



Pennie Board of Directors Strategic Planning Session

February 22, 2024

Pre-Reads

- **Preliminary Matters**
- **Action/Discussion Items by the Board**
 - **2023 Budget Review**
 - **2024 Open Enrollment Data**
 - **2023 Year In Review**
 - **2024 Strategic Planning**
 - **2025 Plan Certification Policy Recommendation**
- **Adjourn**



Preliminary Matters



Preliminary Matters

- Call to Order
- Roll Call
- Approval of Previous Meeting Minutes (Oct 2023, Jan 2024)
- Commemorative Statement for Paula Sunshine
- Opportunity for Public Comment



2023 Budget Review



Top Takeaways

- 2023: Pennie came in under budget and received higher-than-projected revenue.
- 2024: Strong financial outlook given enrollment increases.
- Evaluating strategic uses for carryover funds, including potential affordability program.

CY 2023 Estimated Financial Recap

CY2023 FINANCIAL RECAP (ESTIMATED)			
Revenues			
CY2022 Carryover \$58,076,064			
	Budget	Actual	Variance
User Fees	\$78,302,407	\$80,638,350	\$2,335,943
Federal Receipts	\$19,000,000	\$18,298,878	(\$701,122)
Treasury Interest	\$3,000,000	\$3,607,172	\$607,172
Total	\$100,302,407	\$102,544,400	\$2,241,993
Expenses			
	Budget	Actual	Variance
Personnel	\$7,148,000	\$6,251,930	(\$896,070)
Operations	\$51,928,000	\$49,132,522	(\$2,795,478)
Reinsurance Program	\$42,300,000	\$31,080,000	(\$11,220,000)
Total	\$101,376.000	\$86,464,452	(\$14,911,548)
2023 Estimated Carryover to 2024		\$74,156,012	
Funds obligated to be transferred to Reinsurance 7/24		\$44,400,000	
Remaining Balance for 2024		\$29,756,012	





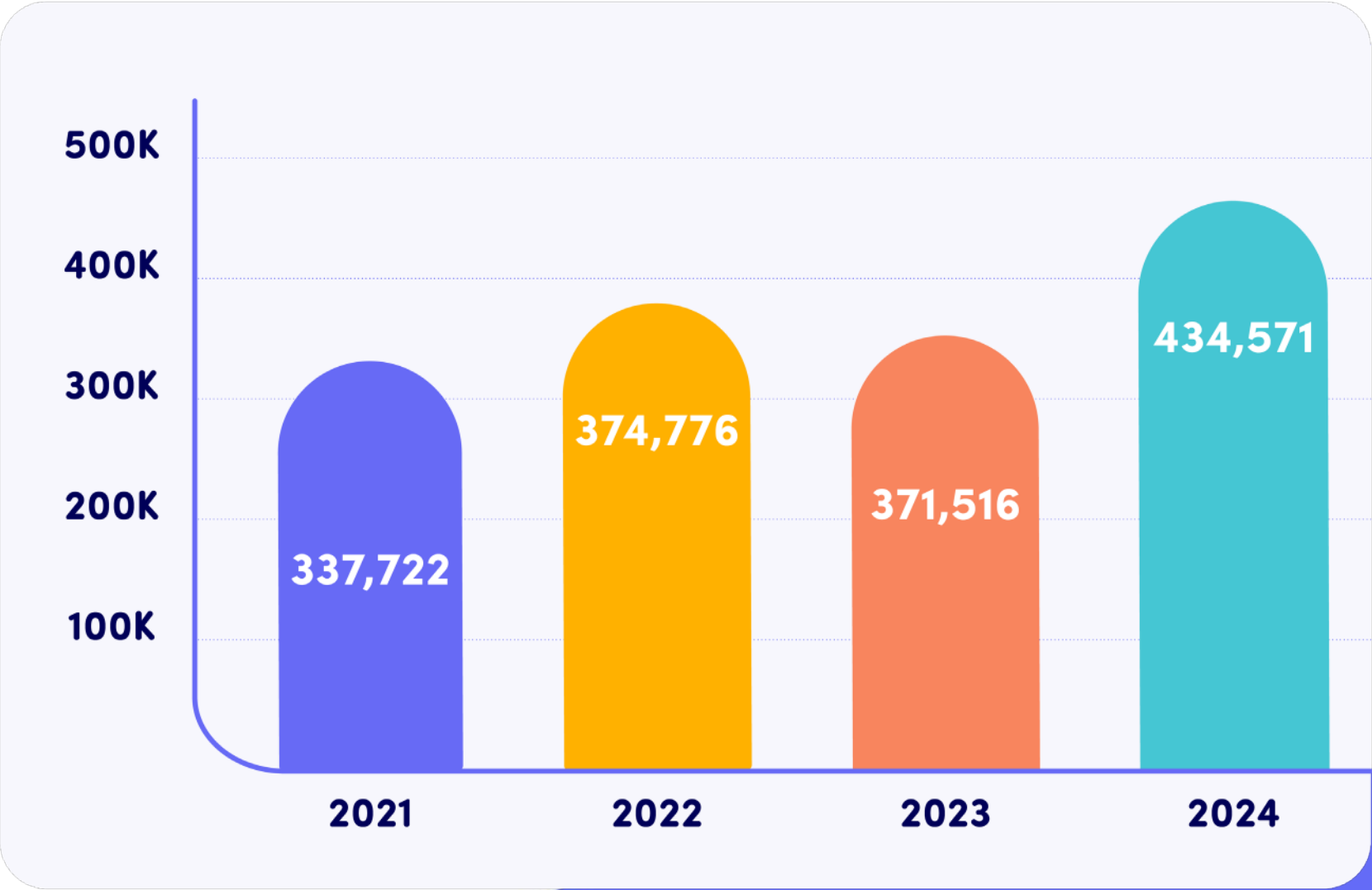
2024 Open Enrollment Data



Top Open Enrollment Takeaways

- Enrollment **increased by 17%** over last year, due to a combination of individuals seeking coverage related to the Medicaid unwinding, the expanded federal subsidies, and targeted outreach efforts.
- This open enrollment period had the **highest number of new enrollees**, driven by increased enrollment in the southeast PA region and higher than average unwinding-related enrollment.
- As in past years, Pennie retained most existing enrollees through a smooth auto renewal process.

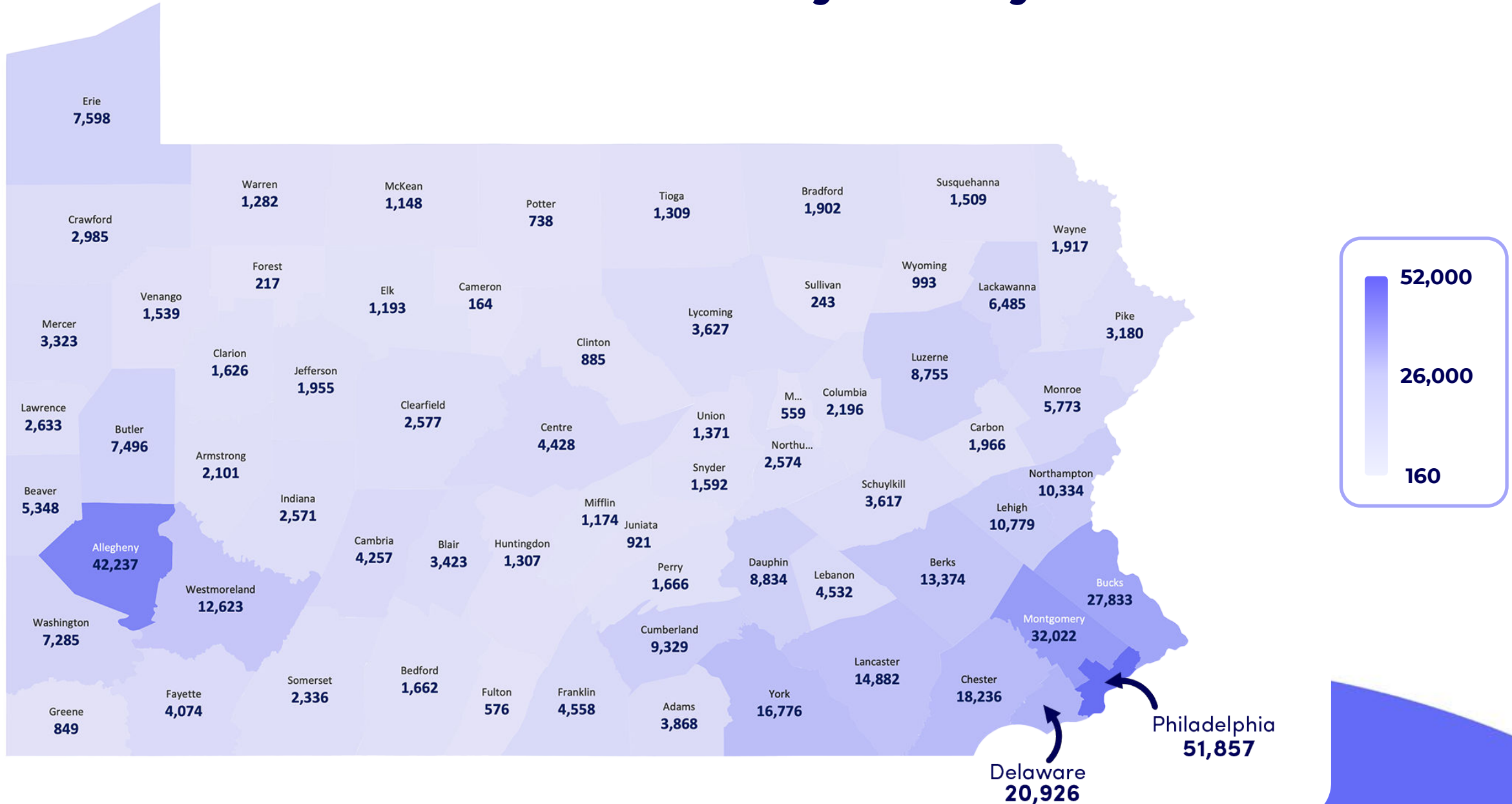
Pennie Enrollment Growth Over Time



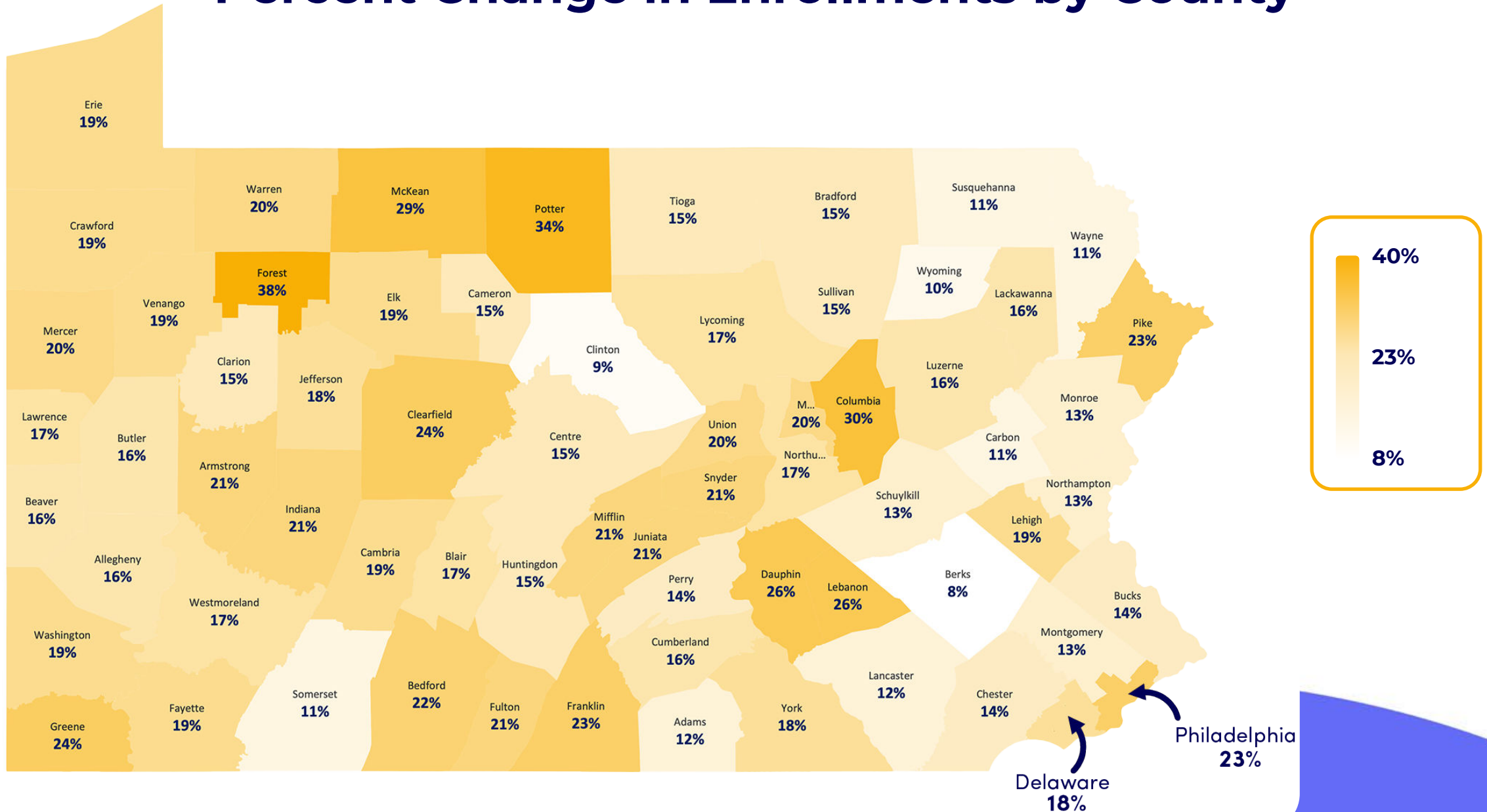
Enrollment Metrics as of 01/19/2024

Plan Year 2024		End OE 2024	Plan Year 2023 Compare (End OE 2023)	Percent Change from 23-24
Enrollment	Total enrollment	434,571	371,516	17%
	Auto renewals	267,517	245,506	9%
	Active renewals	77,309	61,138	26%
	New enrollment	89,745	64,872	38%
	Dental enrollment	101,947	82,908	23%
Medicaid Account Transfers	Medicaid Inbound	106,124	19,180	453%
	Medicaid Outbound	64,737	56,711	14%

Enrollment By County



Percent Change in Enrollments by County



OE Goal #1: Retain Existing Consumers

Key Goals:

- Smooth auto renewal process
- Minimize impact of premium disruptions
- Demonstrate the value of having coverage

Success Metrics

- High auto renewal success rate
- High levels of maintaining existing consumers
- High levels of enrollment for auto renewal fallout groups
- Low impact of premium increase on enrollment
- High effectuation rates

Results

- **OE began with 8% more consumers than last year.**
- **98% success rate of eligible households during the auto renewal process**
- **91% of the households with coverage at the end of 2023 are still covered for 2024**
- **Of those who were not auto renewed, Pennie outreach efforts contributed to a 21% enrollment rate in 2024 coverage**
- **Over 97.4% effectuation rate for Jan 1 coverage**

OE Goal #2: Smooth Transition for Unwinding Population

Key Goals:

- Identify and mitigate complications the Sept – Nov cohorts may experience
- Reduce steps needed to stay enrolled in 2024
- Augment outbound communications to mitigate confusion

Success Metrics

- Maintain conversion rates of unwinding population into 2023 coverage
- High retention of unwinding consumers into 2024 coverage

Results

- **Overall conversion of the unwinding population during OE increased by 1.5 percentage points, including enrollment from earlier cohorts**
- **26% of new enrollees during OE are connected to the unwinding**
- **Of unwinding consumers enrolled at the end of 2023, 92% of them also have 2024 coverage (consistent with overall population)**
- **Overall shift in enrollee demographics to lower FPLs, which we attribute to the unwinding**

OE Goal #3: Grow Marketplace Enrollment

Key Goals:

- Increase new enrollments, especially in high uninsured regions
- Maintain and grow enrollment across PA in general
- Support key deadlines

Success Metrics

- New enrollees
- Enrollment growth in Philadelphia and surrounding counties

Results

- **From 2023 – 24, Pennie saw 17% growth in enrollments**
 - **Second largest historical high for enrollment growth was 11% from 21 – 22 with the enhanced federal subsidies**
- **Success with dedicated attention to Philadelphia region**
- **Year-over-year growth in Philly was 23% - exceeding the growth rate in the surrounding counties and across the exchange**
- **Philadelphia was above average for percent new enrollees compared to all other counties (Philly - 40% vs Total - 36%)**

Survey Results for Consumers Who Did Not Enroll

- Email survey sent to individuals with submitted applications but no enrollment.
- **49%** (356) of respondents **do not have** health coverage. Results from these specific respondents below:
 - **Q: Why didn't you enroll in a health plan through Pennie?**
 - **67%** did not enroll because of cost
 - **10%** did not see the value of coverage
 - **9%** said they were overwhelmed with the number of plans
 - **Q: If cost kept you from enrolling, which statement best reflects why?**
 - 51% said the monthly premium cost was too high
 - 8% said they could pay the premium but could not pay to use the plan
 - 6% said “the value of the plan was not worth the cost”

Survey Results for Consumers Who Did Not Enroll

- **Q: Which benefits of enrolling in health coverage through Pennie are you aware of?**
 - 39% knew of the financial savings to lower the cost of health plans
 - 21% knew all plans have free preventative wellness screenings
 - 30% knew all health plans help pay for health care costs
 - 25% knew if they have a major illness or injury, they are protected from paying the full price
 - **45%** responded they were not aware of any of the benefits listed
- **Open-ended feedback**
 - Primarily, responses spoke about the lack of affordability within consumers' budgets, specifically premiums, deductibles and out-of-pocket costs



2023 Year In Review



2023 Strategic Goals

1. **Grow marketplace enrollment by improving affordability and accessibility.**
2. **Make the principles of DEI general practice and partner with vulnerable communities to reduce inequities.**
3. **Enhance plan quality and streamline choice to inform consumer decisions.**

Top 2023 Takeaways

- Diligently prepared for the unprecedented Medicaid unwinding, resulting in a seamless transition for over **50,000** individuals to date after being found ineligible for Medicaid.
- First time Pennie actively recruited brokers to increase enrollment assistance for underrepresented communities, piloted in the Philadelphia region. Resulted in a **30%** increase in certified brokers in the targeted zip codes.
- Reduced unnecessary administrative barriers for customers, with more than **1,000** reinstatement and retro termination requests approved for consumers since implementation in mid-2023.

Unwinding Results

Objectives

Maintain historically high levels of coverage achieved during the pandemic and ensure continuous coverage through Pennie for qualified consumers losing Medical Assistance

Over 54,000 total enrollments; 17% overall conversion

74% of applications run through auto eligibility, and as a result, consumers were 4.5x more likely to enroll than those who did not go through auto eligibility

10% utilization of retro effective date option specific to the unwinding period

Broad awareness and understanding of the coverage options available to impacted Pennsylvanians

Nearly 114,000 unique visits to the Medicaid Unwinding webpage at pennie.com

Over 18,000 visits due to text messages

Over 50% open rate on emails, double the industry standard

Substantial social media follower growth through YouTube (168%), Facebook (64%), and Instagram (30%)

Actively support communities disproportionately impacted by the end of the PHE by effectively facilitating their transition from MA to Pennie

Over 449,000 calls handled – 19% more than last year over the same timeframe

Over 170,000 letters mailed to the procedurally terminated population

Over 150,000 text messages sent to the unwinding population resulting in a 54% increase in call volume

2023 Project Results

Results

23

Initiatives

Diversify brokers to better represent Pennsylvania's population



30% increase of certified Pennie brokers in targeted zip codes, with 433 enrolled consumers

Provide attestation form for income verification



Over 1,300 manual attestations received to date

Reinstate coverage for verification documents submitted later



Averaged 514 reinstatement requests per month in the first 4.5 months after implementation

Allow for retroactive terminations by consumers with no pharmacy claims



Averaged 741 retroactive termination requests per month in the first 3 months with a 75% approval rate

Ensure people can maximize benefits for no additional cost during renewals



422 of bronze enrollees eligible for cost sharing reductions moved into more generous plans

Expand access to Path to Pennie by enabling tax preparers to offer state tax form REV-1882



In 2023, 13 of 14 major tax software vendors provided Pennie's tax form, REV-1882, resulting in 5.5 million Pennsylvania tax filers having integrated access to REV-1882

Published Pennie's first health equity data report*



Gained significant insight into the uninsured and Pennie's enrollees, supporting better-informed decisions about reaching communities

*Report can be found at: <https://agency.pennie.com/wp-content/uploads/2023/08/Pennie-Health-Equity-Report-2022-23.pdf>

PROPRIETARY & CONFIDENTIAL



Break



2024 Strategic Planning

Marketplace Affordability

- Increased federal premium tax credits have contributed to significant enrollment increases and are critical for individuals to maintain current coverage.
- However, many in PA actively seeking coverage still find it to be unaffordable:
 - Of those who applied to Pennie and were eligible but did not enroll, **50% are uninsured and over 2/3 cited cost as the reason.**
 - Consistently, according to enrollment assisters, consumers seeking coverage through Pennie **do not enroll due to cost 63% of the time.**
 - **80% of assisters** said they almost always **hear about affordability concerns.**
 - 35% noted that **premium payments were the most concerning cost** from consumers, followed closely by deductible payments at 29%
- The PA Health Access Network survey, which included current and former Pennie enrollees, indicated that **4 in 10 dropped health coverage due to cost**, and **6 in 10 consider Pennie coverage to either be “not affordable” or “barely affordable.”**

Affordability Program – Overview

In Governor Shapiro's most recent budget address, he called for a \$50M appropriation to improve affordability in the individual market.

The funding would fund Pennsylvania's reinsurance program, allowing Pennie to use funding that has historically gone towards reinsurance to instead reduce costs for coverage through the marketplace.

The overarching goals of this new initiative include:

- Revising Act 42 to allow Pennie to create a new health coverage affordability program through existing user fees.
- Designing and implementing the new affordability program by this fall, so that Pennsylvanians can receive additional financial assistance for plan year 2025.
- Deploying a marketing and communications campaign to raise awareness of this new form of financial assistance.

Affordability Program – Overview

State subsidy modeling is underway, with the following parameters:

- **Modeling options at a \$40 million funding level**
 - Aligns to amount budgeted for reinsurance program
 - Could increase subsidy in the future if funds allow for it
 - Allows for a contingency fund for enrollment-related overruns
- **Targeting premium subsidy wrap towards lower income levels**
 - Targeted towards a subset of the population to ensure subsidy amounts are meaningful
 - Lower income levels still have the highest uninsured rates
 - Lower income levels are most price sensitive, so a relatively smaller per-person amount can have a larger impact on the ability to afford and enroll in coverage
 - For existing enrollees, a premium subsidy serves as an indirect cost sharing subsidy to “buy up” to health plans with lower out of pocket costs

Affordability Program – Program Design

Modeling will provide options for a subsidy structure at the \$40 million budget level.

Pennie plans on using the criteria below to assess potential affordability program designs with the aim of maximizing the impact of a subsidy at the fixed funding level.

Proposed program design criteria:

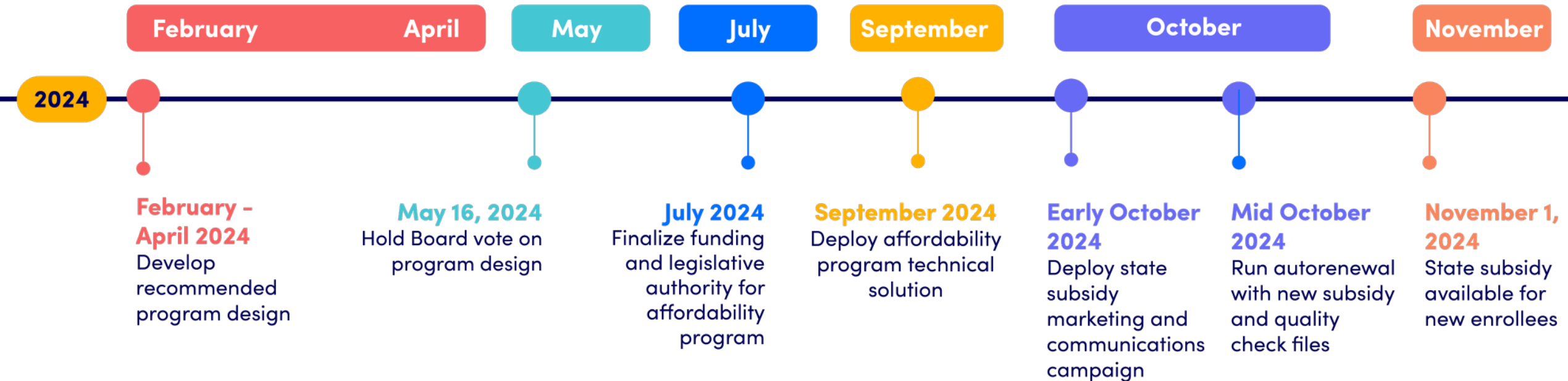
- Percentage of enrollees with access to a health plan under a defined premium dollar threshold (e.g. plans available under \$0, \$10, \$25)
- New enrollee generation
- Impact on risk pool

Net Premiums Under \$1

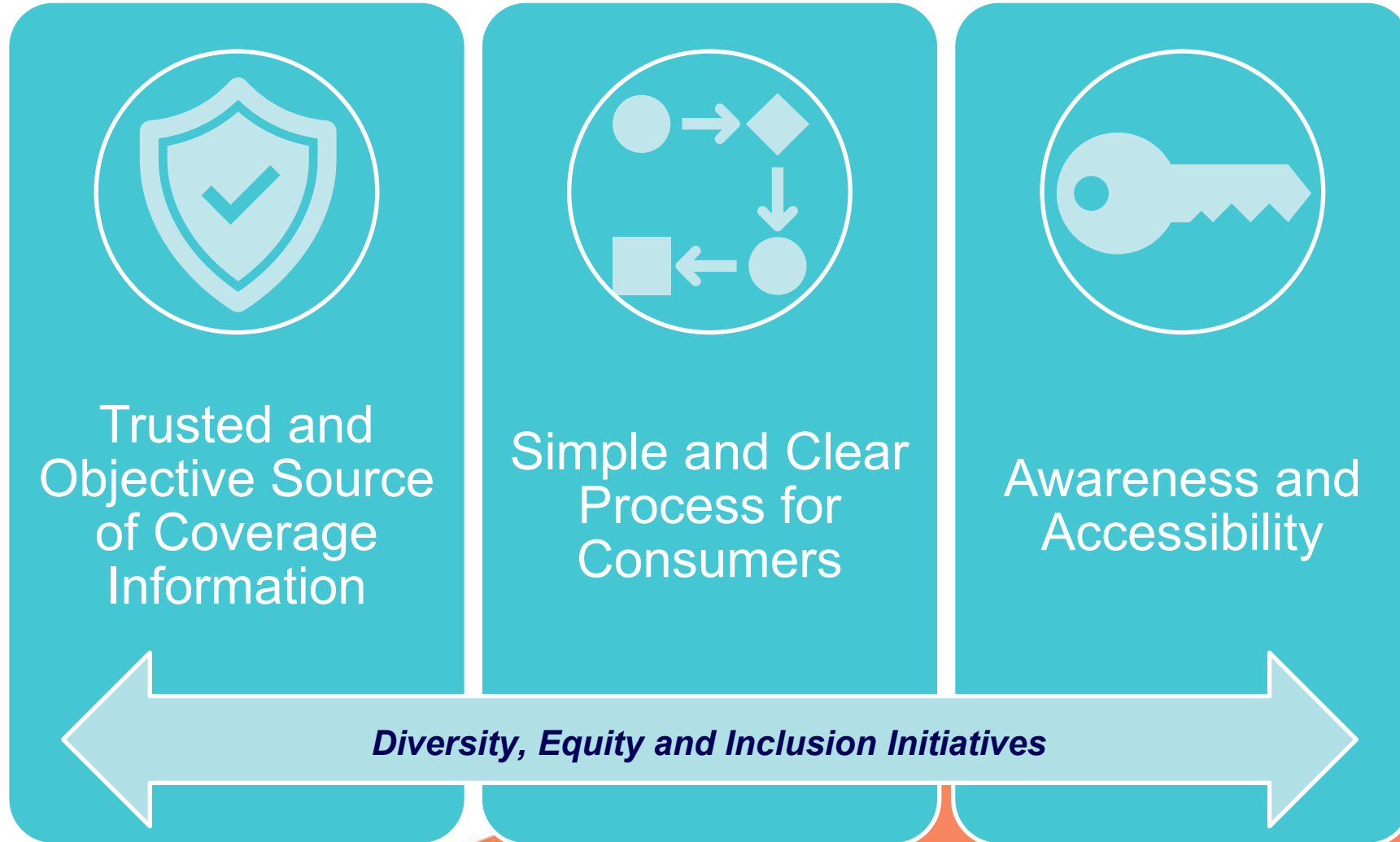
14.2%

Discussion: What additional criteria, if any, should Pennie use when determining the most impactful design for a new affordability program?

Affordability Program - Timeline



Proposed 2024 Strategic Goals



New Work for 2024

Affordability program

- Create an affordability program to address economic disparities that prevent vulnerable populations from enrolling in health coverage. (Goal ties: Awareness & Accessibility)

Consumer escalations experience

- Rework the consumer escalation path and appeals process by streamlining and identifying gaps in the process. We intend to promote simplicity in our escalation processes and improve accessibility to coverage. (Goal ties: Simple and Clear Processes)

Health literacy

- Systematically improve how complex eligibility and enrollment requirements and next steps are communicated to consumers (Goal ties: Trusted Source of Information)

Enrollment assistance network

- Prepare for 2025 changes to enrollment assister network, aimed at expanding reach and support across PA (Goal ties: Awareness & Accessibility, Trusted Source of Information)

Continuation of Work from 2023

Health equity accreditation regulations

- Promulgate a regulation that would require issuers offering qualified plans through the Exchange Authority to be accredited in health equity by a recognized accrediting body. (Goal ties: Awareness & Accessibility; Diversity, Equity and Inclusion).

Broker recruitment and diversification

- Expand broker recruitment efforts outside of Philadelphia to surrounding areas, to increase the number of Pennie-certified agents, especially those of color, multilingual, or who represent an underserved population.
- For the first time, collect demographics on brokers to measure baseline and improvements over time. (Goal ties: Awareness & Accessibility; Diversity, Equity and Inclusion; Trusted Source of Information)

Plan quality and consumer choice

- Apply perspectives gathered in working group to inform policy changes and system improvements necessary to ensure that consumers have access to high-quality health plans, understand the choices they have access to, and are ultimately satisfied with their coverage (Goal ties: Trusted Source of Information, Simple and Clear Processes).

Measuring Success in 2024

Strategic Goal	Outcomes	Initiatives
Establish Pennie as a trusted and objective source of clear information about coverage.	<ul style="list-style-type: none"> • Reduce consumer complaints/appeals based on misunderstanding • Higher rates of self-service from consumers and stakeholders 	<ul style="list-style-type: none"> • Health literacy • Assiter program • Broker recruitment and diversification • Plan quality and consumer choice
Promote simplicity and clarity into processes, reducing consumer burden throughout the coverage lifecycle.	<ul style="list-style-type: none"> • Improved plan shopping experience • Reduced number of steps to resolve consumer issues 	<ul style="list-style-type: none"> • Plan quality and consumer choice • Rework consumer escalations and appeals
Increase awareness and accessibility of Pennie at local and state levels across Pennsylvania.	<ul style="list-style-type: none"> • Lower premiums • Lower out of pocket costs • Broader range of available enrollment assistance 	<ul style="list-style-type: none"> • Affordability program • Broker recruitment and diversification • Assiter program • Health equity accreditation

Pennie's Mission Statement

Pennie aims to maximize the number of Pennsylvanians with affordable, quality health coverage and to facilitate informed consumer decision-making.

Proposed 2024 Strategic Goals

- 1. Establish Pennie as a trusted and objective source of clear information about coverage.**
- 2. Promote simplicity and clarity into processes, reducing consumer burden throughout the coverage lifecycle.**
- 3. Increase awareness and accessibility of Pennie at local and state levels across Pennsylvania.**

Underlying all work at Pennie is a commitment to making diversity, equity and inclusion principles general practice to ensure Pennie is attentive to needs of vulnerable communities.



2025 Plan Certification Policy Recommendations

Plan Certification Policy Overview

- Pennie plan certification requirements are proposed in addition to all federal and state regulations or other guidance related to offering qualified health plans and qualified dental plans.
- In response to ongoing feedback on the overwhelming number of plans, Pennie sought feedback on a proposal to simplify the plan shopping experience, while maintaining a high-level of plan choice for consumers and flexibility for insurers.
- Additional proposals to enhance the consumer shopping experience by giving all consumers a seamless way to effectuate coverage and improving in-language resources for Spanish-speakers.

#1: Require Availability of PayNow Function

- Require all health and dental issuers to make PayNow function available to accept consumer binder payments to effectuate coverage
- PayNow feature allows consumers to make their first premium payment immediately after selecting a plan on the Pennie platform

Proposal	Policy Goal(s)	Benefits	Challenges
<ul style="list-style-type: none"> • Require all health and dental insurers to make PayNow function available to accept consumer binder payments 	<ul style="list-style-type: none"> • Ensure a seamless plan effectuation experience for all Pennie consumers 	<ul style="list-style-type: none"> • Use of PayNow shown to increase effectuation rates • Allows consumers to effectuate coverage immediately after plan shopping 	<ul style="list-style-type: none"> • Most, but not all, insurers currently offer this function

- Does not require all customers to use PayNow to make their binder payment, nor does it impact those insurers who currently utilize this functionality

#1: Require Availability of PayNow Function

Stakeholder Feedback Summary

Majority supported, although some expressed reservations about this being a requirement for insurers, or were concerned that the intent was to make this a requirement for consumers

Support: 8 health insurers, 4 dental insurers, 66 (of 72) brokers, majority of assisters and consumer advocates

- **Dental Insurer:** "[We] currently use the PayNow functionality, and we feel this allows consumers to...guarantee active coverage on their effective date."
- **Health Insurer:** "We support this function that results in more members being enrolled in marketplace plans."

Opposed: 1 health insurer

- **Insurer:** "While we already utilize PayNow, we do not believe it is appropriate to mandate its use for all issuers."
- **Broker:** "Many customers are not ready to make their payment right away...Customers need paper bills"

Recommendation: Adopt, as proposed

- Consumers can still choose to make their binder payment however they want. This policy will allow all Pennie enrollees the option to seamlessly effectuate coverage immediately upon completing plan shopping.
- Only those insurers that do not currently offer PayNow (very few) will be impacted.

#2: Improving Language Access

PROBLEM

- Lack of in-language benefit information can be a barrier in understanding plan benefits
- Over 15,000 Pennie enrollees currently have 'Spanish' selected as their language preference in their Pennie application
- 62,000 users (83,000 separate sessions) indicated that Spanish was their preferred language when accessing Pennie.com during Open Enrollment

#2: Improving Language Access

Proposal: Require Summary of Benefits and Coverage (SBC) documents to be available in Spanish, utilizing existing CMS template.

Proposal	Policy Goal(s)	Benefits	Challenges
<ul style="list-style-type: none">Require all health and dental insurers to have their SBCs available in Spanish as they are in English	<ul style="list-style-type: none">Ensure that Spanish speakers have access to in-language SBC without having to ask for itRemove a barrier for Spanish-speakers in understanding plan benefits	<ul style="list-style-type: none">Help Spanish-speaking consumers better understand their coverage options, and utilize their coverage after enrolling	<ul style="list-style-type: none">Not all insurers currently have SBC available in SpanishLogistics on the Pennie platform are still being worked out

- Aligns the availability of Spanish-language resources in plan shopping with that of the Pennie application and consumer portal

#2: Improving Language Access

Stakeholder Feedback Summary

Most stakeholders supported, including insurers, brokers, and assisters. Some suggested that Pennie include additional languages.

Support: 7 health insurers, 2 dental insurers, 51 brokers (of 63), all assisters and consumer advocates

- *Insurer: "We support this minimal cost initiative to ensure additional Americans can better understand their coverage."*
- *Broker: "Having the SBC in Spanish is a huge improvement for any Spanish speaking customers."*
- *Assister: "It's a no-brainer and should be required."*

Opposed: 2 health insurers, 2 dental insurers

- *Insurer: "We are unaware of an SBC provided on healthcare.gov for dental."*
- *Some brokers opposed, stating they did not have Spanish-speaking clients.*

Recommendation: Adopt, as proposed. Dental plans would be required to have their plan brochures available in Spanish.

- SBCs only relate to health plans, so dental plans would need to have their equivalent available in Spanish
- Insurers can continue to offer SBCs in additional languages

#3: Simplifying Plan Shopping

Pennie is engaged in a multi-year project to improve the plan shopping experience for its consumers.

PROBLEM

- Choice is important for consumers to find the right plan for their needs and their budget, but consistent feedback, backed by research and consumer surveys, is that too much choice is overwhelming for consumers.

RISK OF MAINTAINING STATUS QUO

- Risk is that consumers continue to make suboptimal plan choices or become so overwhelmed that they give up on the process altogether, especially as the number of plans continue to increase.
- Because only 16 percent of consumers have a baseline level of health insurance literacy, Pennie consumers could be especially sensitive to choice overload.

#3: Simplifying Plan Shopping

Current state of health insurance plan offerings on Pennie

Since Pennie took over the exchange, the number of plans per county has steadily increased

Plan Year	Number of medical insurers (all PA)	Number of insurers (per county)	Avg. Number of plans offered per county
2024	9	3.4	49.6
2023	8	3.3	49.1
2022	8	3.2	46.7
2021	7	2.9	28.2

County	Insurers	Number of Plans PY24
Philadelphia	6	87
Lancaster	6	85
Northampton	6	92
Schuylkill	5	76

STAKEHOLDER COMMENTS

- Insurer: “Consumers dread the experience of choosing health plans”
- Broker: "Clients are overwhelmed with so many choices."
- Consumer: “There are way too many options to know what is best for my family, so I'm stuck paying higher insurance.”

#3: Simplifying Plan Shopping

- Pennie values having a robust, competitive marketplace that allows for both new entrants to PA as well as existing insurers to enter new markets.
- Pennie has engaged with stakeholders, including consumer groups, insurers, brokers, assisters, and other state agencies – consensus that plan choice is overwhelming for many consumers.
- Proposed solution would streamline the plan shopping experience for consumers, while maintaining a PA-specific model that pairs robust consumer choice with insurer and marketplace flexibility.
- Pennie also recognizes that each insurer has its own unique approach to the marketplace, and an overly prescriptive approach would be counterproductive.

#3: Simplifying Plan Shopping

Proposal: To establish a consistent number of plans that can be offered by each insurer legal entity as three (3) in each county, per metal level, and per product-type.

Proposal	Policy Goal(s)	Benefits	Challenges
<ul style="list-style-type: none">Establish a consistent number of plans that can be offered by each insurer legal entity as three (3) in each county per metal level and per product-type (EPO, PPO, HMO)	<ul style="list-style-type: none">Simplify the plan shopping experience, without undermining plan choice or insurer flexibility to adapt to the marketplace	<ul style="list-style-type: none">Ensure that consumers have access to the best plans from each insurerEnable consumers to more easily shop for plans so they can make the best decision for them	<ul style="list-style-type: none">First time enacting such a policyEach insurer has its own unique business model

#3: Simplifying Plan Shopping

What would the impact have been on PY24 plan offerings?

- For PY24, Pennie offers an average of 49.6 plans (all insurers, metal levels, products) per county
- If implemented in PY24, Pennie would instead offer an average of 37 plans (28% reduction)

Highlights:

- Allegheny (2 insurers): 48 plans instead of 67 plans
- Lancaster (6 insurers): 59 plans instead of 85 plans
- Philadelphia (6 insurers): 59 plans instead of 87 plans
- Impact to rural counties is proportional to urban counties
- Insurers would not lose enrollment because of this policy. Those enrolled in eliminated plans who are auto renewed would be mapped via insurer crosswalks, as currently done.
 - 10% of enrollees were crosswalked for 2024 and 18% of enrollees were crosswalked for 2023

#3: Simplifying Plan Shopping

Why 3 per legal entity?

- Pennie analysis of PY23 and PY24 plan offerings and enrollment indicated that this proposal would make an appreciable difference for our consumers without limiting plan choice, or forcing insurers to eliminate plans with significant enrollment
- Because insurers file plans under their legal entities, plan certification policies generally apply to each legal entity separately
- Still allows every insurer to offer up to 36 plans per county (9 per metal level including Platinum)
- Prioritizes simplicity and insurer flexibility

#3: Simplifying Plan Shopping

Comparing Pennie's proposal to the FFM and other SBMs– Plan Year 2025

	Pennie Proposal	Federal Marketplace	Other State Marketplaces
Non-standard Plan Limits for PY25	Yes, 3 per county, legal entity, metal level and product-type	Yes, 2 per product network type and metal level (including dental/vision)	Yes, 5 (CT, MA, ME, NY, WA) Only allows standard plans, 4 (CA, DC, NJ, VT)
Exceptions Process	No	Yes, Issuers must demonstrate that the plan offered would reduce cost sharing pertaining to the treatment of chronic and high-cost conditions that is at least 25% lower for the entire year	Varies
Requires standard plans	No	Yes, standardized plans in every service area where non-standardized plans are offered. Requires certain benefits be included and sets cost-sharing limits such as set co-pays and Rx formularies	Yes, 11 (CA, CO, CT, DC, MA, MD, ME, NJ, NY, VT, WA) Generally, requires specified number of services and benefits pre-deductible.

Sources: Kaiser Family Foundation, Standardized Plans in the Health Care Marketplace: Changing Requirements | KFF; correspondence with other SBM staff

#3: Simplifying Plan Shopping

Stakeholder Feedback Summary

- Pennie solicited written and verbal feedback from insurers, brokers, assisters, and consumer advocates in a variety of settings; most stakeholders either supported, or supported, with modifications.
- Many stakeholders agreed that the current plan shopping experience can be overwhelming for consumers.
- Several insurers expressed concern about this proposal limiting their ability to pursue market innovations or their ability to continue to offer relatively popular plans.
- Several insurers requested Pennie pursue a phased-in approach and/or set an implementation date of PY26.

Support: 1 health insurer, 2 dental insurers, 27 brokers, most assister/consumer advocates

- Health Insurer: *"We support this simplified shopping experience that still allows enough flexibility for carriers."*
- Broker: *"This would minimize confusion... which only causes customers to delay the process"*
- Assister: "Yes, there are too many plan selections that are too similar. It confuses 99% of consumers."
- Assister: "In my experience with the ACA...three policies is the magic number that people choose to compare."

#3: Simplifying Plan Shopping

Support with modifications: 5 health insurers, 16 brokers

- Health Insurer: *"We strongly urge that the choice of plans be at the Parent Company level...This will be the most equitable approach..."*
- Health Insurer: *"The FFM policy includes an exception process that allows for certain innovative benefit designs in excess of the baseline numerical limit. We believe that such a policy is minimally necessary...for Pennsylvania consumers to continue to enjoy the benefits of innovative plan designs."*
- Health Insurer: *"[Insurer] recommends the following limit: 3 plans...inclusive of adult dental and vision per network ID. We also recommend issuers be allowed a fourth plan if issuer meets an enrollment threshold of 10% market share."*
- Health Insurer: *"We ask that Pennie considers tiered PPO plans as a separate product than standard PPOs."*

#3: Simplifying Plan Shopping

Opposed: 2 health insurers, 1 dental insurer, 25 brokers

- Health Insurer: *"If [insurer] were to...reduce our current silver plan offerings to only three products, then only one non-tiered and two tiered products at the Silver level would be available."*
- Health Insurer: *"[Insurer] opposes plan limits because they hinder innovation and commoditize a critical market for underserved populations who would benefit from tailored plan designs."*
- Dental Insurer: *"We would not support this for dental plans."*
- Broker: *"Typically when you limit the number of plans, the insurance company will prioritize the more restrictive access plans (HMO/EPO) or "Choice" tiering."*

#3: Simplifying Plan Shopping

Recommendation: *Consider a final proposal during the May Board of Directors meeting for a policy that would take effect in Plan Year 2026. The final proposal considered would only apply to qualified health plans.*

- Pennie is committed to pursuing a policy that streamlines the number of plan options for the benefit of its consumers, while considering the thoughtful, and disparate, feedback provided by stakeholders.
- Allows additional time to explore options to add some amount of flexibility to the proposed policy.
- Responsive to consistent feedback from insurers requesting additional time for implementation.
- Recognizes that this policy, as currently constructed, is operationally infeasible for dental insurers.

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