



Characteristics of the State Based Exchange Customers: Comparison of Washington Qualified Health Plan Year-End Enrollees with Dis-enrollees

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Abstract

This study compares the demographic and baseline characteristics of Washington Qualified Health Plan (QHP) customers who had coverage in December 2014 (year-end) with those who had coverage that ended (dis-enrolled) before December 2014 through *Washington Healthplanfinder*. This is a first step at understanding the observable features of the dis-enrolled population. Additional quantitative analysis is recommended to understand what factors are driving an individual's choice to dis-enroll before the end of the plan year. Coverage can stop for multiple reasons, including being terminated due to non-payment of premiums, voluntary disenrollment, or reporting a change of circumstance that impacts program eligibility.

Three key observations emerged from our analysis:

- Dis-enrollees are 12 percentage points more likely than year-end enrollees to be non-subsidized. Among year-end enrollees, 18% were non-subsidized. Among dis-enrollees, 30% were non-subsidized.
- Dis-enrollees are 5 percentage points more likely than year-end enrollees to have selected a bronze metal tier out of the four available tiers. Among year-end enrollees, 36% chose a bronze metal tier. Among dis-enrollees, 41% chose a bronze metal tier.
- Dis-enrollees are 16 percentage points less likely than year-end enrollees to be between the ages of 55 and 64. Among year-end enrollees, 34% were between the age of 55 and 64. Among dis-enrollees, 18% were between the age of 55 and 64.

Introduction

The Washington Health Benefit Exchange (WAHBE) is a state-based exchange established in accordance with Affordable Care Act (ACA). WAHBE is responsible for the operation of the *Washington Healthplanfinder (HPF)*, an easily accessible, online marketplace for individuals, families, and small businesses to find, compare, and enroll in Qualified Health Plans (QHP) and Washington Apple Health (Medicaid). Medicaid enrollment is year-round, while QHP enrollment is generally limited to designated annual open-enrollment periods. The first QHP open-enrollment period (OE1) was from Oct. 1, 2013 through Mar. 31, 2014. Customers who signed up during OE1 had QHP coverage beginning on Jan. 1, 2014, or later.

Background

In the first available plan year 2014, 182,000 Washington residents enrolled in a QHP. Of these customers, 123,000 had coverage in December 2014 (Year-End Enrollee), while 59,000 had coverage that ended between February 2014 to November 2014. For the purpose of this study we excluded 11,000 of the 59,000 customers because after dis-enrolling from QHP coverage, they continued receiving coverage through HPF in a Washington Apple Health program (Medicaid). The remaining 48,000 constitute the Dis-enrollee population for this study and represent dis-enrollment throughout 2014.

We have compared and discussed some of the characteristics in detail in the article and the other metrics are available in appendix I for reference.

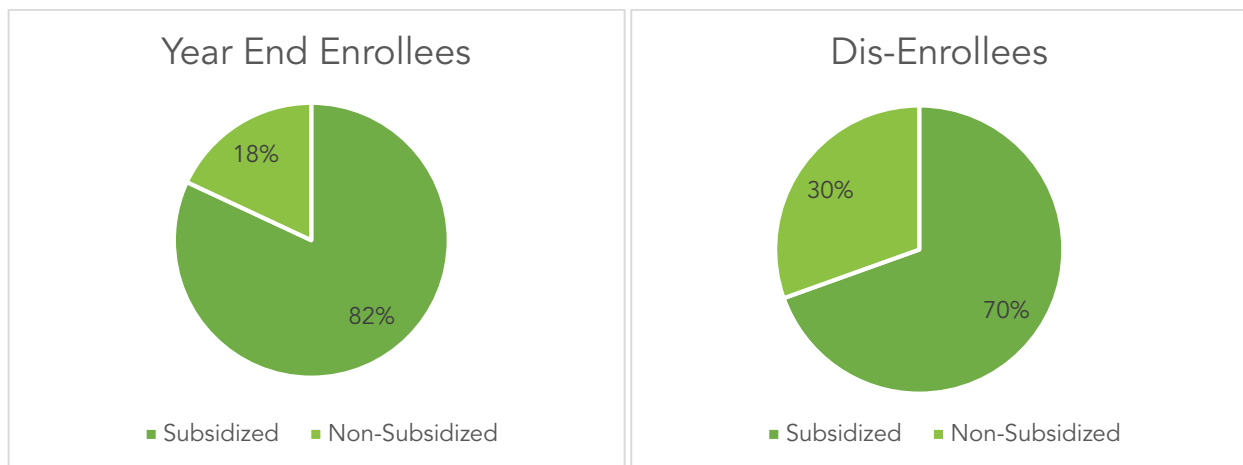
Comparison of different characteristics among the Year-End Enrollees and Dis-Enrollees.

Financial Assistance

QHP enrollees, based on the modified adjusted gross income of the household, can receive federal financial assistance in the form of health insurance premium tax credits (HIPTCs) which lower premium costs. Individuals and families with income up to 400% of the federal poverty level (FPL) may be eligible for HIPTCs. Individuals who receive HIPTCs are referred to as subsidized, those who do not qualify to receive HIPTCs are referred to as non-subsidized.

Our data shows that dis-enrollees are 12 percentage points more likely than the year-end enrollees to be non-subsidized. Among year-end enrollees, 18% were unsubsidized. Among dis-enrollees, 30% were unsubsidized (See Chart 1).

Chart 1: Dis-Enrollees vs Year-End Enrollees by Financial Assistance



Accordingly, among the total number of 2014 QHP enrollees (Enrollees + Dis-enrollees), non-subsidized enrollees have a higher percentage of dis-enrollees than subsidized enrollees (40% vs 25%). (See table 1).

Table 1: Financial Assistance by Dis-enrollees and Year-end enrollees

Financial Assistance	Year-End Enrollees	Dis-Enrollees	Total
Subsidized	100,670 (75%)	33,468 (25%)	134,138 (100%)
Non-Subsidized	22,167 (60%)	14,673 (40%)	36,840 (100%)

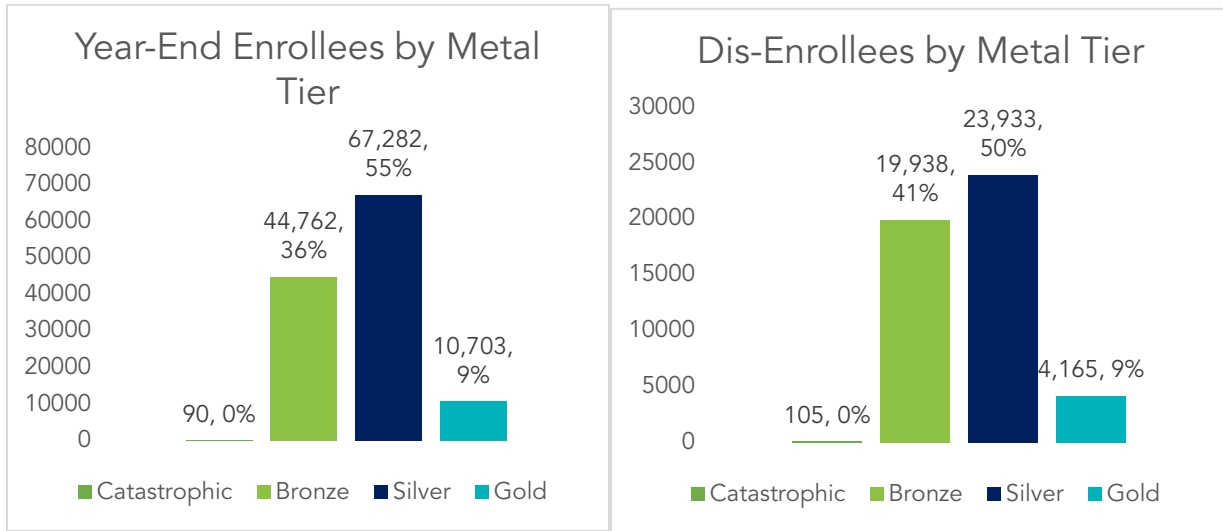
Metal Tier

Customers can select one of the four plan metal tiers available when shopping through the HPF. Metal tiers determine the percentage of the total expected medical costs paid by the plan and by the consumer. The higher the share of covered medical expenses paid by the plan, the higher the metal tier. Gold, silver, and bronze tiers pay an average of 80%, 70% and 60% of medical costs respectively. Generally, the higher the metal tier or share of covered medical expenses, the higher the premium cost. Catastrophic plans are offered to certain individuals under the age of 30. This type of plan offers the least amount of health coverage.

Customers who select a silver tier plan and whose income falls below 250 percent of the federal poverty level are eligible to receive cost-sharing subsidies (CSRs). These subsidies are in addition to any HIPTC for which the customer may be eligible. Cost-sharing subsidies are automatically applied, and help eligible customers reduce the cost of deductibles, copayments, coinsurance and total out-of-pocket spending limits. CSR is not available to bronze and gold tier customers. HIPTC or CSR is not available to the customers of the catastrophic plans.

Our data shows dis-enrollees are 5 percentage points more likely than the year-end enrollees to be enrolled in a bronze tier. Among year-end enrollees, 36% chose bronze tier. Among dis-enrollees, 41% chose bronze tier (See Chart 2).

Chart 2: Dis-enrollees vs Year-End enrollees by Metal Tier



Accordingly, silver tier has the lowest percentage (26%) of dis-enrollees, which could tie to the availability of CSRs exclusively to this metal tier that help lower out-of-pocket costs for customers. Catastrophic plans have the highest percentage (54%) of dis-enrollees but the total number of customers in this plan is small to conclude anything. Therefore, bronze tier has the highest percentage (31%) of dis-enrollees (See table 2).

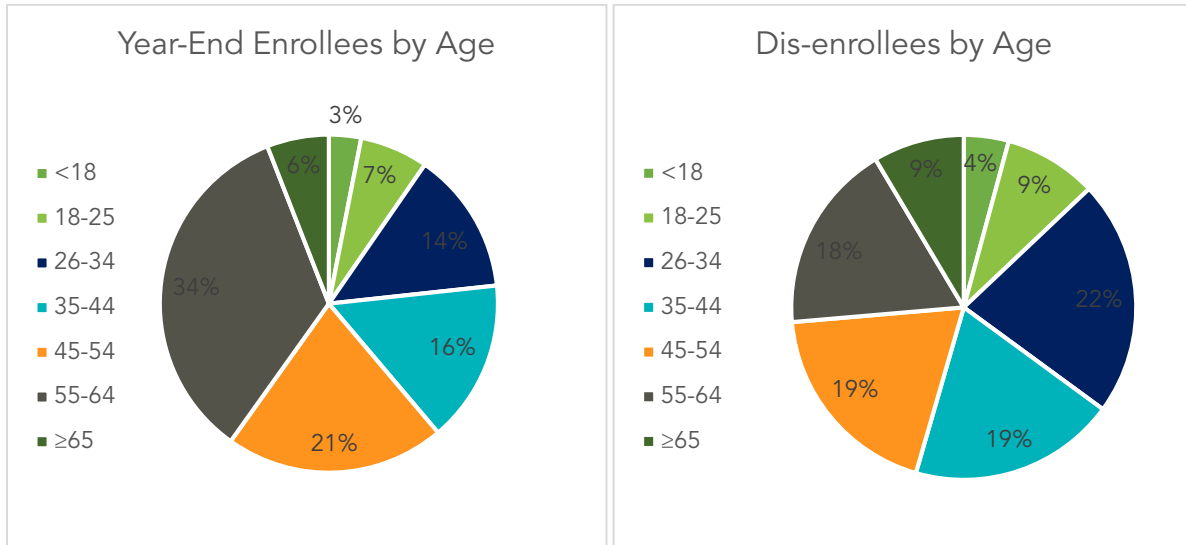
Table 2: Metal Tier by Dis-enrollees and Year-end enrollees

Metal Tier	Dis-Enrollees	Year-End Enrollees	Total
Catastrophic	105 (54%)	90 (46%)	195 (100%)
Bronze	19,938 (31%)	44,762 (69%)	64,700 (100%)
Silver	23,933 (26%)	67,282 (74%)	91,215 (100%)
Gold	4,165 (28%)	10,703 (72%)	14,868 (100%)

Age

Dis-enrollees are 16 percentage points less likely than the year-end enrollees to be between the age of 55 and 64. Among year-end enrollees, 34% were between the age of 55 and 64. Among dis-enrollees, 18% were between age of 55 and 64 (See Chart 3). Older cohorts make up a higher share of year-end enrollees, while younger cohorts make up a relatively higher share of the dis-enrolled population. Continuing coverage for age 64 could be attributed to the potentially declining health prior to the availability of Medicare.

Chart 3: Dis-Enrollees vs Year-End Enrollees by Age



Accordingly, those between the age of 55 and 64 had the lowest percentage (17%) of dis-enrollees (See table 3). Those individuals between the age of 26 and 34 had the highest percentage (39%) of dis-enrollees. A study by the CDC (Health Characteristics of Adults 55 Years of Age and Over: United States, 2000–2003), states that overall, prevalence rates for fair or poor health increase with advancing age, doubling or even tripling between the age of 55 and 64.

Based on this study, health care utilization is primarily higher for the age of 55 to 64 age group, making them more likely to stay with the health insurance plan.

Table 3: Age by Dis-Enrollees and Year-End Enrollees

Age	Dis-Enrollees	Year-End Enrollees	Total
<18	2,028 (35%)	3,784 (65%)	5,812 (100%)
18-25	4,202 (34%)	8,038 (66%)	12,240 (100%)
26-34	10,647 (39%)	16,779 (61%)	27,426 (100%)
35-44	9,350 (33%)	19,079 (67%)	28,429 (100%)
45-54	9,222 (26%)	25,857 (74%)	35,079 (100%)
55-64	8,575 (17%)	42,015 (83%)	50,590 (100%)
≥65	4,117 (36%)	7,285 (64%)	11,402 (100%)

Conclusion

This study compares 2014 QHP enrollees, who had year-end coverage with those whose coverage ended before December 2014 (dis-enrollee). We looked at factors that would differentiate the two groups. We found that customers with subsidies, aged between 55 and 64, and on the silver tier had relatively lower probability of dis-enrolling. We recommend that the Washington Exchange continue to reach out and educate the population on the benefits of each metal plan, subsidies, and CSR.

According to the survey conducted by Actûrus* in 2015 on all Exchange enrollees, expense was found to be the most common reason for disenrollment. We would recommend a survey uniquely designed for the dis-enrolled population as that would help in interpreting the meaning and policy implications of the findings.

Despite the important findings obtained from this study, further research is needed to understand the factors driving the individual's choice to dis-enroll before the end of the plan year. Ultimately, predictive modeling techniques can be used to predict the likelihood that a QHP customer will dis-enroll at some point in the future before their coverage ends. Exchange staff and resources can then be focused on the segment of customers with the greatest likelihood of dis-enrolling. As retention is very cost effective, we can customize tools and messages for these specific customers and deliver greater customer experience. Refer appendix I for other characteristics.

Appendix I

Dis-Enrollees vs Year-End Enrollees by FPL

FPL Range	Year End Enrollees	Dis-enrollees
<100%	3,875 (3%)	1,783 (4%)
≥100 - ≤138%	2,390 (2%)	1,092 (2%)
>138 - ≤150%	9,978 (8%)	3,197 (7%)
>150 - ≤200%	36,077 (29%)	12,607 (26%)
>200 - ≤250%	22,193 (18%)	7,962 (17%)
>250 - ≤300%	14,779 (12%)	5,186 (11%)
>300- ≤400%	17,472 (14%)	5,807 (12%)
>400%	3,119 (3%)	610 (1%)
Chose non-affordability	12,954 (11%)	9,897 (21%)

Dis-Enrollees vs Year-End Enrollees by Gender

Gender	Year End Enrollees	Dis-enrollees
Male	55,764(45%)	23,314(48%)
Female	67,073(55%)	24,827(52%)

Dis-Enrollees vs Year-End Enrollees by QHP Carrier

QHP Carrier	Year End Enrollees	Dis-enrollees
BridgeSpan	2441(2%)	764(2%)
CHPW	2548(2%)	740(2%)
Coordinated Care	20090(16%)	9649(20%)
Group Health	18641(15%)	7440(15%)
Kaiser Northwest	2341(2%)	920(2%)
LifeWise	17900(15%)	5447(11%)
Molina	1436(1%)	711(1%)
Premera	31259(25%)	11368(24%)
Premera MSP	26181(21%)	11102(23%)

Dis-Enrollees vs Year-End Enrollees by Ethnicity

Ethnicity	Hispanic_Indicator	Year End Enrollees	Dis-Enrollees
Alaskan Native	Hispanic	4(0%)	4(0%)
	Not_Hispanic	31(0%)	16(0%)
	Not_Reported	59(0%)	40(0%)
American Indian	Hispanic	32(0%)	25(0%)
	Not_Hispanic	394(0%)	166(0%)
	Not_Reported	586(0%)	223(0%)
Asian	Hispanic	87(0%)	47(0%)
	Not_Hispanic	5705(5%)	1821(4%)
	Not_Reported	7103(6%)	2373(5%)
Black	Hispanic	65(0%)	30(0%)
	Not_Hispanic	1073(1%)	736(2%)
	Not_Reported	1272(1%)	936(2%)
Hawaiian	Hispanic	9(0%)	6(0%)
	Not_Hispanic	30(0%)	22(0%)
	Not_Reported	74(0%)	39(0%)
not Provided	Hispanic	2639(2%)	1320(3%)
	Not_Hispanic	912(1%)	439(1%)
	Not_Reported	21390(17%)	8833(18%)
Other	Hispanic	2270(2%)	1046(2%)
	Not_Hispanic	654(1%)	353(1%)
	Not_Reported	1008(1%)	457(1%)
Pacific Islander	Hispanic	64(0%)	40(0%)
	Not_Hispanic	870(1%)	415(1%)
	Not_Reported	1038(1%)	520(1%)
White	Hispanic	2400(2%)	1137(2%)
	Not_Hispanic	25224(21%)	9666(20%)
	Not_Reported	47844(39%)	17431(36%)

Dis-Enrollees vs Year-End Enrollees by County

County	Year End Enrollees	Dis-enrollees
ADAMS	343(0%)	113(0%)
ANCHORAGE	0(0%)	1(0%)
ASOTIN	357(0%)	113(0%)
BENTON	2330(2%)	962(2%)
CHELAN	1888(2%)	580(1%)
CLALLAM	1818(1%)	489(1%)
CLARK	7016(6%)	2673(6%)
COLUMBIA	77(0%)	20(0%)
COWLITZ	1287(1%)	510(1%)
DOUGLAS	686(1%)	229(0%)
FERRY	142(0%)	38(0%)
FRANKLIN	1009(1%)	437(1%)
GARFIELD	42(0%)	25(0%)
GRANT	1198(1%)	399(1%)
GRAYS HARBOR	1188(1%)	420(1%)
ISLAND	1782(1%)	515(1%)
JEFFERSON	1176(1%)	299(1%)
KING	41136(33%)	17756(37%)
KITSAP	4215(3%)	1401(3%)
KITTITAS	752(1%)	264(1%)
KLICKITAT	666(1%)	168(0%)
LEWIS	1260(1%)	415(1%)
LINCOLN	207(0%)	34(0%)
MASON	972(1%)	291(1%)
OKANOGAN	910(1%)	235(0%)
PACIFIC	604(0%)	147(0%)
PEND OREILLE	241(0%)	55(0%)
PIERCE	9965(8%)	4439(9%)
SAN JUAN	1044(1%)	265(1%)
SKAGIT	2476(2%)	820(2%)
SKAMANIA	210(0%)	55(0%)
SNOHOMISH	12602(10%)	5351(11%)
SPOKANE	8062(7%)	3151(7%)
STEVENS	767(1%)	200(0%)
THURSTON	4139(3%)	1506(3%)
WAHIAKUM	103(0%)	19(0%)
WALLA WALLA	937(1%)	342(1%)
WHATCOM	5718(5%)	1923(4%)
WHITMAN	403(0%)	198(0%)

YAKIMA	3109(3%)	1283(3%)
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Dis-Enrollees vs Year-End Enrollees by Smoking Status

Smoking Status	Year End Enrollees	Dis-enrollees
No	113192(92%)	43676(91%)
Yes	9645(8%)	4465(9%)

Dis-Enrollees vs Year-End Enrollees by Family Size

Family Size	Year End Enrollees	Dis-enrollees
1	59560(48%)	29145(61%)
2	47683(39%)	13579(28%)
3	8413(7%)	2684(6%)
4	5220(4%)	1971(4%)
5	1410(1%)	541(1%)
6	420(0%)	159(0%)
7	105(0%)	35(0%)
8	24(0%)	8(0%)
10	9(0%)	20(0%)

Dis-Enrollees vs Year-End Enrollees by Immigration Status

Immigration status	Year End Enrollees	Dis-enrollees
Citizen	107074(87%)	42618(89%)
Non-Citizen	15763(13%)	5523(11%)

*http://www.wahbexchange.org/wp-content/uploads/2016/08/HBE_ES_151203_2015_Consumer_Survey.pdf