Trump administration creates tough slog for potential ACA enrollees

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Consumers interested in buying insurance coverage on the Affordable Care Act exchanges are confused, unprepared and misinformed.

That's according to designated navigators who help people sign up for coverage on the ACA's insurance marketplace. They have their work cut out for them this year.

Many consumers don't know that open enrollment kicks off Nov. 1. Some aren't even aware the exchanges exist any longer, having been inundated with messages from lawmakers that the marketplace is imploding.

"Are they still going to be able to afford to use their care? Is the tax credit going to help them, because they're hearing things about a double-digit increase to premiums?" said Shelli Quenga, director of programs for the Palmetto Project, South Carolina's lead navigator group, regarding the type of questions navigators are receiving. "There's a lot more confusion."

That uncertainty, coupled with a series of actions the Trump administration has taken in the months leading up to open enrollment, means the fifth open-enrollment period is shaping up to be the most challenging since the ACA was implemented.

That's been the experience at navigator group Florida Covering Kids & Families at the University of South Florida. "Last year, consumers were coming in more informed and more prepared to do what they need to get coverage," said Jodi Ray, director of the program. "Now it's like it's been a huge setback."

The combination of confused consumers, higher premiums and a federal administration that would like to see Obamacare dead leads many experts to believe enrollment will falter, creating financial headaches for hospitals and insurers. Insurers alone will have to eat $1 billion in costs this year because the Trump administration scrapped cost-sharing reduction subsidies.

"I don't think anybody thinks enrollment is going to go up this year," said Katherine Hempstead, who directs the Robert Wood Johnson Foundation's work on health coverage. Still, she said, there's a "core of this market that really, really, really needs health insurance and doesn't have another place to get it, so I think there's a floor on how much it could drop."

For its part, the federal government hasn't set an enrollment goal as the previous administration did. "Our target this year is to have a seamless open enrollment for consumers. The numbers we think will take care of themselves," CMS Deputy Administrator Randy Pate said in a statement emailed by a spokesperson. In 2017, 10.3 million people got coverage through the exchanges.

If fewer people sign up for coverage and they become uninsured, that spells trouble for hospital finances. Uncompensated care at hospitals fell to $35.7 billion in 2015, its lowest point since 2007, thanks to fewer uninsured patients. "If you now have a situation where enrollment is going to go down, while I don't think it'll necessarily be felt immediately by hospitals ... if more folks become uninsured, it will soon thereafter have an impact," said Dan Grauman, CEO of consultancy Veralon.

This year's enrollment period was drastically shortened from three months to 45 days, though some statebased marketplaces have extended their deadlines.

Those with coverage this year through HealthCare.gov will be auto-enrolled into a plan unless they choose another, and, unlike in pre-

vious years, they won't have time to switch if they don't like what's selected for them, navigators said. That's because auto-enrollment happens at the end of the enrollment period, Dec. 15.

That makes it more important for consumers to actively enroll, but funding for marketing and outreach was slashed to $10 million from the $100 million allocated previously, so information is sparse.

Navigator grants also were sharply reduced, leading some groups, like the Palmetto Project, to cancel outreach events. Moreover, the Trump administration will take HealthCare.gov offline for maintenance for what may be 12 hours nearly every Sunday during open enrollment. The administration said the amount of downtime is in line with previous open-enrollment periods.

"We've always had confidence that the consumers best interest drove the system and we don't have that confidence this year," Quenga said.

ACA coverage outlook

Health insurance premiums are set to rise in most states. An analysis of states using the federally operated marketplace by consulting firm Avalere found that the average silver plan premium will go up 34% in 2018 to about $743 each month. Bronze plans will rise 18% and gold plans will increase by 24%.

In Iowa, where just one insurer, Medica, is selling plans, the average silver plan premium will rise 69% to $1,001 a month in 2018. On the other end of the spectrum is Alaska, where silver premiums will fall by 22% to $996. Alaska also has a sole exchange insurer, Premera Blue Cross and Blue Shield. Its rates will drop because of the state's reinsurance program created under a 1332 waiver.

Most insurers raised their rates in part to make up for the potential loss of funding for cost-sharing reduction subsidies. The Trump administration decided to scrap the CSR payments, and a state-led legal effort to force the administration to continue them failed.

Insurers in many states loaded premium increases attributable to the loss of CSR payments onto silver plans only. The second-lowest-cost silver plan in each area is known as the benchmark plan, and it helps determine the amount of a person's premium tax credit, which is another form of financial assistance available for consumers with incomes up to 400% of the federal poverty level. So if the silver plan premium increases, so does the tax credit a person receives.

Because 84% of consumers on the exchanges receive premium tax credits, they will be protected from those premium hikes. For some, switching to a bronze or gold plan will save them money. But exchange customers that get no financial assistance, or those in states that spread the "CSR surcharge" across all types of plans, may bear the brunt of the sharp increases.

$1 billion hit

Insurers will also lose money. They are still required to reduce out-ofpocket expenses for customers who qualify for subsidies, even if the federal government doesn't pay them back. Analysts say insurers' 2017 fourth-quarter earnings will likely take a hit. The National Association of Insurance Commissioners said ending the CSRs will cost insurers $1 billion this year alone.

"There's nothing that insurers can do at this point to compensate for the fact that CSRs will not be paid out for the remainder of the year," Avalere Senior Vice President Elizabeth Carpenter said.

Some plans are increasing outreach to boost enrollment. Health Care Service Corp., a Blues affiliate, rolled out TV and radio ads to let members know of the shortened enrollment period.

Still, large swaths of the country are dominated by a single health plan, and a little more than half of the people in 39 HealthCare.gov states are projected to have just one insurance option.

Health insurers have retreated from the exchanges in droves. Entries paled in comparison to the number of exits the marketplace has experienced. There are 1,500 county-level marketplace exits for the 2018 plan year, and just 200 entries, according to the Robert Wood Johnson Foundation.

Nationally, for-profit insurers have largely fled the marketplaces. UnitedHealth Group was the first, with Aetna and Humana following suit. Anthem slowly extricated itself from exchanges in many of the 14 states where it sold plans in 2017, and now expects to reduce its exchange membership by 70% next year. This year, Anthem served 900,000 exchange members.

Medicaid managed-care insurer Centene Corp. is the newly crowned king of the marketplace, with more than 1 million exchange members. Centene CEO Michael Neidorff has long said that it's "business as usual" for the insurer. Additionally, Cigna Corp. in 2018 will offer ACA plans in six states. Molina Healthcare will exit exchanges in Utah and Wisconsin and keep selling plans in seven other states.

With the exodus of national insurers, not-for-profit community health plans—many of them Blue Cross and Blue Shield-affiliated plans—and provider-sponsored regional plans are holding court over the marketplace. Most of those insurers see it as their mission to offer coverage to the low-income, and they have remained committed to the exchanges.

Some national insurers, including Blues-affiliated Anthem, have indicated that they'd be willing to re-enter the market in certain areas in 2019 if it starts to stabilize.