



THE KANSAS HEALTH INSURANCE MARKETPLACE, 2014-2018

A look back at the last five years

Introduction

The sixth annual open enrollment period (OEP) for Kansans seeking coverage through the health insurance marketplace began on November 1 and ended December 15, 2018. The 45-day window to sign up was the same length as last year, although much shorter than the first plan year in 2014. Back then, consumers had more than six months to select their coverage utilizing the Healthcare.gov platform.

This issue brief looks back at the results of the first five OEPs in Kansas for plan years 2014 through 2018, and also reports the plans and premiums available to Kansans for 2019.

Kansas Enrollees

In 2014, the first plan year for the health insurance marketplace created by the Affordable Care Act (ACA), 57,013 Kansans selected a plan. Ultimately, 49,502 of those individuals (86.8 percent) effectuated their enrollment by paying their premiums.

The number of enrollees almost doubled the second year, increasing to 96,197. In 2016, the number peaked at 101,555. Enrollment remained above 98,000 for both plan years 2017 and 2018. Like the first year, the percentage of Kansans who effectuated their enrollment each year has remained high — close to 90 percent.

KEY POINTS

- ✓ Premiums, before advanced premium tax credits (APTC), for a benchmark plan rose 145.6 percent between plan years 2014 and 2019.
- ✓ For plan year 2014, 67 health insurance plans were offered by four companies, while only 23 plans were offered by three insurers for plan year 2019.
- ✓ For 2019, all plans offered are HMOs or EPOs with limited provider networks.
- ✓ In 2014, Kansans were almost twice as likely (16.5 percent) to select gold plans than did enrollees nationally (8.5 percent), and in each subsequent year Kansans continued to select gold plans more often than the national average.
- ✓ The number of Kansans who selected a marketplace plan peaked at 101,555 in plan year 2016 and has remained above 98,000 for the last two years.



There also has been a steady increase in the number of returning consumers each year, reaching nearly three-quarters (72.2 percent) in 2018. About half of enrollees kept the same plan in the 2017 and 2018 plan years.

Kansas Marketplace

Under the ACA, health insurers can offer four “metal” tiers of health plans — bronze, silver, gold and platinum. While all plans cover roughly the same services, they differ in cost-sharing features. Platinum plans are designed to cover around 90 percent of health care costs, compared to gold plans (80 percent), silver plans (70 percent) and bronze plans (60 percent). Gold and silver plans generally have monthly premiums that fall between those for platinum and bronze plans, although that is not always the case.

In addition to the metal tiers, insurers also can offer catastrophic plans for individuals under age 30, or people 30 and older

Figure 1. Plans Offered for Individuals and Families on the Kansas Marketplace, 2014-2019 Plan Years

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| Blue Cross and Blue Shield of Kansas City | 11 | 18 | 15 | 11 | | |
| Blue Cross and Blue Shield of Kansas | 32 | 19 | 14 | | 5 | 5 |
| Coventry Health and Life Insurance Company | 12 | 12 | | | | |
| Coventry Health Care of Kansas | 12 | 12 | | | | |
| BlueCross BlueShield Kansas Solutions | | 3 | 5 | 5 | | |
| United Healthcare of the Midwest | | | 8 | | | |
| Medica Insurance Company | | | | 7 | 14 | 13 |
| Ambetter from Sunflower State Health Plan | | | | | 4 | 5 |
| Total | 67 | 64 | 42 | 23 | 23 | 23 |

Note: The plans offered through Blue Cross and Blue Shield of Kansas – Multi-State-Plan in plan years 2014, 2015 and 2016 are combined with Blue Cross and Blue Shield of Kansas plans.

Source: KHI analysis of 2014-2019 data provided by the Kansas Insurance Department.

who qualify for an economic or family hardship exemption. Catastrophic plans are low-premium, high-deductible plans that cover less than 60 percent of health care costs.

The marketplace in Kansas has evolved and many components of the process have changed since 2014. For example, the number of plans available to Kansas consumers has decreased since 2014, as have the number of insurers doing business in the Kansas federally facilitated marketplace (Figure 1).

Another change has been the different types of plans offered by insurers under the metal tiers, including preferred provider organization (PPO) plans, health maintenance organization (HMO) plans and exclusive provider organization (EPO) plans. PPO plans typically have a network of “preferred” providers that enrollees are encouraged to use, but the plans also will pay a reduced amount for out-of-network care. HMO plans tend to have lower monthly premiums and lower cost-sharing than PPOs, but they might require enrollees to obtain referrals from their primary care provider for specialty care services. They also might not pay for out-of-network care except in emergencies. EPO plans have a network of “exclusive” providers that enrollees must use for their care or the plan will not pay.

In 2014, 67 plans were offered for individuals and families by four companies: Blue Cross and Blue Shield of Kansas (BCBSKS) offered PPO plans in all Kansas counties except Johnson and Wyandotte; Blue Cross and Blue Shield of Kansas City (BCBSKC) offered PPO plans only in Johnson and Wyandotte counties; Coventry Health Care of Kansas offered HMO plans only; and Coventry Health and Life Insurance offered PPO plans only. Both Coventry companies offered coverage in all 105 Kansas counties, but they ended their

participation in the marketplace at the end of 2015. For plan year 2015, 64 plans were offered by five companies, and in plan year 2016, 42 plans were offered by four companies.

Beginning with plan year 2017, the total number of plans offered on the Kansas marketplace dropped to 23, and the number of companies offering coverage in Kansas fell to three — BlueCross BlueShield Kansas Solutions, Blue Cross and Blue Shield of Kansas City and Medica Insurance Company, a new entrant into the Kansas health insurance market. None of the companies offered platinum plans, and Blue Cross and Blue Shield of Kansas elected not to offer coverage on the marketplace at all for 2017.

In 2018, the Kansas marketplace included 23 health plans offered by three companies. BCBSKS returned to the Kansas marketplace, offering only EPO plans in all counties except Johnson and Wyandotte, while Medica offered PPO plans in all counties except Johnson and Wyandotte and EPO plans in Johnson and Wyandotte. Ambetter from Sunflower State Health Plan, a new insurer on the marketplace, offered only HMO plans in Johnson and Wyandotte counties.

For plan year 2019, three companies — BCBSKS, Medica and Ambetter from Sunflower State Health Plan — are offering 23 plans on the Kansas marketplace, including EPO and HMO plan types. There are at least two companies selling plans in each Kansas county. There aren’t any PPO plans or platinum level plans.

Premiums and Financial Assistance

Under the ACA, individuals with annual incomes between 100 and 400 percent of the federal poverty level (FPL) may be eligible for advanced

premium tax credits (APTC) to help pay premiums. Individuals with incomes between 100 and 250 percent of FPL also may be eligible for cost-sharing reduction (CSR) subsidies, which reduce their out-of-pocket costs (deductibles, co-payments and coinsurance) when using their insurance. The APTC is calculated using the cost of the “benchmark plan,” or second-lowest cost silver plan in each state, and varies based on the individual’s income, age and family size. However, once the amount of the APTC has been calculated, consumers may use it to purchase a bronze, silver or gold plan.

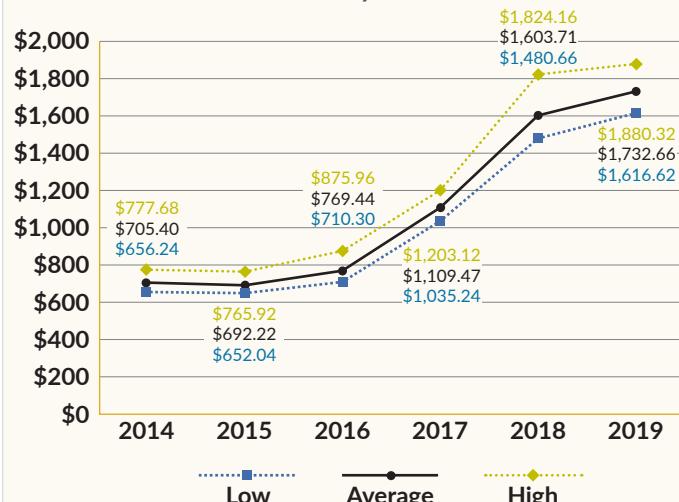
For plan year 2014, monthly premiums for the silver “benchmark” plan across the state for a family of four (both parents age 40 with two children under age 19) ranged from \$656 to \$778 (Figure 2). For 2015, the benchmark plan premiums ranged from \$652 to \$766 for a family of four.

For plan year 2016, the benchmark plan premiums increased for a family of four, ranging from \$710 to \$876. Premiums continued to increase with average rate revisions higher than 40 percent in plan years 2017 and 2018, with insurers reporting the need to revise rates to account for higher-than-expected utilization by enrollees and cancellation of policies (and loss of anticipated premiums) after costly services were rendered and paid for. Overall, the premiums for a benchmark plan rose 145.6 percent between plan years 2014 and 2019. The rate revisions for plan year 2019 were closer to 10 percent in Kansas and premiums were flat or decreasing in many areas in the U.S.

For all plan years, more than four in five (81.9 percent to 87.8 percent) Kansans who paid premiums received assistance through advanced premium tax credits (Figure 3). Until plan year 2018, more than half (56.0 percent to 59.2 percent) of enrollees received CSR subsidies to help them pay out-of-pocket costs.

While premiums have continued to rise in Kansas, many individuals receiving financial assistance may

Figure 2. Average and Range of Premiums, Before APTC, for Benchmark Plan for Family of Four



Note: Premiums, before advanced premium tax credits (APTC), based upon family of four; both parents age 40 and two children under age 19. Both range and average of monthly premiums are actual premiums for the “benchmark plan,” a middle-of-the-road plan in terms of covered benefits and cost among the plans available on the marketplace. Technically, the benchmark plan is the second-lowest-cost silver plan (SLCP).

Source: KHI analysis of data from the Centers for Medicare and Medicaid Services Health Insurance Marketplace, 2014-2019.

have experienced little or no increase in the cost of their premiums due to the significant amount of assistance given by the federal government. For example, the APTC available in 2018 to low- and moderate-income Kansans actually resulted in a net reduction in their average monthly premiums. The net price has led many on the marketplace to select different metal tiers.

Plan Selection

Like national marketplace enrollees, silver plans were by far the most frequently selected plans among Kansas enrollees from 2014-2018, followed by bronze plans (Figure 4, page 4). However, in plan year 2014 Kansans were almost twice as likely (16.5 percent) to select gold plans than did enrollees nationally (8.5 percent), and in each subsequent year Kansans continued to select gold plans more often than the national average.

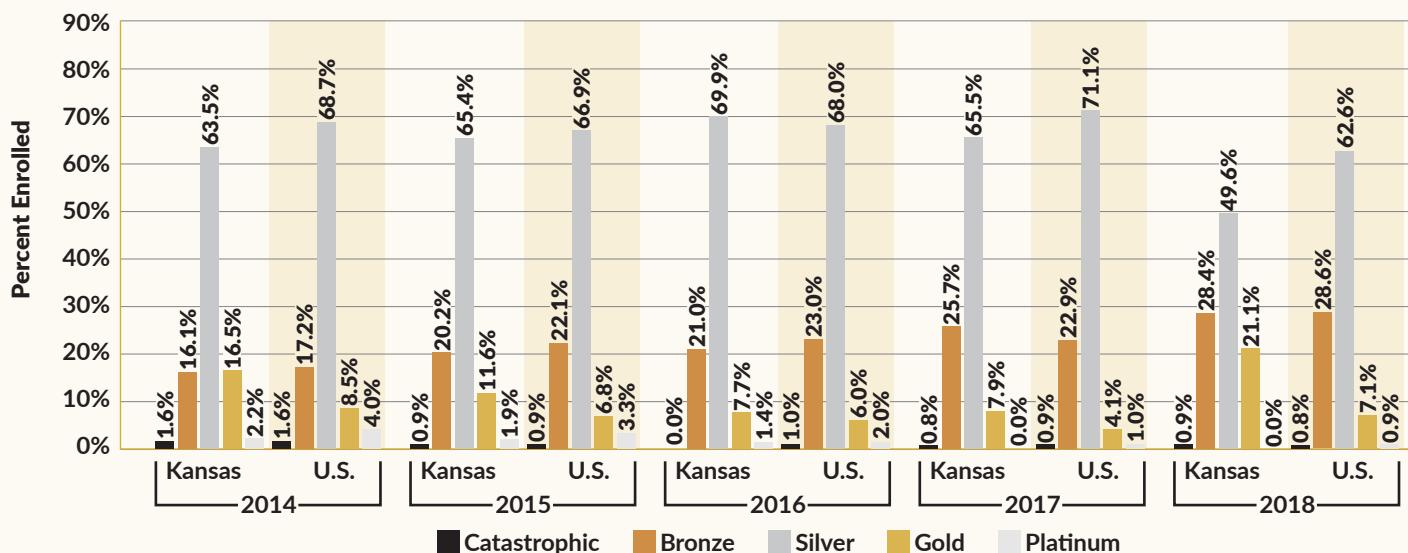
Figure 3. Effectuated Marketplace Enrollment with APTC and CSR in Kansas, 2014–2018

| Plan Year | Effectuated Enrollees | APTC Enrollment | Percentage of Enrollment with APTC | CSR Enrollment | Percentage of Enrollment with CSR |
|-----------|-----------------------|-----------------|------------------------------------|----------------|-----------------------------------|
| 2014 | 49,502 | 40,858 | 82.5% | 27,840 | 56.2% |
| 2015 | 85,490 | 69,979 | 81.9% | 47,836 | 56.0% |
| 2016 | 89,566 | 75,815 | 84.6% | 53,034 | 59.2% |
| 2017 | 86,310 | 74,531 | 86.4% | 48,493 | 56.2% |
| 2018 | 87,975 | 77,258 | 87.8% | 40,043 | 45.5% |

Note: Effectuated enrollment as of February or March of the plan year. These data do not show average monthly enrollment.

Source: Centers for Medicare and Medicaid Services, Marketplace Open Enrollment Period Public Use Files and Effectuated Enrollment Snapshots by State, 2014–2018.

Figure 4. Kansas Marketplace Selection by Metal Level, 2014–2018



Source: U.S. Centers for Medicare and Medicaid Services (CMS) 2014–2018 Marketplace Open Enrollment Period Public Use Files.

This might indicate that more Kansans anticipated needing a health plan with richer benefits and recognized the value of purchasing the richer gold plan for a similar or lower cost.

In anticipation of the decision by the Trump administration to discontinue federal payments to insurers providing cost-sharing subsidies to eligible enrollees, Kansas insurers increased premiums for silver plans for plan year 2018. This resulted in monthly premiums for silver plans being similar to or, in some cases, exceeding the premiums for some gold plans. In plan year 2018, Kansas enrollees selected gold plans three times more often than did marketplace enrollees nationally (21.1 percent in Kansas, compared to 7.1 percent nationally).

Consumer Assistance for the Kansas Marketplace

Under the ACA, a “navigator” program designed to assist consumers enrolling in health insurance coverage through Healthcare.gov was funded by the federal government in all states. Through grants awarded to nonprofit and provider organizations,

individual navigators and certified application counselors were trained to provide impartial education, outreach and enrollment assistance to individuals. In addition to navigators, licensed insurance agents and brokers also could receive training to assist consumers with enrolling.

For the first year of the federal navigator program in 2014, the U.S. Department of Health and Human Services Centers for Medicare and Medicaid Services (HHS/CMS) awarded 120 grants worth \$67 million to 105 navigator programs across the country, including more than \$800,000 to three organizations in Kansas. Federal funding for navigators was reduced to \$36.8 million for plan year 2018 and reduced again for plan year 2019 to \$10 million. Two Kansas organizations, the Kansas Association for the Medically Underserved and Via Christi Hospitals Wichita, were awarded \$200,000 and \$112,260 respectively for plan year 2019. Navigators can be found by selecting the “Find Local Help” tab on Healthcare.gov.

Whether one needs assistance or not, consumers wishing to have coverage effective January 1, 2019, must have completed the application process by December 15, 2018.

ABOUT THE ISSUE BRIEF

This brief is based on work done by Linda J. Sheppard, J.D., and Hina B. Shah, M.P.H. It is available online at khi.org/policy/article/18-31R.

KANSAS HEALTH INSTITUTE

The Kansas Health Institute supports effective policymaking through nonpartisan research, education and engagement. KHI believes evidence-based information, objective analysis and civil dialogue enable policy leaders to be champions for a healthier Kansas. Established in 1995 with a multiyear grant from the Kansas Health Foundation, KHI is a nonprofit, nonpartisan educational organization based in Topeka.

Copyright© Kansas Health Institute 2018. Materials may be reprinted with written permission. Reference publication number KHI/18-31R.