

October 14, 2017

Dear Affordable Care Act Clients,

I feel like someone threw the deck of cards in the air and I'm playing 52 card pickup. Well, lets add a couple more decks to that game of 52 card pickup.

Hot off the press. President Trump took two actions on Thursday Oct 12. The first was an Executive Order. It's not clear this would have an immediate affect on the individual market except possibly for short term plans. The 2nd action will. It is an immediate cessation of the quarterly Cost Sharing payments the government sends to the insurance companies. This payment covers the company's extra costs associated with offering Cost Sharing Reduction (I often call them 'turbocharged') silver plans. These plans are available to households with incomes less than 260% of the Federal Poverty Level (FPL). The cancellation will cause insurance companies to raise rates to compensate for the missing subsidy payments.

What does this mean to you? If you receive the *other* subsidy (tax credit), you will be largely shielded from the effects of the increase. If you don't, you will be exposed to the raw rate increase. The actual Cost Sharing Reduction *plans* will continue to be offered as required by the ACA law.

The Colorado Division of Insurance has announced that due to the cancellation of CSR payments, the average rate increase will be around 33% instead of the expected 26.7%. 9news has a report [here](#).

Open Enrollment and Rate Increases:

Open enrollment is once again almost upon us. The 2018 open enrollment period is Nov 1st through Jan 12, 2018. To qualify for a January 1 effective date, you must enroll by Dec 15, 2017. If you enroll through Connect for Health Colorado, please check and make sure you can log into your account **now**. In their infinite wisdom, Connect for Health resets your password every 90 days. If you can not reset your password, please do so now to avoid the November 1 crunch. If necessary call Connect for Health for assistance.

As you may have heard, prices are rising yet again. The average rate increase for 2018 is 26.7% (now ~33%). If you qualify for tax credits, in most cases you will **actually pay less** for an

equivalent plan in 2018 than you did in 2017. If you do not qualify for a tax credit, you will be exposed to the full rate increase.

The chart below shows the average rate increase for each carrier. This chart is based on the average 26.7% rate increase.

Company	2018 Avg Increase
Anthem BCBS	30.2%
Bright Health	27.4%
Cigna	30.9%
Denver Health	12.7%
Kaiser	24.4%
Friday Health	29.7%

Anyone's specific rate increase can (obviously) be higher or lower than average.

Tax Credits, Medicaid/PEAK:

Another important piece of information is I will no longer be assisting with Medicaid/PEAK or tax credit issues. These issues lie solely in the domain of Connect for Health Colorado and the PEAK/Medicaid system. Steadily decreasing commissions have led to this decision. I explain the reasoning behind my decision in greater detail on my blog. You can read my explanation [here](#).

When can you get an updated 2018 tax credit determination? First, many of you will automatically have your tax credit updated. That should occur by October 24th when Connect for Health updates their website. For those who need to report a change in income or simply redo your determination for whatever reason, you should be able to 'report a change' via Connect for Health and create a new 2018 tax credit determination. I recommend keeping an eye out for emails from Connect for Health Colorado on this issue.

Plan Pricing

When can you see pricing? At the moment I can quote Anthem and Bright Health from their websites. (Note these rates may be incorrect due to the CSR cancellation). Cigna and Kaiser

are planning to enable website quoting on November 1. Connect for Health plans to have their website updated on Oct 24th at which time 2018 plans can be quoted and tax credits can be estimated.

Notable Changes

Here are some changes of note. In 2017 Cigna offered two series of plans, Cigna Connect and the Cigna Vantage. Cigna will not be offering Vantage plans in 2018 and fewer Connect plans. Colorado Choice has merged with Melody Health and the new company is called Friday Health. It appears they have enlarged their service area slightly. Anthem once again is available in every county, albeit in most cases they are the highest cost provider. They are the only provider in 14 counties. Kaiser will be the low cost provider. Bright Health will offer plans in the immediate Denver area, just as they did in 2017 and they should be competitive. Their plans do NOT require you to select a PCP or seek a referral to see a specialist.

Networks.

This comes up every year and it's best to accept reality. There are NO PPO networks. In fact, the only statewide network is Anthem. The other networks are regional. All plans offer emergency room coverage until stabilization throughout the United States. Anthem plans offer urgent care coverage throughout the United States through their Blue Card network. Day to day medical care is only covered when you are seeing an in-network doctor.

I can't fix this. I can't change the networks. I can't change the fact that half your doctors are in network with Cigna and the other half are in network with Anthem. Or even worse, your doctors aren't in any networks at all. Please contact your favorite or least favorite politician. There are no hidden PPO ACA compliant plans off exchange or that you can find using Mr. Google, Bing or Duck Duck Go.

Stepping Outside the Box

Are there other options? Yes there are. In prior years I have elected to only bring them up in special situations. However the complaints and cries of distress regarding networks and pricing have gotten loud enough that I believe everyone should at least be aware of other available options.

If you are eligible for small group coverage, you should seriously consider it. You must have 1 W-2 employee working at least 30h per week. With a small group plan you receive slightly lower rates (assuming no tax credit), slightly better plan designs and some plans are available with PPO networks. With some companies, the employer contribution can be as little as \$0 and employees portion of the premium can be paid pre-tax. Small group plans can start the 1st of **any** month.

In the individual market, one option that will not trigger the ACA penalty are Health Care Sharing Ministries plans. There are a number of plans sponsors. I currently work with Altrua Health and hope to add an additional provider shortly. Note these plans are *not* insurance. A declaration of belief in a higher power is required. The actual declaration varies from one plan sponsor to another.

Insurance options that would trigger the penalty include: Short Term medical and Indemnity plans. At the present time, the maximum duration of short term plans is 90 days. The Oct 12th executive order should eventually extend that time to 6 months or 180 days. Indemnity plans pay a fixed fee per designated service. United Healthcare has released a suite of Indemnity plans that may be worthy of consideration.

All options provide access to nationwide networks. All but small group coverage are medically underwritten, so acceptance is not guaranteed.

I will provide additional information on my website. [This blogpost](#) will serve as a guide to direct you to additional information on these alternate plan ideas.

Let's setup a time to review your coverage and complete your 2018 enrollment.

Best Regards,

Chris Adams

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P.S. The cessation of the CSR payments to the insurance companies is causing much upheaval as this affects not only the cost of plans but tax credit determinations as well. Congress could enact legislation to authorize the CSR's and the President may or may not sign it. This could be fixed next week, next month, next March or not at all. Although this will cause the "list price" of plans to increase more than expected, for those eligible for a tax credit, it will increase to compensate for the premium increase.

