

Massachusetts Health Connector 2022 Open Enrollment Period: Final Enrollment Results

Key takeaways

Building on the Commonwealth's state health reform efforts and Affordable Care Act's success, the American Rescue Plan (ARP) has been instrumental in providing premium relief to state residents, driving 253,000 individuals to enroll with the Health Connector during Open Enrollment (OE) for 2022 coverage. Massachusetts's bedrock of affordability meant the state had a higher coverage rate than other states as the pandemic began and has largely maintained it over the last two years.

During the 2022 OE period:

- Fewer members added to or terminated from Health Connector coverage than during previous OEs due to COVID-19 protections that keep members in MassHealth coverage even if underlying eligibility changes
- A smaller proportion of the total members on applications submitted in OE 2022 were determined eligible for Health Connector coverage than in OE 2021, with a greater proportion determined eligible for MassHealth coverage
- About 28,000 enrollees newly joined during Open Enrollment, 21 percent lower than last year and about 50 percent lower than pre-pandemic years
- Despite lower than usual enrollment, Massachusetts remains a strong performer among Exchanges as it emerges from the 2022 Open Enrollment period. Its strong performance is largely driven by robust member retention.
- Massachusetts ranked 13th among all states for plan selections during Open Enrollment, and 4th among state-based Exchanges.
- Member demographics were consistent with historical trends, with new enrollees coming from populations at higher risk of uninsurance who received enhanced focus in the Health Connector's outreach strategy.
- ARP subsidies continued to grant state residents significant premium relief on high-quality, comprehensive health insurance through the Health Connector, making it easier to handle other rising costs in their household budgets.

This brief presents enrollment trends from the 2022 OE period to help guide planning for OE 2023, given the uncertain end to the on-going federal Public Health Emergency (PHE) and associated MassHealth protections. Additionally, without Congressional action, expiration of the ARP's temporary affordability provisions, in effect through calendar year 2022 only, will result in premium increases in 2023. The Health Connector is currently preparing for a large-scale member transition over the

course of 2022 and 2023 with a goal of making it as smooth as possible for individuals who need Health Connector coverage.

Introduction

Each year, the Massachusetts Health Connector implements an Open Enrollment (OE) period allowing Massachusetts residents who need coverage for any reason to enroll for the coming year. OE 2022 opened on November 1, 2021 and continued through January 23, 2022.

For OE 2022, expanded benefits implemented as a result of the American Rescue Plan (ARP) remained in place. ARP benefits still active for the 2022 plan year include expansion of APTC eligibility beyond 400 percent of the federal poverty level (FPL), opening Advance Premium Tax Credit (APTC) access to anyone who would spend more than 8.5 percent of their income on premiums, regardless of income, and more robust APTCs for all who qualify. Other ARP benefits that were active in 2021, including enhanced subsidy eligibility for individuals who received unemployment payments in 2021, did not continue into 2022.

This brief covers enrollment results from OE 2022, including new member trends and existing member transitions.

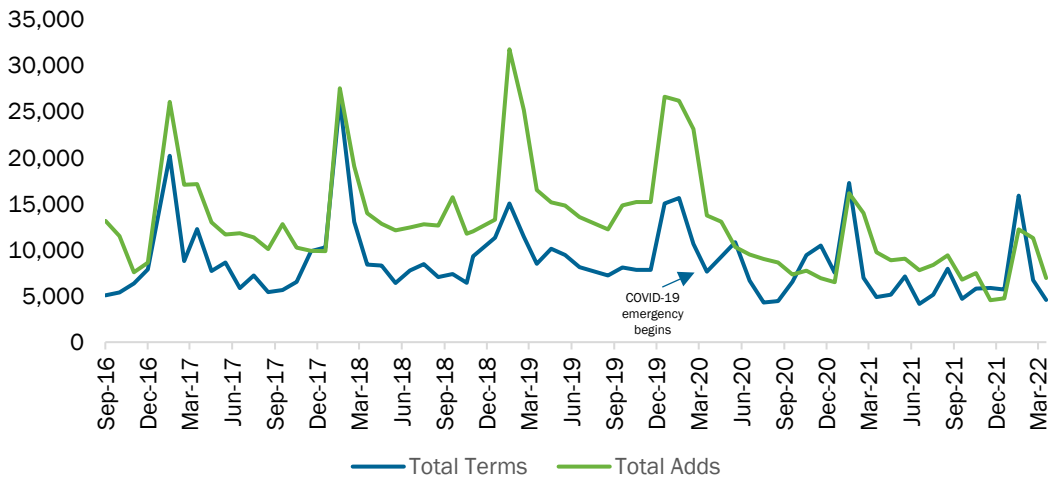
Member transitions

In the course of a year, members can experience eligibility changes that cause them to add to or terminate from Health Connector coverage. These types of transitions typically peak in January and February because of Open Enrollment processes such as renewals. From 2017-2020, additions to Health Connector coverage in January and February averaged 24,509 members monthly, while terminations for the same months averaged 15,132 members monthly.

In 2021, additions and terminations in January and February were both lower than in prior years, with average monthly additions number 15,085 and average monthly terminations averaging 12,121. The lower trend continued into 2022, where additions in January and February averaged 11,774 and terminations in the same months averaged 11,319. Compared to the 2017-2020 average, 2022 additions were lower by 50 percent and terminations were lower by 25 percent.

Lower additions to Health Connector coverage are mainly attributable to federally required Medicaid protections enacted because of the COVID-19 PHE. Since early in 2020, members in Massachusetts who qualified for MassHealth have been maintained in their MassHealth coverage, even if they experienced an underlying change in their eligibility that would normally have qualified them for Health Connector coverage. Lower terminations may be attributable to smaller overall membership.

Figure 1. Overall Health Connector Member Transitions

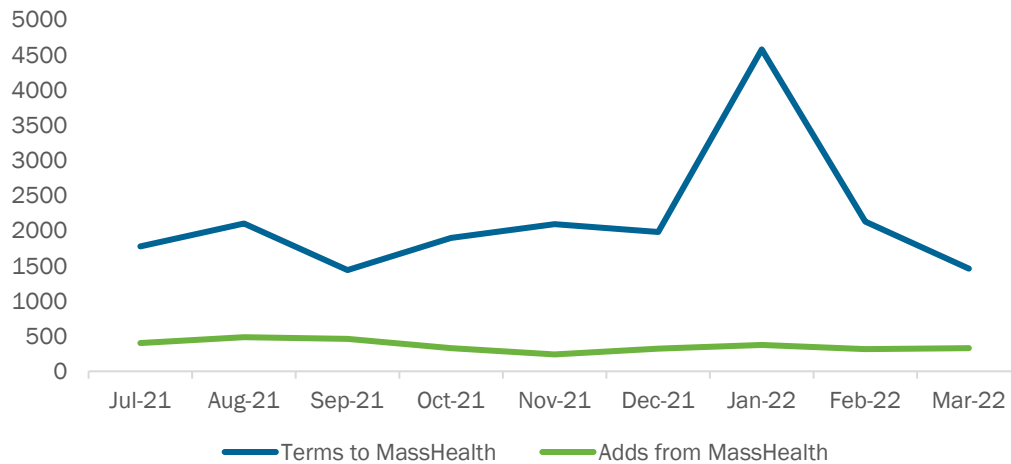


Source: Health Connector administrative data

Member transitions between Health Connector coverage and MassHealth coverage have historically occurred relatively frequently. Also known as churn, this metric is watched closely. Prior to the COVID-19 PHE, approximately one-third of additions to the Health Connector each month were from MassHealth, with similar proportions for terminations each month. As with general enrollment trends, churn between MassHealth and Health Connector coverage peaks during Open Enrollment, as renewal processes may result in eligibility changes.

When OE 2022 began in November of 2021, the PHE and associated MassHealth protections had been in place for almost two years. Members found eligible for MassHealth during this time have remained in their MassHealth coverage, even if they experienced changes in their income or other eligibility factors. These protections have dramatically reduced the rate of additions to Health Connector coverage from MassHealth. There were only 375 additions to Connector coverage from MassHealth in January 2022. Historically, January is the month that sees the highest number of additions from MassHealth. As a comparator, in January 2020 there were over 7,500 additions from MassHealth. Currently, due to the protection of members into MassHealth coverage, there are only a small number of scenarios that could result in movement to Health Connector coverage, such as aging out of CHIP eligibility, resulting in the significantly reduced additions from MassHealth.

Figure 2. Health Connector Member Transitions with MassHealth During OE22



Source: Health Connector administrative data

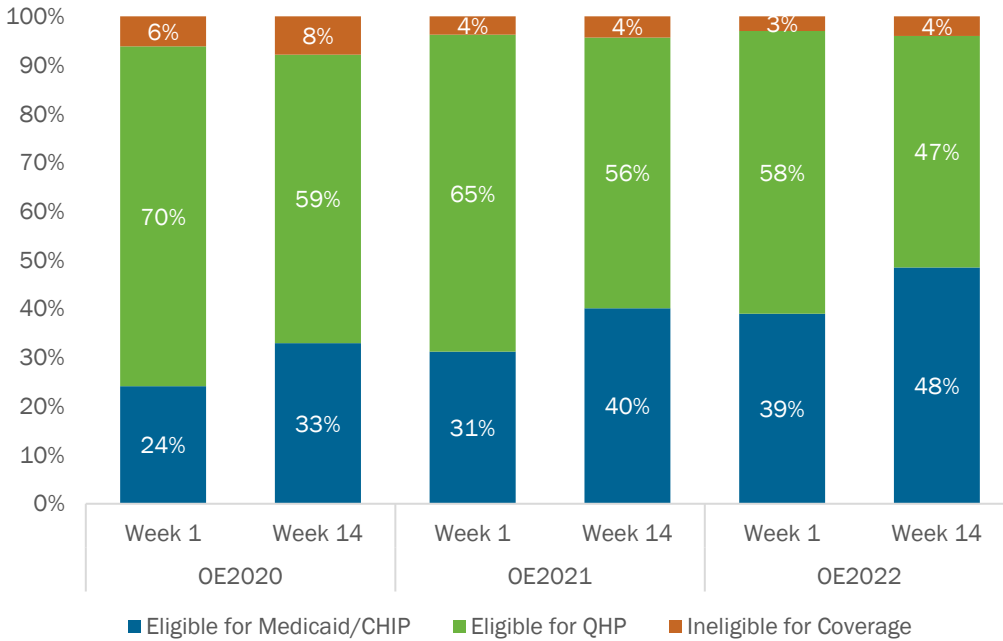
Eligibility trends in OE applications

During the OE 2022 annual redetermination process in August 2022, a higher-than-typical number of members who had previously been eligible for subsidies were determined eligible for unsubsidized coverage for 2022. In previous years, approximately 30 percent of subsidized members could not have their continued eligibility for subsidies validated by the annual redetermination process; for OE 2022 this value was 63 percent. Upon investigation, the increase in projected subsidy loss was attributable to the IRS not returning the income data needed to verify eligibility as part of the redetermination process.

Several batch corrections, a technical fix at IRS, and a heavy member communications strategy were implemented to minimize subsidy loss. By the end of 2022, these efforts brought the number of members renewing into unsubsidized coverage back to a more typical level (13 percent of previously subsidized members renewing into unsubsidized for OE 2022, compared to an average of 8 percent for the previous three years). While this strategy helped close the gap considerably relative to prior years, the Health Connector still saw a higher percentage of members for whom continued subsidy eligibility could not be verified lose their subsidized coverage.

OE 2022 application data indicate that a smaller proportion of members were determined eligible for Health Connector plans (QHPs) for 2022 compared to previous years. This is a trend that has continued since OE 2020, and becomes more pronounced as the OE period continues. This shift toward MassHealth was driven by an overall shift in existing applicants away from QHP eligibility and toward MassHealth, rather than an influx of new applicants who are determined MassHealth eligible.

Figure 3. Portion of Applicants Determined Eligible for MassHealth (Medicaid/CHIP) vs. Health Connector (QHP), All OE22 Applications Compared to All OE20/OE21 Applications



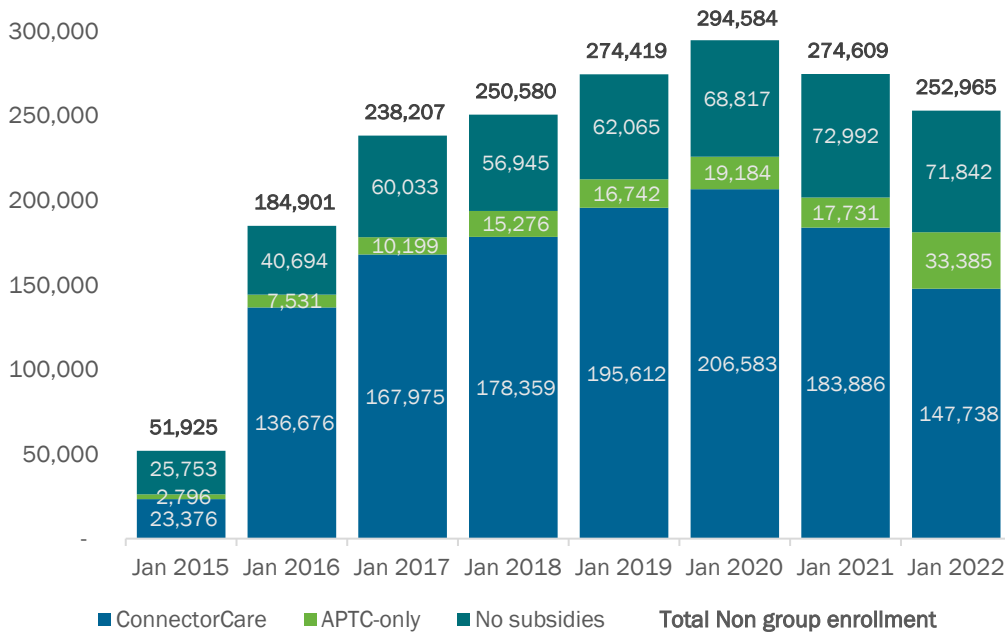
Source: Health Connector administrative data

Overall enrollment trends

Similar to OE 2021, in OE 2022, the Health Connector’s second pandemic OE period, there was an overall drop in marketplace enrollment with 253,000 total members. New enrollments have not been able to surpass terminations with Medicaid coverage protections in place. One notable feature of this year relative to prior years is the doubling of members receiving federal premium subsidies only, which is a result of subsidy enhancements provided by the American Rescue Plan last year.

Despite enrollment declines over the course of the pandemic, the Health Connector remains a strong ACA marketplace, ranking 13th among all states for plan selections during this year’s open enrollment, and 4th among state-based marketplaces.ⁱ

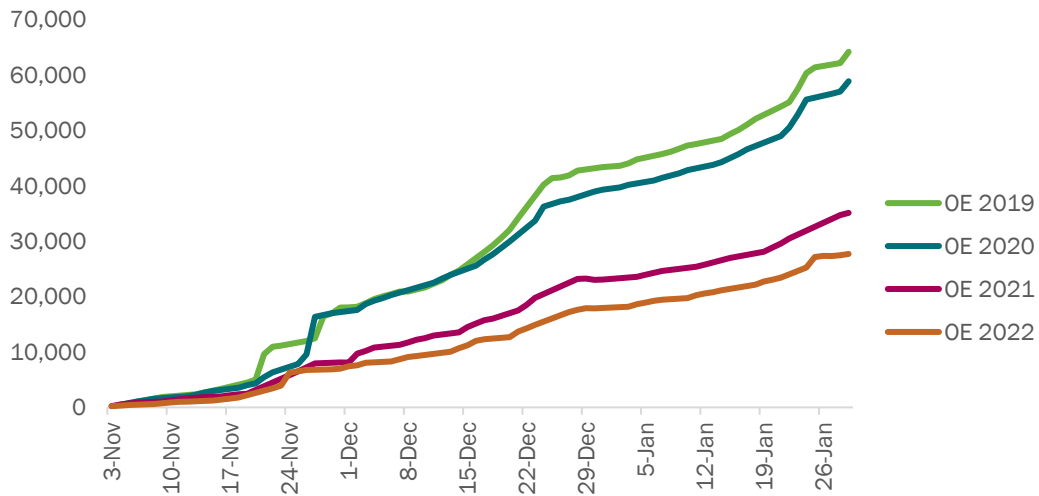
Figure 4. QHP Enrollment by Program, January 2015 - January 2022



Source: Health Connector administrative data

Although new enrollments, at around 28,000, were considerably lower than prior years, strong enrollment prior to the pandemic and high retention rates have contributed to this success.

Figure 5. New Members since 11/1, OE19-OE22



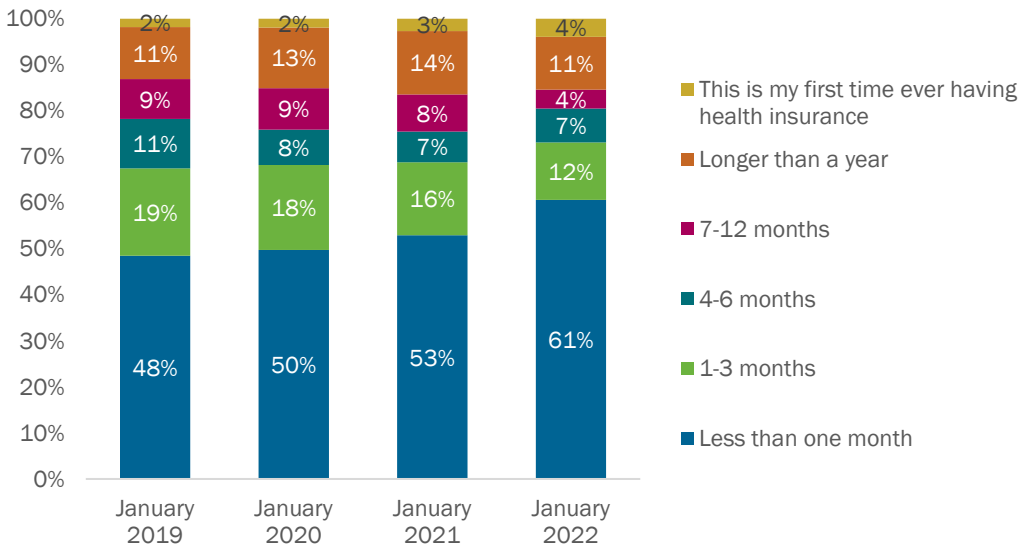
Source: Health Connector administrative data

New and renewing member demographics

Approximately 28,000 new members enrolled for Health Connector coverage after OE 2022 began on November 1. Among new members, there was higher than usual

enrollment in the APTC-only population, reflecting enhanced American Rescue Plan subsidies. Generally, demographics of new members were consistent with prior years, with the exception of this year's new members being slightly older than new members in prior years. Among new members who participated in a short online survey, almost two thirds reported experiencing no gap or less than one month between their last coverage and their new enrollment.

Figure 6. Prior Coverage Gaps Among New Member Survey Respondents, 2017-2022

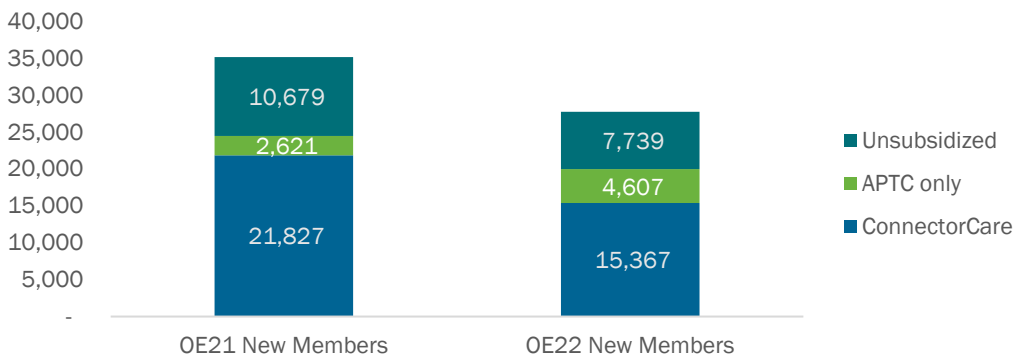


Source: Health Connector monthly new member survey

Subsidy level

New enrollment in QHPs with APTCs-only increased by 76 percent (from 2,600 to 4,600) due to enhanced subsidies made available through the ARP.

Figure 7. New Members by Subsidy Level, OE21 vs. OE22



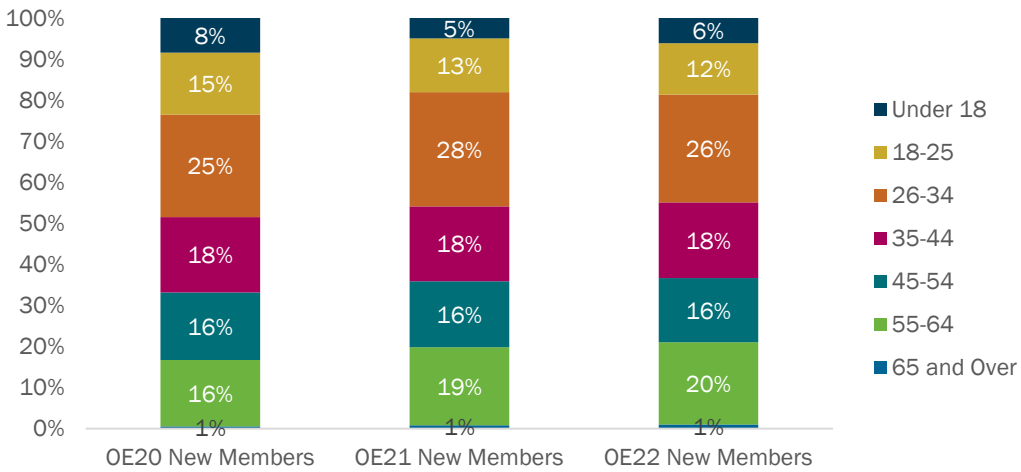
Source: Health Connector administrative data

Age

New members were slightly older than new members in prior years, with 55 percent ages 35 or over, compared to 52 percent in 2020. However, as in the past, new members tended to be younger than renewing members, with 39 percent of new

members between 18-34, compared to 29 percent of renewing members.

Figure 8. New Members by Age, OE20-OE22

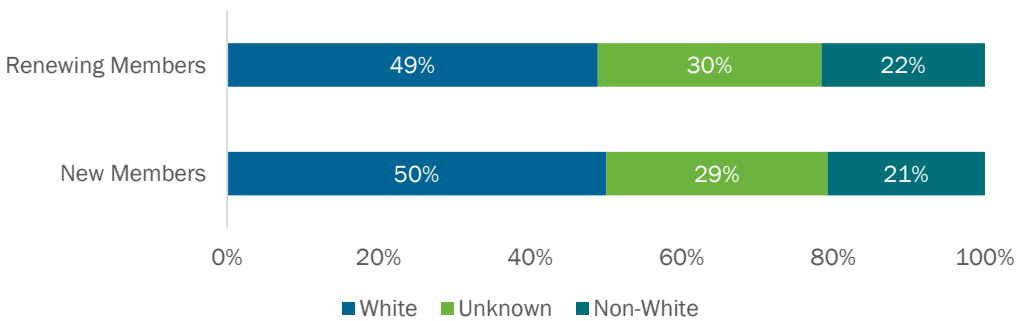


Source: Health Connector administrative data

Race, ethnicity, language

Approximately 21 percent of new members indicated being a non-White race, compared to 22 percent of renewing members.

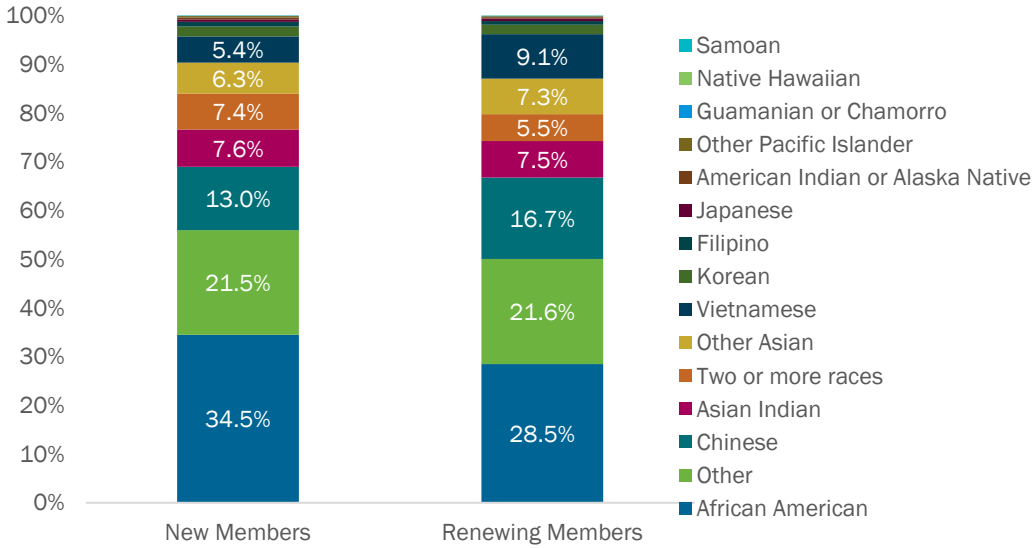
Figure 9. Health Connector OE22 New Members by Race



Source: Health Connector administrative data

Among non-White new members, approximately 35 percent were African-American, compared to 29 percent of non-White renewing members. A smaller proportion of non-White new members reported being Chinese compared to non-white renewing members (13 percent vs. 17 percent, respectively).

Figure 10. Health Connector OE22 Non-White New Members by Race

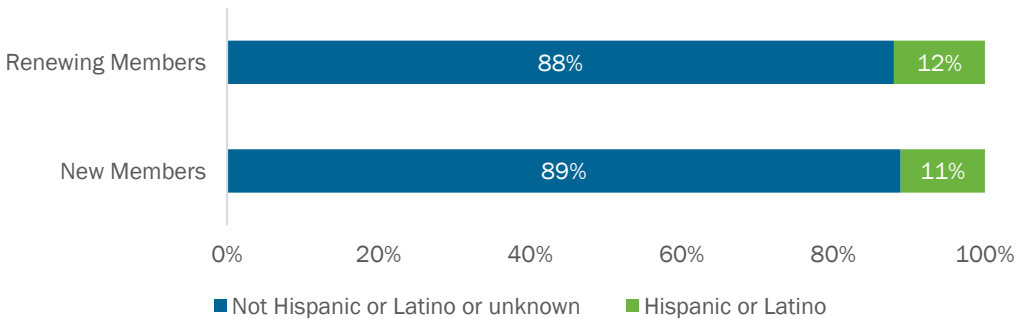


Source: Health Connector administrative data.

Note: This figure excludes new members who indicated their race as White and those who did not indicate a race.

About 11 percent of new members indicated being of Hispanic or Latino origin compared to 12% of renewing members.

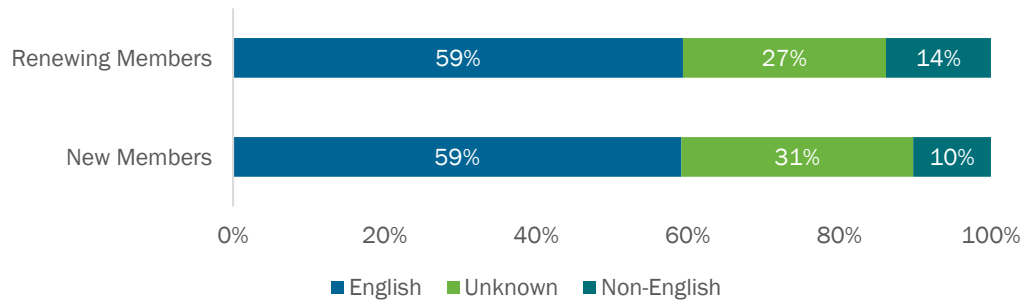
Figure 11. Health Connector OE22 New Members by Ethnicity



Source: Health Connector administrative data.

New members were slightly less likely to indicate a preference for a language other than English compared to renewing members (10 percent vs. 14 percent).

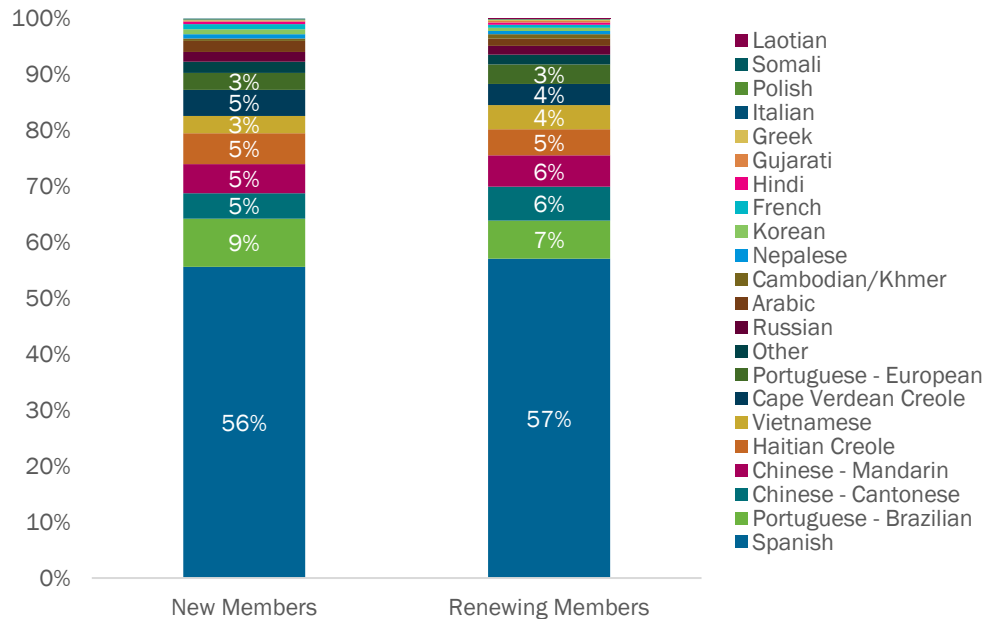
Figure 12. Health Connector OE22 New Members by Language



Source: Health Connector administrative data

Among new and renewing members with a language preference other than English, over half indicated a preference for Spanish.

Figure 13. Health Connector OE22 New Members by Preferred Non-English Language



Source: Health Connector administrative data. Note: This figure excludes new members who indicated their preferred language was English and those who did not indicate a preferred language.

Geographic location

Roughly 38 percent of new members are from communities targeted for enhanced outreach based on higher rates of uninsurance, compared to 40 percent of renewing members. ⁱⁱ

Plan choices

Approximately 53 percent of new members outside of ConnectorCare enrolled in Bronze plans with 43 percent enrolling with Tufts Direct and 15 percent enrolling in Boston Medical Center HealthNet Plan (BMCHP). Shopping among renewing

members was just slightly lower than in prior years, with 23 percent of members engaging with their choices in some way, even if they ultimately did not change plans. Approximately 81 percent of renewing members who shopped actively confirmed their enrollment in the same plan. As in prior years, plan changes among renewing members consisted of movement between Silver and Bronze plans and between BMCHP and Tufts Direct.

American Rescue Plan (ARP) Impact

In Massachusetts, the ARP lowered premiums for hundreds of thousands of residents in 2021 and 2022 by expanding federal ACA premium subsidy generosity for individuals with income under 400 percent of the Federal Poverty Level, or about \$51,000 for an individual or \$105,000 for a family of four. The law also offered premium help to qualifying moderate income households with incomes above 400 percent FPL for the first time, ensuring that they do not have to spend more than 8.5 percent of their household income on health insurance premiums.

Enhanced subsidies

During OE 2022, the new and expanded subsidies continued to enable state residents to save hundreds of dollars per month – or thousands of dollars over the course of two years – on high-quality, comprehensive health insurance through the Health Connector. On average, plan costs fell by \$80 per month for members enrolled in QHPs with APTCs. For example, in Pittsfield, a single 40-year-old earning approximately \$52,000 would have spent approximately \$409 on their monthly premium for the lowest-cost Silver plan available to them. Due to the ARP, this individual is now eligible for financial assistance that will lower their monthly premium to \$318, a savings of \$91 per month and \$1,092 per year.

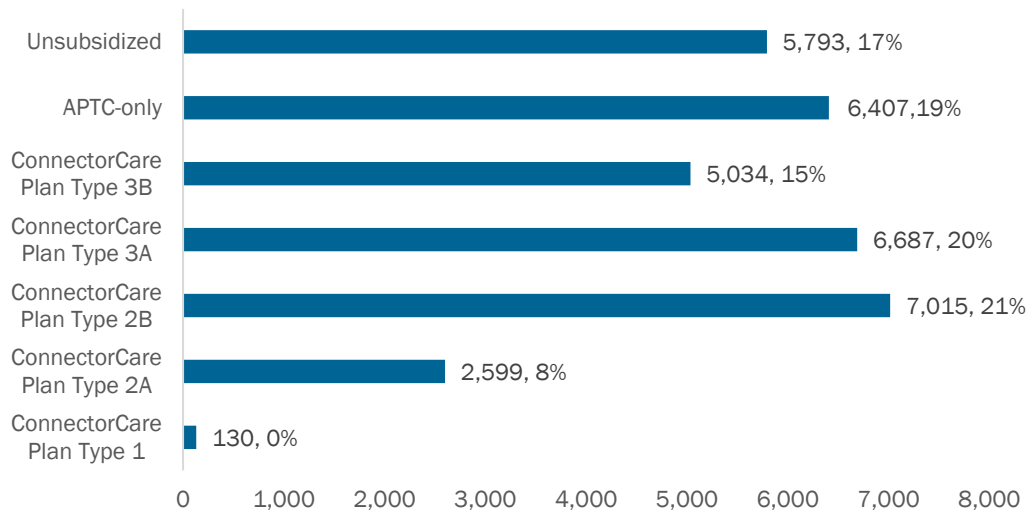
The Health Connector consistently hears from members about how this premium relief has made it easier for them to handle other rising costs in their household budgets – like childcare, transportation, housing, and food: *“We have been struggling to pay bills. My husband is retired, and I am self-employed. The reduction of our monthly premium has been a God send. We are grateful”*

Unemployment Income (UI) benefit

During OE 2022, the Health Connector also examined that population that received unemployment for some portion of 2021 and qualified for enhanced premium and cost sharing subsidies under the ARP as a result. The law directed Exchanges to provide subsidies to unemployment recipients as if their income were 150 percent of the federal poverty level during calendar year 2021 only. The Health Connector implemented this provision in the HIX system in mid-2021 and had over 38,000 members receiving these enhanced subsidies at the start of OE 2022.

Among those, about 34,000 renewed their Health Connector coverage, and almost two thirds were determined eligible for ConnectorCare this year. Of the roughly 4,500 members who did not renew, just under half transitioned to MassHealth at the end of the year.

Figure 14. 2022 Eligibility for 2021 Members Receiving Unemployment



Looking forward

With Open Enrollment completed, the Health Connector is looking ahead to the end of the federal PHE and potential expiration of ARP subsidies at the end of 2022. If Congress does not act to extend ARP premium subsidies beyond 2022, over 200,000 enrollees from Massachusetts will see reduced or eliminated financial support. The expiration of these premium affordability measures will dramatically raise premiums, disrupt markets, and increase the number of uninsured, with consumers feeling the impacts as soon as August, when eligibility redeterminations for 2023 will alert individuals that they will not qualify for assistance next year. Massachusetts estimates premium spending may increase by an average of \$143 per member per month for enrollees who would not have received subsidies without the ARP.

Furthermore, these increases in Health Connector premiums put coverage and financial protections at risk not just for current enrollees, but the millions of Americans expected to lose Medicaid coverage when the PHE ends. Higher costs will reduce the number of Massachusetts resident who would otherwise transition into Health Connector coverage, risking erosion of coverage gains and protections achieved during the PHE.

The Health Connector is working very closely with state and national partners in preparation for both potential events: looking at member implications, system functionality, operations, communications, and reporting. Although there are many unknowns ahead related to the exact end of the public health emergency and the potential expiration of ARP subsidies at the end of the year, the Health Connector is committed to preventing member abrasion by delivering a seamless transition for individuals who need our coverage.

References

ⁱ Centers for Medicare & Medicaid Services. Marketplace 2022 Open Enrollment Period Report: Final National Snapshot. <https://www.cms.gov/newsroom/fact-sheets/marketplace-2022-open-enrollment-period-report-final-national-snapshot>

ⁱⁱ The Blue Cross Blue Shield of Massachusetts Foundation. Geography of Uninsurance Report Identifies Priority Hot-Spot Communities. <https://www.bluecrossmafoundation.org/press/geography-uninsurance-report-identifies-priority-hot-spot-communities>