

AVALERE ANALYSIS: DEC. 23 EXCHANGE COVERAGE DEADLINE CRUCIAL FOR HIGH-NEED ENROLLEES

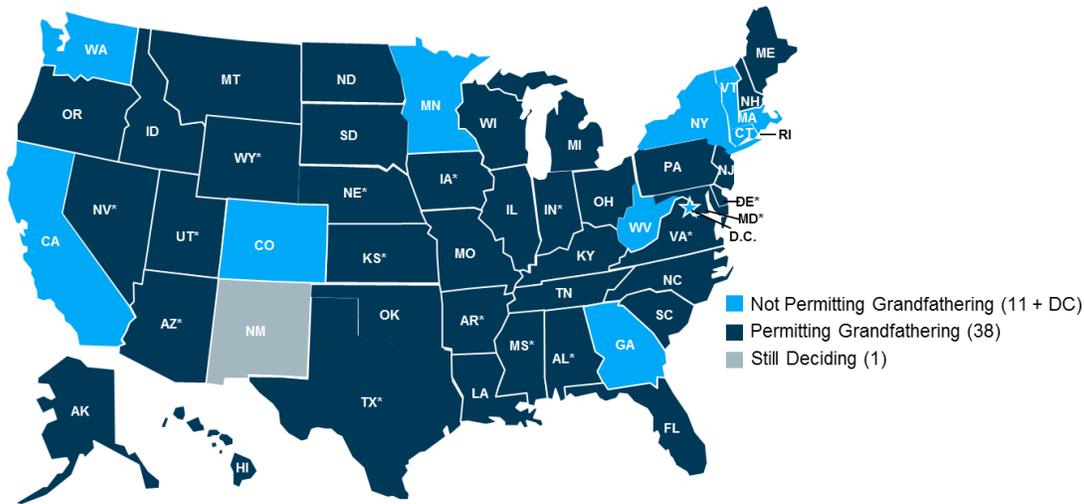
An analysis by Avalere Health addresses key issues faced by various high-need groups that must enroll in exchanges by Dec. 23 to secure coverage by Jan. 1, 2014, including those facing individual market cancellations, individuals in high-risk pools, some Medicaid beneficiaries and uninsured HIV/AIDS patients. Each of these groups risks a potential lapse in coverage and gaps in treatment if they do not enroll in exchanges by Dec 23. Many of these individuals have high healthcare needs but their current coverage is slated to change on Jan. 1, 2014.

“Individuals facing an imminent change in their coverage are heading into a crucial period,” said Matt Eyles, executive vice president at Avalere. “They need to know that action is required in the next two weeks to get enrolled in an exchange plan for Jan 1 or they risk a lapse in coverage until Feb 1 or beyond.”

Individual Market Cancellations

The Affordable Care Act (ACA) mandates new coverage requirements for all health plans in the individual and small group markets beginning Jan. 1, 2014. As a result, millions of policies across the country were slated to be canceled – leaving these policyholders uninsured if they were unable to enroll in an exchange plan. To ease the disruption for consumers, the Obama Administration is allowing states to extend 2013 policies slated to be canceled. To date, 38 states have authorized 2013 policies to be extended through 2014 in some way. However, plans in these states are not required to continue the policies, so it remains unclear how many current individual market enrollees are losing coverage. Given this uncertainty, it is likely that some enrollees will experience a gap in coverage before transitioning to an exchange plan.

GRANDFATHERING OF 2013 PLANS



Updated: December 4, 2013

* Allows early renewals, enabling individuals to extend a 2013 plan type through 2014.

Individuals in High-Risk Pools

ACA Pre-existing Condition Insurance Plans

The ACA allocated \$5 billion to provide immediate coverage to individuals with pre-existing conditions through the Pre-existing Condition Insurance Plans (PCIPs) until Dec. 31. The PCIPs are high-risk pools for chronically-ill individuals unable to access coverage on the individual market who typically have very high annual healthcare spending. In total, the PCIPs are serving 104,996 individuals.¹ However, this program's funding expires at the end of this year, requiring all of these individuals to enroll in exchange or other coverage to maintain access to providers and treatment regimens. If PCIP enrollees do not enroll in exchanges this month, they could face high, uncovered medical bills starting in January.

State high-risk pools

Over the last three decades, more than 30 states have operated state-run high-risk pools to provide coverage to those with pre-existing conditions. In 2011, state-run high-risk pools served 224,957 people.² As the ACA coverage expansion begins, many states are transitioning individuals from these high risk pools to exchanges. Eleven states will end their high-risk pools on Dec. 31 – and enrollees may experience coverage gaps if not enrolled in exchange coverage

¹ <http://www.cms.gov/CCIIO/Resources/Fact-Sheets-and-FAQs/pcip-enrollment.html>

² <http://kff.org/other/state-indicator/high-risk-pool-enrollment/>

in time. However, seven states have decided to delay transitioning their state high-risk pool populations due to exchange enrollment problems.

Medicaid Eligibility Changes

Under the ACA, states have the option to expand their Medicaid programs to cover all individuals up to 138 percent of the Federal Poverty Level (FPL), or roughly \$15,850 for a single person. However, a handful of states are already covering adults above that level today and five states plan to reduce eligibility to 100 or 138 percent FPL or below on Jan. 1, 2014. As a result, these individuals are expected to transition into exchanges – but problems with enrollment could lead to gaps next year. At least one state – Wisconsin – is likely to delay reducing eligibility for 77,000 individuals down to 100 percent FPL until April 1, 2014, due to enrollment problems.

Uninsured HIV/AIDS Patients in ADAPs

The AIDS Drug Assistance Programs (ADAPs) provide prescription drug coverage (anti-retroviral therapy and other medications) to uninsured or underinsured low-income individuals with HIV/AIDS. After the ACA coverage expansion goes into effect, ADAPs are required to enroll individuals in Medicaid or exchanges if they are eligible – and may provide wraparound assistance in some cases.

However, enrollment problems could complicate ADAP efforts to transition current beneficiaries to exchanges – as they need accurate plan information (e.g. formulary information, cost-sharing requirements, and provider networks) and timely eligibility determinations and enrollment into exchange plans to avoid gaps in care. There are approximately 80,000 ADAP beneficiaries that are currently uninsured – many of whom will qualify for exchange subsidies or Medicaid, but may face difficulty obtaining coverage for Jan. 1. ADAPs are taking varied approaches to exchange transitions, though some reported to be delaying transitions until exchange enrollment processes are improved.

State Transition Plans for High-Need Enrollees

State	2013 Plan Grandfathering	State High-Risk Pool Status	Alterations to Medicaid Eligibility†
Alabama	Yes*	Undecided	
Alaska	Yes	Delayed Until at Least 12/31/14	

State	2013 Plan Grandfathering	State High-Risk Pool Status	Alterations to Medicaid Eligibility [†]
Arizona	Yes*	No High-Risk Pool	
Arkansas	Yes*	Ends 12/31/13	
California	No	Continuing	
Colorado	No	Ends 4/1/14	
Connecticut	No	Continuing	
Delaware	Yes*	No High-Risk Pool	
DC	No	No High-Risk Pool	
Florida	Yes	Ends 6/30/14	
Georgia	No	No High-Risk Pool	
Hawaii	Yes	No High-Risk Pool	
Idaho	Yes	Continuing	
Illinois	Yes	Ends 3/31/14	
Indiana	Yes*	Ends 2/1/14	
Iowa	Yes*	Delayed at Least Until 12/31/14	
Kansas	Yes*	Ends 12/31/13	
Kentucky	Yes	Ends 12/31/13	
Louisiana	Yes	Ends 12/31/13	
Maine	Yes	No High-Risk Pool	Reduce eligibility to 100% FPL
Maryland	Yes*	Delayed Until at Least 6/30/14	
Massachusetts	No	No High-Risk Pool	
Michigan	Yes	No High-Risk Pool	
Minnesota	No	Ends 12/31/14	
Mississippi	Yes*	Delayed End Beyond 12/31/13	
Missouri	Yes	Ends 12/31/13	
Montana	Yes	Ends 12/31/13	
Nebraska	Yes*	Ends 12/31/13	
Nevada	Yes*	No High-Risk Pool	
New Hampshire	Yes	Delayed End Beyond 12/31/13	
New Jersey	Yes	No High-Risk Pool	
New Mexico	Still Deciding	Continuing	
New York	No	No High-Risk Pool	Reduce eligibility to 133% FPL

State	2013 Plan Grandfathering	State High-Risk Pool Status	Alterations to Medicaid Eligibility [†]
North Carolina	Yes	Ends 12/31/13	
North Dakota	Yes	Continuing	
Ohio	Yes	No High-Risk Pool	
Oklahoma	Yes	Delayed End Beyond 12/31/13	
Oregon	Yes	Ends 12/31/13	
Pennsylvania	Yes	No High-Risk Pool	
Rhode Island	No	No High-Risk Pool	Reduce eligibility to 133% FPL
South Carolina	Yes	Delayed End Beyond 12/31/13	
South Dakota	Yes	Undecided	
Tennessee	Yes	Ends 4/30/14	
Texas	Yes*	Ends 3/31/14	
Utah	Yes*	Ends 12/31/13	
Vermont	No	No High-Risk Pool	Reduce eligibility to 133% FPL
Virginia	Yes*	No High-Risk Pool	
Washington	No	Ends 12/31/17	
West Virginia	No	Ends 3/31/14	
Wisconsin	Yes	Ends 12/31/13	Delaying changes in eligibility
Wyoming	Yes*	Ends 6/30/15	