

# Low-Income Special Enrollment Period

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# SEP Summary

- On 9/17, HHS issued a final regulation creating a new SEP to expand access to Exchange coverage for low-income households. It is available:
  - To those eligible for APTC and  $\leq 150\%$  FPL
  - Year-round, as long as Congress continues enhanced tax credits for  $\leq 150\%$  FPL, which enable nearly \$0 premium coverage for a plan with a 94% AV
  - Only through the Exchange, at the option of the Exchange; Federal Exchange will implement

# SEP Considerations

- **Increase enrollment** among the uninsured
  - 1.5% of MHC-eligible uninsured are 138-150% FPL (3,500 of 236,000)
- **Help individuals who lose Medicaid** regain coverage (a particular concern with the end of the public health emergency)
- **Neighboring states:** DC will be implementing

**Adverse selection:** CMS estimates potential 0.5-2.0% premium impact nationally, though mitigating factors include:

- Coverage is very **low cost/high value**
- **Massachusetts** has year-round enrollment for individuals <300% FPL who are newly eligible for state subsidies, and has not experienced adverse selection
- **Reinsurance**

# Planned Implementation Timeline

- Because the SEP is optional for SBMs, the Board must approve the new SEP policy before implementation by MHBE, and the SEP should be implemented by regulation.
- Draft updates to SEP regulations (COMAR 14.35.07.12-.19) currently in progress
  - MHBE plans to include the  $\leq 150\%$  FPL SEP in draft proposed regulations to be released winter/spring 2022 for an informal stakeholder comment period
  - The Board will be asked to vote to approve proposed regulations (revised as appropriate to reflect stakeholder comments) for publication to the Maryland Register in spring 2022; a 30 day public comment period will follow
  - The Board will be asked to vote to approve final regulations in summer 2022