



# HR 1 & Private Health Insurance Market Impacts

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- Marketplace Program Integrity Rule finalized
- Reconciliation Bill enacted with Medicaid and Marketplace cuts
- Enhanced Premium Tax Credits (eAPTC) scheduled to expire
- Other federal administrative changes

# Key Takeaways

- Disruptions are already happening, and they increase the risk for insurance companies now → higher rate increases
  - Reinsurance funding is helping
- More red tape to enroll in health insurance; less financial assistance available
- People likely to buy less generous insurance coverage (higher deductibles and cost-sharing) or drop coverage all together
- Combined with the impacts to Medical Assistance, we can expect:
  - **Higher insurance costs** for those remaining on the market
  - **More uncompensated care**

# Overview of Minnesota's Individual Market

- Roughly 187,000 Minnesotans get healthcare coverage through the individual market; 170,000 of those purchase through MNsure.
- Enrollees include:
  - People without access to health insurance through their employer or a program like MinnesotaCare, Medicare, or Medical Assistance
  - Independent contractors and gig workers
  - Employees working for small businesses not offering health insurance
  - Early retirees



# Eligibility Verification and Re-Enrollment

- Federal changes restrict how state-based exchanges (MNsure) do their work; makes it harder for people to enroll in coverage
  - Ends automatic reenrollment
  - Limits annual open enrollment periods
  - Restricts special enrollment periods
  - Imposes new verification requirements
- Will lower enrollment and likely make the risk pool sicker and more expensive
  - MNsure estimates roughly 45% of people will drop coverage



# Eliminates Enhanced Premium Tax Credit

- Enhanced tax credits keep insurance premiums affordable to anyone buying coverage on MNsure
- Primarily impacts people over 400% of the federal poverty level
  - Approximately 90,000 Minnesotans will see costs increase, with an average increase of \$2,000/year
- Fewer people will be able to afford health insurance, with a significant risk of adverse selection if tax credits are eliminated

# Changes that Increase Insurance Costs

Other changes that impact what people pay:

- Eliminates financial protections from premium tax credit clawbacks
- Limitations to immigrant coverage, including rescinding DACA eligibility
- Allows all bronze and catastrophic plans to be considered high-deductible health plans
- Individuals denied Medicaid because of work requirements are ineligible for tax credits

# THANK YOU!