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DATE: May 31, 2017

TO: Chief Executive Officers            Government Relations Officers  
Chief Financial Officers            Managed Care Executives  
Chief Operating Officers            Long Term Care Administrators  
In-House Counsel

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

RE: **2016 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 into the shifting landscape of the individual market.

The attached Issue Brief provides a comprehensive look at enrollment during 2016 as well as a preliminary look at data from the 2017 open enrollment period. The data is useful in drawing broad conclusions and identifying market trends.

NJHA determined that the data from the State Department of Banking and Insurance (DOBI) provides the most reliable count of individuals who are actually insured year-over-year, since it reflects not only enrollment but actual active coverage based on premium payments being made. We also continue to include federal-level data analysis in the Issue Brief to provide for the most up-to-date data on current enrollment levels, due to differences in reporting timeframes.

For fourth quarter 2016, the DOBI data show that:

- The overall gain of covered lives in the individual market from the fourth quarter 2013 to fourth quarter 2016 is 162,967 more individuals\* covered in the New Jersey individual market.
- 308,821 individuals\* in total were covered in the New Jersey individual market at the end of 2016.

Additional information from our analysis shows that:

- The average post-subsidy premium amount for a silver plan in New Jersey in 2016 was \$1,932 per year, which was a 6.4 percent decrease over 2015 post-subsidy premiums.
- In 2017, post-subsidy premiums decreased again to \$1,776 per year.
- The individual market experienced a great deal of upheaval during 2016 with Health Republic Insurance of New Jersey entering bankruptcy and Oscar and United deciding that they would not participate in the FFM in 2017.

*\*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](mailto:tedelstein@njha.com), or Roger Sarao, at 609-275-4026 or [rsarao@njha.com](mailto:rsarao@njha.com) if you have any questions regarding this document.



## **Individual Insurance Market Enrollment Data May 2017**

One of the key tenets of the Patient Protection and Affordable Care Act (ACA) is increasing the number of insured individuals in the country, partially through the individual market.

Since the first open enrollment in 2014, NJHA has monitored enrollment in the individual market at the state and federal level. As the ACA reform efforts were implemented over the intervening years, new data sets and sources have become available.

The 2017 open enrollment period brought about even more changes to the landscape: a new administration promised repeal of the ACA; planned advertisement campaigns were canceled; and data that was provided during the 2016 open enrollment period has not yet been released – specifically, the effectuated enrollment data.

These deviations from the previous support for the ACA, along with the factors that were identified earlier as challenges such as the number of data sources and elements, once again create uncertainty as to exactly what factors are impacting enrollment trends. However, data from the three years of federally facilitated marketplace (FFM) enrollment does allow for detailed analysis pre-2017. In addition, changes in the data for 2017 allow for some broader discussion concerning possible future enrollment patterns.

### **FFM Insurance Enrollment Data – The National Perspective**

Since the first open enrollment period for 2014, the Department of Health and Human Services (HHS) Office of the Assistant Secretary of Planning and Evaluation (ASPE) has released reports annually that included national and state-specific data on FFM enrollment.

For the first three years, enrollment at the national level through the FFM increased year-over-year, with the reports indicating that 10.3 million, nearly 11.7 million and 12.7 million nonelderly adults (ages 18-64) enrolled in coverage each year through the Marketplaces, respectively.

However, during the 2017 open enrollment period the final number of individuals nationally who selected a health plan was approximately 12.2 million consumers. While the loss may appear modest, previous ASPE reports indicated that it was anticipated that 13.8 million people would select a plan by the end of 2017 open enrollment.

In addition, as has been frequently noted, one challenge with the FFM open enrollment figures is the difference between those individuals who select a plan through the marketplace and those who effectuate coverage by paying the premiums. Therefore, the final total enrollment nationally is probably lower than the 12.2 million consumers.

An additional challenge this year is that access to data on enrollment was not released by ASPE, but rather by CMS. This means that the data is more limited. For example, while CMS began producing quarterly reports on effectuated coverage beginning in 2015, the last detailed quarterly report was for the first quarter of 2016 and was released in June 2016. At the time of that release it was announced that the reporting period would change from quarterly to semiannually. It is unclear if CMS will continue to release this data.

As always, individuals are cautioned that when reviewing or utilizing the data, it is imperative to be clear about what data source is used in drawing particular conclusions. In addition, data never fully aligns at the federal and state levels due to differences in reporting requirements, coverage churn and other factors.

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

### **FFM Enrollment**

While data at the national level indicated a downward trend, New Jersey continued to show growth in the number of residents selecting a health plan on the FFM. Public use files that CMS made available in mid-March indicate that 295,067 New Jersey residents selected a health plan for 2017 on the FFM.

For the prior three years respectively, ASPE reported that 161,775; 254,316 and 288,573 individuals made plan selections during the open enrollment period. Appendix one includes data on county level enrollment figures for all enrollment periods.

### **Enrollee Demographics**

The public use files include data that compares characteristics of individuals enrolling in coverage through all the states participating in the FFM.

One of the most analyzed aspects of the ACA is its impact on premiums. In 2015, 60 percent of active re-enrollees switched plans. This is nearly the same percentage of active re-enrollees switching plans in 2016 at 59 percent. For 2017, the percent of active re-enrollees switching plans – which is arguably, in part, due to changes in premiums – decreased significantly to only 38 percent. Unfortunately, as previously noted, not all of the data provided for 2016 is available for 2017. Therefore the dollar savings experienced by enrollees as a result of actively shopping for coverage is difficult to determine.

In reviewing the year-over-year variation in premiums pre- and post-subsidy (see appendix two), one possible reason for the significant decrease in plan switching may be that the average premium for a New Jersey Silver Plan in 2017 actually decreased slightly pre-subsidy and significantly post-subsidy by \$5 and \$13, respectively, from 2016 premiums. When comparing the 2017 premiums to 2014, it can be seen that there is a relatively small but consistent increase both pre- and post-subsidy. The difference when compared to 2014 shows a modest premium payment increase of \$22 pre-subsidy and \$21 post-subsidy.

Data in this year's public use files also included data on the number of individuals enrolled in Bronze and Silver Plans broken out by income levels as a percent of the federal poverty level (FPL). The data indicates that of the 295,067 New Jersey enrollees, 95 percent are enrolled in a Bronze or Silver Plan.

In addition, a review of the enrollees by income level as a percent of FPL shows a striking pattern that exists with regard to the segment of individuals purchasing Silver Plans. Specifically, the two lowest reported income ranges,  $\geq 100\%$  to  $\leq 150\%$  of FPL and  $> 150\%$  to  $\leq 200\%$  of FPL, are clearly driven by the advanced premium tax credits (APTCs) in their decision making. For the lowest income bracket, 13 percent more individuals chose a Silver Plan than did a Bronze and similarly for the second lowest income bracket 11 percent more individuals purchased a Silver Plan. This is logical given that an APTC cannot be applied to a Bronze Plan.

Another interesting trend the data shows is that when looking at the income brackets up to the top level that allows individuals to receive a tax credit (400 percent FPL) the trend shows the inverse, with more individuals choosing Bronze Plans over Silver Plans. Data indicates that more enrollees with incomes of  $\geq 200$  to  $\leq 250$  percent FPL;  $\geq 250$  to  $\leq 300$  percent of FPL and  $> 300$  to  $\leq 400$  percent of FPL chose bronze plans by 3 percent; 7 percent and 7 percent more respectively. This trend appears to indicate that it is at these levels that comparison shopping is key as individuals are finding less expensive Bronze Plans that they can more readily afford than Silver Plans, even after consideration of the APTC.

Silver Plans continue to be the best-selling metal level on the marketplace, representing 69, 71, 73 and 82 percent of metal level coverage in 2014, 2015, 2016 and 2017, respectively.

### **State Data on Enrollment**

It has been difficult over the years to reconcile federal and state level data. While there was an expectation that it would become easier as a result of effectuated enrollment reports from HHS for FFM enrollees, as previously stated in this report, that data is not available for the second half of 2016. Therefore, some of the state level data reported herein may appear significantly different from federal data. However, as has been noted in previous issue briefs, we believe the state level data is more accurate in terms of the number of enrollees given that it is quarterly data supplied by the carriers based on the policies in effect during the timeframe indicated.

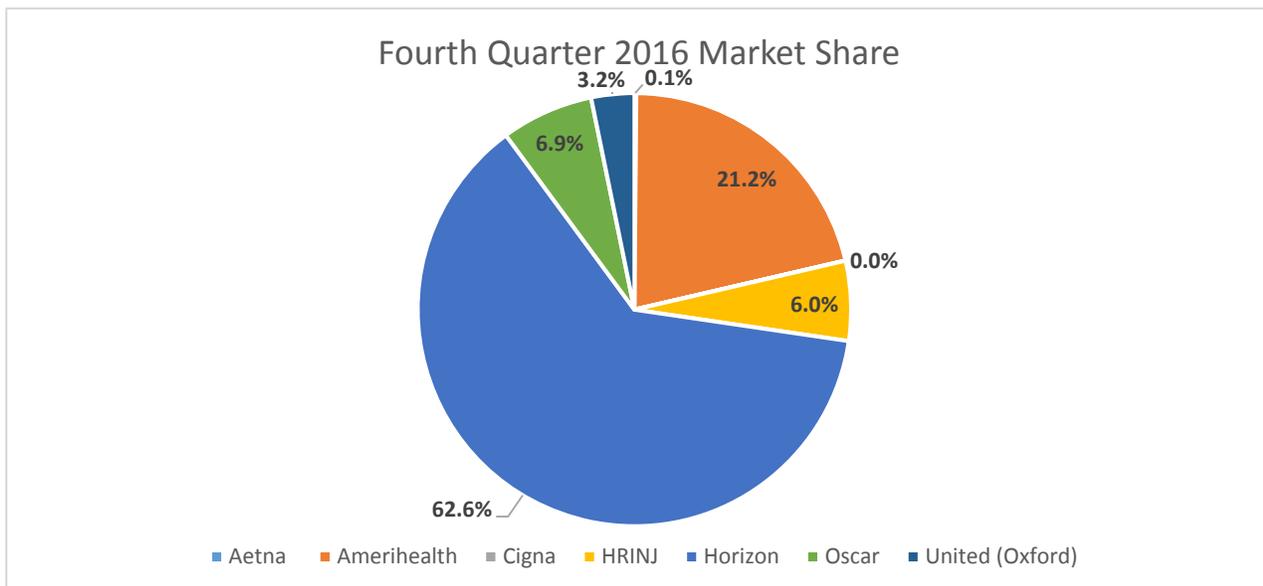
Regardless of the differences in the reports, the Department of Banking and Insurance (DOBI) enrollment reports continue to show steady gains year-over-year in the number of residents purchasing insurance. From the end of 2013 (when there was a total of 145,854 lives covered in New Jersey) to the end of 2016, there was an increase of 162,967 lives, raising the total of covered individuals to 308,821.

The number of individuals purchasing plans directly from carriers continues to slowly decrease but remains high given the availability of tax credits through the marketplace. Each year since the end of 2014 when 44 percent of the covered lives in the individual market were issued directly by the carriers, the percent of individuals purchasing coverage direct from carriers has decreased. At the end of 2015 that percentage decreased to 35 percent and at the end of 2016 it decreased to 30 percent. It remains unclear why these individuals continue to purchase directly from carriers.

### **Individual Carrier Changes**

In 2016 there were a total of seven carriers offering individual policies in the New Jersey market. Of the seven, five offered individual policies on and off the Marketplace: AmeriHealth; Health Republic Insurance of New Jersey (HRINJ), Horizon Blue Cross and Blue Shield of New Jersey (Horizon), Oscar – which only sold policies in the nine northern-most counties - and Oxford/UnitedHealthcare.

There have been numerous shifts in the New Jersey market as carriers have entered and exited during implementation of the ACA. At the end of 2016 there were still several payers with covered lives in the FFM. However, there was a significant shift in market share as several began to exit, including Health Republic Insurance of NJ, Oscar Insurance Corporation, and Oxford/UnitedHealthcare – all of which slowly began to decrease the number of covered lives that each had on the FFM. None of these plans offered products on the FFM for 2017.



Source: NJ DOBI Individual Health Coverage Program Enrollment Reports

The two payers remaining in the FFM – AmeriHealth and Horizon BCBSNJ – will receive most of the lives from those other payers.

Appendix three shows the multi-year market share by carrier. Horizon continues to have a substantive majority in the individual market. AmeriHealth has experienced significant market share growth since the inception of healthcare reform, ending 2016 with 21.2 percent of the market compared to its 2013 market share of only 7.4 percent. Aetna and Cigna struggle to remain viable in the individual market.

### **Conclusion**

The market in New Jersey has been very fluid over the last few years. While it appeared that the significant shifts were beginning to slow, the changes in federal administration will most certainly impact the coming year. Because of this, enrollment data remains important. Trending assists in monitoring the levels of uninsured residents and contributes to an overall understanding of the New Jersey insurance market. Such information can prove useful in responding to federal regulatory changes, such as the recent adoption of the market stabilization rules and the potential repeal and replacement of the ACA.

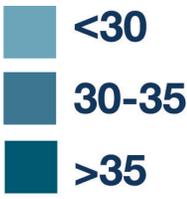
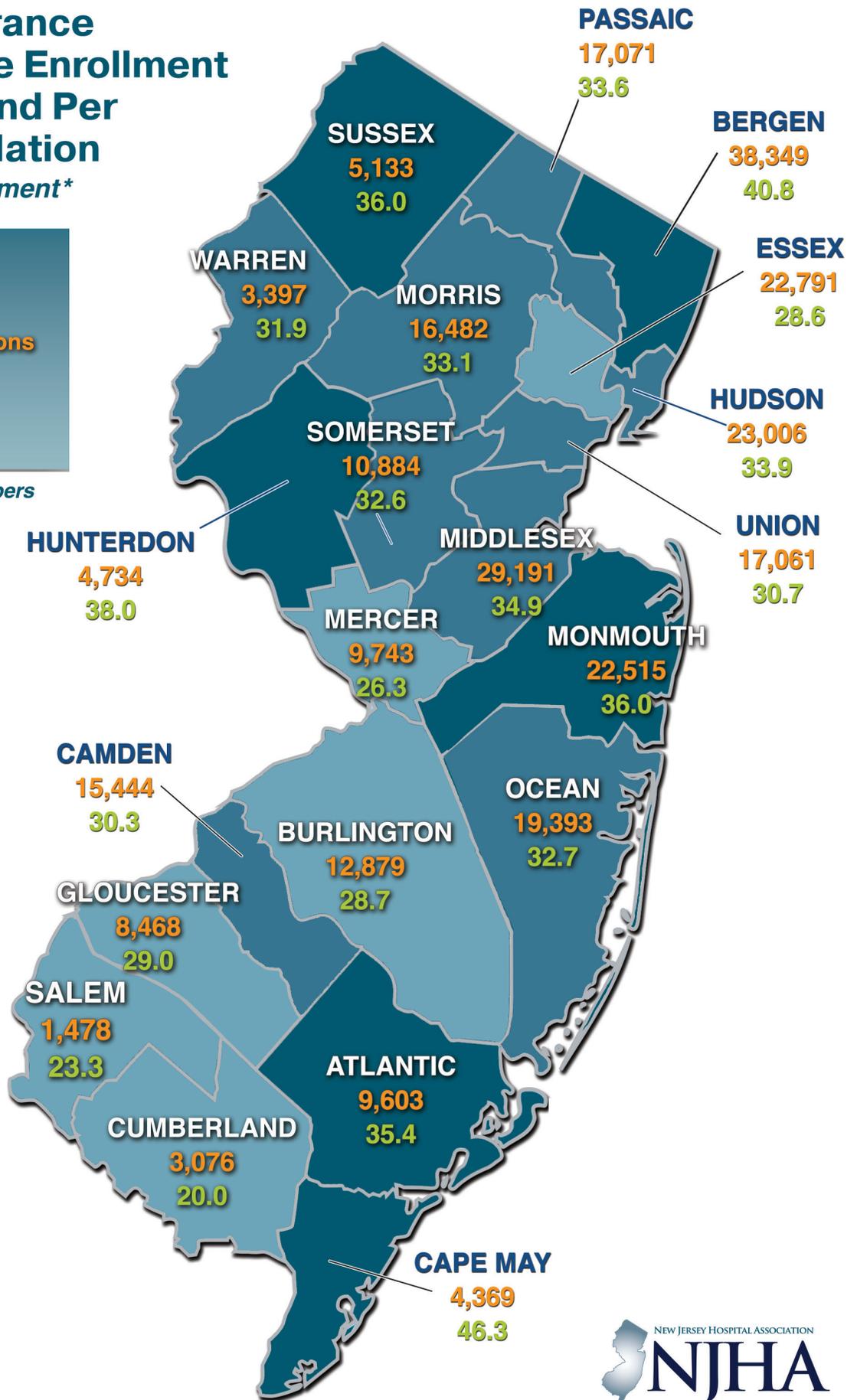
Attachments

# Health Insurance Marketplace Enrollment by County and Per 1,000 Population

2017 Open Enrollment\*

**STATEWIDE**  
**295,067**  
 Total Plan Selections  
**33.0**  
 Enrollment per  
 1,000 Population

\*Non-effectuated numbers



**New Jersey Hospital Association**

**Appendix One**

**Enrollment on the Health Insurance Marketplace by County**

Source: Health and Human Services (HHS) Office of the Assistant Secretary for Planning and Evaluation (ASPE) for 2014-2016; Centers for Medicare and Medicaid Services (CMS) for 2017

County	2014 Open Enrollment Period (October 15, 2013 - April 19, 2014)		2015 Open Enrollment Period (November 15, 2014 - February 22, 2015)		2016 Open Enrollment Period (November 1, 2015 - January 31, 2016)		2017 Open Enrollment Period (November 1, 2016 - January 31, 2017)		Variance: 2017 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	Total Enrollment	Enrollment per 1,000 Population	Total Enrollment	Enrollment per 1,000 Population
Atlantic	5,346	19.4	8,880	32.3	9,000	32.8	9,603	35.4	4,257	16.0
Bergen	20,146	21.8	32,157	34.4	36,317	38.7	38,349	40.8	18,203	19.0
Burlington	7,615	16.9	11,567	25.7	13,362	29.7	12,879	28.7	5,264	11.8
Camden	10,352	20.2	15,406	30.1	16,426	32.1	15,444	30.3	5,092	10.1
Cape May	2,034	21.2	3,509	36.8	4,225	44.6	4,369	46.3	2,335	25.1
Cumberland	1,886	12.0	2,738	17.4	3,038	19.5	3,076	20.0	1,190	8.0
Essex	14,624	18.5	20,940	26.3	22,525	28.2	22,791	28.6	8,167	10.1
Gloucester	4,608	15.9	7,343	25.2	7,927	27.2	8,468	29.0	3,860	13.1
Hudson	13,427	20.3	19,213	28.7	22,022	32.6	23,006	33.9	9,579	13.6
Hunterdon	2,282	18.1	4,080	32.4	4,653	37.1	4,734	38.0	2,452	19.9
Mercer	5,679	15.3	8,677	23.4	9,775	26.3	9,743	26.3	4,064	11.0
Middlesex	15,029	18.1	23,425	28.0	25,101	29.9	29,191	34.9	14,162	16.8
Monmouth	10,741	17.1	18,430	29.3	23,674	37.7	22,515	36.0	11,774	18.9
Morris	7,649	15.3	13,326	26.7	15,574	31.2	16,482	33.1	8,833	17.8
Ocean	8,199	14.1	15,449	26.3	18,505	31.4	19,393	32.7	11,194	18.6
Passaic	9,303	18.4	14,605	28.7	17,178	33.6	17,071	33.6	7,768	15.2
Salem	717	11.0	1,138	17.6	1,367	21.3	1,478	23.3	761	12.3
Somerset	5,032	15.2	8,180	24.6	11,115	33.3	10,884	32.6	5,852	17.4
Sussex	2,251	15.4	4,376	30.2	5,011	34.9	5,133	36.0	2,882	20.6
Union	10,680	19.5	16,195	29.3	16,697	30.0	17,061	30.7	6,381	11.2
Warren	1,731	16.1	2,902	27.1	3,365	31.5	3,397	31.9	1,666	15.8
County Unassigned	2,444		1,780		1,716		0		(2,444)	
<b>Statewide Total</b>	<b>161,775</b>	<b>18.2</b>	<b>254,316</b>	<b>28.5</b>	<b>288,573</b>	<b>32.2</b>	<b>295,067</b>	<b>33.0</b>	<b>133,292</b>	<b>14.8</b>

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**Appendix Two**

**Average Premium For New Jersey Silver Plan**

Source: Health and Human Services (HHS) Office of the Assistant Secretary for Planning and Evaluation (ASPE) for 2014-2016; Centers for Medicare and Medicaid Services (CMS) for 2017

	2014		2015		2016		2017		Dollar Variance (2017 Vs. 2014)	
	Average Pre-Subsidy	Average Post-Subsidy	Average Pre-Subsidy	Average Post-Subsidy						
<b>Monthly</b>	\$457	\$127	\$481	\$172	\$484	\$161	\$479	\$148	\$22	\$21
<b>Yearly</b>	\$5,484	\$1,526	\$5,772	\$2,064	\$5,808	\$1,932	\$5,748	\$1,776	\$264	\$250

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**Appendix Three**

**Total Covered Lives by Insurance Carrier (Through the Marketplace Or Issued Directly By the Carriers)**

Source: NJ DOBI Individual Health Coverage Program Enrollment Reports

Plan Name	Quarter Four 2013 (October 1, 2013 - December 31, 2013)		Quarter Four 2014 (October 1, 2014 - December 31, 2014)		Quarter Four 2015 (October 1, 2015 - December 31, 2015)		Quarter Four 2016 (October 1, 2016 - December 31, 2016)		Variance: Quarter Four 2016 Vs. Quarter Four 2013	
	Total Covered Lives	Market Share	Total Covered Lives	Market Share						
Aetna Inc. (Insurance)	2,454	1.7%	1,451	0.6%	742	0.3%	418	0.1%	(2,036)	(1.5%)
AmeriHealth Inc. (Insurance and HMO)	10,789	7.4%	109,160	43.6%	53,789	18.5%	65,501	21.2%	54,712	13.8%
CIGNA HealthCare of NJ Inc.	40	0.0	52	0.0%	29	0.0%	45	0.0%	5	(0.0%)
Health Republic Ins of NJ	0	0.0%	4,152	1.7%	44,541	15.3%	18,386	6.0%	18,386	6.0%
Horizon BCBSNJ (Service Corp and HMO)	116,407	79.8%	127,940	51.1%	173,933	59.8%	193,274	62.6%	76,867	(17.2%)
Oscar Ins Corp of NJ	0	0.0%	0	0.0%	2,800	1.0%	21,284	6.9%	21,284	6.9%
Oxford Health Plans	16,164	11.1%	7,631	3.0%	15,079	5.2%	9,913	3.2%	(6,251)	(7.9%)
<b>Statewide Total</b>	<b>145,854</b>		<b>250,386</b>		<b>290,913</b>		<b>308,821</b>		<b>162,967</b>	