

# ARKANSAS HEALTHCARE COVERAGE UPDATE

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# INDIVIDUAL HEALTH INSURANCE MARKETPLACE NATIONAL TRENDS

- Individual market was turbulent from 2014-2017 due to major changes from the Affordable Care Act but was aided by built-in risk mitigation strategies
- Since 2017, the individual market has stabilized as insurers have gained experience
  - Stabilized despite cost-sharing reduction payment suspension, elimination of the individual mandate, and expansion of short-term limited duration and association health plans
- Marketplace enrollment nationally has decreased by 10% from 2015 to 2019, mostly among unsubsidized



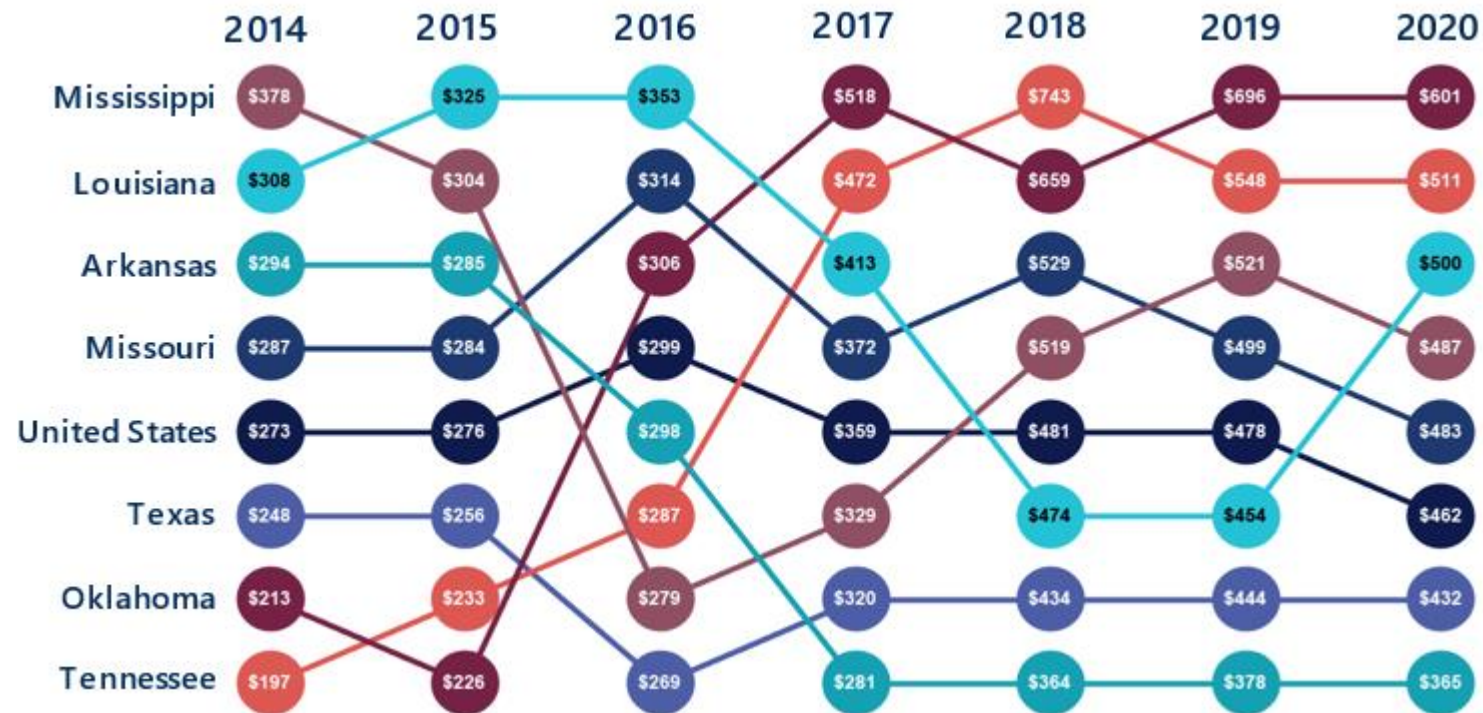
# INDIVIDUAL HEALTH INSURANCE MARKETPLACE ARKANSAS TRENDS

- Enrollment reached a high of 69K in February 2016, but normally ranges between 55-65K
- In 2019, nearly 90% of enrollees received subsidies to assist with premiums
- Only a third of individuals eligible for subsidies enrolled
  - Number of subsidy-eligible individuals statewide is approximately 163,000



# INDIVIDUAL MARKETPLACE HEALTH INSURANCE PREMIUMS

Average Monthly Marketplace Premium

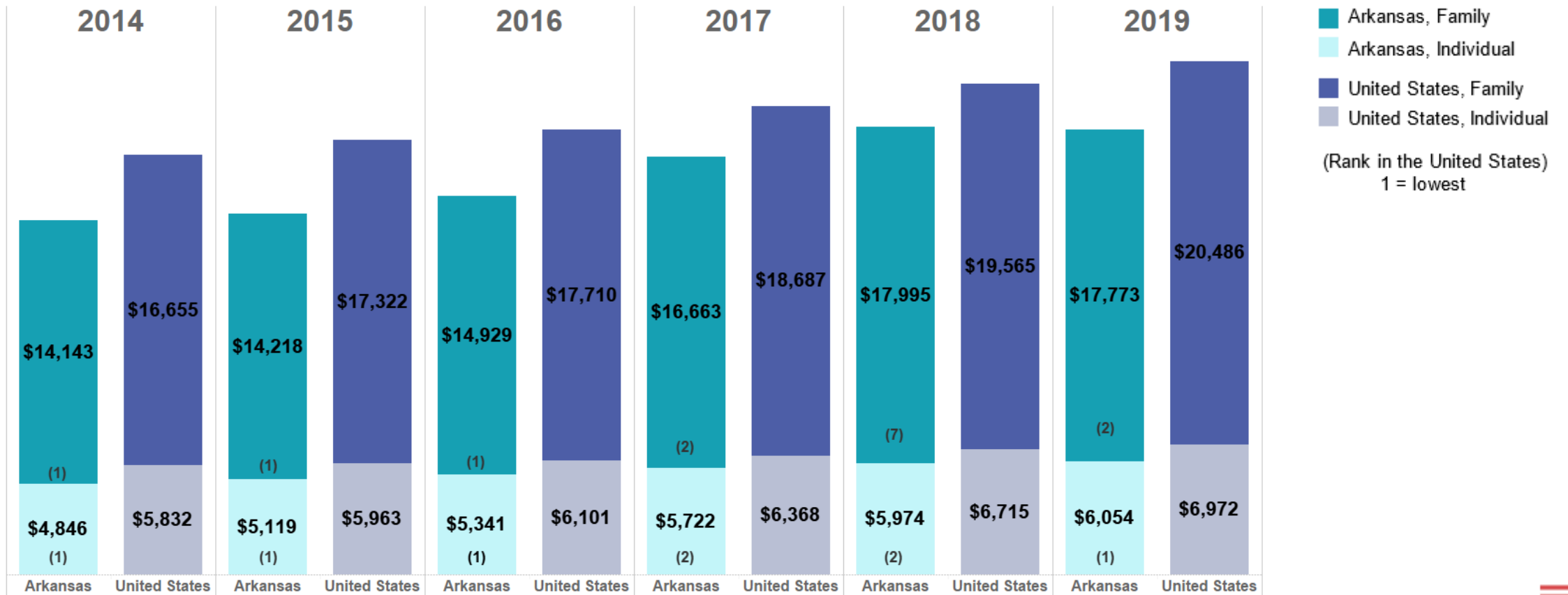


Number of states with premiums lower than Arkansas	
2014	37
2015	32
2016	28
2017	8
2018	5
2019	6
2020	6

Source: Adapted from Kaiser Family Foundation analysis of Healthcare.gov data, Marketplace Average Benchmark Premiums, KFF, Accessed September 2020



# ARKANSAS EMPLOYER HEALTH INSURANCE PREMIUMS



Source: Adapted from SHADAC analysis of MEPS-IC data, State Health Compare, SHADAC, University of Minnesota, [statehealthcompare.shadac.org](http://statehealthcompare.shadac.org). Accessed September 2020.

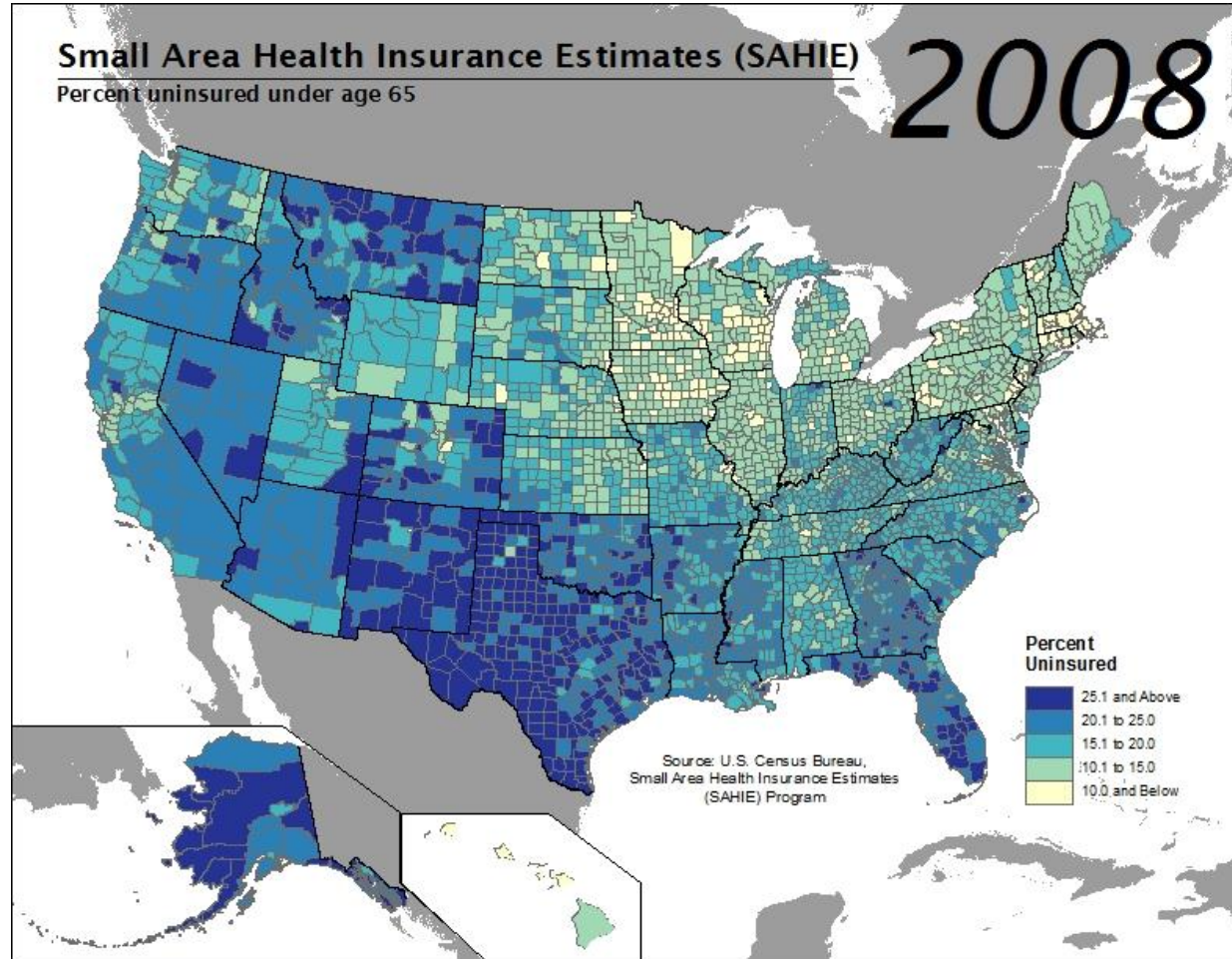


# ARKANSAS INDIVIDUAL MARKETPLACE STABILITY

- Large guaranteed purchaser for 80% of the individual marketplace through Medicaid premium assistance (AR Works)
- Aggressive rate review and new tools to check actuarial justifications
- Budget neutrality cap in AR Works waiver and Medicaid purchasing guidelines
- Continued competition in the market
- Shift to value-based provider payments



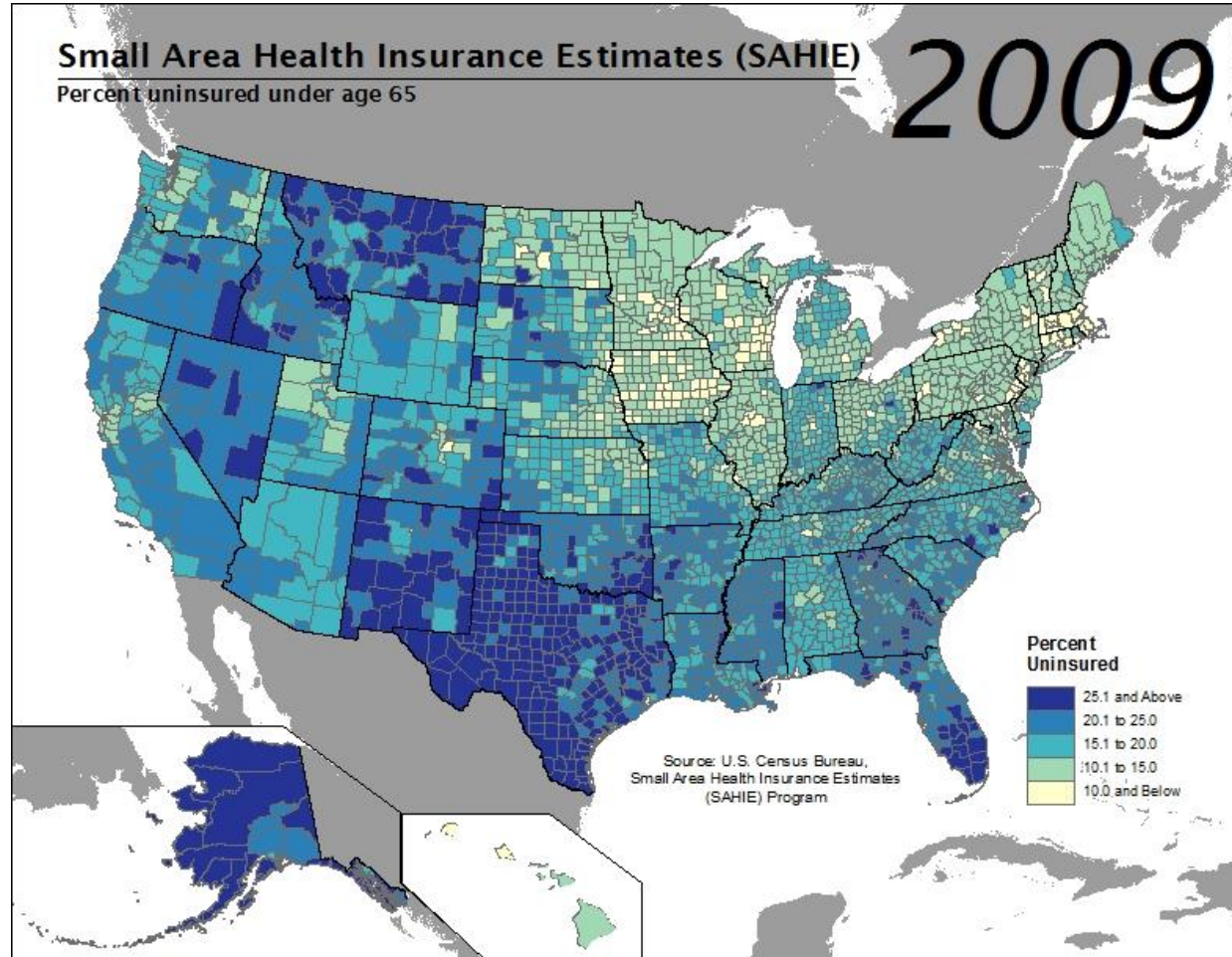
# HEALTH INSURANCE COVERAGE, 2008-2018



Source: U.S. Census Bureau. Small Area Health Insurance Estimates (SAHIE). Accessed December 2020.



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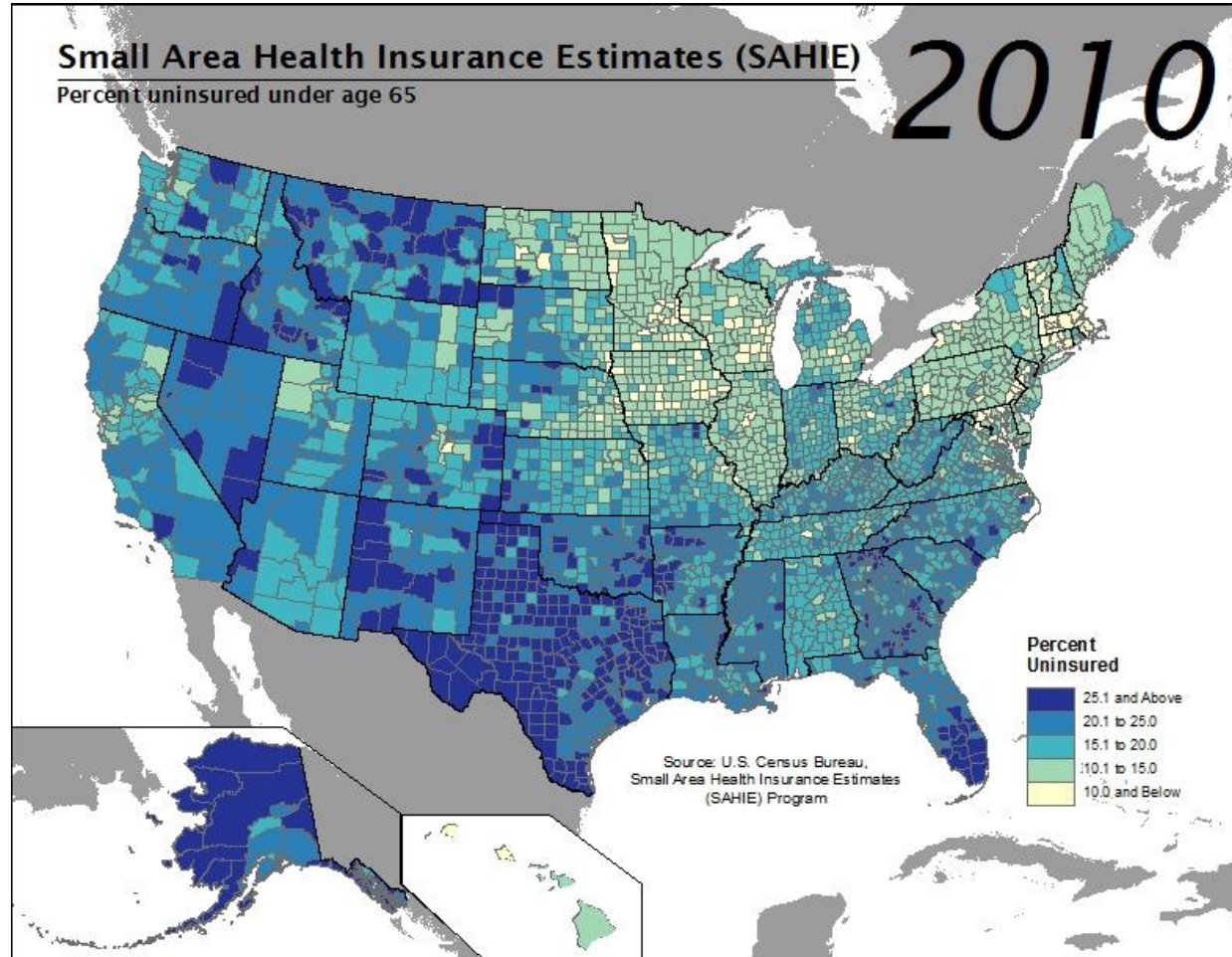


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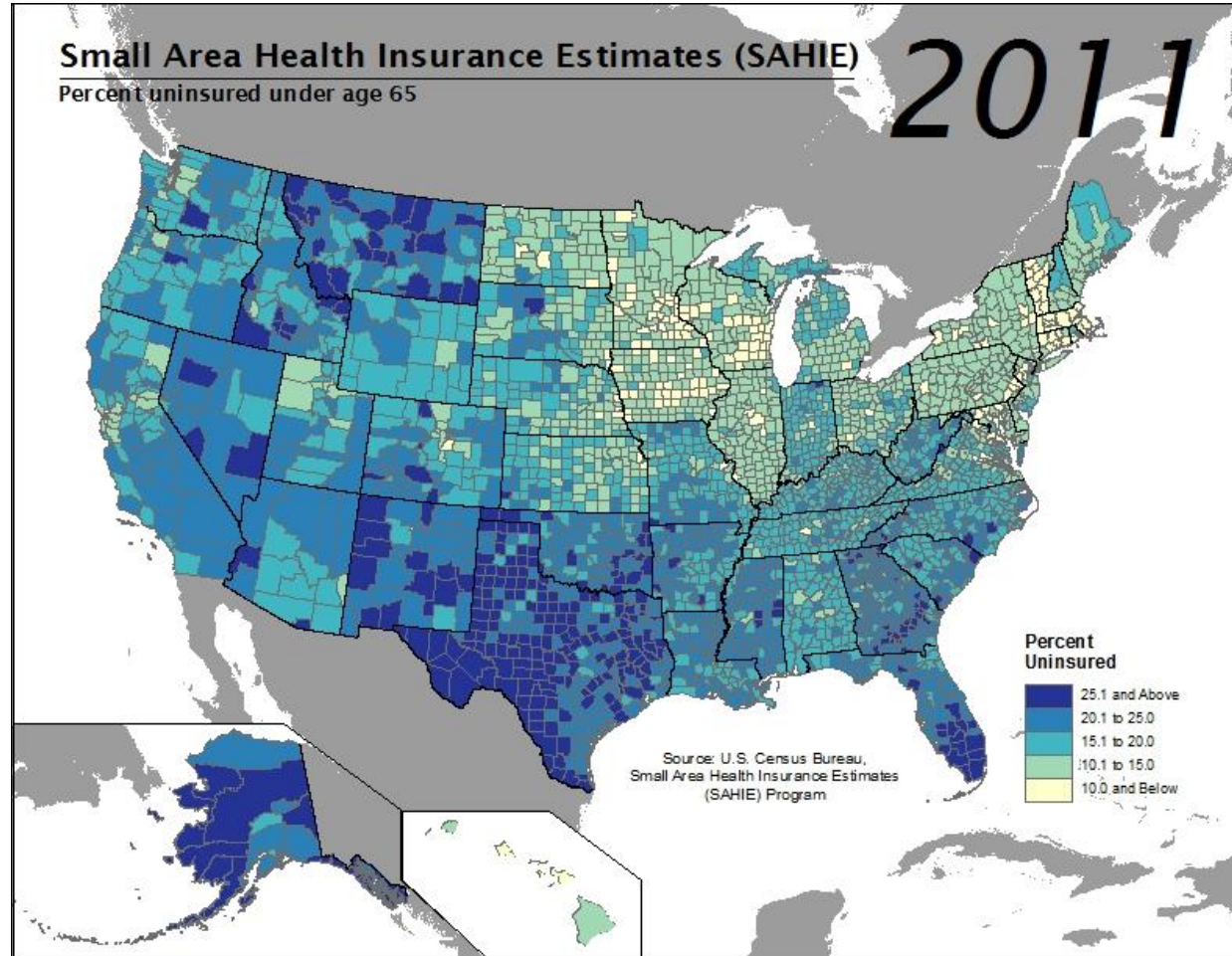
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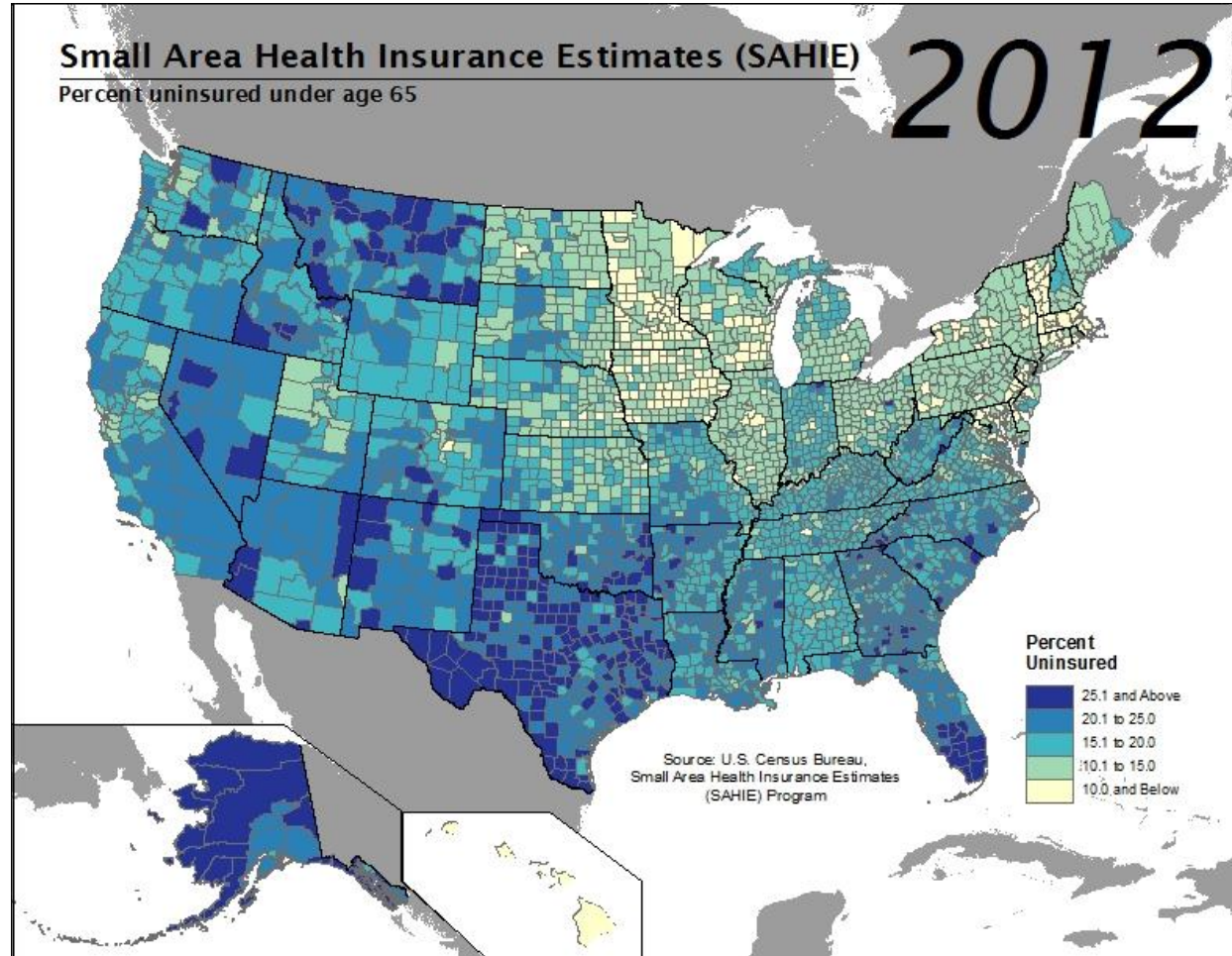
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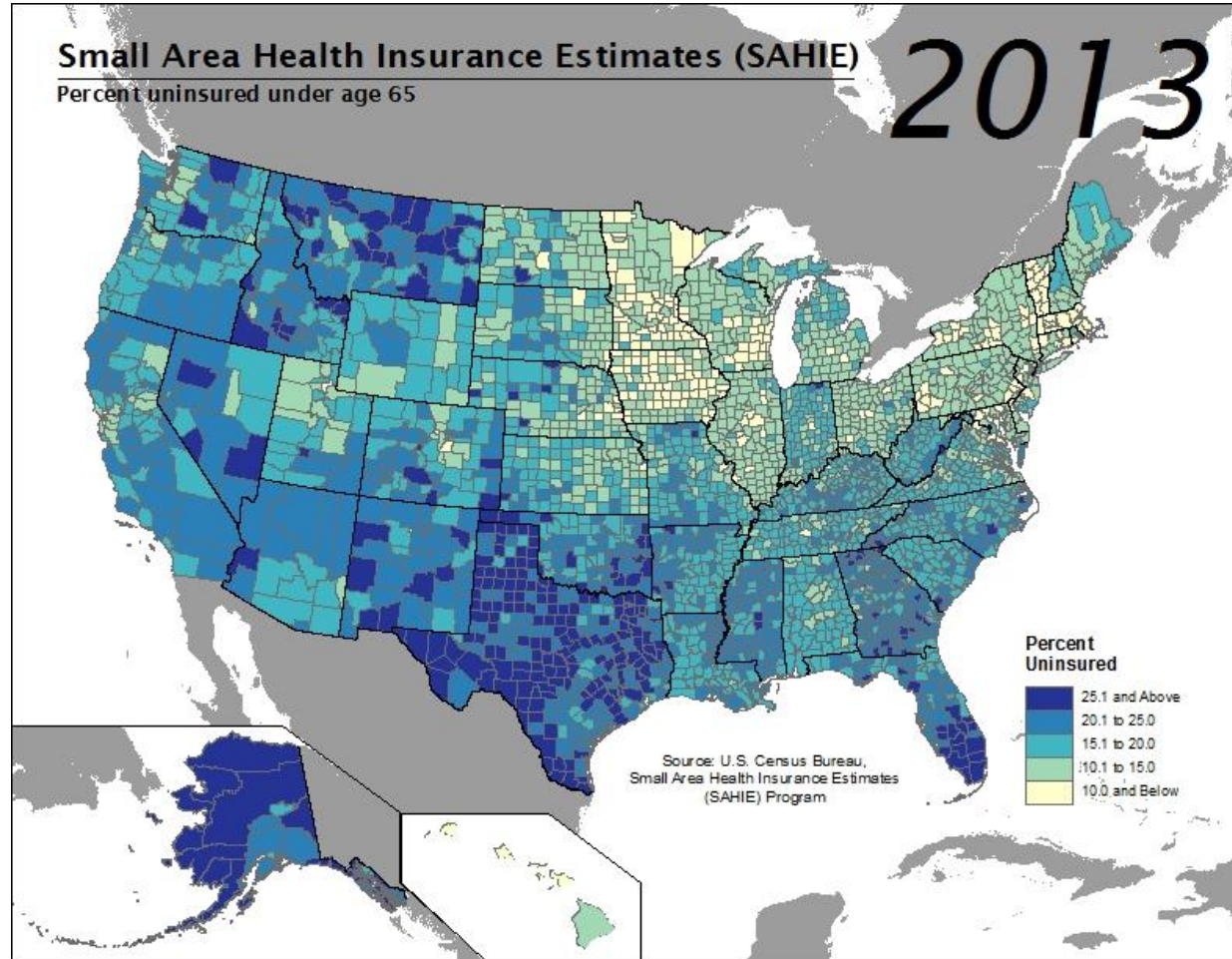
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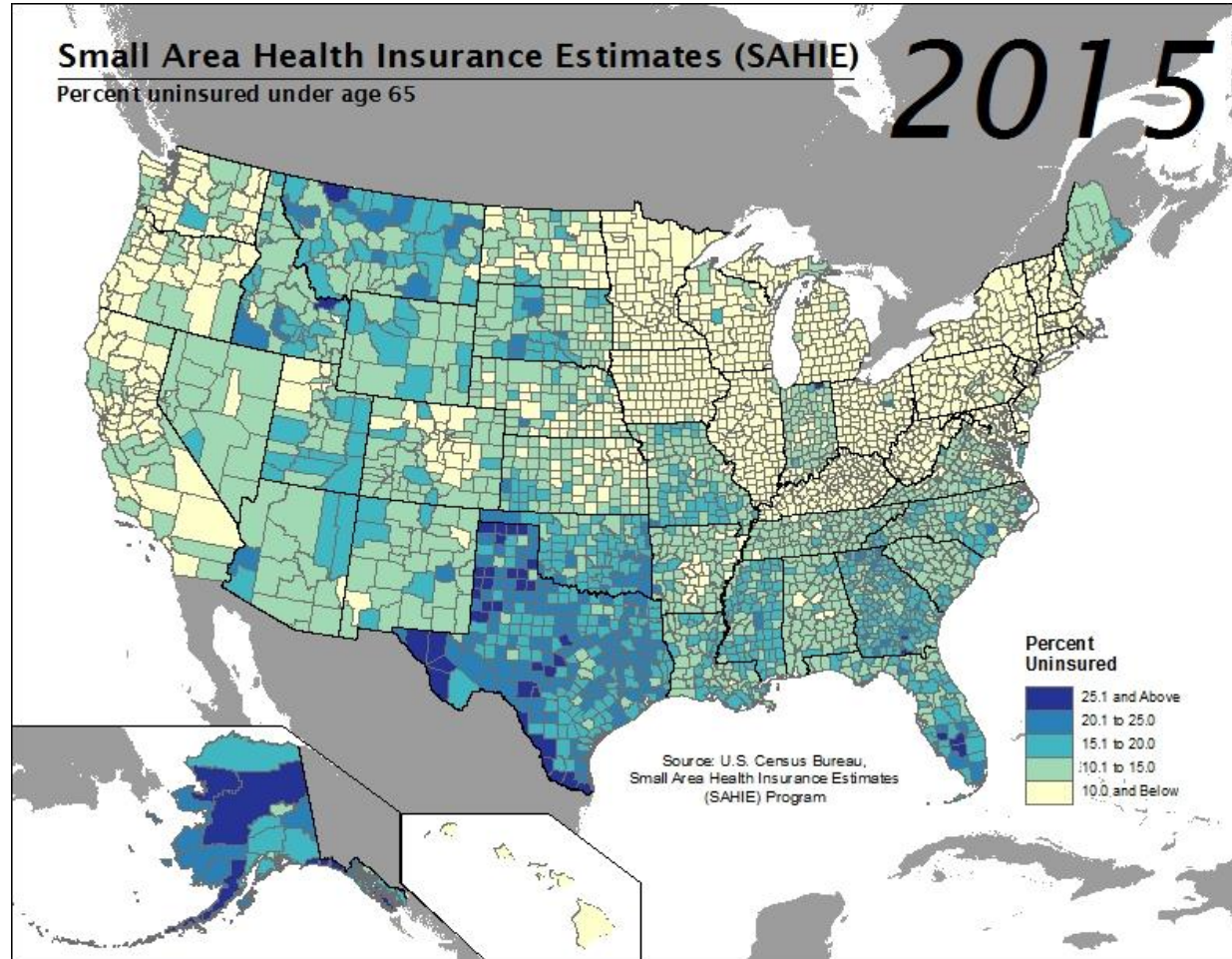
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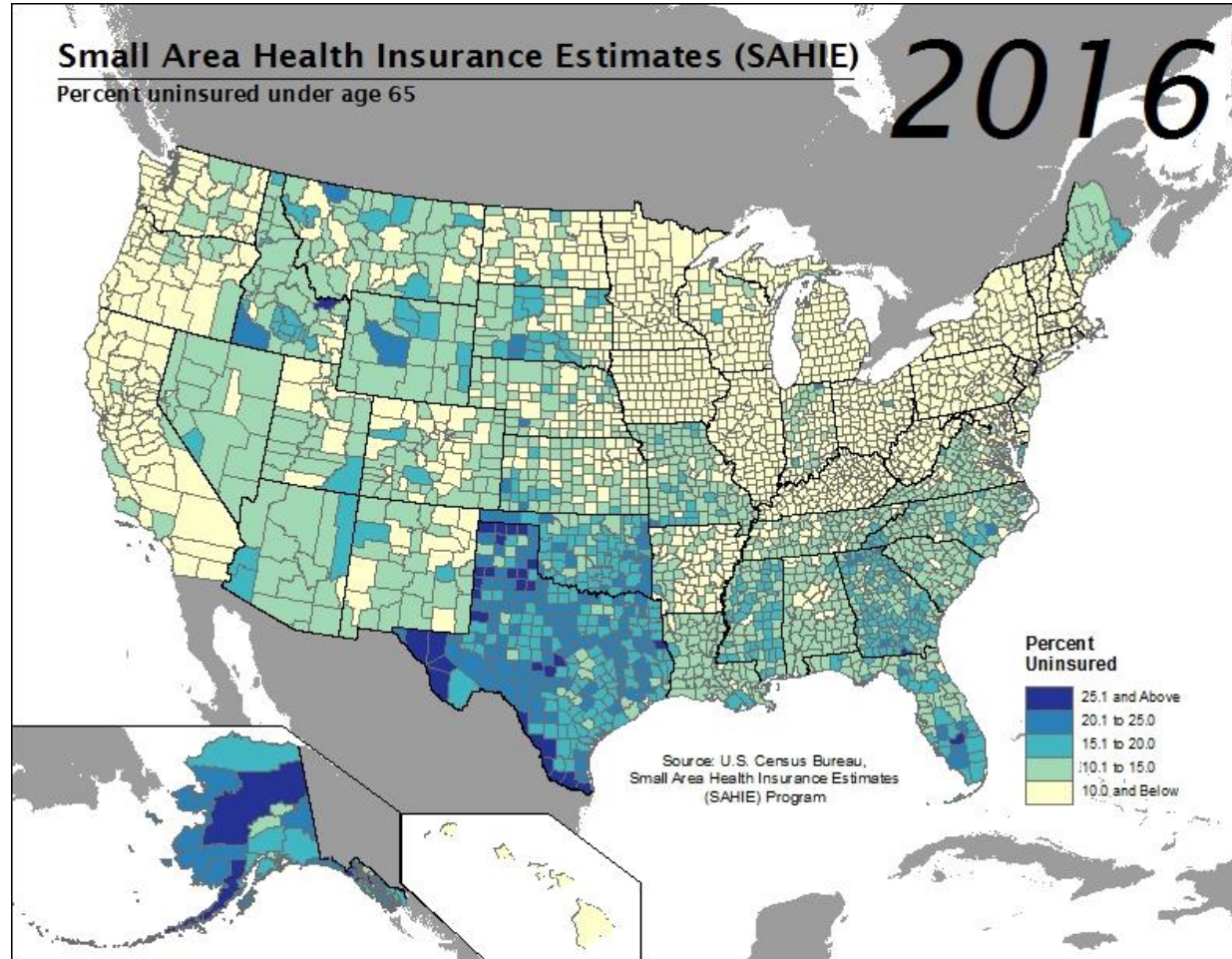
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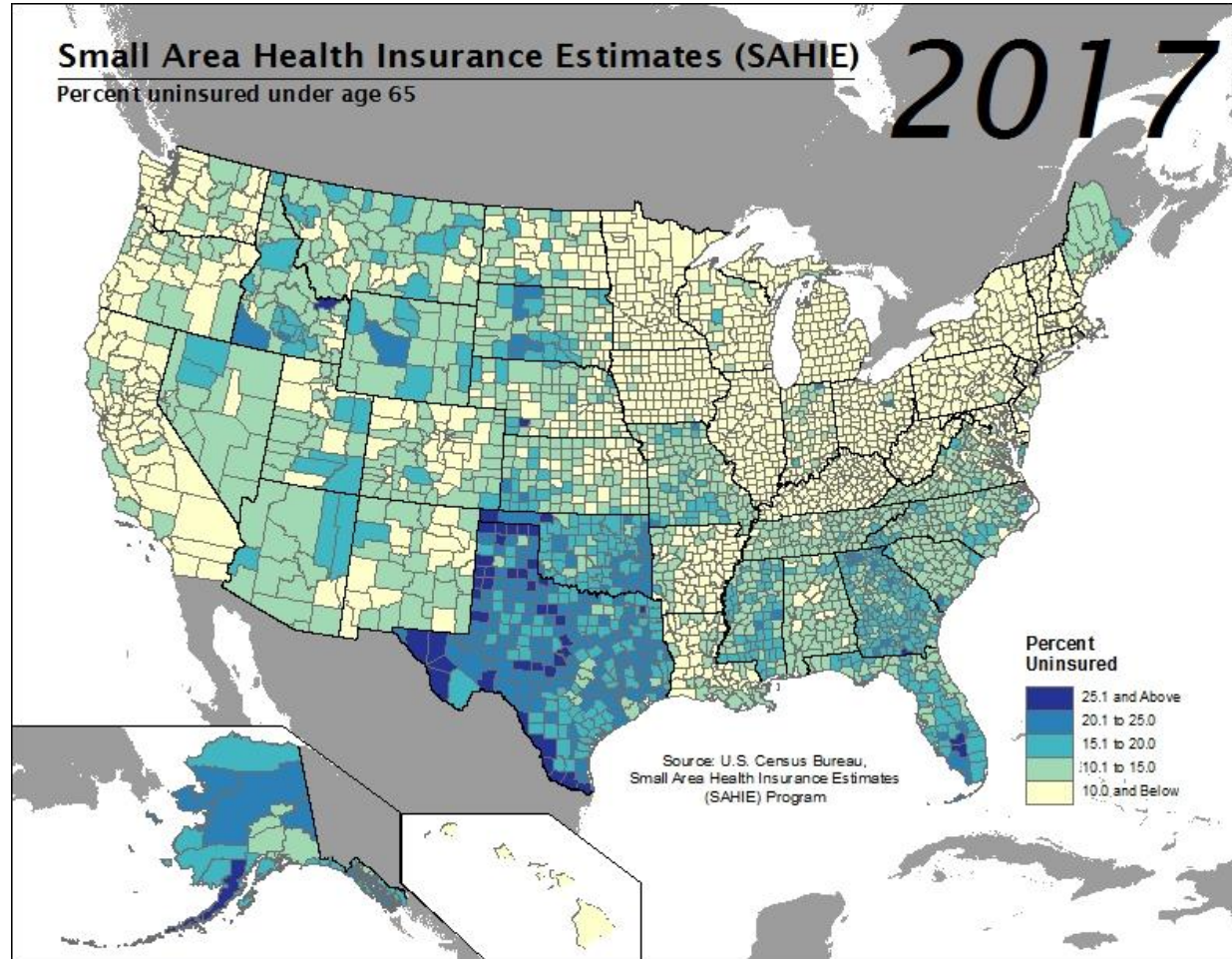
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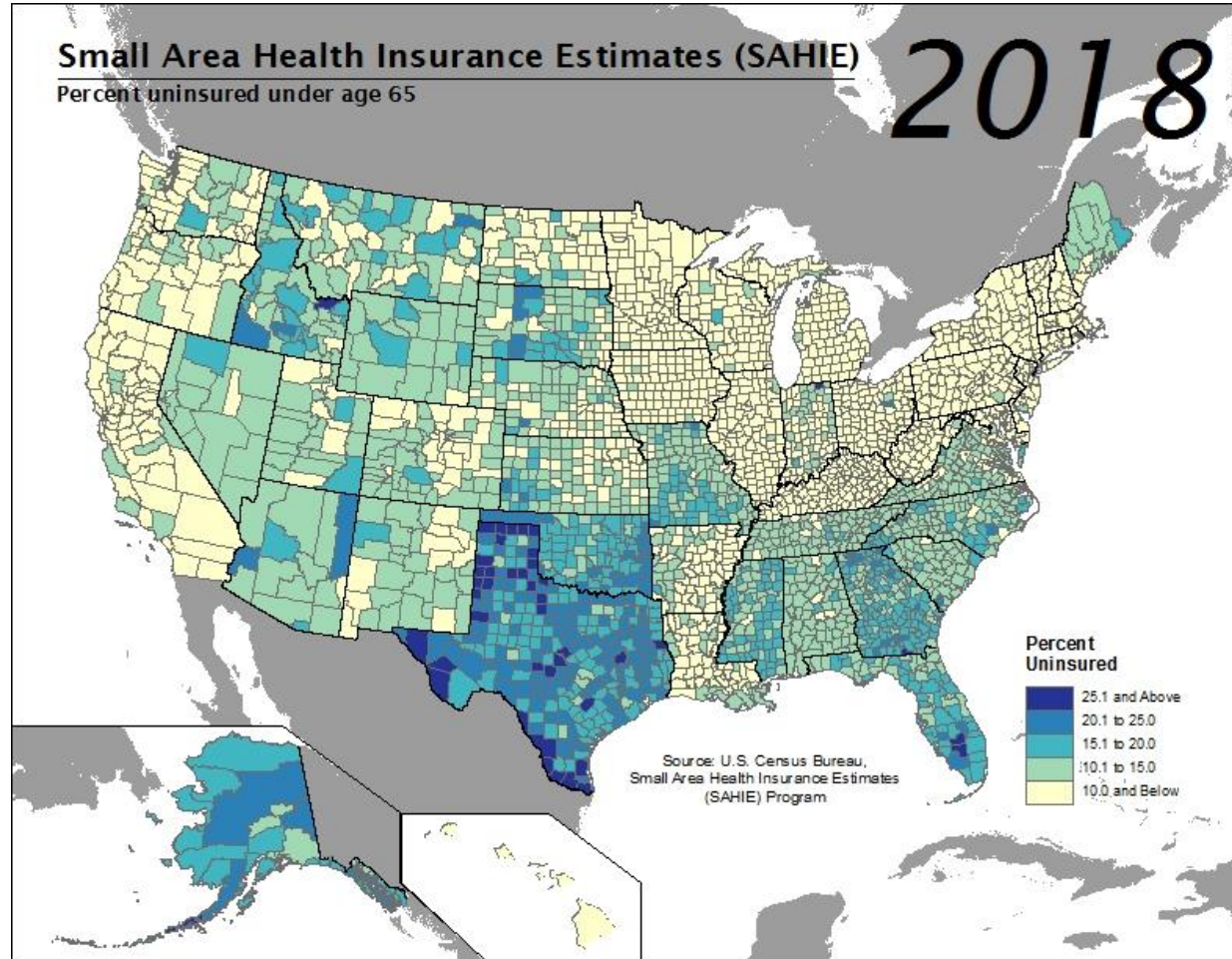
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# IMPACTS OF COVID-19

- Estimated that nearly 15M nationally have lost employer-sponsored coverage since March
- Enrollment in traditional Medicaid and Arkansas Works has grown by nearly 100K since March
- Significant disruption in utilization patterns
  - Delayed care for preventive services, chronic disease management, and elective surgeries
  - Considerable expenditures for COVID-19-related care
  - Flexible telemedicine options
  - Uptick in demand for mental health/substance use services



# ANTICIPATED CHANGES IMPACTING INDIVIDUAL MARKETPLACE

- Return to more limited application/availability of short-term limited duration and association health plans
- Expanded open enrollment periods and new options for special enrollment periods
- Maximum out-of-pocket costs (~\$9k individual; ~\$17k for a family in 2021) make plans less attractive
- Pending ACA litigation before the U.S. Supreme Court





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