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TO: Chief Executive Officers
Chief Financial Officers
Chief Operating Officers
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Long Term Care Administrators

FROM: Elizabeth A. Ryan, Esq.
President and CEO

SUBJECT: **2014 Insurance Enrollment Issue Brief**

Since the first federally-facilitated marketplace (FFM) open enrollment period in 2014, NJHA has monitored and analyzed enrollment data to provide members with insights, including potential limitations in the data.

At this time, federal and state data sources are available that have allowed for a more thorough analysis of enrollment during 2014. The attached Issue Brief provides a comprehensive look at the data. The data is useful in drawing broad conclusions and identifying market trends.

NJHA has determined that the data from the State Department of Banking and Insurance (DOBI) provides the most reliable count of individuals who are actually insured since it reflects not only enrollment, but actual active coverage based on premium payments being made.

The DOBI data show that:

- 104,532 additional individuals* were covered in the New Jersey individual market in 2014.
- 250,386 individuals* in total were covered in the New Jersey individual market at the end of 2014.

Additional information from our analysis shows that:

- The average post subsidy premium amount for a silver plan in New Jersey was \$1,524 per year.
- 83 percent of 2015 enrollees receive a premium subsidy.
- 172,345 individuals are at risk of losing coverage if the subsidies are eliminated due to the King vs. Burwell case.

- There was a significant shift in the market share for two of the carriers that participate in the FFM; Amerihealth and Horizon. During 2014, Amerihealth's market share increased by 36.20 percent while Horizon's decreased by 28.71 percent.

*Figures include plans purchased through the FFM and directly from carriers.

The complete analysis is attached. Please feel free to contact Theresa Edelstein at 609-275-4102 or tedelstein@njha.com or Roger Sarao at 609-275-4026 or rsarao@njha.com if you have any questions regarding this document.



2014 Individual Insurance Market Enrollment Data June 2015

One of the key tenets of the Patient Protection and Affordable Care Act (ACA) is that it will increase the number of insured individuals in the country.

It is encouraging that by the end of open enrollment 2015, 11.7 million individuals were enrolled in state and federal marketplaces.

Many organizations are reporting on these enrollment figures from the federally-facilitated marketplace (FFM) and using the data to identify trends, including how much the uninsured rate has fallen. However, challenges exist in interpreting the data. This is due to several variables as well as limitations in the data.

It is imperative that providers have a complete and thorough understanding of enrollment data in order to develop strategic plans for the next several years. To this end, NJHA has reviewed both federal and state data sources on enrollment to assist in clarifying realistic trends.

Insurance Enrollment Data - 2014 and 2015

The Department of Health and Human Services, Office of the Assistant Secretary of Planning and Evaluation (ASPE), released a report in May that includes New Jersey-specific data on federally facilitated marketplace enrollment from the 2015 open enrollment period. The timeframe for 2015 open enrollment included Nov. 15, 2014, through Feb. 22, 2015. ASPE released similar data for the first open enrollment period, Oct. 1, 2013, through April 19, 2014, in May 2014. In addition, the New Jersey Department of Banking and Insurance, Individual Health Coverage Board, recently released its enrollment data for the fourth quarter of 2014.

All of the data, reviewed both separately and together, can provide valuable insight into the changing market landscape as a result of the ACA. However, it is imperative that individuals reviewing or utilizing the data are clear about what data source is used in drawing particular conclusions. There are many factors that cause data at the federal and state level to not be identical – reporting timeframes, effectuation of coverage, loss of coverage, etc.

There are instances where even data provided by the same source may not align exactly. For example, ASPE provides data on FFM enrollment. It has provided this data in a summary report as well as by zip code in a spreadsheet both of which can be found at

http://aspe.hhs.gov/health/reports/2015/MarketPlaceEnrollment/EnrollmentByZip/rpt_EnrollmentByZip_Apr2015.cfm. The data in the report includes all enrollees. Conversely, the zip code data does not represent all enrollees; in zip codes where there are less than 50 enrollees the figure was excluded. NJHA used the data ASPE released to create two additional member resources: a map showing 2015 enrollment by county and per 1,000 population (exhibit one) and a chart that shows the change in enrollment, by county, from 2014 to 2015 (exhibit two).

Below is a summary of some of the key trends for New Jersey identified by the data.

FFM Enrollment

In May 2014, ASPE reported that 161,775 New Jersey citizens purchased coverage through the FFM during the 2014 open enrollment period. One of the biggest challenges with utilizing FFM enrollment data is that the data does not track whether an enrollee was previously insured. Therefore, there is no way to discern if those enrollees were newly insured or were individuals who were previously insured through New Jersey's individual market, an employer plan or were covered in some other way.

While the FFM still doesn't track previous coverage data on enrollees new to the FFM, in 2015 it did begin tracking those individuals who were previously enrolled in an FFM plan. As a result, it's now known that 52 percent (approximately 132,244) were individuals who previously had a FFM plan. Forty-eight percent (approximately 122,071) were new to the FFM.

It is clear from the tracking of consumers returning to the FFM that there was a loss in individuals who originally enrolled in 2014. Again, due to the need for increased tracking, it is impossible to determine where those individuals went. As it stands, the data does not shed light on how much of this loss was due to individuals losing coverage by failing to pay their premiums, obtaining insurance coverage through their employers, enrolling in Medicaid or other factors.

Alternately, total enrollment for the 2015 open enrollment period indicates an encouraging upward trend in enrollment. According to the latest ASPE report, 254,316 New Jersey individuals enrolled in a health plan through the FFM; this is an increase of 92,541 covered individuals over 2014 reported figures.

FFM Enrollee Demographics

The ASPE report also includes data that compares characteristics of individuals enrolling in coverage through all the states participating in the FFM. This information finds that very little has changed in the demographics of the enrollees. For example the data indicates that:

- 28 percent of FFM enrollees are individuals aged 18 to 34
- 69 percent of enrollees purchased silver plans.

Demographics that experienced very slight shifts include the percent of males vs. females purchasing coverage through the FFM and those receiving financial assistance. The percent of males purchasing coverage through the FFM increased from 45 to 46 percent, with the percent of

females changing from 55 to 54 percent. The percent of enrollees receiving financial assistance increased slightly from 86 to 87 percent.

As more data concerning enrollee demographics become available, future analysis will determine whether the FFM trends are consistent with New Jersey's experience.

State Data on Enrollment

The New Jersey Department of Banking and Insurance, Individual Health Coverage Board issues quarterly reports on enrollment in the New Jersey individual market. For 2014, DOBI began gathering data concerning covered lives both on and off the Marketplace. While this data is useful in monitoring state-level market changes, it is virtually impossible to compare this data with federal data due to the many variables at play during the first open enrollment period.

Some of the considerations to be mindful of when reviewing the state individual market enrollment data reports include:

- Individuals may have chosen not to renew due to premiums
- Since originally non-compliant plans were not to be sold during 2014 enrollment, individuals may have chosen not to enroll after receiving notice, even though it was later determined, after enrollment began, that non-compliant plans could be sold; or
- Individuals may have been determined eligible for Medicaid.

Third-quarter activity reported by the state and ASPE illustrates the inability to directly compare data from the federal and state reports. ASPE reported that during Oct 1, 2013, through Dec. 28, 2013, New Jersey had 34,751 individuals enroll for health coverage through the FFM. Alternately, state data indicates that during the same timeframe, there was actually a loss to the individual market of 5,462 individuals since the end of third quarter 2013.

However, the data can be used to make some broad assumptions. For example, ASPE reported that as of March 1, 2014, there were 74,370 individuals who had selected an FFM plan. Compare that with the state's report that as of March 31 there were 58,918 individuals covered by an FFM plan. It would appear that the difference in covered lives are those who failed to effectuate coverage by making their premium payment. This is further supported by reports carriers previously made last year that approximately 80 percent of marketplace enrollees effectuated coverage.

Finally, the DOBI enrollment reports suggest that from the end of 2013 (when there was a total of 145,854 lives covered in New Jersey) to the end of 2014, there was an increase of 104,532, raising the total of covered individuals to 250,386.

Individual Carrier Changes

In 2014 there were a total of six carriers offering policies in the New Jersey market. Of those, three carriers sold policies both on and off the FFM: AmeriHealth; Horizon Blue Cross and Blue Shield of New Jersey (Horizon) and Health Republic Insurance of New Jersey (HRINJ).

From DOBI's enrollment reports, it seems clear that the introduction of the FFM led to substantive changes to the makeup of the New Jersey marketplace. For example, at the beginning of 2014, Horizon's 79.81 percent share of the market was the most substantial. The approximately 20 percent of the remaining market share was spread among the remaining carriers, with Oxford Health Plans and AmeriHealth controlling most of the remaining market share at 11 and 7 percent, respectively.

By the end of 2014, the dynamic evolved from one where a single carrier largely controlled the marketplace – creating a near monopolistic environment – to one in which more competition was introduced. The more competitive environment resulted in a marked increase in AmeriHealth's enrollment. By fourth quarter 2014, AmeriHealth covered 109,160 lives equating to 43.6 percent of the market share. Conversely, Horizon's market share experienced a substantive decrease of over 28 percent, ending 2014 with 51.1 percent of the market share. HRINJ, which did not operate in New Jersey prior to the introduction of the FFM, netted 1.66 percent of the market. This left Aetna, Cigna and Oxford health plans to share less than 4 percent of the market. The table below provides more detail on covered lives by carrier.

Plan Name	Quarter Four 2013 (October 1, 2013 - December 31, 2013)		Quarter Four 2014 (October 1, 2014 - December 31, 2014)		Variance: Quarter Four 2014 Vs. Quarter Four 2013	
	Total Covered Lives	Market Share	Total Covered Lives	Market Share	Total Covered Lives	Market Share
Aetna Inc. (Insurance and HMO)	2,454	1.68%	1,451	0.58%	(1,003)	(1.10%)
AmeriHealth Inc. (Insurance and HMO)	10,789	7.40%	109,160	43.60%	98,371	36.20%
CIGNA HealthCare of NJ Inc.	40	0.03%	52	0.02%	12	(0.01%)
Health Republic Ins of NJ	0	0.00%	4,152	1.66%	4,152	1.66%
Horizon BCBSNJ (Service Corp and HMO)	116,407	79.81%	127,940	51.10%	11,533	(28.71%)
Oxford Health Plans	16,164	11.08%	7,631	3.05%	(8,533)	(8.03%)
Statewide Total	145,854		250,386		104,532	

Source: NJ DOBI Individual Health Coverage Program Enrollment Reports

Data on Premiums

ASPE provided data in 2014 and 2015 concerning the average premiums being paid for a standard silver plan in New Jersey. Information in exhibit three includes the ASPE data which was based on monthly payments as well as extrapolated data to show the yearly cost. It is important to note that the variance between 2014 and 2015 premiums is not only the result of increased premium costs but also the result of a decrease in subsidy amounts provided by the federal government.

Conclusion

Data on insurance coverage is being gathered through many avenues at both the state and federal levels, and while the data is not always easily comparable, it is encouraging that enrollment is being monitored closely. However, additional data points that monitor consumers' previous health coverage status would assist when trying to determine the number of newly insured. Alternately, it will also become easier to determine trends as healthcare reforms move enrollment in individual coverage to be allowed only during a defined open enrollment period.

In the meantime, we can determine from state data that during the course of 2014, the number of covered individuals in New Jersey nearly doubled over 2013 year-end data, resulting in 250,386 insured individuals at the end of 2014.

Attachments

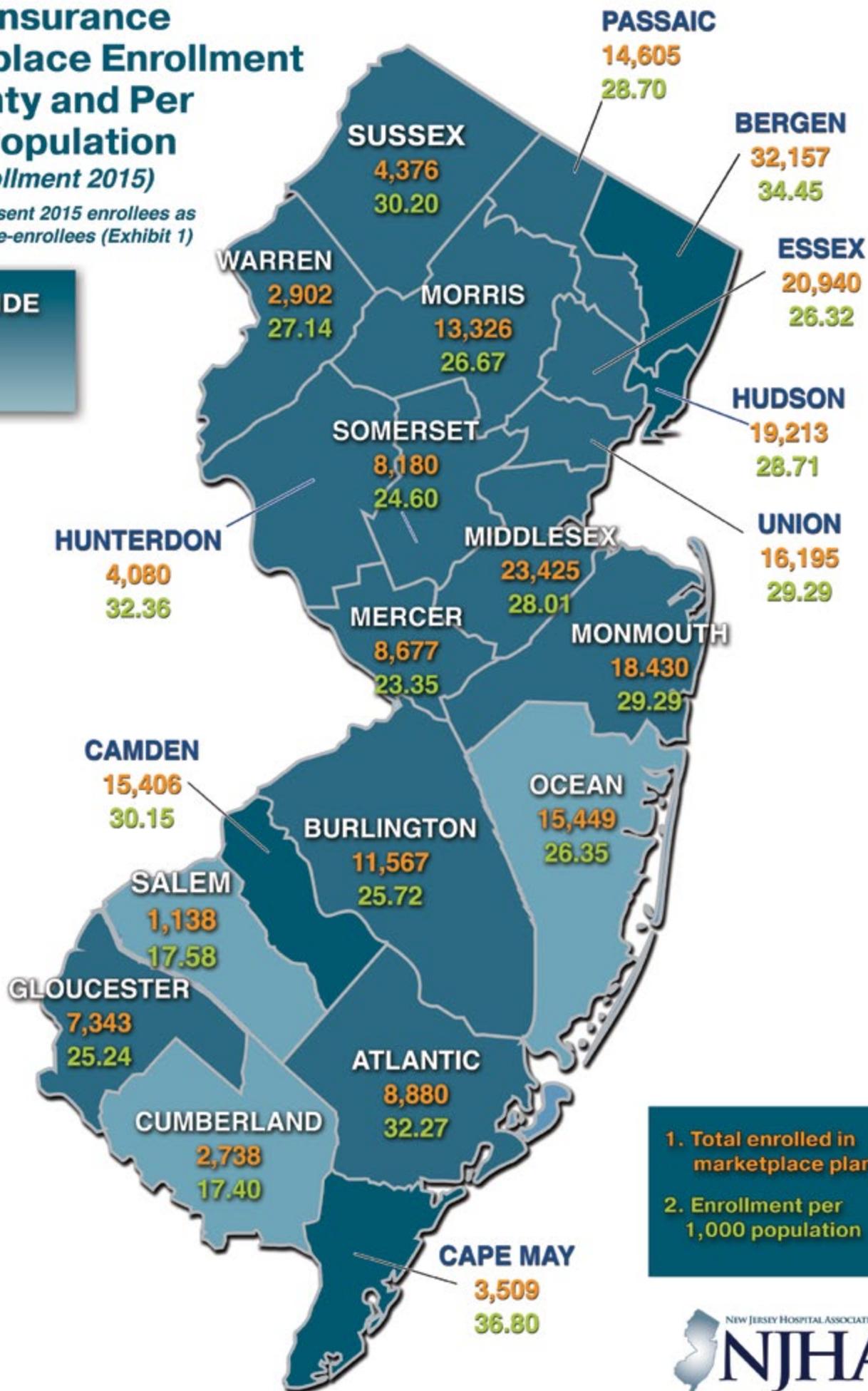
Health Insurance Marketplace Enrollment by County and Per 1,000 Population (Open Enrollment 2015)

* Figures represent 2015 enrollees as well as 2014 re-enrollees (Exhibit 1)

STATEWIDE

252,536

28.25



1. Total enrolled in marketplace plans
2. Enrollment per 1,000 population

New Jersey Hospital Association

Exhibit Two

New Jersey Health Insurance Marketplace Enrollment by County

Source: Health and Human Services (HHS) Office of the Assistant Secretary for Planning and Evaluation (ASPE)

County	2014 Open Enrollment Period (October 15, 2013 - April 19, 2014)		2015 Open Enrollment Period (November 15, 2014 - February 22, 2015)		Variance: 2015 Open Enrollment Period Vs. 2014 Open Enrollment Period	
	Total Enrollment	Enrollment per 1,000 Population	Total Enrollment	Enrollment per 1,000 Population	Total Enrollment	Enrollment per 1,000 Population
Atlantic	5,346	19.38	8,880	32.27	3,534	12.89
Bergen	20,146	21.77	32,157	34.45	12,011	12.67
Burlington	7,615	16.89	11,567	25.72	3,952	8.83
Camden	10,352	20.19	15,406	30.15	5,054	9.96
Cape May	2,034	21.21	3,509	36.80	1,475	15.59
Cumberland	1,886	11.99	2,738	17.40	852	5.41
Essex	14,624	18.52	20,940	26.32	6,316	7.79
Gloucester	4,608	15.88	7,343	25.24	2,735	9.36
Hudson	13,427	20.34	19,213	28.71	5,786	8.38
Hunterdon	2,282	18.08	4,080	32.36	1,798	14.29
Mercer	5,679	15.33	8,677	23.35	2,998	8.02
Middlesex	15,029	18.13	23,425	28.01	8,396	9.88
Monmouth	10,741	17.06	18,430	29.29	7,689	12.23
Morris	7,649	15.32	13,326	26.67	5,677	11.35
Ocean	8,199	14.05	15,449	26.35	7,250	12.30
Passaic	9,303	18.40	14,605	28.70	5,302	10.30
Salem	717	11.00	1,138	17.58	421	6.58
Somerset	5,032	15.22	8,180	24.60	3,148	9.37
Sussex	2,251	15.42	4,376	30.20	2,125	14.78
Union	10,680	19.48	16,195	29.29	5,515	9.81
Warren	1,731	16.12	2,902	27.14	1,171	11.02
Statewide Total	159,331	17.90	252,536	28.25	93,205	10.35

New Jersey Hospital Association

Exhibit Three

Average Premium for New Jersey Silver Plan

Source: Health and Human Services (HHS) Office of the Assistant Secretary for Planning and Evaluation (ASPE)

	2014		2015		Dollar Variance (2015 vs. 2014)		Percent Variance (2015 vs. 2014)	
	Average Premium PRE-Subsidy	Average Premium POST-Subsidy	Average Premium PRE-Subsidy	Average Premium POST-Subsidy	Average Premium PRE-Subsidy	Average Premium POST-Subsidy	Average Premium PRE-Subsidy	Average Premium POST-Subsidy
Average MONTHLY Premium for NJ Silver Plan	\$457	\$127	\$481	\$172	\$24	\$45	5.3%	35.4%
Average ANNUAL Premium for NJ Silver Plan	\$5,484	\$1,524	\$5,772	\$2,064	\$288	\$540	5.3%	35.4%