

# NBPP 2019: What matters in North Carolina

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# Major Changes in NBPP 2019

- Benefit Changes
- Navigators/Assistance
- Financial Review
- Mandate exemptions
- Special Enrollment Periods
- Income Verification (Medicaid Gap)

# General policy environment for 2019

- Low Federal Support
  - No individual mandate in 2019
  - Low enrollment outreach/negative federal messaging
  - More “outs” for healthy consumers
  - No Cost Sharing Reduction subsidies
- Continual consolidation of the NC medical market
- Few insurers on Exchange

**HIGH PREMIUM INCREASES**

# Benefit Changes

- Regular updates on Maximum Out of Pocket
  - \$7,900 MOOP for regular
  - \$5,000 for CSR-73
- States can pick other states Essential Health Benefits starting in 2020
  - Any 2017 state's EHB can be substituted
  - Has a floor and a ceiling

Impact: Modest as there is little variation among states



# Plan Design and Buyer Decision Support

- Eliminates Meaningful Difference
  - Will lead to more consumer confusion
  - Impact: Modest as insurers had wide variability to design distinctive plans already
- Removes Standard Plan design
  - Impact: Nil – voluntary choice by insurers
- Network Adequacy and Essential Community Providers regulation moved to states
  - Impact: Potentially Significant
- Navigators
  - are not required to be in the rating area
  - In each rating region, no longer need at least 1 consumer focused non-profit
    - Impact: Unknown given the lack of navigator funding in OEP 5
- Easier direct enrollment (brokers) pathways
  - Impact: Modest (more meaningful if commissions are paid)

# Financial Review

- 15% Rate Review threshold
  - Previously 10%
    - Impact: Low (rate review is primarily a reputation based incentive)
  - Quality Improvement set at a fixed 0.8%
    - Impact: Minor
- Technical changes to risk adjustment
  - Impact: Minor

# Mandate Exemptions

- Individual mandate zeroed out on 1/1/19
- 2 new hardship exemptions for 2018
  - If all plans in the county offer abortion
    - Impact: Nil (North Carolina prohibits individual market abortion coverage except for life, rape, incest exemption)
  - If a county is only served by zero or one insurer
    - 95 counties covered solely by BCBS-NC
    - Impact: Unknown --- may be significant to BCBS-NC
- More messaging than policy

# Enrollment Rules

- Special Enrollment Periods
  - Dependents with a unique SEP can either be added to family plan or get their own plan
  - Adding dependents goes to date of qualifying event (adoption, birth, child support order etc)
  - Continual coverage requirements clarified for bare counties
    - Impact: Mainly clarification of odd cases
- Termination
  - Consumer selected date
    - Impact: Minor



# Income Verification for Medicaid Gap

- Increased verification for people earning between 100% and 138% Federal Poverty Level (FPL)
  - Citizens earning under 100% FPL are not eligible for premium subsidies
  - Some financial engineering may have occurred for some people to bump their claimed income up to subsidy eligibility
  - Impact: Potentially significant in North Carolina as Medicaid has not been expanded. Minor in Medicaid expansion states

# The quiet dog: Silver Loading

- No comments about Silver Loading
  - Work-around for the termination of CSR funding
  - Places all CSR costs onto on-Exchange Silver Plans
  - Effectively lowers the subsidized premiums of Bronze and Gold plans
- Impact: TBD

# Questions

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