

Young Adult Subsidy Update

Johanna Fabian-Marks, Director of Policy and Plan Management

January 16, 2024

Background

- 2024 is the third year of the Young Adult Subsidy program
- Board is required to establish eligibility and payment parameters
- MHBE is statutorily authorized to provide \$20M/year in subsidies
- Enrollment and projected annual cost are monitored daily during open enrollment

Process for Program Closure

1. MHBE staff will coordinate tracking of enrollment and projected plan year cost, in consultation with the MIA
2. The Executive Director will provide a regular update to the Board
3. When the projected cost reaches \$19.5M, the program will be closed to new enrollees

MHBE Board voted to approve this process in November 2021

Enrollment & Cost Projections

Enrollment Period	Total Enrollment	Est. Total 2024 Subsidy Cost
Open Enrollment to Date	50,727	\$19,354,031
Est. Future Open Enrollment*	(2,032)	(\$739,885)
<i>Est. Open Enrollment Total</i>	48,695	\$18,614,146
Est. Future Special Enrollment	17,579	\$4,304,029
2024 Est. Total	66,274	\$22,918,174
<i>Comparison: Spring 2023 estimates for Board vote on 2024 parameters</i>	52,600	\$17.9M
<i>CY 2023 Actual Program Cost</i>		\$13.2M
<i>CY 2022 Actual Program Cost</i>		\$13.9M

*Est. Future Open Enrollment is negative because it reflects assumptions that a portion of enrollees will not effectuate coverage.

Enrollment & Cost Projections: Additional Information

- Higher-than-projected 2024 enrollment and costs are driven by higher-than-expected young adult enrollment in the later part of this year following resumption of Medicaid redeterminations, as well as a strong open enrollment season
 - Young adult subsidy enrollment among 18-34-year-olds is up 39.5% year-over-year, outpacing overall 16% enrollment growth*
 - Young adult enrollees 18-34 who are <400% FPL (subsidy-eligible) account for 20.5% of total enrollment so far, up from 17.1% last year*

*Data from internal MHBE Executive Dashboard dated 1/7/24, comparing 2023 and 2024 OE day 68.

Considerations and Discussion

Considerations

- Increased young adult enrollment benefits individual market and reinsurance program
- Medicaid unwinding continues through April
- Subsidy program underspent first two years' budget by an average of ~\$6.5M/year
- MHBE has \$12.7M in subsidy funds available for Jan-June 2024

Discussion

- Should MHBE proceed with closing program to new enrollment when estimated CY24 subsidy costs hit \$19.5M, as directed in Nov. 2021?
- Would the Board support, in concept, legislation to allow MHBE to keep the program open for the remainder of 2024, or reopen if it closed, e.g. by allowing rollover of unspent funds from prior years?