	(\$180.23)	\$1,019.49	\$4.18	\$863.94	\$3.54	(\$0.84)	Children eligible for MCHP
40, 38	\$32,000	\$1,387.67	\$1,204.17	(\$183.50)	\$1,019.49	\$4.18	\$863.94	\$3.54	(\$0.84)	