

pennie[®]

- 
- ✓ **Lowest Costs**
 - ✓ **Quality Coverage**
 - ✓ **Local Support**

Conference Call Etiquette

- Please mute your line if you are not speaking.
- Identify yourself & organization before you speak.
- If you are on the phone and logged in via web, turn off your computer speakers.
- The chat is reserved for Council members.



Pennie Advisory Council Meeting

October 2024

Agenda

- **Preliminary Matters**
 - November 15, 2023 Advisory Council Meeting Minutes
 - Welcome New Members
- **Enhanced Premium Tax Credits**
- **State Health Insurance Exchange Affordability Program**
- **Understanding the Uninsured**
- **Appendix**
 - Unwinding Data Report as of July 1, 2024





Preliminary Matters

Preliminary Matters

- **Call to Order**
- **Roll Call**
- **Approval of Previous Meeting's Minutes**
- **Opportunity for Public Comment**
- **Welcome New Members**



Federal Update: Enhanced Premium Tax Credits

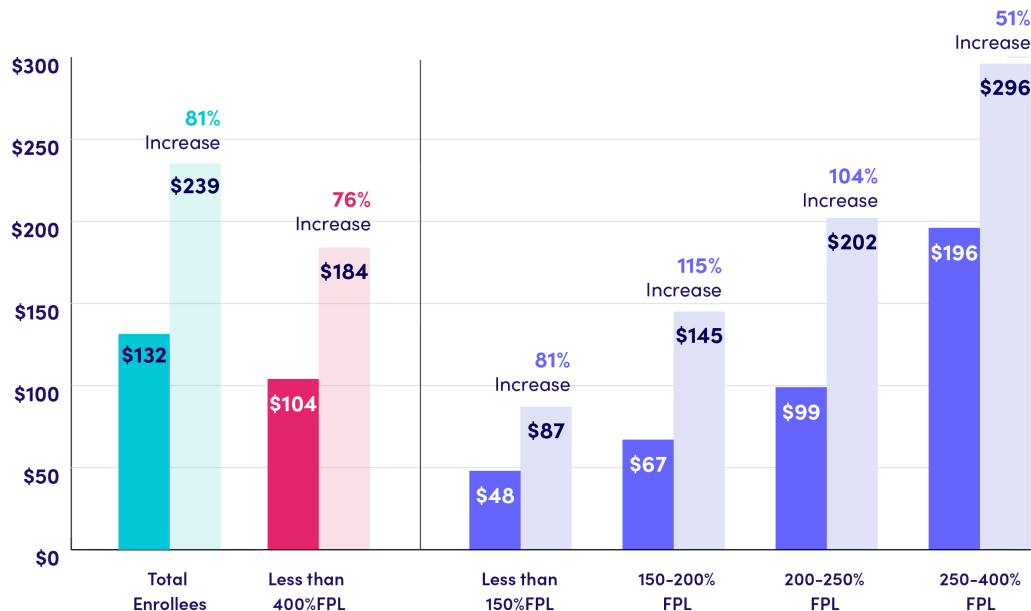
Top Takeaways

- Federal Inflation Reduction Act (IRA) enhanced premium tax credits are set to expire at the end of 2025 if Congress does not act. The enhanced premium tax credits go beyond the original Affordable Care Act to make coverage significantly more affordable.
- Over **\$500M** annually in advanced premium tax credits (APTCs) will no longer be available to Pennsylvanians if the tax credits expire. This accounts for **1/5th** of all premium tax credits distributed to Pennsylvanians annually.
- Since the enhanced tax credits have become available, we have seen enrollment gains in the **low income, pre-Medicare, young adult**, and **rural** communities. These vulnerable populations will be disproportionately impacted if the tax credits expire.
- For those receiving enhanced tax credits, **premiums would increase by 81%** if the customer remained in their same plan and the tax credits expired.
- Communicating the impact of expiring subsidies will be especially difficult, as **two-thirds** of current Pennie customers have only experienced enrollment with the enhanced tax credits in effect.

Enhanced Tax Credits Impact to Below 400% FPL Population

Per Member Per Month (PMPM) Net Premium Metrics

Federal Poverty Level (FPL)	Enrollees Using APTCs
Total enrollees	378,342
Less than 400% FPL	341,069
Less than 150% FPL	85,178
150-200% FPL	93,191
200-250% FPL	67,718
250-400% FPL	94,982



- 90% of enrollees** receiving APTCs are below 400% FPL. If the enhanced tax credits expired today, they could face **premium increases of up to 76%** if they remain enrolled in their current plan.
- When considering total enrollees receiving APTCs, these premium increases jump to **81%**.

*Note: The enrollment and net premium metrics shown do not include members who are eligible for APTCs but are not receiving them in advance.

Enhanced Tax Credits Impact to Above 400% FPL Population

- 10% of customers using APTCs have an FPL above 400%. They will see the largest cost increases – a monthly increase of \$376 per enrollee, or more than \$1,500 for a family of 4.
- These cost increases will disproportionately impact those approaching Medicare (55-64 age band) as 58% of customers receiving APTCs at the 400%+ FPL fall within this age band.

Scenario 1:

Married couple (60 years old), non-smokers, Philadelphia County, 405% FPL (\$82,782 annual income)

With enhanced premium tax credits:

- Monthly premium - **\$586** (\$7,032/year)
- Percent of income – 8.5%

Without enhanced premium tax credits:

- Monthly premium - **\$1,549** (\$18,588/year)
- Percent of income – 22.45%

Expiration of the tax credits results in a **164% increase** on this couple's net premium.

Scenario 2:

Married couple (60 years old), non-smokers, York County, 405% FPL (\$82,782 annual income)

With enhanced premium tax credits:

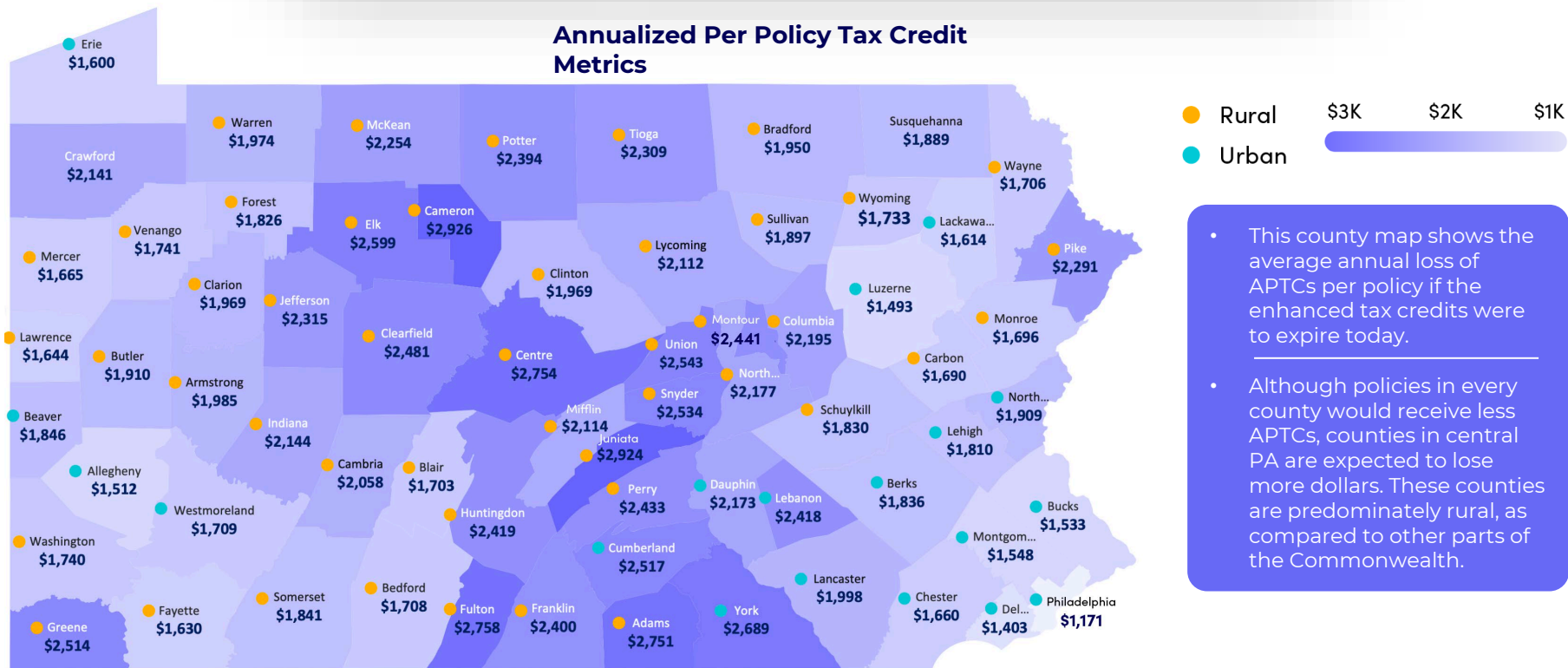
- Monthly premium - **\$586** (\$7,032/year)
- Percent of income – 8.5%

Without enhanced premium tax credits:

- Monthly premium - **\$2,827** (\$33,924/year)
- Percent of income – 41%

Expiration of the tax credits results in a **382% increase** on this couple's net premium.

Enhanced Tax Credits Impact to Rural Communities



- This county map shows the average annual loss of APTCs per policy if the enhanced tax credits were to expire today.
- Although policies in every county would receive less APTCs, counties in central PA are expected to lose more dollars. These counties are predominately rural, as compared to other parts of the Commonwealth.

This map relies on the Center for Rural Pennsylvania's definition of rural and urban found here: <https://www.rural.pa.gov/data/rural-urban-definitions>

Enhanced Tax Credits Impact to Buying Power

- More than **1 in 8 customers (12.5%)** who were enrolled for both OE 2021 and OE 2024 have shopped and enrolled in a richer benefits plan.
- Since OE 2021, overall **enrollment in gold plans has increased 17 percentage points**, and enrollment in bronze plans has decreased 4 percentage points. This means both premiums and out of pocket costs are now more affordable for those individuals in richer benefits plans.
- Since OE 2021, the number of enrollees with **monthly premiums under \$10/month has doubled**, meaning these more generous plans are also more affordable today due to the enhanced tax credits.
- If the enhanced premium tax credits expire at the end of 2025, Pennsylvanians' buying power will be severely diminished, and we can expect to see either increased enrollment in less expensive plans, or disenrollment altogether.

How Is Your Organization Preparing?

- **Customer impact:**
 - What are some different ways to show the customer impact?
 - Will your organization be sharing testimonials from either customers or providers?
- **Financial impact:**
 - What are some different ways to show the financial impact?
 - Will your organization use any data to demonstrate the financial impact to enrollees? If so, what data will you use?
- **Other actions:**
 - Have you considered publishing educational materials speaking to the importance of extension and the disruption with expiration?
 - Have you considered connecting with your national contacts to urge timely legislative action? Remaining uncertainty even in early 2025 will have impacts (e.g. on proposed rates for 2026), and the longer uncertainty remains in 2025, the more directly the customer will be impacted.



State Update:

State Health Insurance Exchange
Affordability Program

Health Coverage in PA

- 1. Individuals and the health care system benefit economically when the insured rate is higher.**
- 2. Pennsylvania has 5.6% of the population (600K+) that is uninsured, which is potentially higher due to recent changes in Medicaid.**
- 3. The two tactics to decrease the uninsured rate - awareness and affordability - are inherently tied together.**

Coverage Cost Barriers

Costs are consistently named as the barrier to enrolling in and maintaining coverage.

- 4 in 10 who were eligible did not purchase due to cost
- 4 in 10 have dropped coverage at some point due to cost
- 6 in 10 say plans through Pennie are "barely affordable" or "unaffordable"

With unaffordable options, individuals:

- Go uninsured: individuals are at significant financial risk in the case of illness or injury, resulting in uncompensated care and medical debt.
- Enroll in unregulated plans: may have lower monthly costs, but often exclude important medical care, have pre-existing condition exclusions, and impose lifetime or annual limits (practices prohibited in ACA-compliant plans through Pennie) – resulting in the same issues as going uninsured (medical debt and uncompensated care).
- Forgo critical care: even for those who do enroll, some delay care due to concerns about out-of-pocket costs with negative health consequences.

Benefits of a Premium Subsidy

Pennie analyzed options for an affordability program that would directly reduce health plan premiums.

Pennie survey data indicates that monthly premiums are the most significant factor in determining whether someone will enroll in coverage through Pennie:

- Of Pennie applicants who applied but did not enroll in a plan – 67% cited cost as the reason, with the majority indicating that the premium cost specifically was too high.
- The surveys also indicated that cost sharing barriers were a close second to premiums in terms of finding value in coverage and accessing care.

Premium subsidies have a dual impact:

- 1) Can encourage currently uninsured to enroll in coverage *and*
- 2) Help current enrollees change to a plan with lower out of pocket costs, effectively providing an indirect cost-sharing benefit

Summary of Approach

- **A state subsidy through Pennie would:**

- Increase economic and financial security for individuals across PA
- Improve health outcomes for enrollees with better and more consistent access to medical care
- Benefit providers through more timely and consistent reimbursements, and lower uncompensated care
- Benefit insurers through stronger retention and increased covered population
- Strengthen individual health insurance market by improving risk pool

- **The proposed model will:**

- Reduce cost barriers to enrolling in a health plan for currently uninsured individuals
- Incentivize current enrollees to buy into higher value plans with less cost sharing to reduce cost barriers to receiving care
- Improve ability of current enrollees to keep current coverage for those on the cusp of unaffordability and to reduce out-of-pocket costs
- Improve access to free preventive care to catch issues early and ongoing treatments for chronic conditions, in addition to financial protection against medical emergencies

Program Authority Update

- As part of the 2024-2025 Pennsylvania State Budget, the Fiscal Code was amended to allow for the creation of a State Health Insurance Exchange Affordability Program beginning in plan year 2025, contingent on funding provided through the General Assembly.
- This program would be managed by Pennie and its purpose is to incentivize enrollment by providing financial assistance to eligible individuals purchasing a health insurance policy through the exchange.
- The program must only provide financial assistance to individuals between 151% – 300% of the Federal Poverty Level (or lower if the federal enhanced tax credits are not extended after 2025) and cannot be applied towards bronze plans.
- The legislation provides two funding mechanisms for this program, a disbursement from the Joint Underwriters Association to not exceed \$50M annually for the program, or an appropriation from the General Assembly. **No funding is available at this time for plan year 2025.**



Understanding the Uninsured

Understanding the Uninsured

Methodology:

- Digital Survey, 600 uninsured Pennsylvanians, various demos

Key Takeaways

- Cost is the most common obstacle to having coverage
- Uninsured rarely think about health coverage but the vast majority understand the financial risks of being uninsured
- Awareness of Pennie is 30% of those surveyed
- Health insurance terms, the process, the purchasing of coverage is overwhelming
- Few are aware that Pennie offers free services to assist with alleviating their pain points and concerns (i.e. tax credits, in-person assistance)

Full report: [Understanding PA's Uninsured](#)

Media Habits of the Uninsured

Methodology:

- Digital Survey, 500 uninsured Pennsylvanians, various demos

Key Takeaways

- Humorous & Educational are most preferred for insurance-related ads
- Most obtain news from social media and online sources
- Top Streaming Video: Netflix, Prime, Hulu (avg 11 hr/week)
- Top Streaming Audio: Spotify, Apple Music, Amazon (avg 7.3 hr/wk)
- All audiences are skeptical of trusting social media channels
- Friends, Family, Local Hospitals – universally trusted

Message Testing the Uninsured

Methodology:

- Digital Survey, 500 uninsured Pennsylvanians, various demos

Resonating Messages

- Helps pay for a wide range of care ranked as 'crucial' rather than 'important' (especially among women 35-44)
- Cannot be denied for pre-existing conditions considered 'crucial' for gig workers
- Financial Protection if sick or injured listed as just 'important' by most groups
- Free preventative wellness screenings listed as 'important' or nice to have by most groups
- Spanish-speaking audiences rated each as 'nice to have' rather than 'important' or 'crucial'

Awareness of Pennie among the Uninsured

Methodology:

- Digital Survey, 500 uninsured Pennsylvanians, various demos

Awareness of Pennie:

- Of total surveyed: 30%
- Of Hispanic/Latino: 17%
- Of Gig Workers: 46%

- Those aware of Pennie are more likely to recommend Pennie to others
- Most audiences lean toward Pennie is 'probably' right for them, especially African Americans.

Next Steps

- In-person focus groups
- Continue message testing through OEP
- Persona Building
- Customer Mapping
- Creative Creation
- Creative Testing
- Launch new campaign toward targeted Personas

Adjourn



Unwinding Data Report

as of July 1, 2024

Unwinding Activity At A Glance

Applicants
460,289

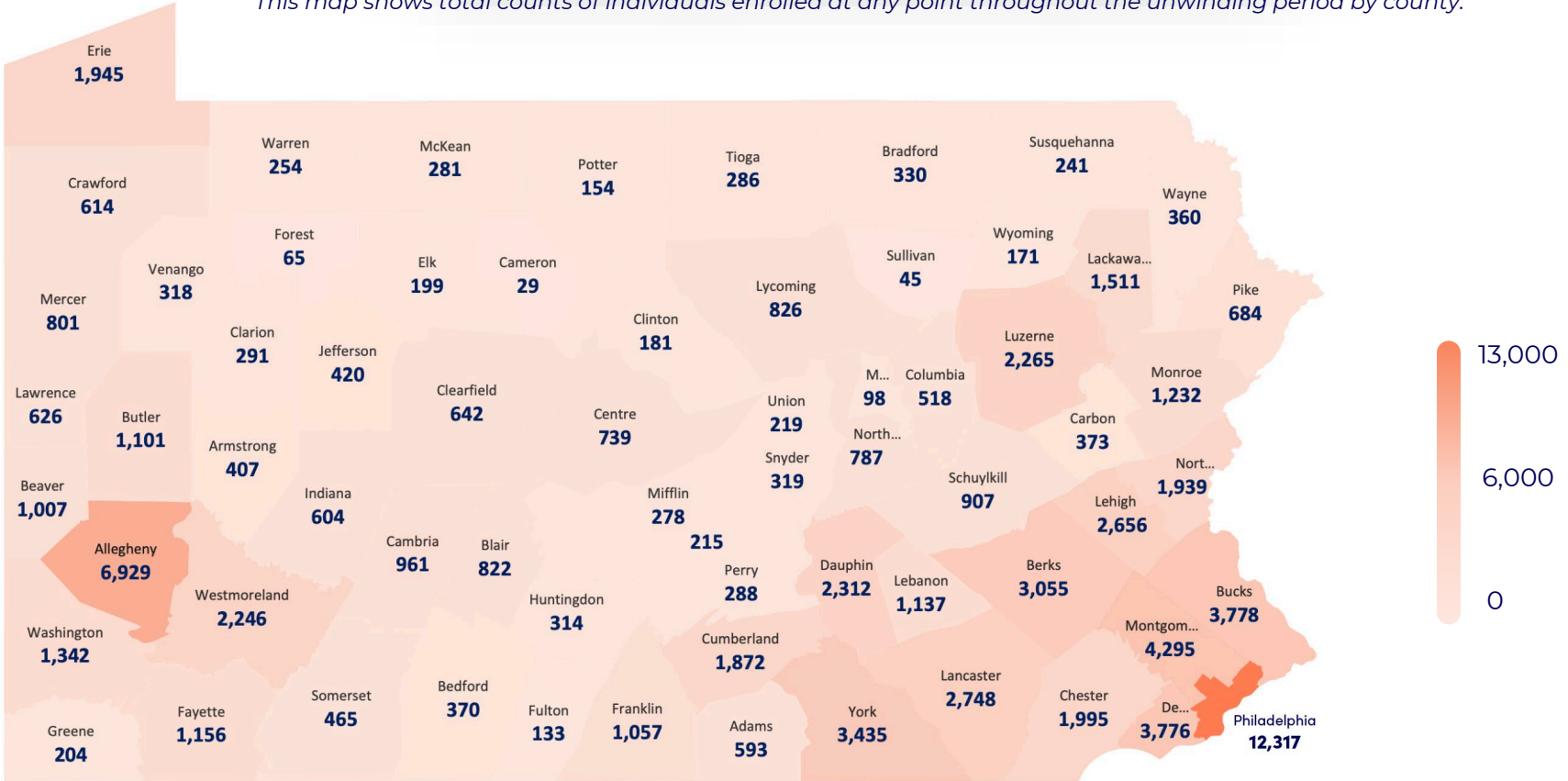
Any Enrollment
84,547

Current Enrollment
67,601

- Average of **1,007** Applicants per day
- Average of **185** Enrollees per day
(Capturing individuals enrolled at any point throughout unwinding period)
- Average of **148** Enrollees per day
(Capturing individuals currently enrolled as a result of unwinding)

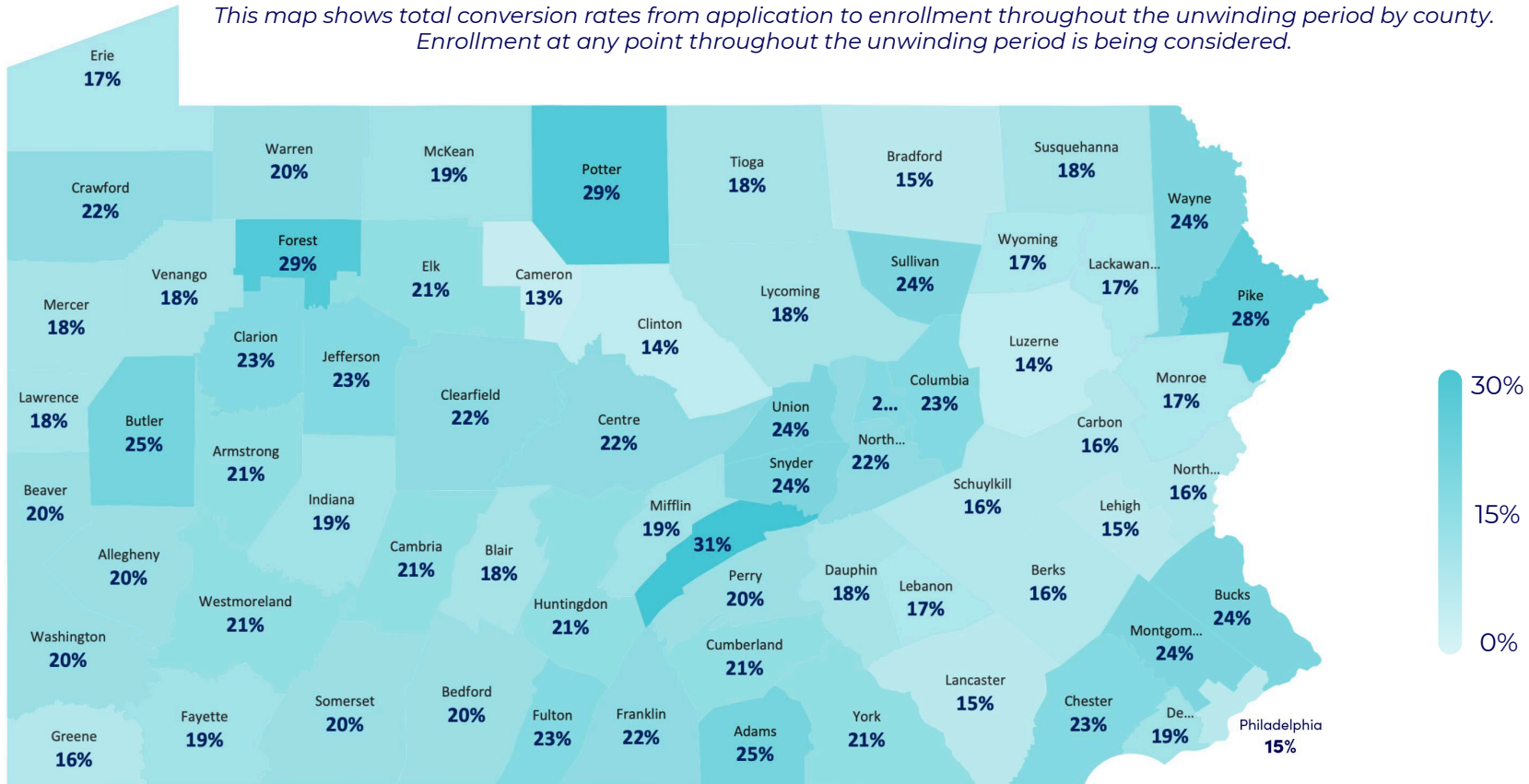
Unwinding Enrollments By County

This map shows total counts of individuals enrolled at any point throughout the unwinding period by county.



Unwinding Enrollment Conversion Rates By County

This map shows total conversion rates from application to enrollment throughout the unwinding period by county. Enrollment at any point throughout the unwinding period is being considered.



Unwinding Enrollment Avenues

This chart compares the efficacy of various enrollment avenues during the unwinding period. Enrollment at any point throughout the unwinding period is being considered.

Method	Applicants	Enrolled	Enrolled %
Total	460,289	84,547	18.4%
Account Transfer - Auto-Eligibility	341,126 (74%)	44,974	13.2%
Account Transfer - No Auto-Eligibility	76,275 (17%)	11,144	14.6%
Manual – New Application Submitted by Consumer	42,872 (9%)	28,426	66.3%

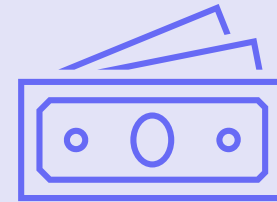
Financial Assistance Eligibility

Financial Assistance	Total Enrollees	Current Unwinding Enrollees
APTC	33%	18%
APTC_CSR	57%	79%
CSR	<1%	0%
QHP*	10%	3%
Total	435,097	67,601

*Not eligible for financial assistance

"Total" includes all enrollees with plan selections, even "Unwinding" customers.

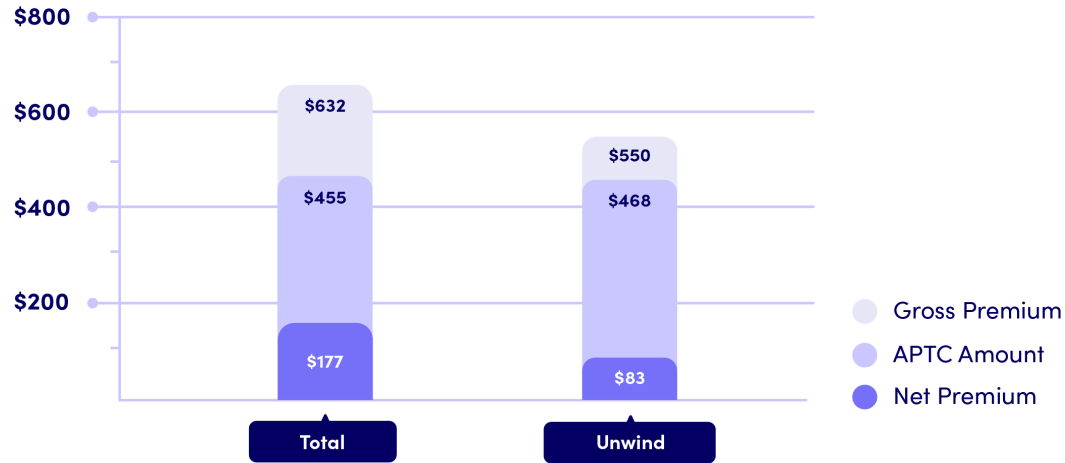
"Unwinding" customers are those that have used the "Loss of Medical Assistance (MA)" special enrollment period (SEP) event. These could have come directly from an MA transfer or from a new application.



Unwinding customers are more often eligible for Financial Assistance – especially cost sharing reductions – than the average Pennie customer.

Premiums and Financial Assistance

Per Member Per Month (PMPM) APTC and Net Premium Metrics



This measure is for current enrollees.

“Total” includes all enrollees with plan selections, even “Unwinding” customers.

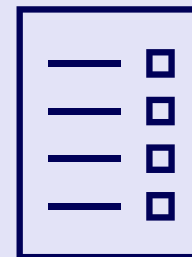
“Unwinding” customers are those that have used the “Loss of MA” SEP event. These could have come directly from an MA transfer or from a new application.

Policy Net Premium	Total Enrollees	Current Unwinding Enrollees
Cost \$1 or less	15%	23%
Cost \$50 or less	32%	56%

Unwinding customers are more often paying less for coverage than the average Pennie customer.

Plan Selections

Metal Level	Total	<u>Current</u> Unwinding Enrollees
Bronze	22%	19%
Silver	34%	40%
Gold	43%	41%
Catastrophic	<1%	<1%
Total	435,097	67,601



Unwinding customers tend to select Bronze/Gold Plans slightly less, and Silver plans more than the average Pennie customer.

This measure is for current enrollees.

“Total” includes all enrollees with plan selections, even “Unwinding” customers.

“Unwinding” customers are those that have used the “Loss of MA” SEP event. These could have come directly from an MA transfer or from a new application.

Percents might not sum to 100% due to rounding.

Gender Demographics

Gender	Total	<u>Ever Enrolled</u> Unwinding Enrollees
Male	46.0%	38.1%
Female	54.0%	61.9%
Total	435,097	84,547



Unwinding customers are more likely to be female than the average Pennie customer.

This measure is for current enrollees for total, but ever enrolled for unwinding.

“Total” includes all enrollees with plan selections, even “Unwinding” customers.

“Unwinding” customers are those that have used the “Loss of MA” SEP event. These could have come directly from an MA transfer or from a new application.

Ethnicity Demographics

Ethnicity	Total	<u>Ever Enrolled</u> Unwinding Enrollees
Hispanic/ Latino	4.7%	11.9%
Not Hispanic/ Latino	74%	80%
No Response	22%	8%
Total	435,097	84,547



Unwinding customers are more likely to be of Hispanic/Latino ethnicity than the average Pennie customer.

This measure is for current enrollees for total, but ever enrolled for unwinding.

“Total” includes all enrollees with plan selections, even “Unwinding” customers.

“Unwinding” customers are those that have used the “Loss of MA” SEP event. These could have come directly from an MA transfer or from a new application.

Percents might not sum to 100% due to rounding.

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