



# Policy Updates

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# Overview of New Federal Policy Landscape & Impacts to CCA

- The 2020 presidential and congressional elections have resulted in key federal health policy developments of importance to the Massachusetts Health Connector
- Staff have been closely monitoring developments for impacts to the Health Connector, its members, and the health insurance landscape in which it operates
- At a high level, the Biden-Harris Administration has articulated and is enacting a policy agenda that includes:
  - Revived commitment to the principles of the Affordable Care Act (ACA), its market protections, and Marketplaces generally;
  - Pursuing proactive policy changes designed to further promote and expand ACA health coverage; and
  - Situating Marketplace coverage and ACA subsidies into their COVID and economic relief agenda via the American Rescue Plan (the “ARP”)
- This presentation’s federal updates are broken into CCA-relevant (1) executive actions; and (2) the American Rescue Plan. It will also provide a brief update on a state-level policy development of significant to the Health Connector’s work to cover the uninsured.



# **Federal Updates**

# Major Executive Actions with Impacts for ACA Marketplaces

Directive to agencies to promote coverage, remove barriers to enrollment, and review & unwind regulations that promoted non-aca compliant plans

- On January 28th, President Biden signed an executive order (EO) stating that it is the policy of the Biden administration to “protect and strengthen Medicaid and the ACA and to make high-quality healthcare accessible and affordable for every American.” The EO directs federal agencies to consider new action to fully enforce this policy
- Revokes October 2017 EO that promoted Short-Term Limited Duration Plans, Association Health Plans, and certain health reimbursement arrangements

**New federal enrollment period and national marketing & outreach effort**

- On January 28th, President Biden directed the US Dept. of Health and Human Services to open a new enrollment period to allow people to enroll in coverage through healthcare.gov. This enrollment period will run through May 15th and is accompanied by a \$50 million national marketing and outreach push
- The Health Connector announced on 2/3 that it would conform to a similar enrollment period, with an end date of May 23rd to align with the Health Connector’s monthly payment deadline. The Division of Insurance also announced an identical enrollment period for the off-Exchange market

**Public charge rule under ‘immediate review’ & no longer being implemented**

- On February 1st, President Biden signed an executive order relating to a range of immigration-related topics, one of which was the Public Charge rule, which had created potentially negative consequences for lawfully present immigrants seeking green cards who were eligible for or used public benefits programs
- On March 9, the Biden-Harris Administration withdrew its defense of the public charge rule in several cases before the Supreme Court, effectively letting stand lower court rulings blocking the rule. DHS has stopped implementation of the rule

Note: Significant policy developments re: commercial coverage and COVID, Medicaid policy, and health equity are also underway and likely to have direct and indirect impact impacts to CCA, as well.

## **The American Rescue Plan: Significant Coverage and Affordability Expansions for ACA Marketplaces**

**The American Rescue Plan (HR 1319), now passed by both chambers of Congress and headed for the President's desk, includes the most significant federal coverage and affordability expansion in over a decade, with major implications for Health Connector members and the public.**

- The American Rescue Plan (the ARP), H.R. 1319\*, which was passed by the US Senate on March 6<sup>th</sup> and by the US House yesterday, March 10<sup>th</sup>, includes provisions that will significantly expand premium subsidies through ACA marketplaces like the Health Connector. It is expected to be signed into law by President Biden tomorrow, Friday, March 12<sup>th</sup>
- These changes represent the most material expansion and forward-motion on the ACA in over a decade. They present significant new opportunities to expand coverage and lower costs for low income and middle-income families in Massachusetts and nationally
- This expansion will result in positive impacts for the Health Connector's mission and its members (current & potential) for the duration of the APTC expansion
- Staff have been internally preparing for package's passage for the last month and the anticipated need for rapid implementation

\*HR 1319: [Text - H.R.1319 - 117th Congress \(2021-2022\): American Rescue Plan Act of 2021 | Congress.gov | Library of Congress](#)

# American Rescue Plan & ACA Marketplaces

The package includes several provisions that will significantly and rapidly affect state-based marketplaces, like the Health Connector, the people they serve.

1. Expansion of APTC generosity for individuals under 400 percent FPL in a manner that more closely mirrors the Health Connector’s affordability schedule than the ACA’s original subsidy schedule.
2. Enabling individuals over 400 percent FPL to be newly eligible for APTC in order to make their enrollee contribution towards a benchmark plan not exceed 8.5 percent of household income.

 Time period: 2021 and 2022 tax years

3. Automatically designating anyone in receipt of Unemployment Income (“UI”) for any week of 2021 as being 133 percent FPL for the purposes of APTC eligibility and cost sharing reduction (CSR) eligibility.

 Time period: 2021 tax year only



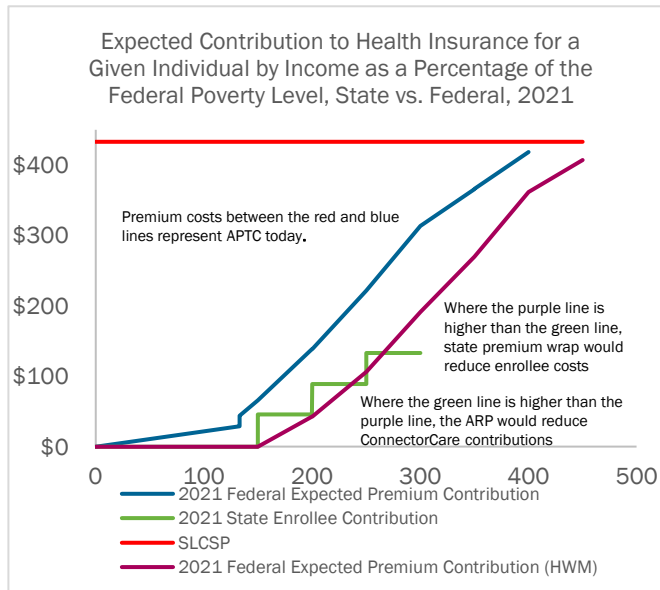
Extrapolating from Congressional Budget Office (CBO) estimates, CCA staff estimate these provisions may together bring close to six hundred million new dollars of federal support into Massachusetts for premium tax credits for state residents in 2021 and 2022.

**Other provisions that do not require implementation by the Health Connector but will affect populations that use or consider Health Connector coverage:**

- Tax reconciliation relief for 2020 premium tax credits for people who misestimated their 2020 income (Section 9662)
- 100 percent subsidization of COBRA coverage through September 30, 2021 (Section 2401)

# American Rescue Plan: Expansion of ACA Premium Tax Credits (Section 9661)

“In the case of household income (expressed as a percent of poverty line) within the following income tier:	The initial premium percentage is—	The final premium percentage is—
Up to 150.0 percent .....	0.0	0.0
150.0 percent up to 200.0 percent .....	0.0	2.0
200.0 percent up to 250.0 percent .....	2.0	4.0
250.0 percent up to 300.0 percent .....	4.0	6.0
300.0 percent up to 400.0 percent .....	6.0	8.5
400.0 percent and higher .....	8.5	8.5”.



## What will it mean in Massachusetts?

### Increased Affordability for Current Low-Income Enrollees

- Will further lower premiums for many of the ~194,000 lower income residents enrolled in ConnectorCare

### Increased Affordability for Moderate-Income Residents (on and off-Marketplace)


- Makes coverage more affordable for individuals that fall on the other side of state or federal subsidy ‘cliffs’ (>300 percent FPL and >400 percent FPL respectively) by capping their expected contribution towards silver-tier health coverage at 8.5 percent of income and using federal premium tax credits to fill in the difference
- New savings opportunities will be available to “APTC only” and unsubsidized enrollees in Health Connector coverage as well some of the as the state’s ~61,000 off-Exchange nongroup enrollees

### Lower Cost Options for the Remaining Uninsured

- MA’s 200-250,000 uninsured residents will have even lower-cost options from which to choose


# Impact on the Ground: Premium Reductions for MA Residents Resulting from American Rescue Plan APTC Expansion

### 50 year old in Worcester




Income	\$44,660
Eligibility	"APTC Only"
Monthly premium now	\$371.58
New monthly premium	\$269.82
Monthly savings	\$101.76

### 30 year old in Boston




Income	\$30,000
Eligibility	ConnectorCare PT3A
Monthly premium now	\$89.00
New monthly premium	\$75.91
Monthly savings	\$13.09

### 25 year old in Great Barrington



Income	\$35,090
Eligibility	Uninsured but ConnectorCare eligible
Monthly premium now	If insured, \$133.00
New monthly premium	\$116.25
Monthly savings	\$16.75

### 45 year old in Nantucket



Income	\$51,678
Eligibility	Currently unsubsidized
Monthly premium now	\$650.91
New monthly premium	\$366.05
Monthly savings	\$284.86



## Implementation of APTC Expansion: Initial Roadmap & Considerations

Systems and operational implementation of the ARP's expansion of APTC will be bifurcated for changes to the <400 percent FPL population (already APTC eligible) and the newly APTC eligible >400 percent FPL.

- **April:** Eligibility upgrades for existing APTC recipients (<400 percent FPL)
- **May:** Eligibility upgrades for individuals over 400 percent FPL/newly eligible for APTC

### Other implementation features and considerations:

- Significant marketing and awareness-raising needs vis-à-vis newly subsidy eligible populations (*i.e.* on-Marketplace but currently unsubsidized who never applied for financial assistance, off-Marketplace nongroup market, remaining uninsured)
- Need for user-friendly calculators/estimators to help people without subsidies estimate if they would qualify for new subsidies/how much subsidies
- Interaction between new subsidies and ongoing enrollment period & possible need for future extensions
- Product considerations for off-Marketplace individuals (e.g., deductible accumulators)

## **American Rescue Plan: Availability of Premium Tax Credits & Cost Sharing Subsidies for Individuals on Unemployment Income (Section 9663 & Section 2305)**

**If an individual receives or is approved for Unemployment Income (“UI”) for any week in 2021, then they are eligible for a significant premium tax credit for all of 2021 that would effectively make their premium free for a benchmark plan.**

Key details:

- Achieves maximum APTC by calculating APTC as if income were 133 percent FPL
- Legislative language was adjusted between House & Senate versions to simplify by pegging CSR eligibility to 133 percent FPL, as well
- Eligibility dependent on a substantiation/attestation process

Health Connector considerations as staff prepare for implementation:

- HIX/systems pathway to effectuating change
- How to process evidence of unemployment compensation
- Changes to Form 1095 reporting that may be required
- Outreach/public education and awareness of the opportunity to population on UI (and how it intersects with COBRA, now subsidized to 100 percent per the ARP)
- Assumption that these individuals would become ConnectorCare Plan Type 2A enrollees, which has very low cost to the state (APTC consumes all of premium, and state cost sharing subsidies for this plan type are extremely low – *i.e.* \$1.50 pmpm)
- Interactions with Department of Unemployment Assistance (DUA)



# State Update

## Outside Section 65 in Governor’s FY22 Budget: “Health Connector Enrollment Outreach”

**Proposed legislative language would allow the Health Connector to be able to newly conduct direct, tailored outreach to uninsured residents seeking coverage information.**

- The Governor’s FY22 budget (“House 1”) included an outside section that – if adopted – would allow uninsured Massachusetts taxfilers to opt-in on their state tax forms (where they report compliance with the state’s individual mandate) to have basic information shared with the Health Connector so they could be contacted with initial eligibility information and assistance getting enrolled in health coverage
- The Commonwealth’s uninsurance rate has remained roughly stagnant at ~3 percent since passage of the ACA, and this capability would be the most significant step forward in several years for the Health Connector’s work to reach and cover the remaining uninsured
- This language would allow the Health Connector’s outreach to the uninsured to advance from dependence on “proxy outreach” (using community-level data) to more specific direct contact with uninsured residents that could highlight their initial eligibility information and provide them with tailored assistance to get enrolled
  - Copious research has shown that tailored “nudges” of this sort are more effective at prompting enrollment among uninsured than broad-scale, depersonalized calls-to-action
  - Most uninsured qualify for free or low-cost coverage, but often are unaware of what they qualify for
- Other states have established similar processes or are en route to such programs (e.g., Maryland, Colorado, New Mexico)
- CCA will continue to monitor progress of this legislative language in the budget and will keep the Board apprised, and are prepared to implement with the Department of Revenue if this language passes



**Looking Ahead**

## Next Steps

**Health Connector staff will continue to keep the Board apprised of implementation of the American Rescue Plan’s Marketplace-related provisions, and generally apprised of other key federal and state policy developments of note.**

- American Rescue Plan legislative progress and implementation
  - Major (and rapid) internal operational, IT, and outreach/marketing activities required for successful implementation and maximization of the opportunity to expand coverage and improve affordability for Massachusetts residents
  - Successful implementation and maximal benefit to Massachusetts residents will depend on strong collaboration with outside stakeholders
    - ✓ Carriers
    - ✓ Consumer assisters and advocates
    - ✓ Sister state agencies
    - ✓ Media partners
    - ✓ Local elected officials and community leaders
- Ongoing executive branch activities related to state-based marketplaces, commercial coverage, and the ACA generally
- Future congressional activity, including possible legislation that could (1) make APTC expansion and UI provisions permanent (assuming they pass in first reconciliation bill); and (2) move APTC calculation to be based off of gold plans rather than silver plans
- Staff will keep the Board apprised of developments on state budget language re: outreach to uninsured tax filers

Federal

State