

# PROMOTING SPECIAL ENROLLMENT PERIODS

Peter V. Lee, Executive Director  
Covered California Board Meeting – February 18, 2016

# 2016 SPECIAL ENROLLMENT PERIOD UNDERWAY

- Consumers are eligible for special enrollment under qualifying life events like:
  - Loss of health insurance
  - Marriage
  - Birth
  - Income changes
- Consumers will continue to be able to apply for the Medi-Cal Program throughout the year.
- For more information on special enrollment and the full list of qualifying life events, please visit the Covered California website at:  
<http://www.coveredca.com/individuals-and-families/getting-covered/special-enrollment/>

# PROMOTING SPECIAL ENROLLMENT PERIODS (SEP)

Collaborations to Promote Special Enrollment include working with:

- **Covered California's Qualified Health plans**
  - Facilitate conversion for consumers losing employer sponsored coverage
  - Facilitate conversion of consumers turning 27 and losing parental coverage
- **Private Sector Consulting Groups Serving Large Employers**
  - Provide information to consumers losing employer sponsored coverage
- **Employment Development Department (EDD)**
  - Include inserts in both English and Spanish to over 800,000 recipients of EDD's monthly benefit mailer
- **California Courts**
  - Provide information about Covered California on several of the Court's webpages including Families & Children, Divorce or Separation, Child Support and Domestic Violence
- **State Workforce Investment Board (WIB) Rapid Response Teams**
  - Partner with the Rapid Response teams to provide information about Covered California to consumers being terminated from employment and losing employer sponsored coverage
- **California Department of Veterans Affairs**
  - Provide information about Covered California on CalVet's website for veterans and their families when a veteran is returning from service and residing in California

# SPECIAL ENROLLMENT 2016 ADVERTISING

Overall, we launched advertising on 2/1:

- Radio:
  - MS, AA, HL – three radio ads focusing on 1.**lost coverage**, 2.**lost job/COBRA**, 3. **SEP events**
    - HL – specific radio spot reiterating “info will be kept **confidential**:
    - Asian – general info on **lost coverage**
- Digital:
  - MS/AA – 1.**just moved**, 2. **Lost coverage**
  - HM - 1.**just moved**, 2. **Lost coverage**, 3. **new resident**

We will be testing new radio concepts to roll out 4/1/16, and will have new digital ads testing in the field 3/14.

# SPECIAL ENROLLMENT 2016 ADVERTISING

## Covered California - SEP3 2016

Master Flowchart - by Segment (incls all segments)

1/15/2016



		2016																									
		February				March				April				May				June				July					
week of:		1	8	15	22	29	7	14	21	28	4	11	18	25	2	9	16	23	30	6	13	20	27	4	11	18	25
		Special Enrollment - 2/1/16 - TBD																									
		Radio (:30 spots, :45 live reads, Traffic Sponsorships, DJ Live Reads)																									
MS (Radio TRPs)		40-70				40-70				40-70				40-70				40-70									
MS (Traffic Sponsorships)						35				35				35				35									
HSL (Radio TRPs)		45-75				45-75				45-75				45-75				45-75									
AA (DJ Live Reads)		25-30				25-30				25-30				25-30				25-30									
API (Radio Spots)		25-30				25-30				25-30				25-30				25-30									
		Digital (Display, Paid Social, & Paid Search)																									
MS																											
HSL																											

New Radio Creative

New




# SPECIAL ENROLLMENT 2016 ADVERTISING

## SEP MOBILE

300x50 - English

### Just Moved



**Just moved?**  
You could qualify for a health plan and get help to pay for it. [Find Out How](#)

320x50 - English



**Just moved?**  
You could qualify for a health plan and get help to pay for it. [Find Out How](#)

300x50 - Spanish



**¿Te mudaste?**  
Podrías calificar para un seguro de salud y ayuda económica para pagarlo. [Entérate cómo](#)

320x50 - Spanish



**¿Te mudaste?**  
Podrías calificar para un seguro de salud y ayuda económica para pagarlo. [Entérate cómo](#)

Just moved?  
You could qualify for a health plan and get help to pay for it.  
Find out how


### Lost Coverage




**Lost your health plan?**  
You could get a new one and financial help to pay for it. [Find Out How](#)



**Lost your health plan?**  
You could get a new one and financial help to pay for it. [Find Out How](#)




**¿Perdiste tu seguro de salud?**  
Podrías obtener uno nuevo y ayuda económica para pagarlo. [Entérate cómo](#)



**¿Perdiste tu seguro de salud?**  
Podrías obtener uno nuevo y ayuda económica para pagarlo. [Entérate cómo](#)

Lost your health plan?  
You could get a new one and financial help to pay for it.  
Find out how

### Resident



**¿Nuevo residente legal?**  
Podrías calificar para un seguro de salud y ayuda económica para pagarlo. [Entérate cómo](#)



**¿Nuevo residente legal?**  
Podrías calificar para un seguro de salud y ayuda económica para pagarlo. [Entérate cómo](#)

New legal resident?  
You could qualify for a health plan and financial help to pay for it.  
Find out how

# EMERGING POTENTIAL TRENDS FOR COVERED CALIFORNIA SPECIAL ENROLLMENT PERIOD ENROLLEES

John Bertko, Chief Actuary  
Covered California Board Meeting – February 18, 2016

# CONTEXT: 2017 IS AN IMPORTANT TRANSITION YEAR

- Premium increases in California for 2015 and 2016 were low at a weighted average increase of 4.2% and 4.0%, helped by good risk mix resulting from marketing and policy decisions
- Major factors affecting rates for 2017:
  - Reinsurance ends – one year increase of +4% to 5% of premium
  - Regular medical trend has “bumped” upward due to new Specialty Drugs – now at 6.5%-7.5% (potentially one-year impact of about 0.5%)
  - Health Insurance Tax “holiday” in 2017 helps – one year reduction of 2% to 3%
  - Very good 2016 Open Enrollment of 439,000 is likely to improve risk mix – new study is now being performed with DHCS staff
- Managing premium increases:
  - Short Term – maintaining and improving the risk mix of enrollees
  - Long Term – health care system delivery reform



## CONTEXT: SPECIAL ENROLLMENT IS GROWING AS PERCENTAGE OF OVERALL ENROLLMENT

Special Enrollment comprised 11% of effectuated membership in 2014 and 13% in 2015. Two large plans are showing movement towards 20% in 2015 SEP enrollment.

	2014	2015
Open Enrollment	89%	89%
Special Enrollment	11%	13%

# SUMMARY BASED ON BEST CURRENT INFORMATION

- There are credible indications that the risk mix of SEP enrollment is higher cost than those of Open Enrollment and that some of that difference is likely attributed to individuals inappropriately claiming SEP events
- Implementing documentation requirements to demonstrate individuals meet SEP event requirements would likely lead to lower SEP enrollment (range of 10% to 25% lower)
- Plan actuaries believe that the lower enrollment resulting from required documentation would also result in a healthier risk mix, which could result in the plans being able to moderate rate increases they would otherwise seek in the range of 2% to 5% of total premium
- Premium increases matter, while lower income enrollees are largely protected from premium increases by income-based subsidies:
  - Middle income/non-subsidized enrollees (on- and off-Exchange) pay the entire premium difference and for some this could be “breaking point” of deciding not to purchase coverage (with negative impact on risk pool)
  - Federal Treasury premium tax credits bear brunt of premium increases for subsidized individuals – resulting in substantial potential impacts on the federal budget

# SOURCES OF INFORMATION

Engaging actuaries of Covered California's contracted health plans (12 plans; 1.3 million lives)

- Discussions with all actuaries on factors potentially impacting 2017 rates
- Detailed individual feedback and data review from plans with largest enrollment

Observations nationally

- Health plan reports to financial analysts (subject to review as part of SEC 10K or other public transparency processes)
- Access to analysis of national claims from very large data source

Caution: data continues to emerge and we are all working with early indicators and potential trends, nothing is yet “proven”

## **OBSERVATION 1: SEP enrollees generally have a higher Per Member Per Month (PMPM) cost than Open Enrollment Period (OEP) enrollees**

- Cost differential varied among California's largest four plans from 15% to 50% higher to no differential for one of the four Covered California plans
- Evidence of higher cost for SEP members is supported by emerging national data for ACA-compliant members across the country

## OBSERVATION 2: SEP members are about 2+ years younger than OEP members

- This exacerbates the cost difference, after adjusting for actuarial age factors
- Some evidence of more deliveries for SEP enrollees (not uniform)
  - Newborns (ages 0-1) are much more expensive than other children (2-18)

## **OBSERVATION 3: Health plans report strong belief that substantial SEP enrollment does not meet requirements of SEP criteria, resulting in higher costs**

- Plans' requirement of valid proof of SEP event for off-Exchange applicants leads to “disappearance” of 15% to 35% of applicants
- Some plans have documented hundreds of cases of off-Exchange applicants denied coverage due to not being able/willing to provide valid proof of SEP event later enrolled through Covered California and “attesting” to meeting event without documented proof
- When comparing SEP costs of off-exchange (subject to valid proof) to on-exchange (subject to attestation) enrollment, the cost difference between SEP and OEP drops at least 50%

## **OBSERVATION 4: It is unclear whether SEP enrollees are more likely to drop coverage after use of care OR to drop coverage if they have little need for services**

- There is some evidence of higher utilization/cost in first 3 months after enrollment for those in SEP compared to OEP enrollees
- There may be 50% higher SEP lapse rates monthly
- One plan reports what appears to be “Buy to Use” coverage that is not intended under the ACA rules

## OBSERVATION 5: SEP will be an increasing portion of the enrollment mix of exchanges

- All carriers indicate a trend over time for larger impact of SEP members on overall Covered CA performance and health mix
- SEP enrollment could eventually reflect more than 20% of all enrollees



## **OBSERVATION 6: Some reports that COBRA enrollment in some plans has declined slightly (e.g., from long term average 1-2% of membership base to <1%) with possible move to Covered California enrollment increasing average enrollment cost**

- COBRA enrollees have 20+ years of experience at about 150% of average employee cost
- Causes may be strong economy and lower overall COBRA or younger individuals in need of services opting for Covered CA due lower rates (compared to 102% of “average employee” COBRA rates)
- Those enrollees in most need of specialists may stay with COBRA to have access to broad legacy PPO networks

# POLICY CONSIDERATIONS FOR SPECIAL ENROLLMENT VERIFICATION

Anne Price, Director of Plan Management Division  
Covered California Board Meeting February 18, 2016  
(Updated: February 19, 2016)

# SPECIAL ENROLLMENT POLICY CONSIDERATIONS

- Staff proposes to add to our verification process a requirement that consumers provide documentation to support their meeting SEP eligibility requirements
- When a consumer enrolls during SEP, the consumer will be notified that appropriate verification or documents must be supplied to confirm their eligibility for SEP
- Wherever possible, Covered California will seek to verify eligibility electronically, for instance:
  - Consumers applying for SEP that were previously enrolled in Medi-Cal and become newly eligible for coverage through Covered California will be verified electronically and not be required to provide documentation
  - Consumers applying for SEP who previously had job-based coverage for whom Covered California can electronically verify from the health plans they were enrolled in employer-based coverage which was lost
  - Consumers applying for SEP who have moved through means such as the US Postal Service
- The current plan is to have Qualified Health Plans use their existing processes to collect documentation and pass all documentation to Covered California for verification and determination of eligibility
- Covered California will make all decisions related to final eligibility for SEP and to eligibility for coverage prior to coverage taking effect
- Covered California staff proposes to continue to work through details of the process – considering issues such as service level agreements, electronic verification potentials, satisfactory documents and communication to members – in consultation with health plans, consumer advocates and the federal government
- Staff will bring the final process back to the board in April for action, with the anticipated start date of 6/1/2016