

Low-Income Special Enrollment Period

Johanna Fabian-Marks, Director of Policy & Plan Management

November 15, 2021

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