



Washington Health Benefit Exchange

Current State of the Exchange

Exchange Board Retreat
June 21, 2018

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Acknowledgements

- Thuy Ha, Data and Report Manager
- Kendra Jennings, Senior Data Analyst
- Huyen Tran, Data & Reporting Analyst
- Nelly Kinsella, Associate Director of Communications
- Kara Nester, Senior Policy Analyst
- Nicholas Aaseby, Financial Analysis & Reporting Manager



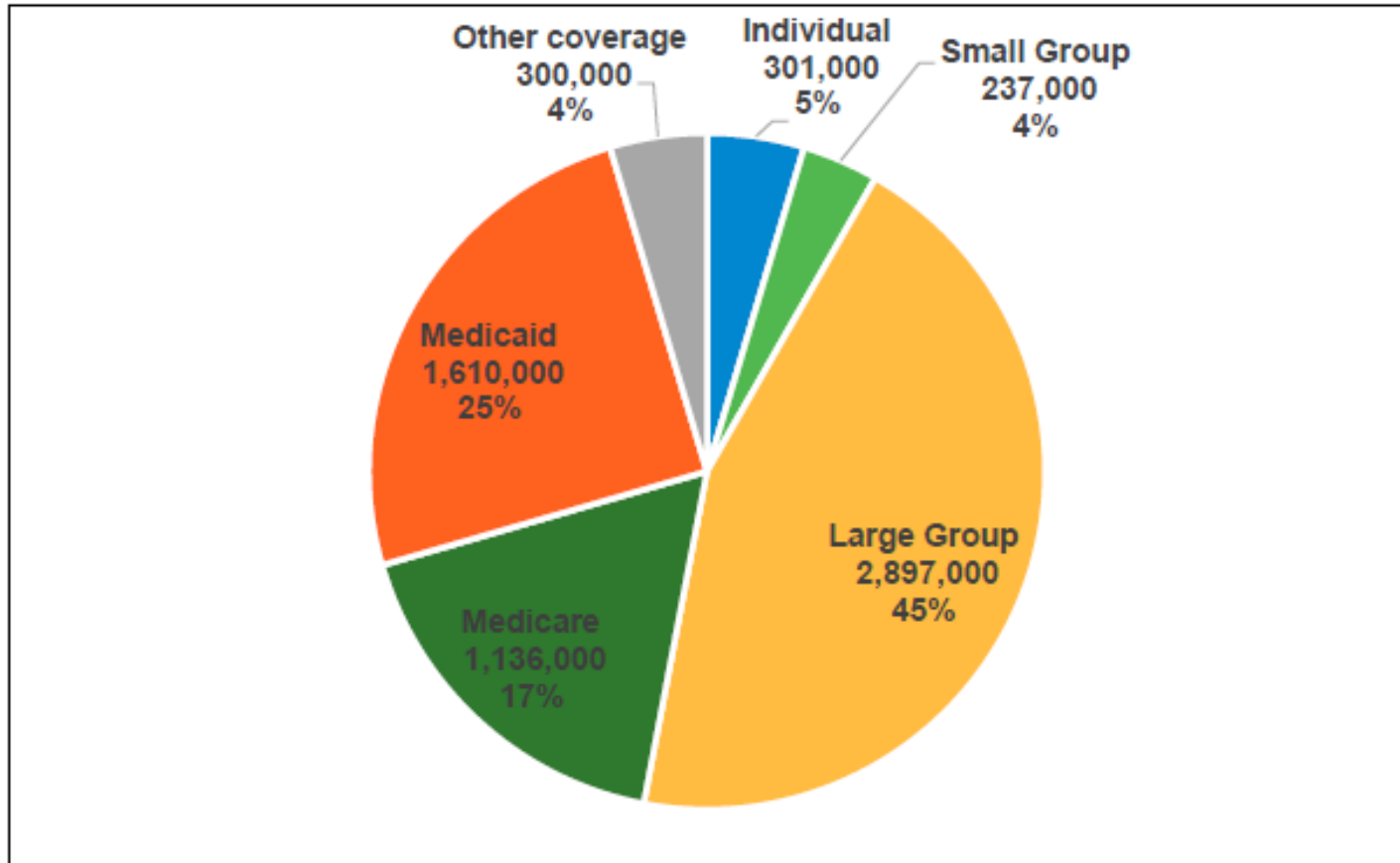
Data Overview

- Individual Market Overview
- Customer Feedback (Open Enrollment 5)
- Customer Behavior (Open Enrollment 5)
- Affordability



Individual Market Overview

Nearly 80% of Individual Market Enrollment is through *Washington Healthplanfinder*

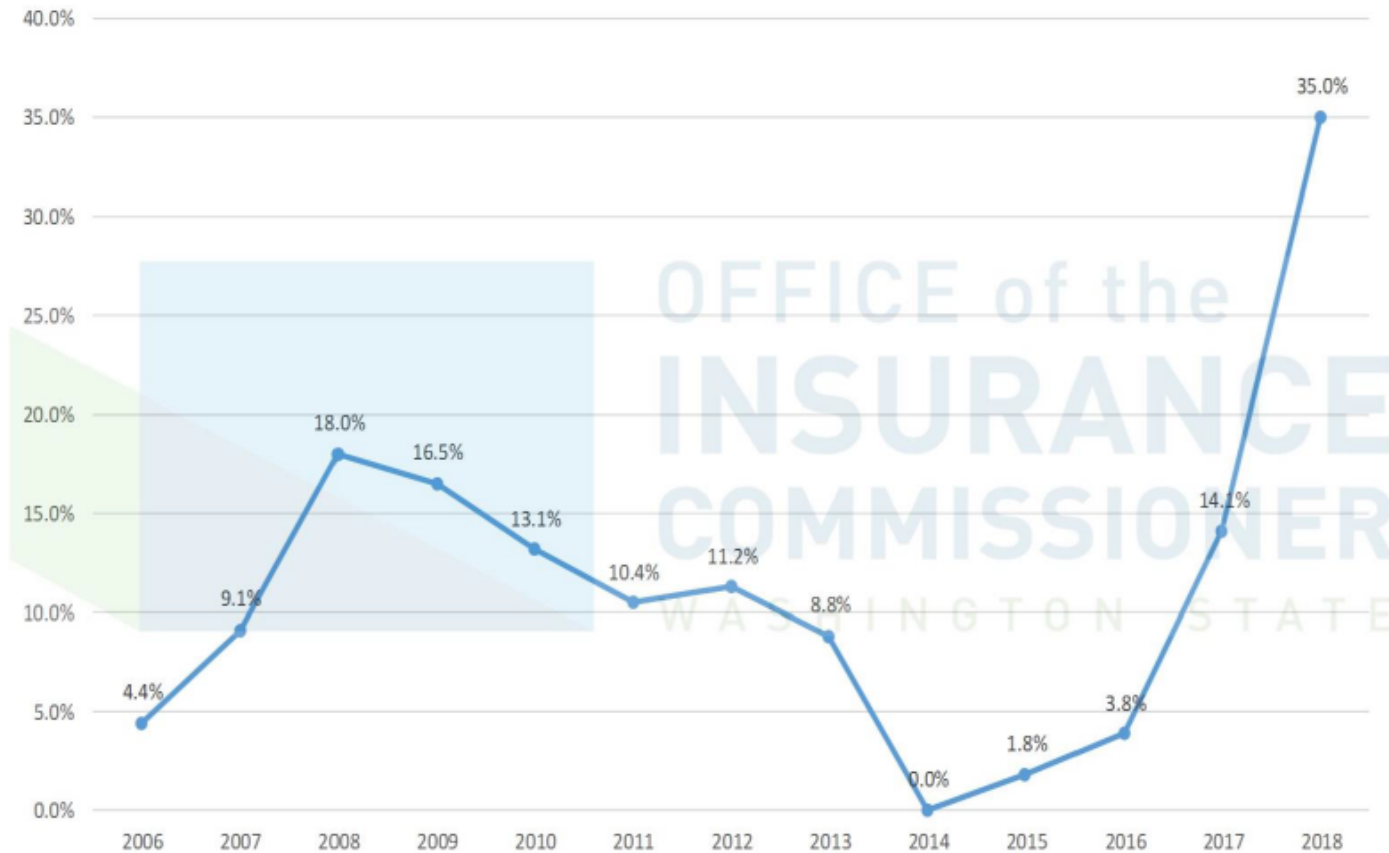


Source: OIC estimate based on company filings, HCA Medicaid data, and 2014 American Community Survey, adjusted for Medicaid undercount, January 2016.



Individual Market Premiums Over Time

Average annual rate change



Source: Carrier rate filing with the OIC

Methodology: This graph represents the annual change in rate for continuing plans on the individual market as approved (rather than requested) by OIC. The average rate changes are weighted by observed enrollment as of March of the earlier year and expected enrollment for the following year.

The rate increase in 2018 reflects the impact of termination of CSR payments and federal reinsurance. The proposed average rate increase for 2019 is 19%.



Exchange Performance Despite Market Volatility



Exchange Press Release: Washington Health Benefit Exchange Lowers Carrier Assessment Rate By 55 Percent (April 19, 2018)

Customer Feedback (Open Enrollment 5)

Understanding Our Customers

Usability Testing

Consumers test upcoming system changes before they are implemented.



Surveys

The Exchange solicits feedback from customers and assists through surveys of:

- All Customers
- New Customers
- Customers Who Did Not Renew
- Customers with Limited English Proficiency
- Navigators
- Brokers



Expert Review

Exchange staff enlist design experts to: review system designs for clarity and ease of use; share existing best practices; and provide design recommendations.



Focus Groups

The Exchange tests messaging with groups of residents including:

- Existing customers
- Outside market customers
- Uninsured residents



Other

- Social Media
- Web & Mobile Analytics
- Marketing & Outreach Events



Customer Insights: Accessing Information

- Half of all customers are applying, renewing and managing their coverage via a mobile phone or tablet
- WAHealthPlanFinder app has over 70,000 downloads
- The average Washington Healthplanfinder web session is for 15 minutes
- The preferred way our customers want to get information is via email
- Enrollment deadlines still drive the highest website traffic



Customer Feedback:

Washington Healthplanfinder

- Improvements are appreciated; more positive comments compared to prior years
- Increased expectations for *Washington Healthplanfinder*
 - Customers expect the site to be like any other modern e-commerce experience
 - Customers want the site to be available 24/7
- Simplification of online application is key
 - Password Difficulties
 - Navigation Challenges
 - More Personalized/Dynamic Messaging (e.g., affirmative messaging when enrollment has been confirmed; not just directive messaging)
 - Plain Talk
- Customers want a more streamlined plan selection experience; new tools need further refinement (e.g., Smart Planfinder)
- Customers in transition want a more intuitive and easy to use experience (e.g., transitioning to Medicare, cancelling an auto-renewed plan).



Customer Feedback: Plan Pricing & Availability

- Limited options and high prices were a significant reason customers decided to forego coverage (35% of customers who replied to our survey did not renew because they couldn't find a plan to fit their budget)
- Premium cost is the most important shopping factor, followed by out-of-pocket maximum and then deductible
- Customers continue to be confused by insurance terms, particularly those related to cost-sharing (e.g., coinsurance, copayments)



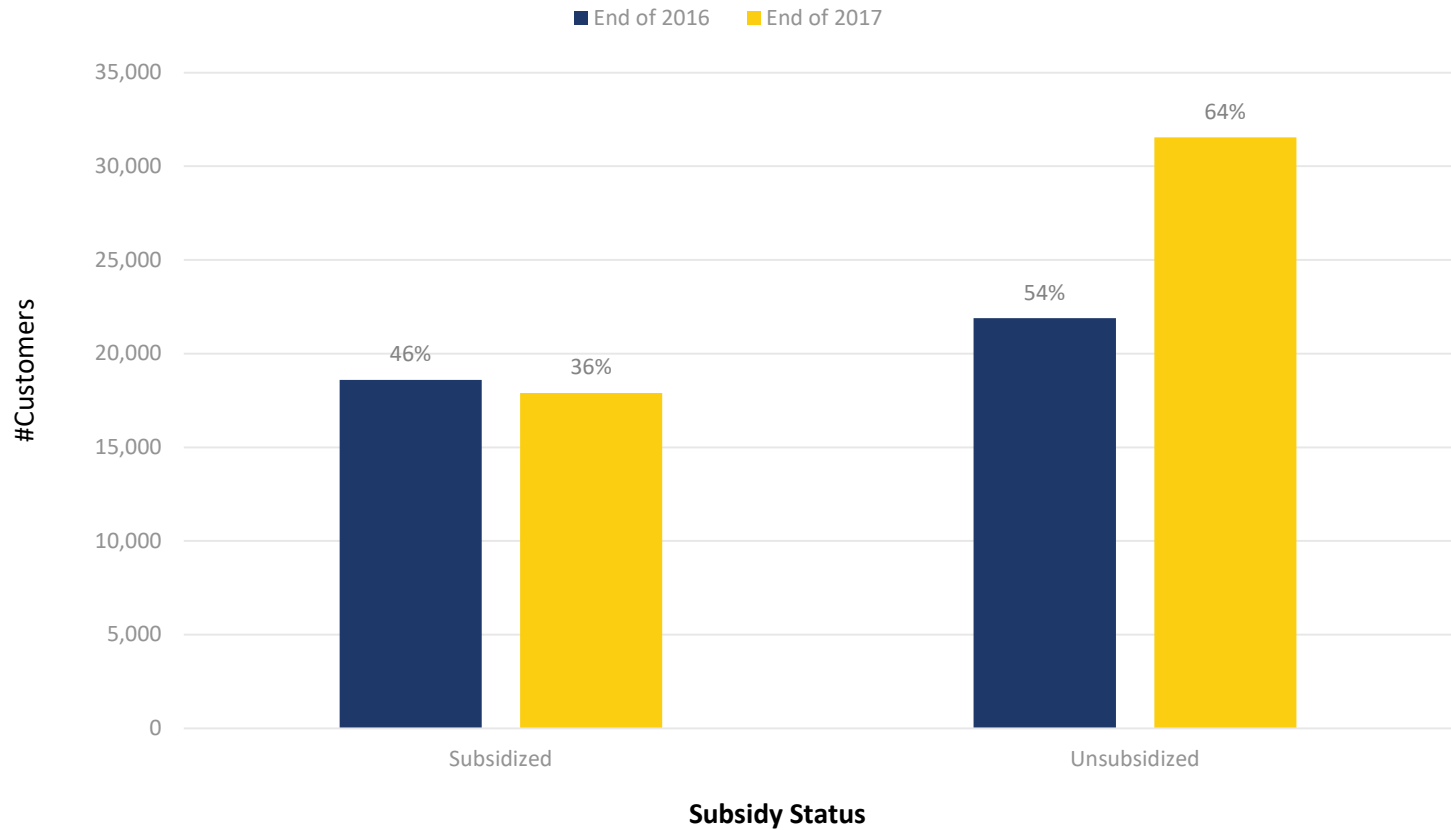
Customer Behavior (Open Enrollment 5)

Enrollment Overview

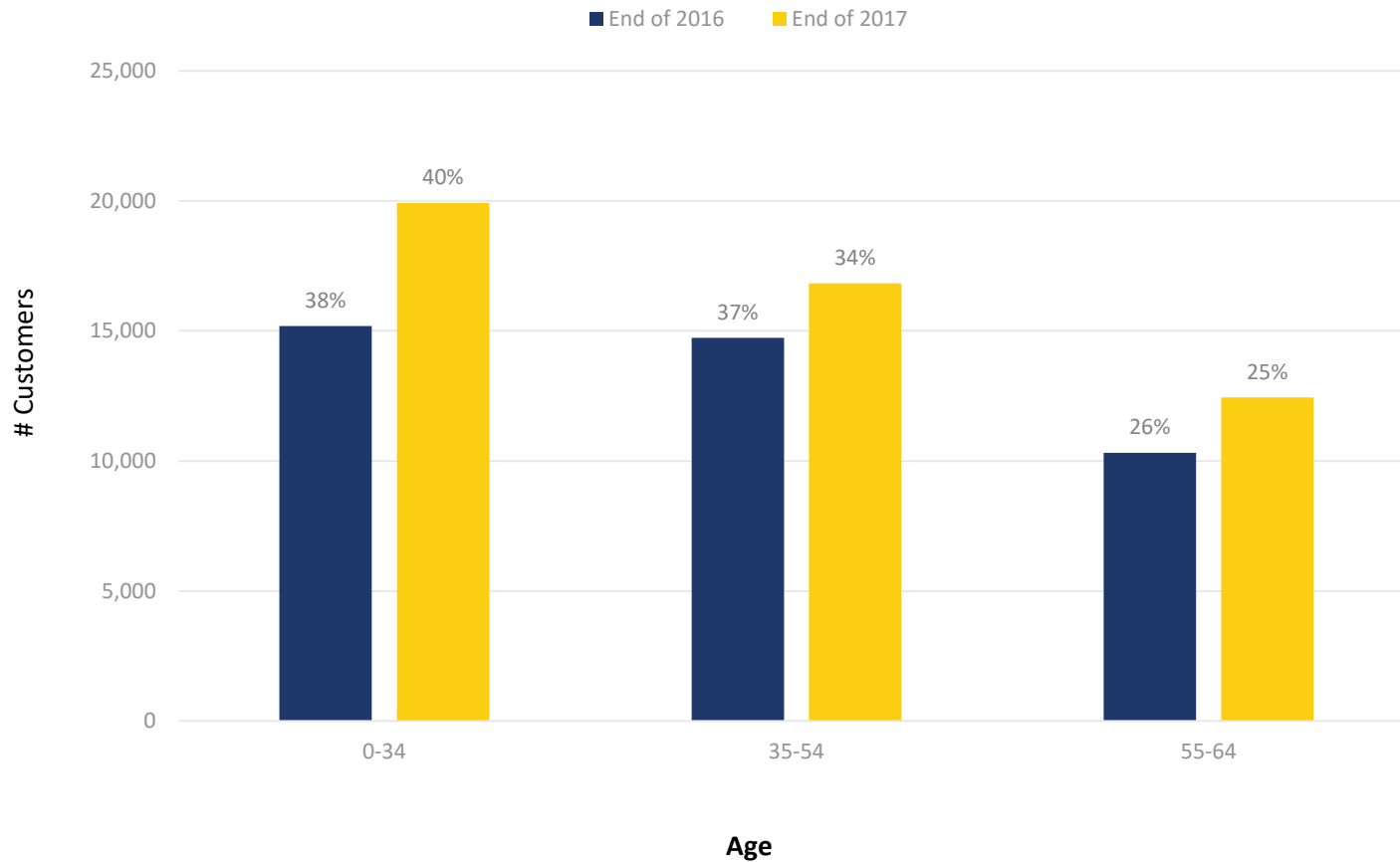
- 2018 v. 2017 Snapshot
 - Subsidized population increased from 61% (2017) to 66% (2018)
 - Same age distribution: <35 y/o (32%); 35-54 (36%); 55-64 (31%)
 - Slightly higher % of customers under 200% FPL
- Transition from 2017 to 2018
 - Nearly 50,000 customers left (22% increase from 2017)
 - 44% increase in not subsidized leaving
 - 31% increase in 'young invincibles' (<35 y/o) leaving
- Dropping 2018 Coverage
 - Over 43,000 have dropped since Jan. 1 (similar to 2017)



More Not Subsidized Consumers Dropped at End of 2017 than End of 2016

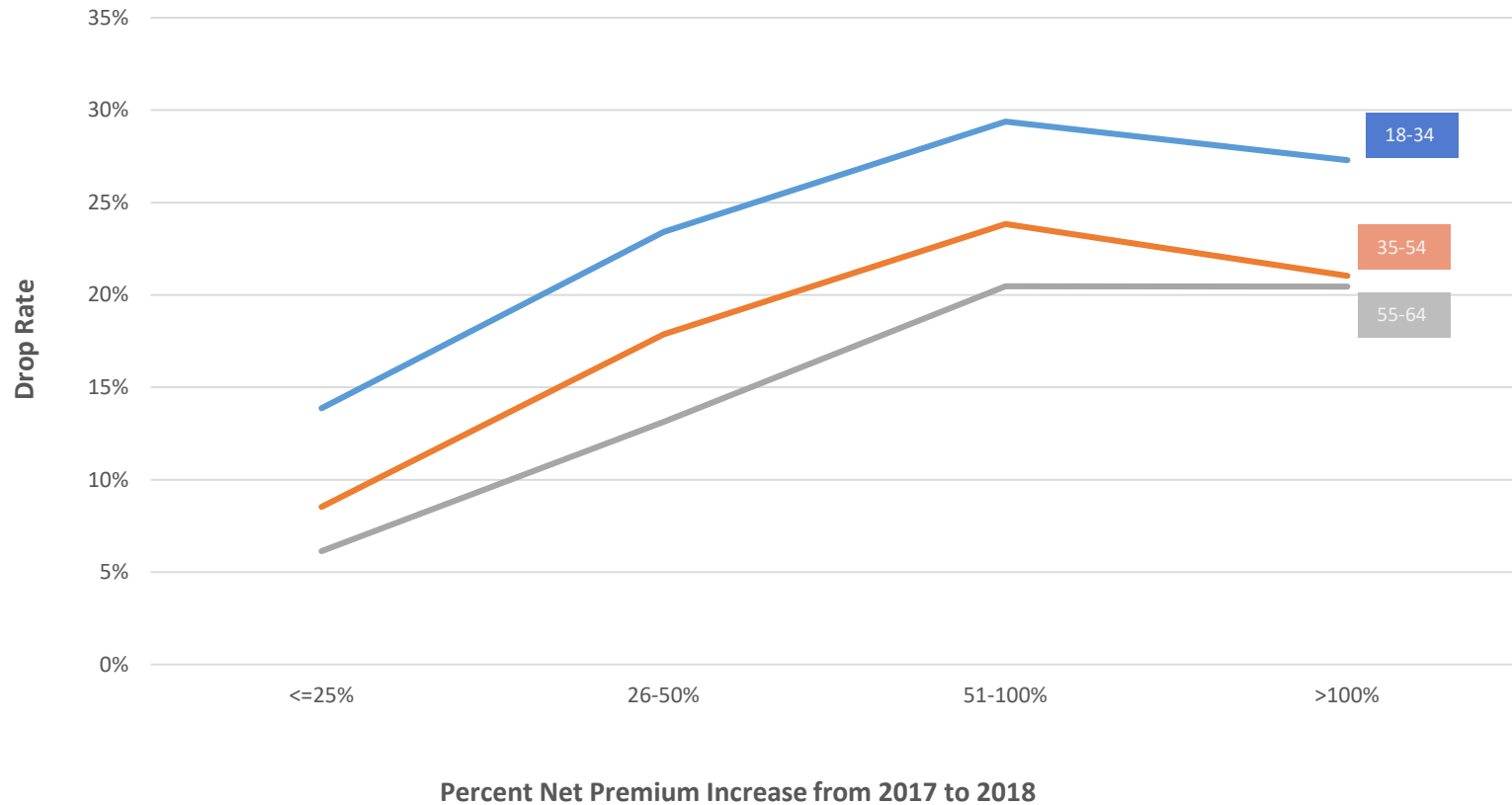


More 'Young Invincibles' Dropped at End of 2017 than End of 2016



'Young Invincibles' & Price Sensitivity

Customers <35 y/o had the highest drop rates from 2017 to 2018, across all net premium increase categories



Affordability

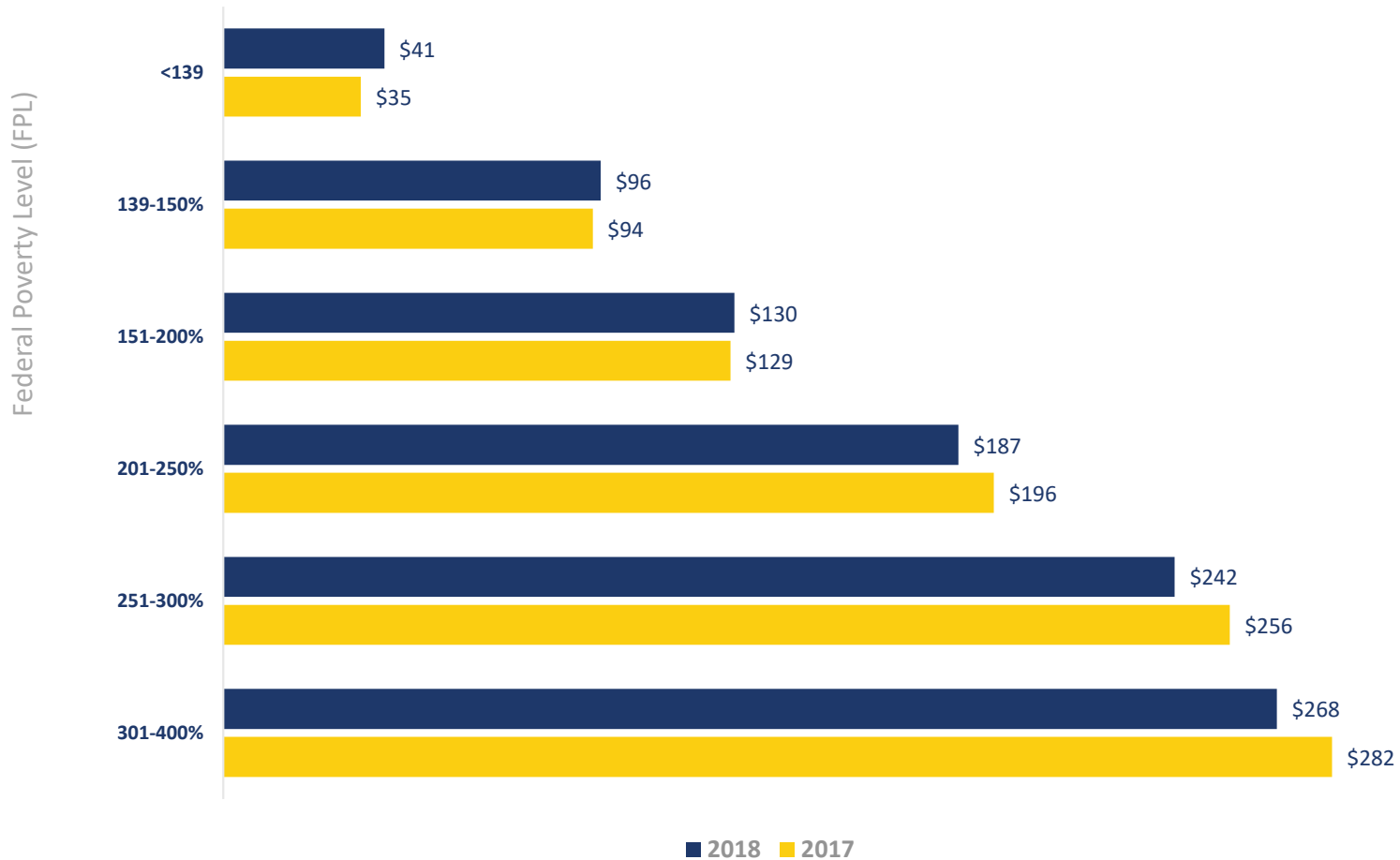
2018 Premium Increases

- The premium changes customers experienced varied greatly based on subsidy status and age
- Customers up to 400% of FPL may be eligible for federal premium tax credits
 - Not everyone under 400% FPL is subsidized
- Subsidized customers were largely shielded from premium increases



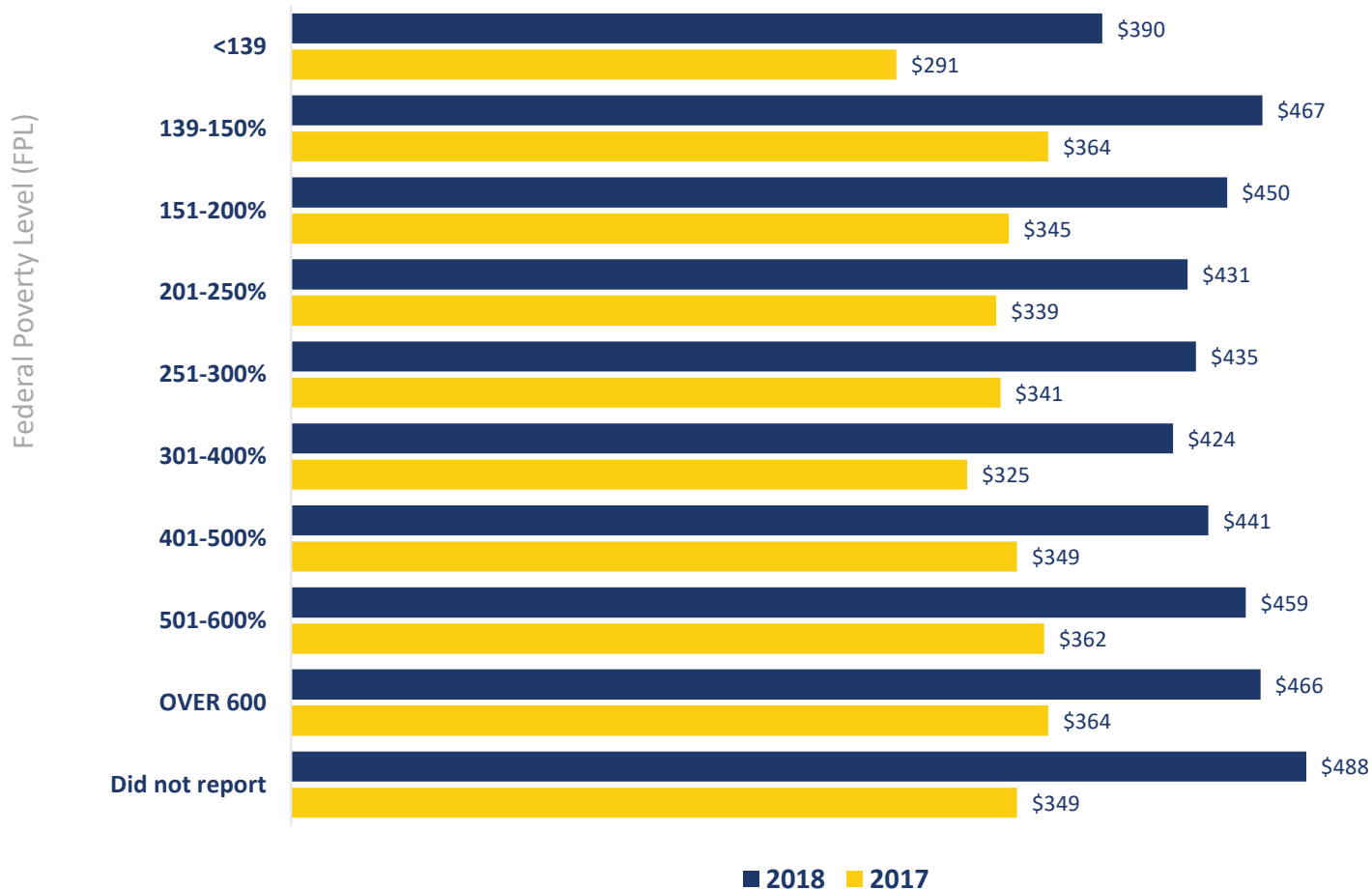
Subsidized Customers Largely Shielded

Average Monthly Net Premium by FPL For Subsidized Customers, 2017 v. 2018



Not Subsidized Customers Faced Significant Increases

Average Monthly Net Premium by FPL For Not Subsidized Consumers, 2017 v. 2018



Not Subsidized Customers 55-64 y/o Face Highest Premiums

Average Monthly Net Premium in 2018, by Age and Subsidy Status

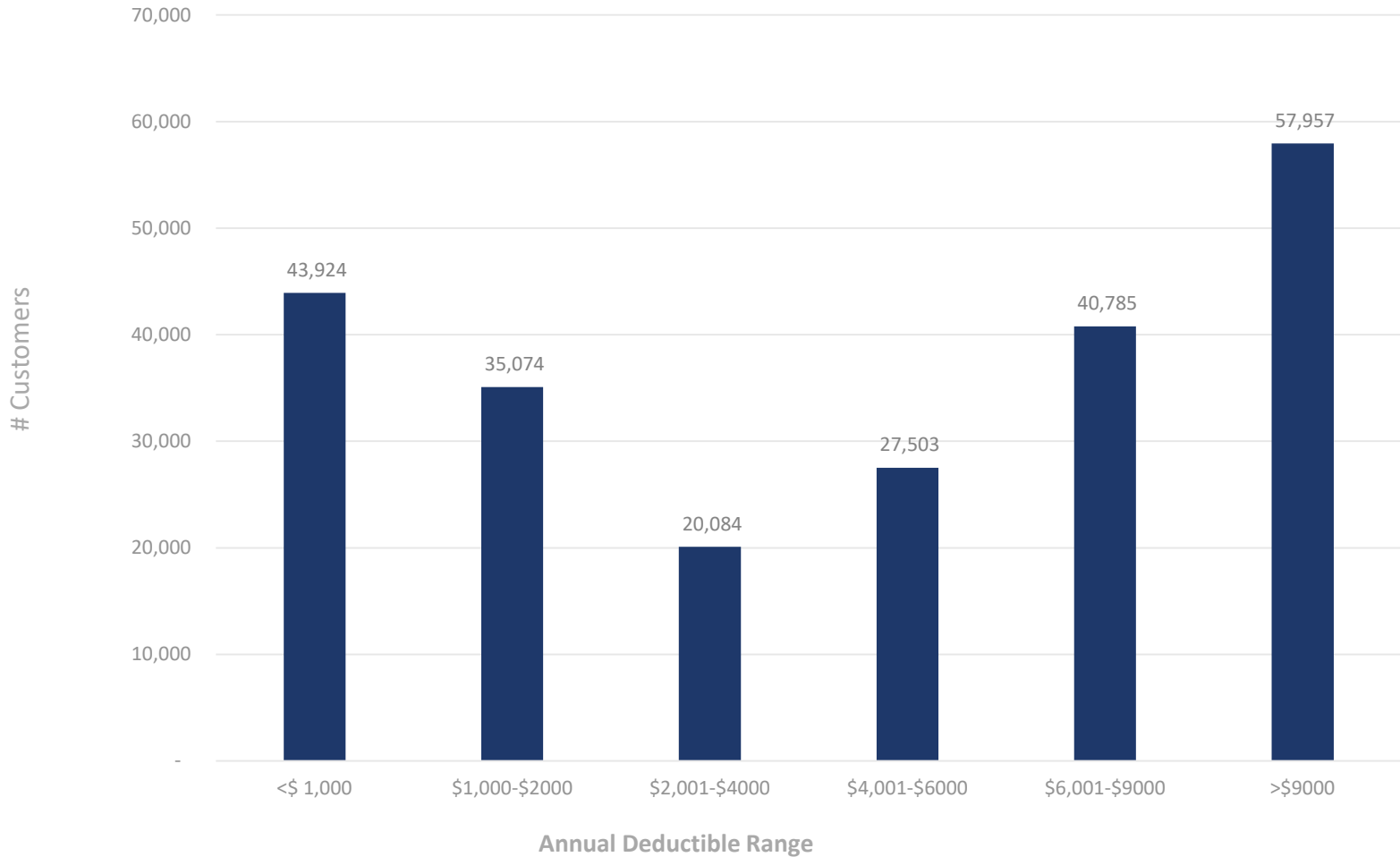


2018 Deductibles

- In 2018, individual plans have deductibles up to \$7,350 and family plans have deductibles up to \$14,700
- Cost-Sharing Reductions (CSRs) are still available for customers up to 250% FPL
 - Not everyone under 250% FPL receives CSRs
- Even after factoring in CSRs, nearly 100,000 current customers still have deductibles over \$6,000
- For most medical services (beyond preventative services) customers pay the full cost until their deductible is met



Nearly 60,000 Customers Have \$9,000+ Deductibles



Deductibles are for individual and family plans after cost-sharing reductions have been applied.

Consumers Pay A Significant Amount of Household Income on Health Coverage

Subsidy Status	FPL	Number of Customers	Avg % of Income Spent on Premium	Avg % of Income Spent on Premium & Deductible*
Subsidized	139-150%	15,217	6%	16%
	151-200%	42,941	7%	21%
	201-250%	27,767	8%	31%
	251-300%	18,723	9%	31%
	301-400%	24,469	9%	32%
	401-500%			
	501-600%			
	600%+			
Not Subsidized	139-150%	766	29%	58%
	151-200%	2,512	23%	49%
	201-250%	2,299	17%	40%
	251-300%	2,023	14%	33%
	301-400%	3,055	13%	33%
	401-500%	9,514	11%	29%
	501-600%	4,440	10%	24%
	600%+	7,984	4%	9%

*Assumes annual deductible is met

Excludes customers <139% FPL and customers who did not report income

Appendix

Cost-Sharing Definitions

deductible

The amount you will spend on your health care before your health plan starts to pay some of your health care costs. The deductible is one of the ways you share the cost of your care with your health plan.

Your deductible amount starts over at the beginning of every calendar year.



co-pay

A co-pay is a fixed amount you pay for a covered health care service. Services like a regular doctor's visit or filling a prescription will normally have a co-pay.

Your co-pay is due at the time you receive the service.



co-insurance

Co-insurance is your share of the cost of a covered health care service. You start to pay co-insurance after you have paid your health plan's deductible.

Co-insurance is just one of the ways you will share the cost of your health care with your health plan.



out-of-pocket

The costs you pay that are not paid by your health plan.

Out-of-pocket costs include deductibles, co-insurance, and co-pays for covered services plus all costs for services not covered by your health plan.



Out-of-pocket costs for 2015 can be no more than \$6,600 for an individual plan and \$13,200 for a family plan if purchased inside the marketplace.



2018 Federal Poverty Levels

Household Size	100%	133%	150%	200%	250%	300%	400%
1	\$12,060	\$16,040	\$18,090	\$24,120	\$30,150	\$36,180	\$48,240
2	16,240	21,599	24,360	32,480	40,600	48,720	64,960
3	20,420	27,159	30,630	40,840	51,050	61,260	81,680
4	24,600	32,718	36,900	49,200	61,500	73,800	98,400





washington
healthplanfinder

click. compare. covered.