



OAHU Regulatory Update

by John T. McGough

June 7, 2017

Anthem Announces Exit of Ohio's ACA Individual Market in 2018

Yesterday, Anthem, who is one of the largest sellers of ACA individual health insurance, announced they are exiting Ohio's ACA individual market for 2018. Anthem is the only insurer selling health insurance exchange products in all 88 Ohio counties in 2017 and is the only insurer in 20 counties, according to Ohio Department of Insurance spokesperson Chris Brock. In 2018, the move would leave about 10,500 people in at least 18 counties with no insurer.

Below is a fact sheet the Ohio Department of Insurance released yesterday to further explain the impact of Anthem's decision to leave the ACA individual market.

Anthem Fact Sheet

Background

- In 2016, 17 companies sold health insurance on the federal exchange in Ohio.
- In 2017, only 11 companies are selling health insurance on the federal exchange in Ohio.
- In 2016, all 88 counties had at least four insurers selling exchange products.
- In 2017, 20 counties only had one insurer selling health insurance on the exchange and 27 counties had just two.
- In 2017, Anthem is the only insurer selling health insurance exchange products in all 88 counties and it is the only insurer in the 20 counties with just one insurer.
- Based on preliminary filing submissions made to the Ohio Department of Insurance (ODI), Anthem's reductions across the state will leave at least 18 counties with no insurer in 2018.
 - Those 18 counties are; Coshocton, Crawford, Guernsey, Hancock, Harrison, Hocking, Holmes, Jackson, Knox, Lawrence, Morgan, Muskingum, Noble, Paulding, Perry, Van Wert,

Vinton, Wyandot.

- In Ohio, Anthem will continue to cover approximately 3.4 million people across many types of insurance including small group and large group plans.

Frequently Asked Questions

Who is impacted?

Ohioans who bought health insurance from Anthem on the exchange will need to find another insurer for 2018, but they have coverage until December 31, 2017. Approximately 10,500 Ohioans in at least 18 counties, however, will have no health insurance options from the exchange in 2018. The Department of Insurance is looking at options to solve this problem.

When will I be impacted by these changes?

Those in the counties where no insurer is planning to sell exchange plans will be impacted starting January 1, 2018.

I'm not on the exchange so how does this announcement impact me and my health insurance?

Those with health insurance through employer provided insurance, Medicare or Medicaid will not be impacted.

What is causing these changes to Ohio's health insurance market?

Before the Affordable Care Act (ACA) Ohio had a very competitive health insurance market—many companies offered plans so prices were relatively lower compared to other states. New regulations from ACA have driven some companies out of Ohio and made it harder for them to do business, both of which have driven up the cost of health insurance in Ohio.

What is ODI doing to improve the current situation?

The best, long-term fix is to repeal the ACA and replace it with better regulations that both ensure high quality and help drive down costs with more competition. Until then, the Department will work to identify potential options that could help the approximately 10,500 Ohioans living in the counties that may not have an insurer selling exchange plans in 2018.

I need assistance to understand my situation and my options. Who should I

contact?

Consumers with questions should contact the Ohio Department of Insurance at 1-800-686-1526.

ODI Requests CMS Flexibility of Section 1332 Waivers

In a related matter, last week ODI Director, Jillian Froment, sent a letter to CMS Administrator, Seema Verma, requesting “flexibility in the waiver application process and the application’s requirements to allow states to make meaningful impacts on their markets.” The full text of Froment’s letter is below.

OAHU has already discussed our interest in working with ODI and other stakeholders should ODI move forward on a Section 1332 waiver request. We will keep you updated on this matter as there are further developments.

July 1, 2017

Administrator Seema Verma

**Centers for Medicare and Medicaid Services 200 Independence Avenue, SW,
Suite 314G Washington, D.C. 20201**

Via email: Seema.Verma@cms.hhs.gov

Dear Administrator Verma,

In recent months, the Centers for Medicare and Medicaid Services (CMS) has encouraged states to consider using Section 1332 innovation waivers as defined under the Affordable Care Act (ACA) to improve health insurance markets across the country. In order to empower states to utilize these waivers to strengthen their health insurance markets, I encourage CMS to provide flexibility in the waiver application process and the application's requirements to allow states to make meaningful impacts on their markets.

Ohio is home to one of the largest insurance markets in the United States and the Ohio Department of Insurance (Department) strives to foster a stable and competitive insurance market that provides consumers and job creators with a wide variety of choices when it comes to all types of insurance. We believe increasing competition in the market drives down the cost of insurance and - as a result - increase access to coverage.

Prior to the ACA, Ohio had a competitive and strong health insurance market with more

than 60 companies selling health insurance products. Today, that number has decreased by at least one third and is less than 40. When it comes to Ohio's federal exchange, the changes have been even more dramatic.

In 2016, 17 health insurers offered plans in Ohio and in each of Ohio's 88 counties, consumers had at least four companies to choose from. In 2017, that number has dropped to 11 insurers selling exchange products in Ohio and now more than half of Ohio's 88 counties only have one or two insurers from which to choose. Further exacerbating the problem are rising premiums in Ohio as the ACA's requirements push the cost of health insurance higher. Since 2013, premiums in Ohio's individual and small group markets have increased by 91 percent and 94 percent respectively.

The position of the Department has always been that insurance - auto, health, home, life, etc. - should be regulated at the state level. Across the country, states have a strong track record of protecting consumers while fostering strong insurance markets. Ohio needs flexibility to regulate health insurance in ways that make sense for Ohio's consumers and job creators.

That is why I urge CMS to consider revising or rescinding current regulations and guidance implemented under the previous administration. Specifically, guidance was published related to the application requirements for 1332 Waivers for State Innovation in the Federal Register on December 16, 2015. This guidance goes beyond the scope of the federal statute by imposing additional requirements related to the application that are not specified in the statute. For example:

- The statute provides that the coverage under a waiver must be at least as comprehensive, as affordable and cover as many people as the coverage provided without the waiver - broad standards that promote state flexibility, while maintaining consumer protections. However, the Guidance issued in December 2015 contained prescriptive rules that severely limited states' ability to make meaningful changes that drive down cost, increase alternatives and improve access.
- The statute provides that a waiver must not increase the Federal deficit. However, the guidance states that although a coordinated waiver application can be submitted, savings accrued under either proposed or current Section 1115 Medicaid or CHIP demonstrations cannot be taken into account in assessing whether a Section 1332 waiver would meet the deficit neutrality requirement. This guidance impedes states ability to holistically address access to health insurance across all consumers and simply restrains states by limiting them to continue the policies that have had detrimental impacts in our markets.

By rescinding this guidance, while also considering other opportunities for relief at the state level, CMS can help make Section 1332 innovation waiver applications more meaningful to states like Ohio and truly foster innovation.

I appreciate your prompt consideration of this issue and, as you and your staff contemplate regulatory changes, Ohio stands ready to share our experiences and provide specific feedback as needed.

Sincerely,

Jillian Froment, Director

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