



Trends in Health Care Affordability and Premiums

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Overview and Key Takeaways

Today's presentation will provide an overview of premium trends over time and their interplay with the individual mandate's affordability standards.

- Background
- Trends in non-group premiums and affordability determinations
- Trends in cost-sharing
- Key takeaways and future work

Key Takeaways:

- Over time, individual market premiums have risen more quickly than the amounts deemed affordable under affordability standards, resulting in fewer households for which non-group coverage would have been considered an affordable coverage option
- Although coverage rates remain high in Massachusetts despite increasingly unaffordable premiums, these trends also highlight the importance of premium subsidies and the broad array of challenges posed by the rate of health care cost growth, including affordability of cost-sharing as a barrier to care

Background

Massachusetts's individual mandate provides an additional lens on affordability issues.

- Chapter 58 of the Acts of 2006 requires adults 18 and older to obtain and maintain creditable coverage as long as they had a plan available to them that is deemed affordable under the schedule set by the Health Connector's Board of Directors.
- The Board's long-standing approach to the affordability schedule has been to set a percentage of income deemed available for spending on health insurance that increases with income as a percentage of the federal poverty level.
- Each year, the federal poverty guidelines are updated based on the Consumer Price Index for All Urban Consumers, which reflects the price of a "basket" of consumer goods

Individual Mandate Affordability Standards in Practice

Uninsured Massachusetts residents use their state income tax form to determine if they had access to affordable coverage.

- The state income tax form includes the Schedule HC, which walks individuals through the process of determining what constitutes affordable coverage
- Residents may have access to affordable coverage through an employer, ConnectorCare, or private non-group coverage

Schedule HC Affordability as Determined By State Guidelines

Do not complete if you are not subject to a penalty.

Note: This section will require the use of worksheets and tables. You must complete the worksheet(s) to determine if health insurance was affordable to you during the 2020 tax year.

- 10** Did your employer offer affordable health insurance that met the minimum creditable coverage requirements as determined by completing the Schedule HC Worksheet for Line 10?

10. You Yes No
Spouse Yes No

If your employer did not offer health insurance that met the minimum creditable coverage requirements, you were not eligible for health insurance offered by your employer, you were self-employed or you were unemployed, fill in the **No** oval.

If you answer **No**, go to line 11. If you answer **Yes**, go to the Health Care Penalty Worksheet to calculate your penalty amount.

- 11** Were you eligible for government-subsidized health insurance as determined by completing the Schedule HC Worksheet for Line 11?

11. You Yes No
Spouse Yes No

If you answer **No**, go to line 12. If you answer **Yes**, go to the Health Care Penalty Worksheet to calculate your penalty amount.

- 12** Were you able to purchase affordable private health insurance that met the minimum creditable coverage requirements as determined by completing the Schedule HC Worksheet for Line 12?

12. You Yes No
Spouse Yes No

If you answer **No**, you are not subject to a penalty. **Continue completing your tax return.** If you answer **Yes**, go to the Health Care Penalty Worksheet to calculate your penalty amount.

Background on the Premium Schedule

Each year, the Health Connector creates a schedule of lowest-cost premiums for a variety of ages, family sizes, and regions to help taxpayers assess whether affordable non-group options were available.

- Although individuals may purchase non-group coverage on- or off-Exchange, the Health Connector uses its own plan offerings to create this taxpayer tool
- While the specific premiums for a given family may not be reflected in the premium schedule, it provides a close estimate for the uninsured to use in determining whether affordable coverage was available
- For example, a married couple aged 41 and 42 would have a slightly lower premium available than what is reflected in the schedule for their age and family size, as it reflects two individuals aged 44
- While the lowest cost premium available is generally a Bronze plan, the lowest cost carrier may vary by year, and in some years a Silver plan has been lowest-cost in certain regions
- Up to age 30 reflects a catastrophic plan premium

Table 4: Premiums

Region 1. Berkshire, Franklin, Hampden and Hampshire Counties			
Age	Individual	Married Couple (no dependents)	Family
0-30	\$241	\$482	\$624
31-34	\$258	\$516	\$660
35-39	\$265	\$530	\$674
40-44	\$284	\$567	\$711
45-49	\$324	\$647	\$791
50-54	\$376	\$752	\$896
55+	\$387	\$774	\$918

Region 2. Barnstable, Bristol, Essex, Middlesex, Norfolk, Plymouth, Suffolk and Worcester Counties			
Age	Individual	Married couple (no dependents)	Family
0-30	\$269	\$538	\$696
31-34	\$288	\$576	\$736
35-39	\$298	\$591	\$751
40-44	\$316	\$632	\$793
45-49	\$361	\$722	\$883
50-54	\$420	\$839	\$999
55+	\$432	\$864	\$1,024

Region 3. Dukes and Nantucket Counties			
Age	Individual	Married couple (no dependents)	Family
0-30	\$343	\$685	\$ 887
31-34	\$414	\$827	\$1,058
35-39	\$425	\$849	\$1,079
40-44	\$454	\$908	\$1,139
45-49	\$519	\$1,037	\$1,268
50-54	\$603	\$1,205	\$1,436
55+	\$621	\$1,241	\$1,471



Trends in Non-Group Premiums and Affordability Determinations

Non-Group Premiums

Lowest-cost premiums have increased 41% in Region 1, 31% in Region 2, and 74% in Region 3 since 2015.

2015			
Region 1. Berkshire, Franklin and Hampshire Counties			
Age	Individual	Married couple	Family
0-30	\$192	\$384	\$495
31-34	\$201	\$401	\$513
35-39	\$206	\$412	\$523
40-44	\$221	\$441	\$552
45-49	\$252	\$503	\$615
50-54	\$293	\$585	\$696
55+	\$301	\$602	\$714

2021			
Region 1. Berkshire, Franklin, Hampden, and Hampshire Counties			
Age	Individual	Married couple	Family
0-30	\$271	\$541	\$700
31-34	\$283	\$566	\$724
35-39	\$291	\$581	\$738
40-44	\$311	\$621	\$779
45-49	\$355	\$710	\$867
50-54	\$413	\$825	\$982
55+	\$425	\$849	\$1,007

Change 2015 to 2021			
Region 1			
Age	Individual	Married couple	Family
0-30	\$79	\$157	\$205
31-34	\$82	\$165	\$211
35-39	\$85	\$169	\$215
40-44	\$90	\$180	\$227
45-49	\$103	\$207	\$252
50-54	\$120	\$240	\$286
55+	\$124	\$247	\$293

Region 2. Bristol, Essex, Hampden, Middlesex, Norfolk, Suffolk and Worcester Counties			
Age	Individual	Married couple	Family
0-30	\$144	\$287	\$372
31-34	\$204	\$407	\$521
35-39	\$209	\$418	\$531
40-44	\$224	\$447	\$560
45-49	\$256	\$511	\$624
50-54	\$297	\$593	\$707
55+	\$306	\$611	\$724

Region 2. Barnstable, Bristol, Essex, Middlesex, Norfolk, Plymouth, Suffolk, and Worcester Counties			
Age	Individual	Married couple	Family
0-30	\$263	\$526	\$680
31-34	\$268	\$535	\$684
35-39	\$275	\$549	\$698
40-44	\$294	\$587	\$736
45-49	\$336	\$671	\$820
50-54	\$390	\$779	\$928
55+	\$401	\$802	\$951

Region 2			
Age	Individual	Married couple	Family
0-30	\$119	\$239	\$308
31-34	\$64	\$128	\$163
35-39	\$66	\$131	\$167
40-44	\$70	\$140	\$176
45-49	\$80	\$160	\$196
50-54	\$93	\$186	\$221
55+	\$95	\$191	\$227

Region 3. Barnstable, Dukes, Nantucket and Plymouth Counties			
Age	Individual	Married couple	Family
0-30	\$208	\$416	\$539
31-34	\$238	\$475	\$607
35-39	\$244	\$487	\$619
40-44	\$261	\$521	\$654
45-49	\$298	\$595	\$728
50-54	\$346	\$692	\$824
55+	\$356	\$712	\$844

Region 3. Dukes and Nantucket Counties			
Age	Individual	Married couple	Family
0-30	\$365	\$730	\$945
31-34	\$413	\$825	\$1,055
35-39	\$424	\$847	\$1,077
40-44	\$453	\$906	\$1,136
45-49	\$518	\$1,035	\$1,265
50-54	\$601	\$1,202	\$1,432
55+	\$619	\$1,238	\$1,468

Region 3			
Age	Individual	Married couple	Family
0-30	\$157	\$314	\$406
31-34	\$175	\$350	\$448
35-39	\$180	\$360	\$458
40-44	\$192	\$385	\$482
45-49	\$220	\$440	\$537
50-54	\$255	\$510	\$608
55+	\$263	\$526	\$624

Non-group Premiums and Affordability Determinations

Premium subsidies are not factored into affordability determinations, but they may result in options that are deemed affordable under the affordability schedule.

- Access to high-cost employer-sponsored coverage may disqualify someone for tax credits and leave them without an affordable option
- Individuals likely to have higher cost plans, including older adults and residents on the Islands saw the greatest premium reductions under the American Rescue Plan (ARP)
- Under the ARP, subsidies align more closely to the state’s affordability standards, a factor which could be considered in future premium schedules

Income Range	MA Affordability Standard	Percentage of Income paid in premium after APTC under ARP
0-150%	0%	0%
150-200%	2.9%	0-2%
200-250%	4.2%	2-4%
250-300%	5%	4-6%
300-400%	7.45-7.6%	6-8.5%
Over 400%	8%	8.5%

Affordability Determination for Non-Group Premiums Over Time for an Individual with \$40,000 income

The affordability standard for an individual earning \$40,000/year increased from 7.2% in 2015 to 7.45% of income in 2021, or \$240 to \$248 per month, respectively.

- ARP subsidies reduce the lowest cost plan premiums substantially, to \$2.50/month for a 55-year-old on Nantucket to \$136 for a 25-year-old in Boston

25-year-old	2015	2016	2017	2018	2019	2020	2021
Region 1	Affordable	Affordable	Affordable	Affordable	Affordable	Affordable	Not affordable
Region 2	Affordable	Affordable	Affordable	Affordable	Affordable	Not affordable	Affordable
Region 3	Affordable	Affordable	Not affordable	Not affordable	Not affordable	Not affordable	Not affordable

39-year-old	2015	2016	2017	2018	2019	2020	2021
Region 1	Affordable	Affordable	Not affordable	Not affordable	Not affordable	Not affordable	Not affordable
Region 2	Affordable	Affordable	Not affordable	Not affordable	Not affordable	Not affordable	Not affordable
Region 3	Not affordable	Not affordable	Not affordable	Not affordable	Not affordable	Not affordable	Not affordable

55-year-old	2015	2016	2017	2018	2019	2020	2021
Region 1	Not affordable	Not affordable	Not affordable	Not affordable	Not affordable	Not affordable	Not affordable
Region 2	Not affordable	Not affordable	Not affordable	Not affordable	Not affordable	Not affordable	Not affordable
Region 3	Not affordable	Not affordable	Not affordable	Not affordable	Not affordable	Not affordable	Not affordable

Affordability Determination for Non-Group Premiums Over Time for a Couple with \$80,000 income

The affordability standard for a couple earning \$80,000/year was from 8.05% in 2015 and 8% of income in 2021, or \$537 and \$533 per month, respectively.

- A couple at this income would not have qualified for APTC prior to 2021, but ARP subsidies allow for an affordable premium in all regions and ages.

25-year-old	2015	2016	2017	2018	2019	2020	2021
Region 1	Affordable	Affordable	Affordable	Affordable	Affordable	Affordable	Affordable
Region 2	Affordable	Affordable	Affordable	Affordable	Affordable	Affordable	Affordable
Region 3	Affordable	Affordable	Affordable	Not affordable	Not affordable	Not affordable	Not affordable

39-year-old	2015	2016	2017	2018	2019	2020	2021
Region 1	Affordable	Affordable	Affordable	Affordable	Affordable	Affordable	Not affordable
Region 2	Affordable	Affordable	Affordable	Not affordable	Not affordable	Not affordable	Not affordable
Region 3	Affordable	Affordable	Not affordable	Not affordable	Not affordable	Not affordable	Not affordable

55-year-old	2015	2016	2017	2018	2019	2020	2021
Region 1	Not affordable	Not affordable	Not affordable	Not affordable	Not affordable	Not affordable	Not affordable
Region 2	Not affordable	Not affordable	Not affordable	Not affordable	Not affordable	Not affordable	Not affordable
Region 3	Not affordable	Not affordable	Not affordable	Not affordable	Not affordable	Not affordable	Not affordable

Affordability Determination for Non-Group Premiums Over Time for a Couple One Child with \$100,000 income

The affordability standard for a family earning \$100,000/year was from 8.05% in 2015 and 8% of income in 2021, or \$671 and \$667 per month, respectively.

- A family at this income would not have qualified for APTC prior to 2021, but ARP subsidies allow for an affordable premium in all regions and ages.

25-year-old	2015	2016	2017	2018	2019	2020	2021
Region 1	Affordable	Affordable	Affordable	Affordable	Affordable	Affordable	Affordable
Region 2	Affordable	Affordable	Affordable	Affordable	Affordable	Not affordable	Affordable
Region 3	Affordable	Affordable	Affordable	Not affordable	Not affordable	Not affordable	Not affordable

39-year-old	2015	2016	2017	2018	2019	2020	2021
Region 1	Affordable	Affordable	Affordable	Affordable	Affordable	Not affordable	Not affordable
Region 2	Affordable	Affordable	Affordable	Not affordable	Not affordable	Not affordable	Not affordable
Region 3	Affordable	Affordable	Not affordable	Not affordable	Not affordable	Not affordable	Not affordable

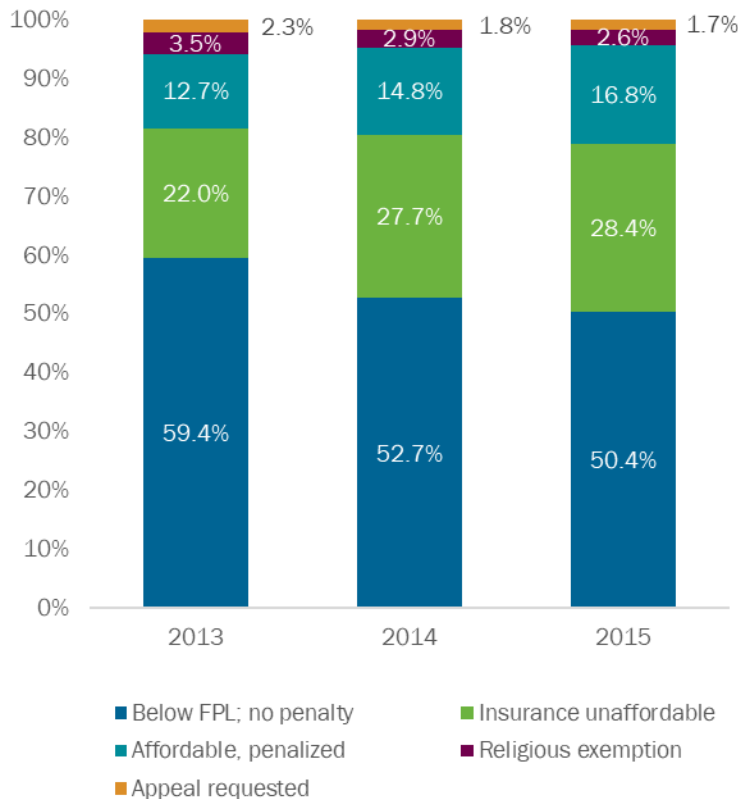
55-year-old	2015	2016	2017	2018	2019	2020	2021
Region 1	Not affordable	Not affordable	Not affordable	Not affordable	Not affordable	Not affordable	Not affordable
Region 2	Not affordable	Not affordable	Not affordable	Not affordable	Not affordable	Not affordable	Not affordable
Region 3	Not affordable	Not affordable	Not affordable	Not affordable	Not affordable	Not affordable	Not affordable

Aggregate Individual Mandate Data

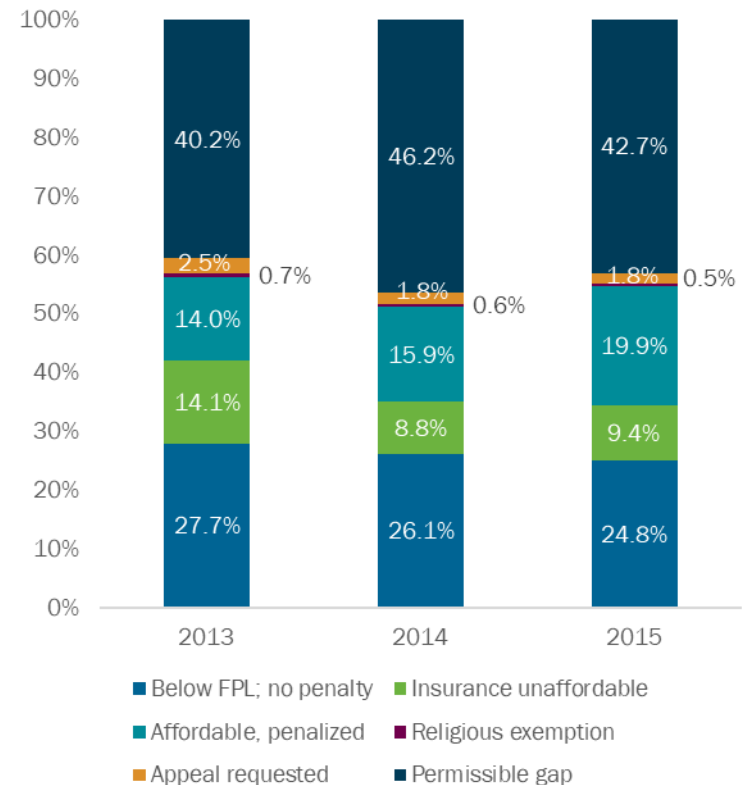
Full-year and part-year uninsured populations have different dynamics.

- Full-year uninsured individuals have lower incomes than part-year uninsured, resulting in different affordability calculations

Full-Year Uninsured by Penalty Status, 2013-2015



Part-Year Uninsured by Penalty Status, 2013-2015

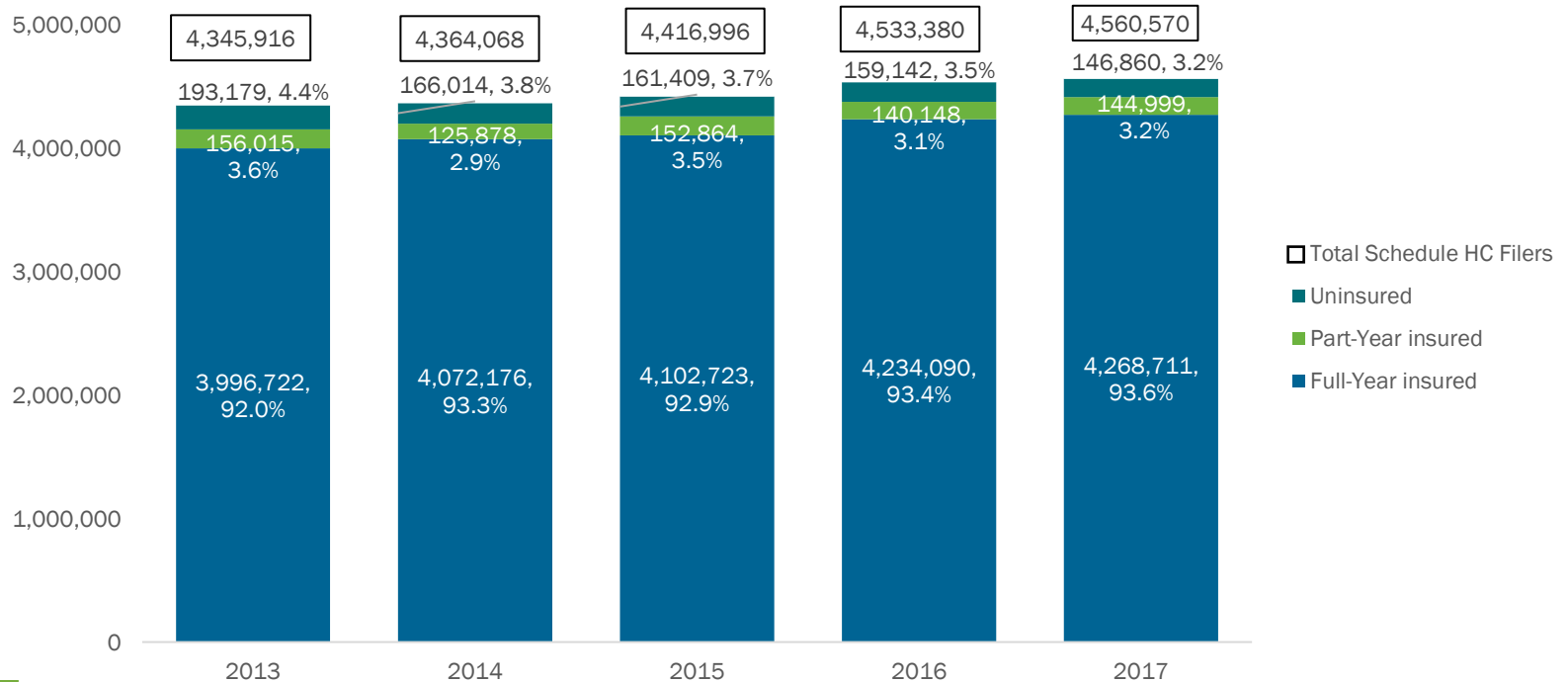


Health Insurance Coverage Rates

Despite rising premiums, health insurance coverage in Massachusetts remains high.

- Where residents continue to pay premiums to have coverage, affordability issues may become more apparent on cost-sharing

Health Insurance Status Among Schedule HC Filers, 2013-2017



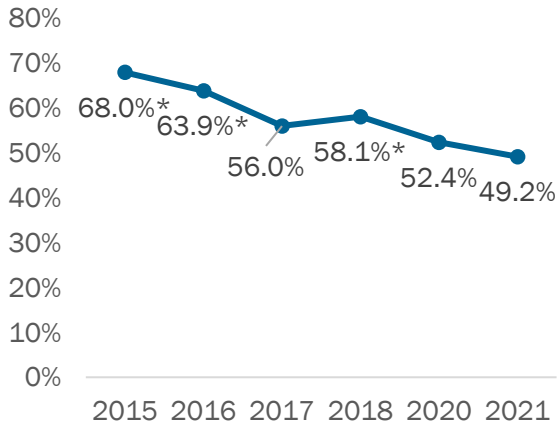
A faint, light blue graphic of a scale of justice is visible in the background of the slide. It features a central vertical pillar with a curved arm extending from the top, holding a horizontal beam. The scale is positioned on the left side of the slide, with the right side being a plain light blue background.

Affordability of Cost-Sharing

Affordability of Premiums and Cost Sharing

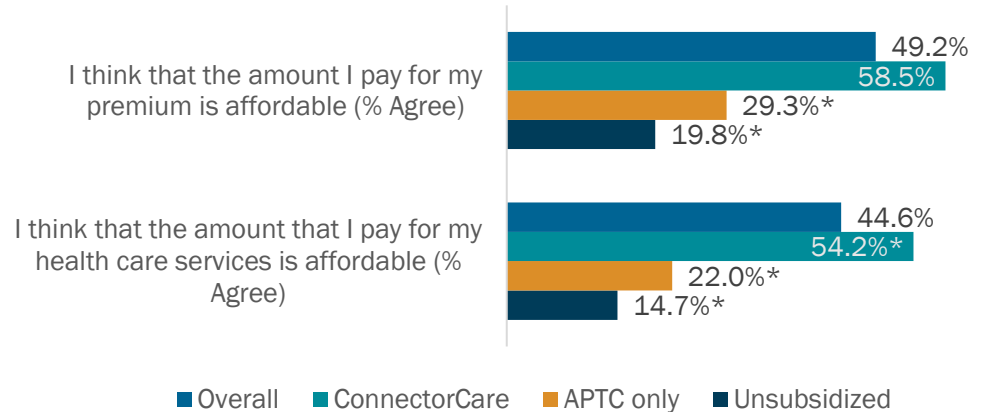
Overall, half of members feel their premium is reasonable, but far fewer unsubsidized members agree, including just 9% of Gold or Platinum members.

I think that the amount I pay for my premium is reasonable (% Agree)



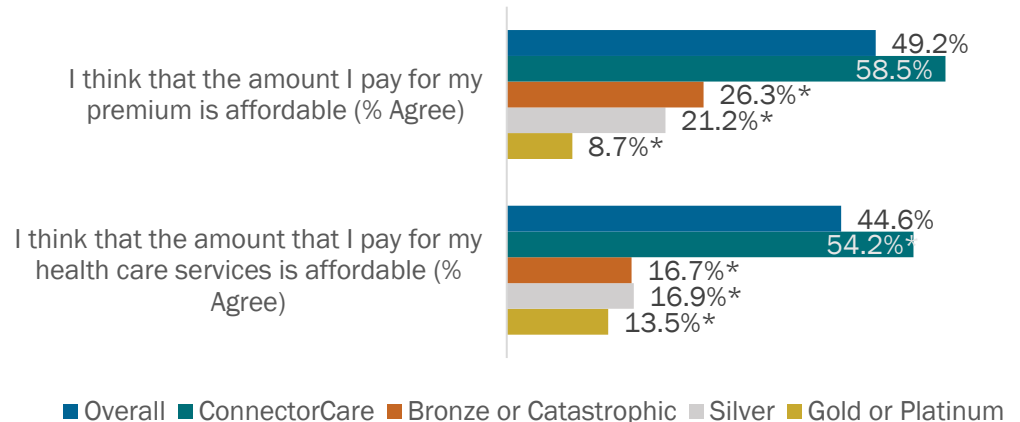
*Significantly different from 2021

Responses by Subsidy Type



*Significantly different from Overall

Responses by Metallic Tier

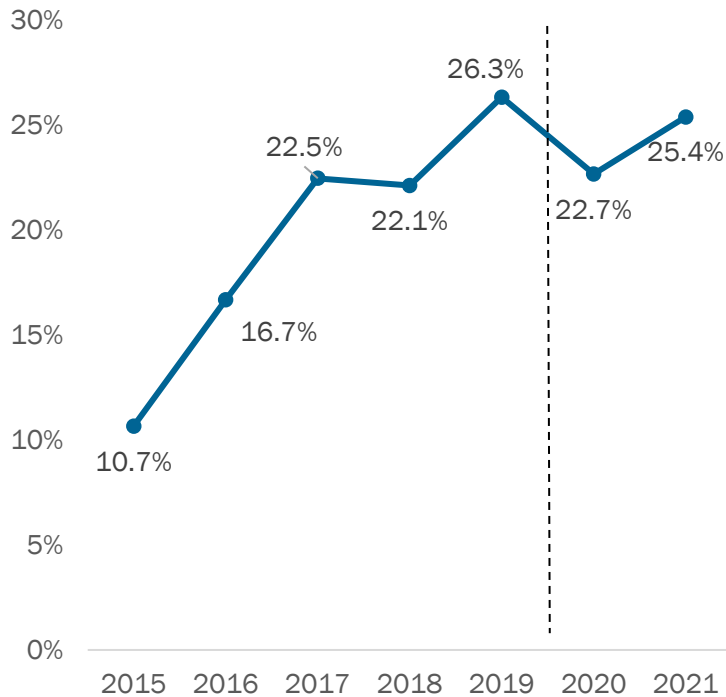


*Significantly different from Overall

Cost as a Barrier to Care

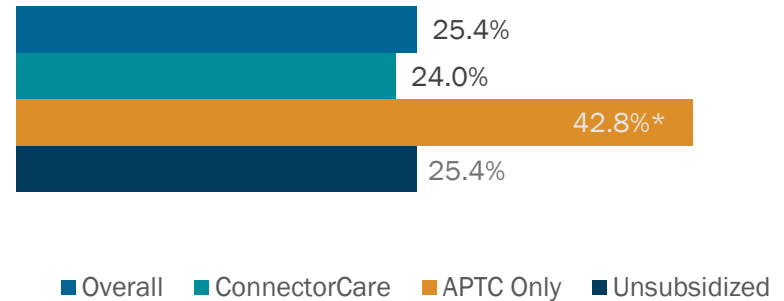
Overall, Health Connector members have reported increasing barriers to care because of cost since 2015, with 1 in 4 unsubsidized members reporting delayed care in 2021.

During the past 6 months, have you ever *delayed or not gotten care because of its cost?* (% Yes)

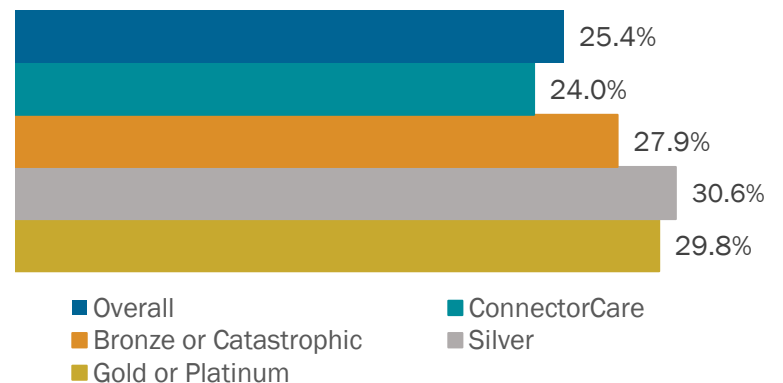


Note: This question was reframed in 2020 to exclude dental or vision care not covered by a health plan, so comparison to earlier years may not be reliable

Responses by Subsidy Type



Responses by Metallic Tier



*Significantly different from Overall



Key Takeaways and Future Work

Future Work

Takeaways:

- Although coverage rates remain high and premium subsidies have helped many households, a lack of access to affordable coverage continues to hinder a sizeable number of state residents from becoming insured.
- Even as individuals maintain coverage, an increasing number report struggling with affordability of cost-sharing, which decreases the overall value of their coverage

Future work:

- Many trends influencing the affordability of health insurance and health care are outside the Health Connector's purview, but staff continue to look for ways to help make coverage accessible and ensure the individual mandate remains an effective tool to promoting affordable coverage.
 - Work with DOI and other stakeholders to pursue policies that strengthen the individual market
 - Continue outreach and education efforts to help individuals find coverage that meets their needs
 - Engage in thoughtful product design with the Board to create high-value plan offerings
 - Monitor trends in affordability challenges for middle-income residents and share findings with the Board and policy makers to inform state and federal policy making (e.g., potential for making ARP-based APTC expansions permanent)

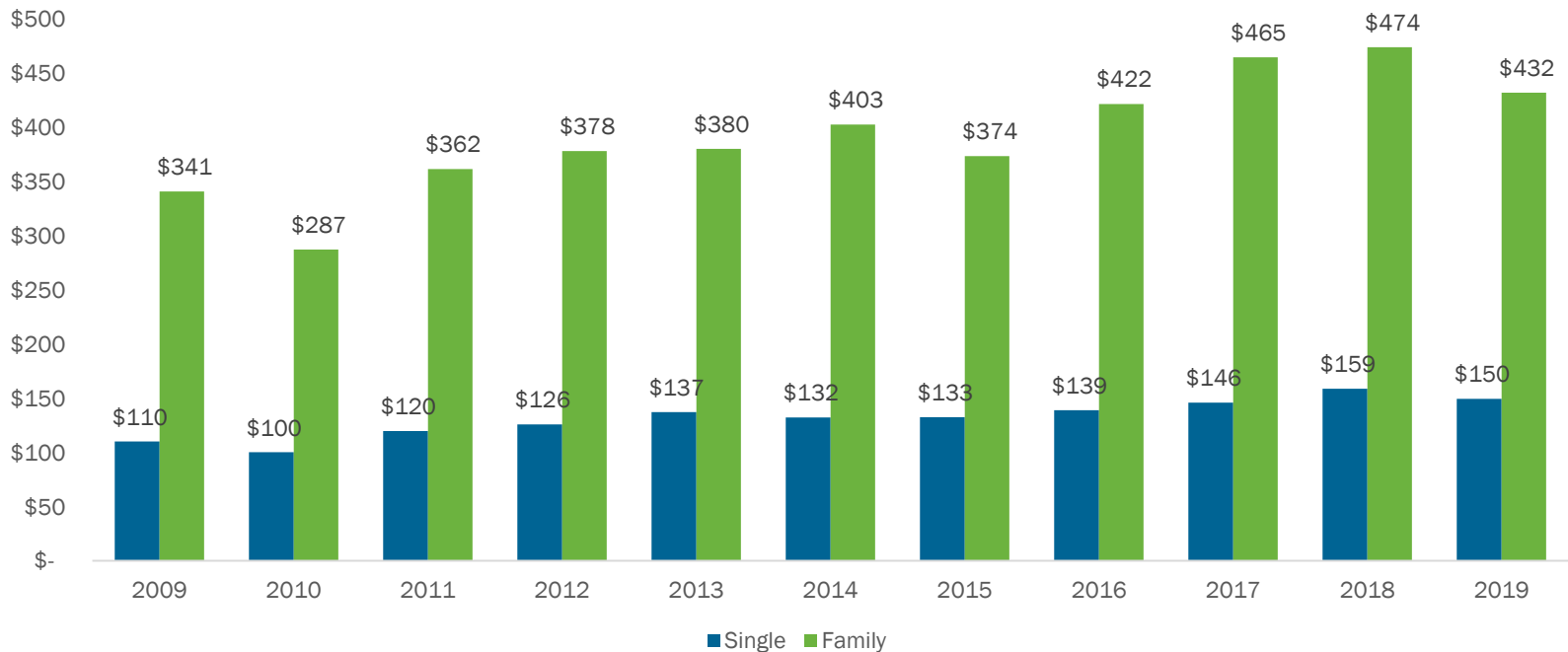


Appendix

Trends in Employer-Sponsored Coverage Premiums

Employer-sponsored coverage costs have also increased, though not as sharply as non-group premiums.

MA Employee Contributions to Health Insurance, 2002-2019



Trends in Premium Cost Across Tiers

While Massachusetts's average non-group Exchange premiums compare favorably to other states and DOI engages in robust rate review, premiums have risen steadily for unsubsidized and APTC-only members each year across all metallic tiers due to underlying cost pressures.

