

Gruber and Gorman Analysis Update

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Modeling Background

- Model impact of the ACA and Exchange
- Economic modeling: population flows
- Actuarial modeling: insurance pricing
- Integrate the two to provide comprehensive analysis of population movements & costs

Data

- Base data is Minnesota Health Access Survey
 - Representative sample of 12,000 households, with information on insurance, income, etc.
- Augmented with survey data from individual, small group, 51 to 100 insurers
 - Insurers representing 94% of the Individual Market and 90% of the Small Group Market
 - Data on enrollment, premiums, risk mix, and benefits
- Public insurance eligibility, enrollment, benefits, risk mix & costs from state
- Data on large group premiums from MEPS-IC

Impacts On Coverage

Case I: Exchange Coverage
Above 150% FPL for Kids

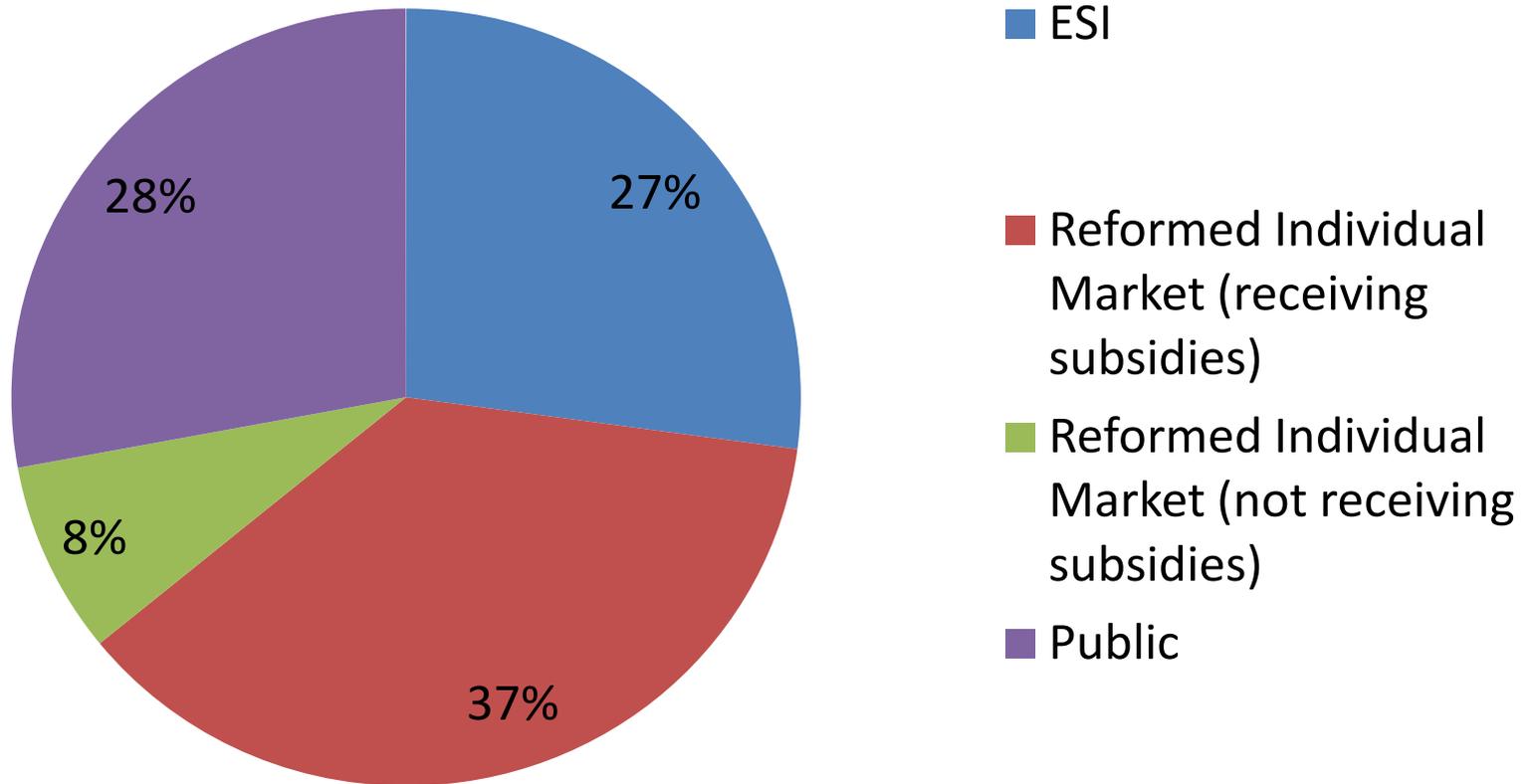
Estimate of ACA Effect: 2016

| | No Reform | With ACA | ACA Impact |
|----------------------------------|-----------|-----------|------------|
| ESI | 3,130,000 | 3,120,000 | -10,000 |
| >Small Firm ESI (1-50 employees) | 420,000 | 420,000 | 0 |
| 51 – 100 employees | 120,000 | 120,000 | 0 |
| Unreformed Individual Market | 260,000 | 50,000 | -210,000 |
| Reformed Individual Market | 0 | 510,000 | 510,000 |
| Public Insurance | 690,000 | 690,000 | 0 |
| Uninsured | 500,000 | 210,000 | -290,000 |
| Total | 4,580,000 | 4,580,000 | |

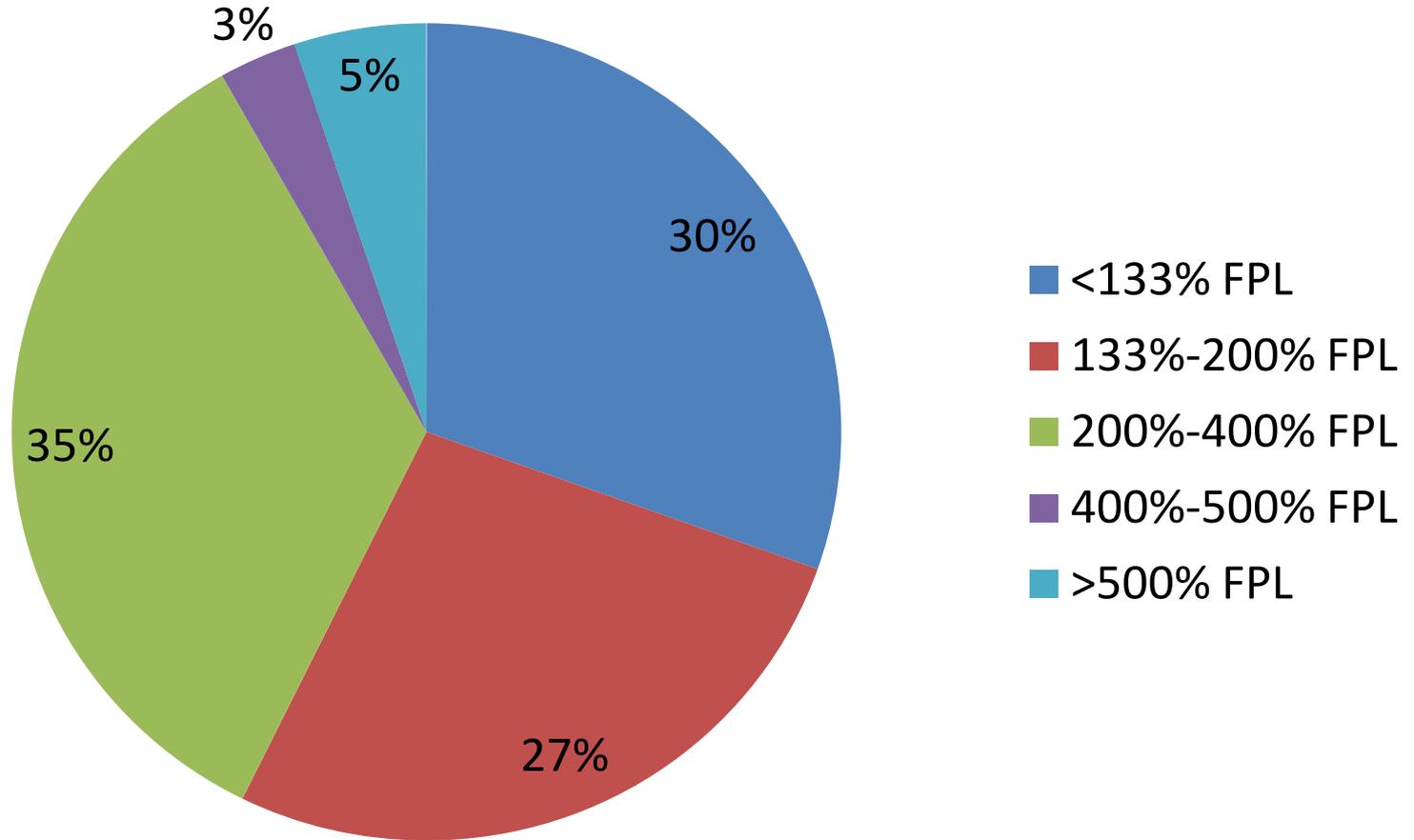
Changes in Public Enrollment Due to ACA: 2016

| | |
|---|----------|
| Leaving Public to Private Exchange Subsidies | 110,000 |
| Leaving Public Voluntarily | 0 |
| Joining Public, Newly Eligible due to Expansion up to 133% FPL | 50,000 |
| Joining Public, Previously Eligible | 60,000 |
| Net Change | 0 |

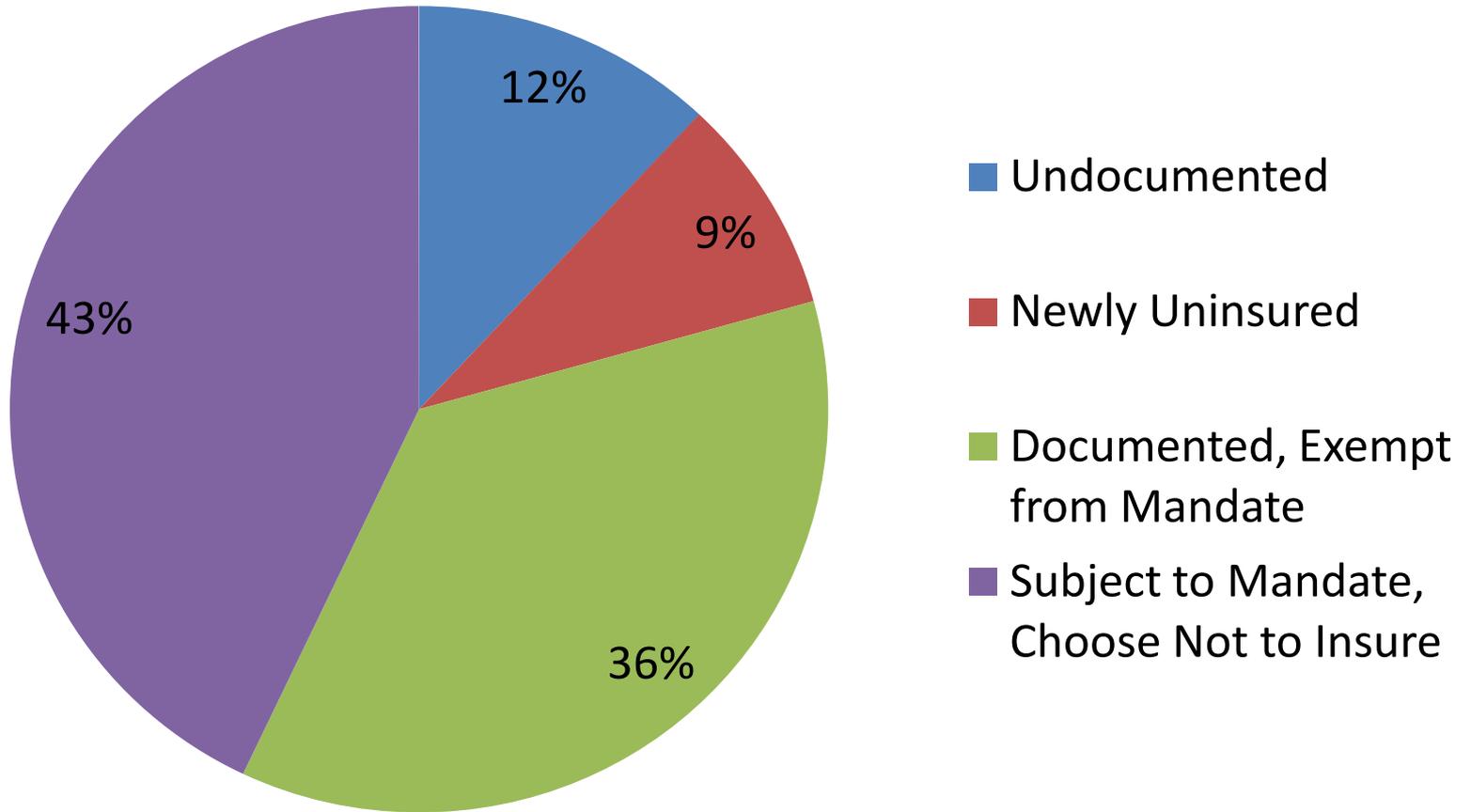
Coverage Sources of the Newly Insured: 2016



Newly Insured by Income: 2016



Remaining Uninsured: 2016

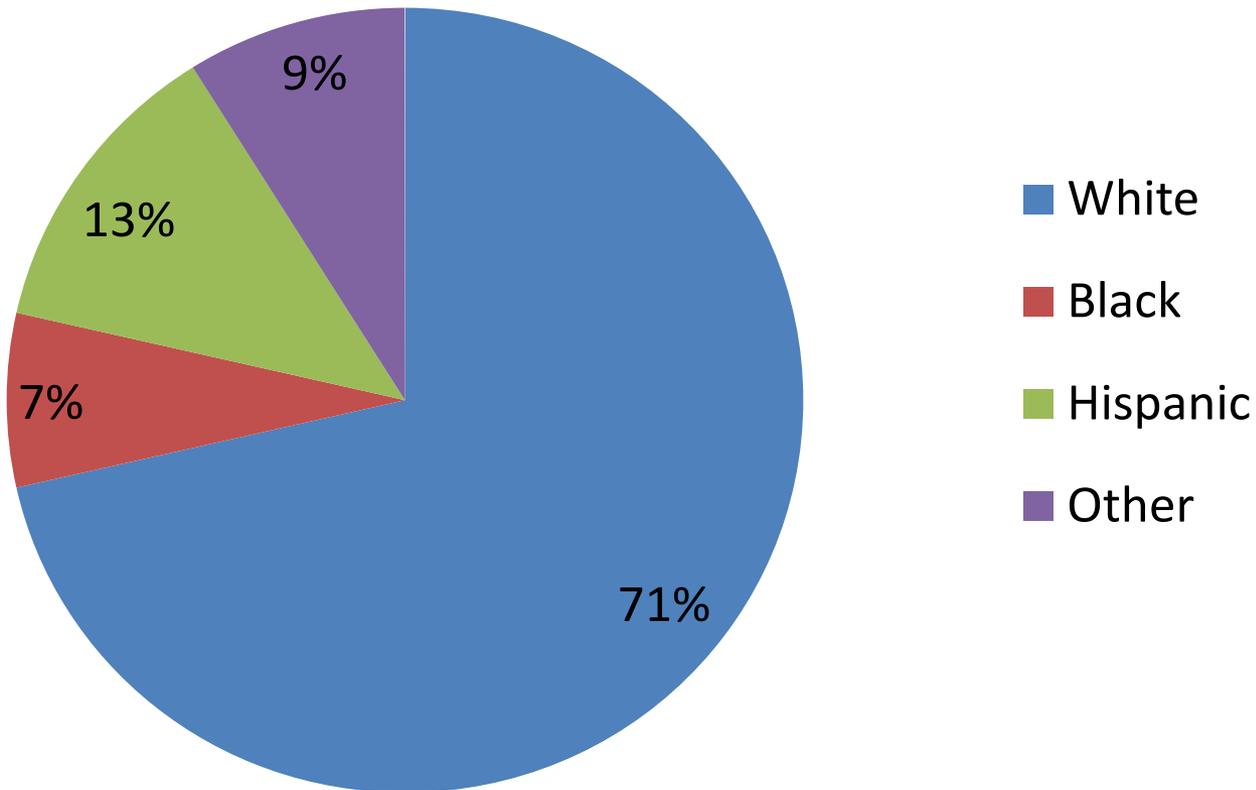


Breakdown of MN Population by Race/Ethnicity and Insurance Type, 2016

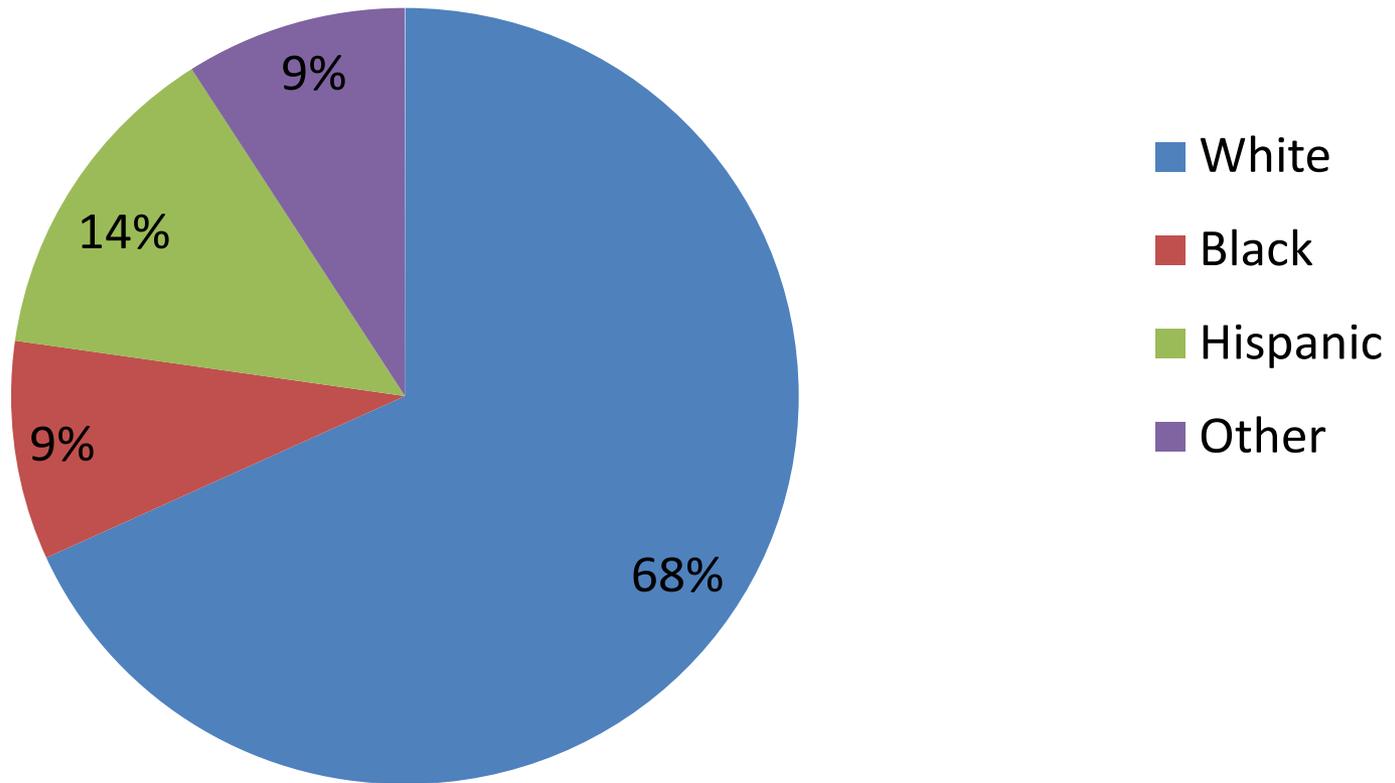
| Before ACA | White | Black | Hispanic | Other |
|----------------------|-------|-------|----------|-------|
| ESI | 74% | 38% | 31% | 55% |
| Traditional Nongroup | 6% | 4% | 4% | 5% |
| Public | 11% | 42% | 36% | 24% |
| Uninsured | 9% | 17% | 29% | 16% |
| | 100% | 100% | 100% | 100% |

| After ACA (<150%, no BHP) | White | Black | Hispanic | Other |
|-------------------------------------|-------|-------|----------|-------|
| ESI | 73% | 40% | 33% | 55% |
| Traditional Nongroup | 1% | 2% | 2% | 0% |
| Reformed Nongroup / Exchange | 11% | 13% | 11% | 12% |
| Public | 11% | 38% | 41% | 26% |
| Uninsured | 4% | 8% | 13% | 7% |
| | 100% | 100% | 100% | 100% |

Newly Insured by Race/Ethnicity, 2016



Remaining Uninsured by Race/Ethnicity, 2016



Predicting the Size of the Exchange, 2016

| | No BHP | | With BHP | |
|---|------------------|----------------------------|------------------|----------------------------|
| | # of individuals | Enrollment in the Exchange | # of individuals | Enrollment in the Exchange |
| Tax credit Recipients | 390,000 | 390,000 | 190,000 | 190,000 |
| Enrollees in Firms <50 Receiving Tax Credit | 70,000 | 70,000 | 70,000 | 70,000 |
| Non-tax Credit Recipients in Reformed Market | Up to 120,000 | 60,000 | Up to 140,000 | 70,000 |
| Enrollees in Firms <50 Not Receiving Tax Credit | Up to 350,000 | 90,000 | Up to 350,000 | 90,000 |
| Enrollees in firms 50-99 | Up to 120,000 | 30,000 | Up to 120,000 | 30,000 |
| Public Insurance Enrollees | 590,000 | 590,000 | 780,000 | 780,000 |
| Total Exchange Enrollment | | 1,230,000 | | 1,230,000 |

Impacts On Coverage

Case II: Exchange Coverage
Above 275% FPL for Kids

Estimate of ACA Effect: 2016

| | No Reform | With ACA | ACA Impact |
|----------------------------------|-----------|-----------|------------|
| ESI | 3,130,000 | 3,120,000 | -10,000 |
| >Small Firm ESI (1-50 employees) | 420,000 | 420,000 | 0 |
| >51 – 100 employees | 120,000 | 120,000 | 0 |
| Unreformed Individual Market | 260,000 | 40,000 | -220,000 |
| Reformed Individual Market | 0 | 400,000 | 400,000 |
| Public Insurance | 690,000 | 810,000 | 120,000 |
| Uninsured | 500,000 | 210,000 | -290,000 |
| Total | 4,580,000 | 4,580,000 | |

Changes in Public Enrollment Due to ACA: 2016

| | |
|---|----------------|
| Leaving Public to Private Exchange Subsidies | 50,000 |
| Leaving Public Voluntarily | 0 |
| Joining Public, Newly Eligible due to Expansion up to 133% FPL | 50,000 |
| Joining Public, Previously Eligible | 120,000 |
| Net Change | 120,000 |

Predicting the Size of the Exchange, 2016

| | No BHP | | With BHP | |
|---|------------------|----------------------------|------------------|----------------------------|
| | # of individuals | Enrollment in the Exchange | # of individuals | Enrollment in the Exchange |
| Tax credit Recipients | 280,000 | 280,000 | 160,000 | 160,000 |
| Enrollees in Firms <50 Receiving Tax Credit | 70,000 | 70,000 | 70,000 | 70,000 |
| Non-tax Credit Recipients in Reformed Market | Up to 120,000 | 60,000 | Up to 130,000 | 65,000 |
| Enrollees in Firms <50 Not Receiving Tax Credit | Up to 350,000 | 90,000 | Up to 350,000 | 90,000 |
| Enrollees in firms 50-99 | Up to 120,000 | 30,000 | Up to 120,000 | 30,000 |
| Public Insurance Enrollees | 700,000 | 700,000 | 820,000 | 820,000 |
| Total Exchange Enrollment | | 1,230,000 | | 1,235,000 |