



# Pennie Advisory Council Meeting

March 2025

# Agenda

- **Preliminary Matters**
  - October 1, 2024 Advisory Council Meeting Minutes
  - Welcome New Member
- **Open Enrollment 2025**
- **CMS Proposed Rule**
- **Contingency Planning for the Enhanced Premium Tax Credits**
- **Adjourn**





# Preliminary Matters

## Preliminary Matters

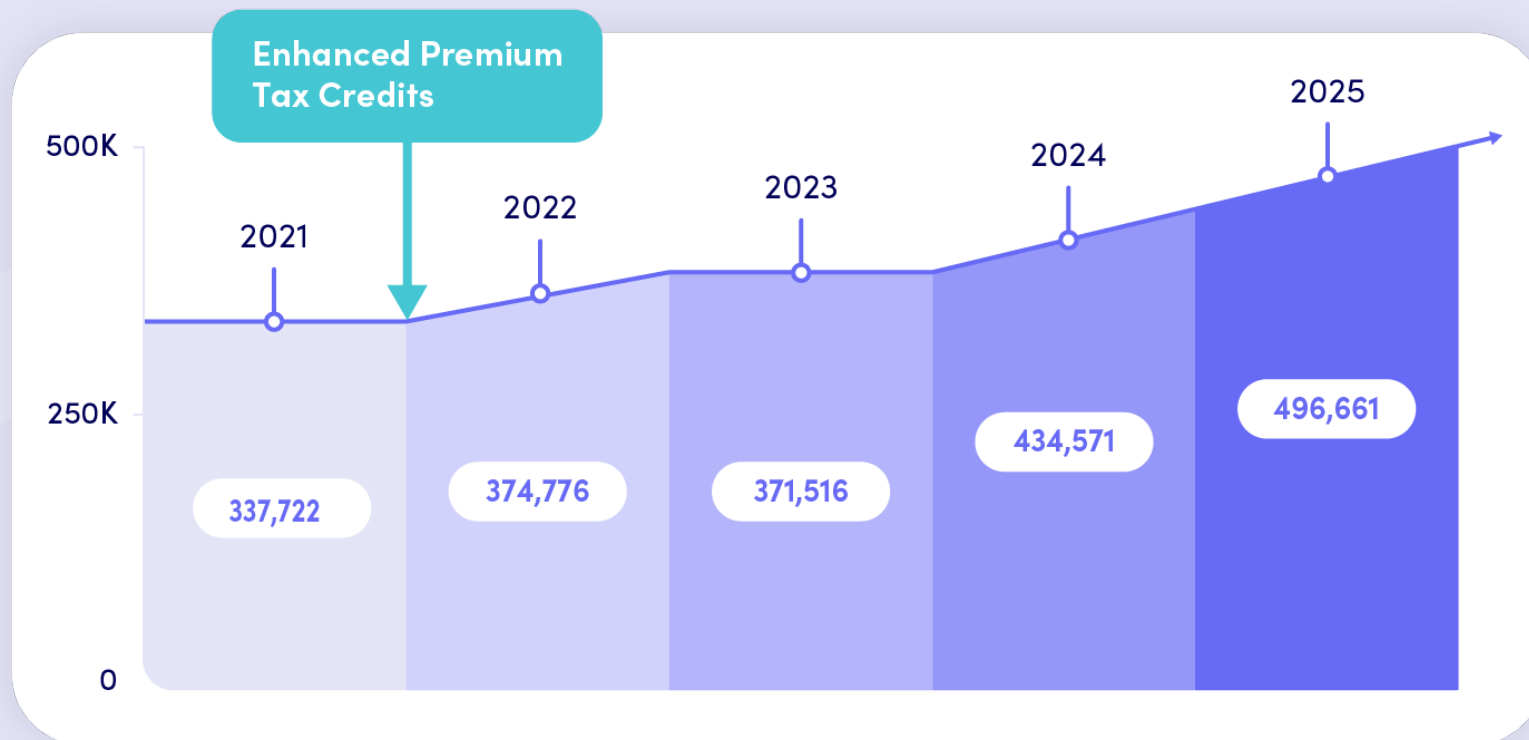
- **Call to Order**
- **Roll Call**
- **Approval of Previous Meeting's Minutes**
- **Opportunity for Public Comment**
- **Welcome New Member**



**Open Enrollment 2025**

## Open Enrollment Key Takeaways

- Enrollment increased by over 14% from the previous year.
- 47% more enrollments since enhanced premium tax credits went live in 2021.
- This open enrollment period again saw the highest number of new enrollees which was coupled with a smooth auto-renewal process.
- Slightly higher net enrollment in marketing and outreach focus areas, with markedly lower net enrollment in highly disrupted markets with the greatest cost increases.



## OE Overview

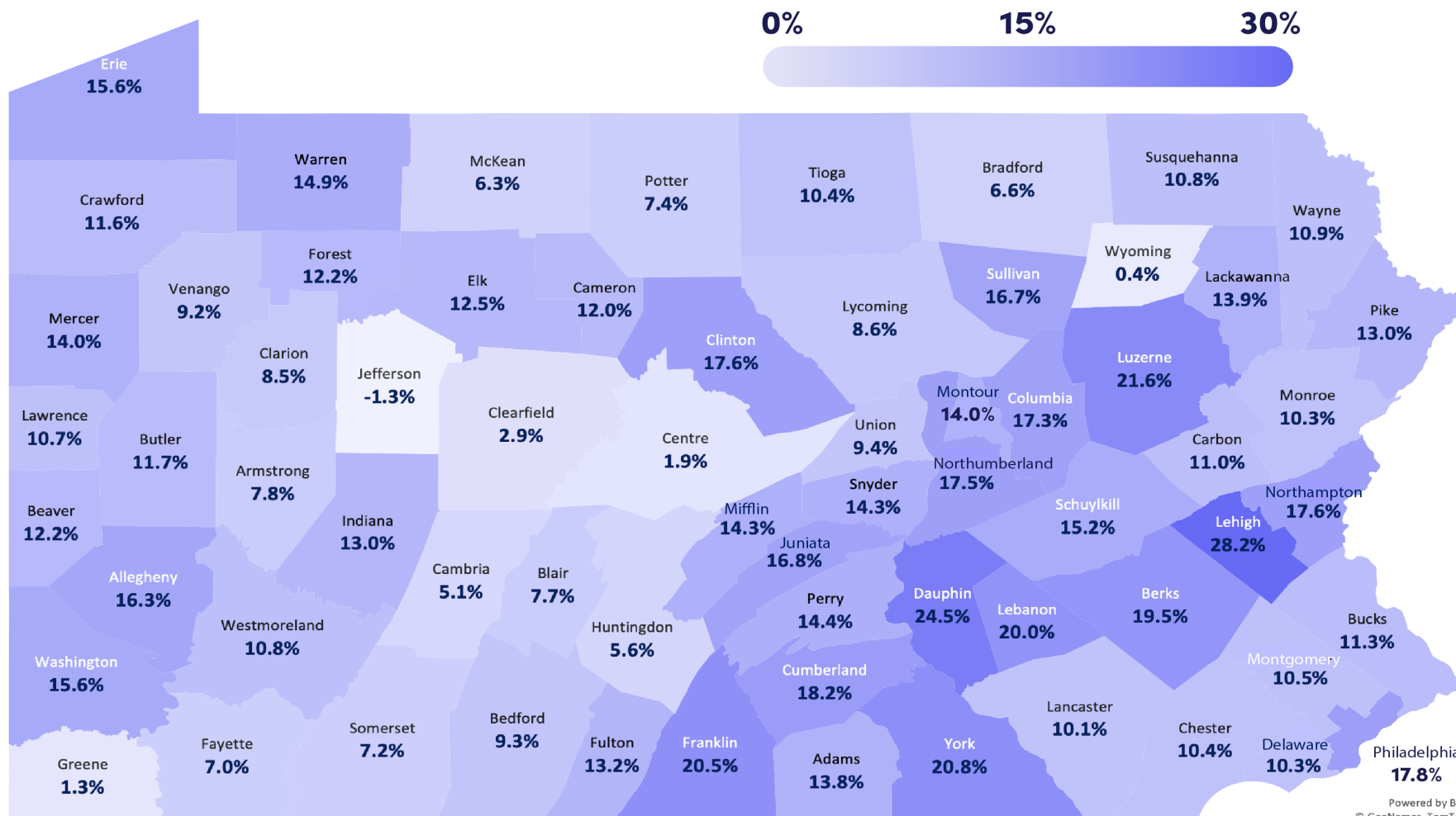
### **New Enrollees: Efforts to reach uninsured were successful in focus areas.**

- Expanded successful tactics from OE2024 to broader southeast PA counties and Allegheny County, plus increased outreach events by assisters.
- Growth in targeted areas outpaced overall increases by roughly one percentage point.

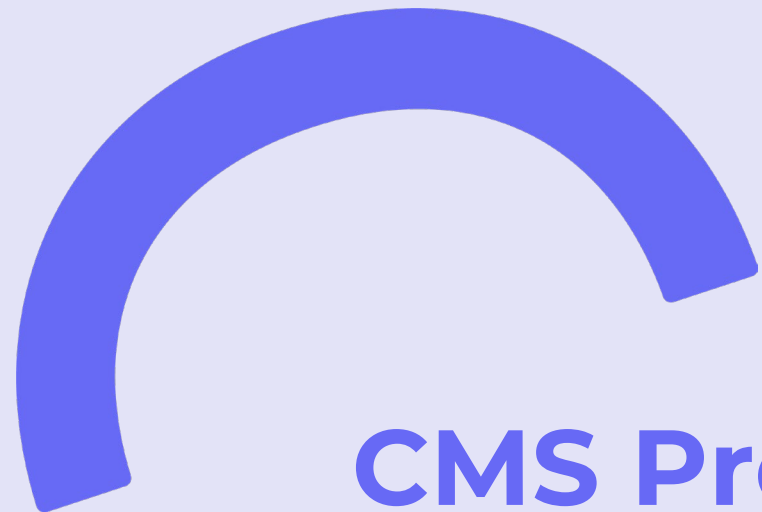
### **Retaining Enrollees: Smooth auto renewal process; Efforts to educate on cost increases and other market changes met with mixed success.**

- Successfully auto-renewed 97.5% of current enrollees (similar to last year).
  - Retained 57% of those who were not auto renewed (up from 21% last year).
- 95% of enrolled households at the end of 2024 are still enrolled for 2025 (up from 91% last year).
- Highly impacted groups (failure to reconcile, large net premium increases): ~60% made updates, 20% disenrolled, and 20% did not act (at risk for non-pay termination).
- Conducted multi-faceted outreach to enrollees in rating area 2 and 5 that had reduced financial help due to drop in benchmark premiums, but still saw lower retention rates and lower growth.

# Percent Change in Enrollments by County







# **CMS Proposed Rule**

## Proposed Program Integrity Rule

The proposed rule outlines several provisions with the purported goal to address waste, fraud, and abuse centered around enrollments considered to be improper, and asserts that current eligibility and enrollment rules have led to adverse selection. The proposed rule directly mentions that several policies would decrease enrollment and thus reduce federal costs.

### **Proposed Marketplace Changes**

#### **Enrollment**

- Limit the Open Enrollment Period (OEP) to November 1 through December 15 for all Exchanges, including state-based marketplaces (Pennie's OEP is Nov. 1 through Jan. 15)
- Require a \$5 premium for enrollees who are auto-renewed and eligible for a zero-dollar premium; require active application update to restore zero-dollar premium
- Remove the option to auto-renew enrollees from Bronze to Silver plans
- Eliminate low-income Special Enrollment Period (SEP) for incomes at or below 150% federal poverty level (FPL)

#### **Eligibility & Coverage**

- Require action on failure to reconcile (FTR) after one year of not reconciling APTC (versus current two years)
- Allow insurers to require payment of past due premiums for prior coverage, before effectuating new coverage
- Remove additional flexibilities insurers have for premium percentage thresholds (revises a recently finalized rule that allowed for both fixed-dollar and gross premium percentage-based thresholds)

## Proposed Changes Continued

### **Verifications**

- Eliminate automatic 60-day extension to verify income discrepancies
- Eliminate the option to accept self-attestation of consumer income when no data is available from the Internal Revenue Service (IRS)
- Require additional verification of household income for those who report income between 100%-400% FPL when IRS data indicates income is below 100%
- Require state-based marketplaces to conduct pre-enrollment verification for 75% of SEPs

### **Plan Management**

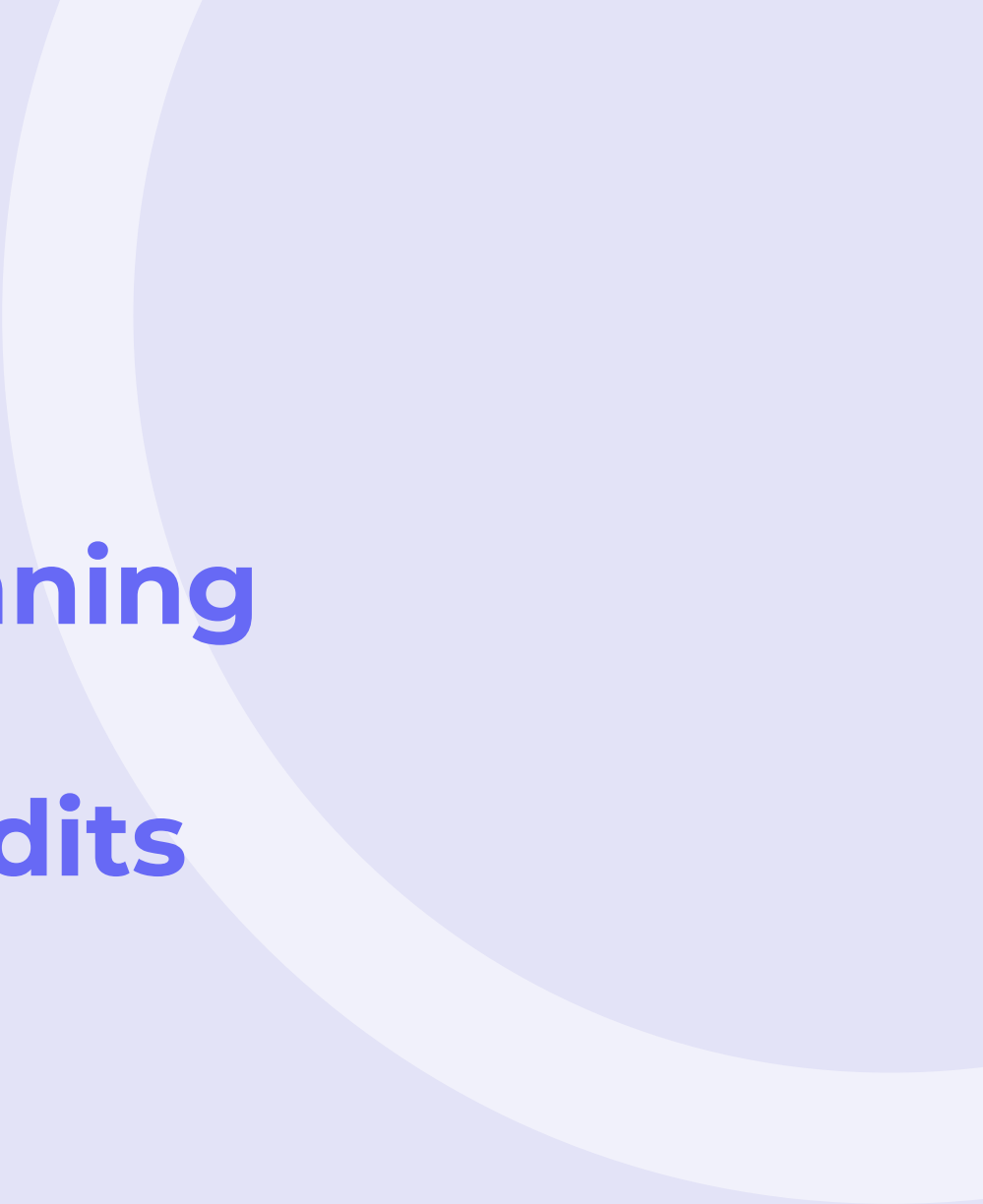
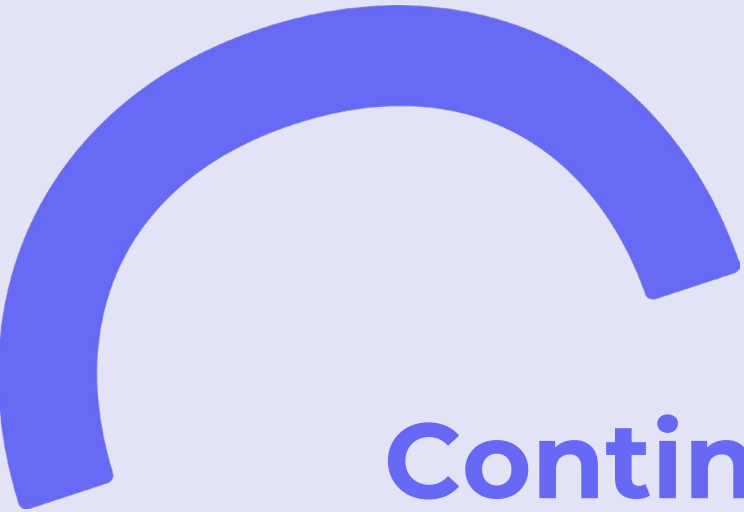
- Change methodology for premium adjustment and cost-sharing thresholds
- Reduce the de minimis threshold for actuarial value

### **Broker**

- Establish a "preponderance of evidence" standard for federal exchange action on broker terminations

### **Eligibility**

- Rescind QHP eligibility for Deferred Action for Childhood Arrivals (DACA) recipients



# **Contingency Planning for the Enhanced Premium Tax Credits**

## 2025 – EPTC Contingency Planning

- **Significant uncertainty remains regarding the extension of the enhanced premium tax credits.**
- **With uncertainty regarding the extension:**
  - Prepare for potential system changes and testing
  - Consumer messaging and communication
  - Budget implications long-term

# Contingency Planning for 2026 Open Enrollment

**A shift to focusing on the value of coverage (instead of cost) throughout the coming months will increase awareness of coverage benefits in advance of potential cost increases.**

## **Research Results:**

- Individuals value free preventative care (wellness checks, screenings, tests).
- Want to know their plan covers hospitalizations, prescription drugs, and they are protected from full cost of medical bills due to illness or injury.
- Under 35% are aware of guaranteed coverage and protections – opportunity for improvement.

## **Emphasize: Value and Quality**

- Reinforce coverage aspects, protections (pre-existing conditions, financial).
- Educate on differences between plans through Pennie vs. outside Pennie – guarantees of consumer protections and comprehensive coverage for informed decision-making.

## **Communication Plan**

- Throughout the year, routinely remind current enrollees what their plan covers.
- Broader channels for messaging: emails, mentions on social/pennie.com, mailers, and advertisements.

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