MNsure
Health Industry
Advisory Committee (HIAC) & Consumer and Small
Employer Advisory Committee (CSEAC)

Open Enrollment Length Recommendation

The Health Insurance Advisory Committee (HIAC) and Consumer and Small Employer Advisory Committee (CSEAC) were established by the MNsure Board under authority of Minn. Stat. § 62V.04, subd. 13(a).

The HIAC and CSEAC "will provide appropriate and relevant advice and counsel on MNsure's duties and operations and other related issues for the benefit of the Board."

May 30, 2017

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HIAC Members

Jonathan Watson is the committee chair. He resides in the Twin Cities and is public policy director at the Minnesota Association of Community Health Centers.

Ghita Worcester is the committee vice chair. She resides in the Twin Cities and is the senior vice president for public affairs and the chief marketing officer at UCare.

Kenneth Bence resides in the Twin Cities and brings over 25 years of experience working in public and community health in Minnesota.

Kyle Bozentko resides in the Twin Cities and is the executive director of the Jefferson Center.

David Dziuk resides in the Twin Cities and is senior vice president and chief financial officer at HealthPartners, Inc.

Forrest Flint resides in the Twin Cities and is vice president of strategy and innovation at Delta Dental of Minnesota.

Carl Floren resides in the Twin Cities and is a retired software professional.

Thomas Hoffman resides in the Twin Cities and is a General Manager for Prime Therapeutics, a pharmacy benefit manager for Blue Cross Blue Shield Minnesota and other health plans across the country.

Hillary Hume resides in the Twin Cities and is a clinical operations director with KEPRO.

Harlan Johnson resides in Greater Minnesota and is an insurance broker at Harlan V. Johnson Agency, Inc. He is a small business owner and an employer. Harlan serves on the board of directors for the Minnesota Association of Health Underwriters.

Andy McCoy resides in the Twin Cities and is the vice president of revenue management for Fairview Health Services.

Heidi Michaels Mathson resides in the Twin Cities and is a health insurance broker at Dyste Williams.

Daniel Miesle resides in rural Minnesota and works as a health care facility consultant.

Reuben Moore resides in Greater Minnesota and is the vice chair of global solutions at Mayo Clinic.

Chris Rofidal resides in the Twin Cities and is a regional sales director with Health Information Designs.

Charles Sawyer resides in the Twin Cities and is a chiropractor as well as senior vice president at Northwestern Health Sciences University.

Bette Zerwas resides in rural Minnesota and is a policy consultant with MS Strategies. She is affiliated with the Minnesota Health Care Safety Net Coalition

CSEAC Members

Richard Klick is the committee chair. He resides in the Twin Cities and purchases his health insurance on the individual market. Richard works as a health insurance broker with Richard Frank Klick Agency.

Mary Ellen C. Becker resides in the Twin Cities and currently purchases her health insurance through a public program. She is a past employee of UnitedHealth Group, where she held a director of operations position focusing on health literacy and communications.

Nancy Breymeier resides in the Twin Cities and purchases her health insurance on the individual market. She is a small business owner and previously represented the Metropolitan Independent Business Alliance on the Health Plan Purchasing Pool Study Group in 2008.

Matthew Flory resides in the Twin Cities and receives his health insurance through his large employer. He is a state health systems manager with the American Cancer Society, and also a consumer representative on the Measurement and Reporting Community for Minnesota

Community Measurement and a steering committee member for the Minnesota Cancer Alliance.

Leigh Grauman resides in the Twin Cities and receives her health insurance through her small employer. She works as the director of training and policy implementation for Portico Healthnet.

Bentley Graves resides in the Twin Cities and receives his health insurance through his small employer. Bentley is the director of health care and transportation policy at the Minnesota Chamber of Commerce.

Kim Johnson resides in rural Minnesota and purchases his health insurance on the individual market. He is the owner of Team Powdercoating, a business participating in MNsure's SHOP.

Ann McIntosh resides in the Twin Cities and purchases her health insurance on the individual market. She is the founder of McIntoshMD, a health care consumer education, empowerment and advocacy company, and works as a locum tenens emergency physician.

Peter Musimami resides in the Twin Cities and purchases his health insurance on the individual market. He works as a senior business analyst consultant and is currently an authorized Mayo Clinic contractor at Mayo Medical Laboratories.

Kate Onyeneho resides in the Twin Cities and receives her health insurance through a public program. She is the president/CEO of the Center for Africans Now in America, Inc., and a MNsure-certified navigator with All Star Academy.

Denise Robertson resides in Greater Minnesota and receives her health insurance through her small employer. She works as the southeast Minnesota regional coordinator & senior navigator with Health Access MN.

Kathleen Saari resides in rural Minnesota and receives her health insurance via a public program. She is a self-employed small business owner.

Hussein Sheikh resides in the Twin Cities and his family currently receives health insurance from a combination of coverage provided by a small employer and public programs. He is a licensed dental assistant in a federally funded community clinic, as well as a medical translator.

Matthew Steffens resides in rural Minnesota and purchases his health insurance on the individual market. He is the director of consulting services for Experienced Insurance Advisors of Hibbing, MN, with more than 25 years of experience in the health insurance industry. His

clients include employers and individuals across the Iron Range who are looking to purchase health insurance through the marketplace.

Executive Summary

The MNsure Health Industry Advisory Committee (HIAC) and Consumer and Small Employer Advisory Committee (CSEAC) jointly recommend that the **MNsure open enrollment period last for 75 days and begin October 1 and end December 15 of every year**. This would be achieved by supplementing the open 2017 scheduled enrollment period -- November 1 through December 15 with a special enrollment period open to all Minnesotans from October 1-31. **The resultant time for Minnesotans to enroll for coverage starting on January 1, 2018 would be October 1 to December 15.**

The joint HIAC/CSEAC recommendation is in response to the Center for Medicare and Medicaid Services' (CMS) final rule that shortens the open enrollment period for coverage year 2018 from roughly 90 days to 45 days.

The HIAC and CSEAC met jointly on May 30, 2017, to evaluate:

- Experiences of other states' open enrollment data;
- MNsure open enrollment data to date; and
- Perspectives of the consumers, assisters and health plans related to the length of the open enrollment period.

Both the HIAC and CSEAC felt strongly that given the shifting federal policy landscape regarding health care, these recommendations are based on the individual market as it exists in Minnesota as of May 2017. Clearly, significant changes – e.g., elimination of the Affordable Care Act's (ACA) cost-sharing reductions (CSRs) or implementation of all or components of the American Health Care Act (AHC) – could potentially alter the recommendation.

Of the present members of the joint meeting, **the vote was unanimous**. For the HIAC, 16 members voted in favor and one (1) was not present. On the CSEAC, 11 members voted in favor and three (3) were not present.

Issue Statement

The open enrollment period for coverage in 2018 was shortened by a rule released by the federal government from roughly 90 days to 45 days.

Since Minnesota operates a state-based marketplace, the MNsure Board can set an open enrollment period that is similar to or different than the federal exchange's open enrollment period. To deviate from the 45-day period for 2018 coverage, **the MNsure Board will need to actively pursue a change**.

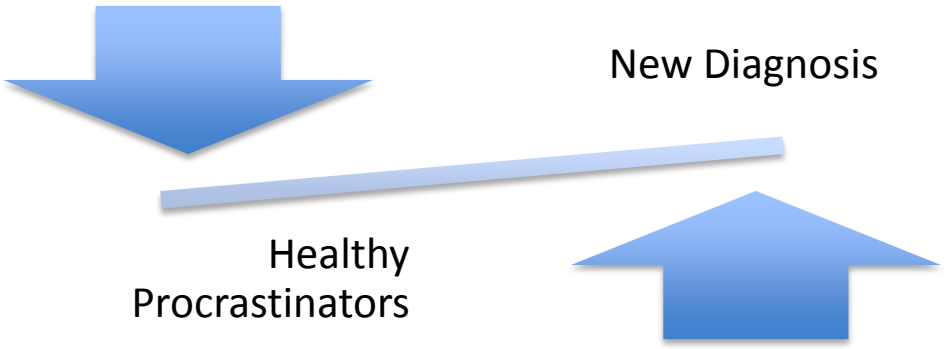
Technically, the MNsure Board would need to extend the window during which all Minnesotans are eligible to enroll via the **creation of a special enrollment period in addition to the federal open enrollment period of 45 days (November 1 – December 15)**

As the HIAC and CSEAC evaluated options for this recommendation, **the following factors** were part of our collective deliberations and discussions:

- **Adverse Selection versus "Procrastinators"** – At the heart of this open enrollment debate is the issue of ensuring a mix of unhealthy and healthy enrollees to spread the risk. A longer enrollment period could potentially allow previously uninsured individuals who develop a condition to enroll into coverage. Additionally, a longer period could ensure that "procrastinators" a given ample time to evaluate options and enroll.

Irrespective of the enrollment period length, many CSEAC and HIAC members felt that open enrollment should not extend in to the coverage year (past January 1) in order to minimize the potential of adverse selection.

The Tension of Open Enrollment Periods

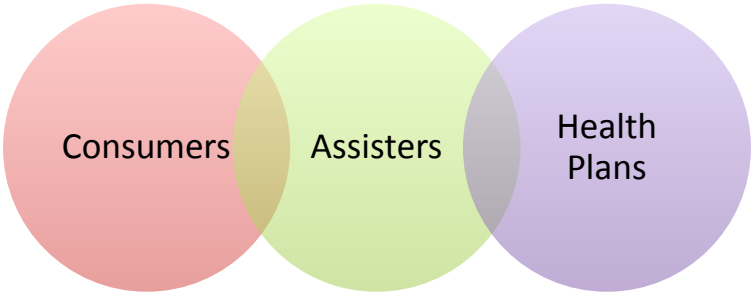


- **Past Enrollment Statistics of MNsure** – The HIAC/CSEAC considered enrollment patterns of previous OE periods to understand the pace of enrollment.

- **MNsure Cost** – Any changes to the OE time-period and start/end dates of OE will necessitate resource allocation at MNsure.

- **Legislative Authority** – This recommendation is based on the assumption that no state nor federal statutory or rule changes would be required to change either the duration of OE or the start/end dates of OE.

Most importantly, the HIAC/CSEAC evaluated changes to OE with the perspective of three key MNsure constituencies:



Changing the length of the open enrollment period and start/end date for coverage year 2018 and thereafter is the subject of this recommendation.

Background

On April 13, 2017, the federal Center for Medicare and Medicaid Services (CMS) published a final rule[1] related to "increasing choices and stabilizing the health insurance market in 2018." One of the five components of the rule **adjusts the annual open enrollment period for 2018 "to more closely align with Medicare and the private market."**

Per the final CMS rule, the next open enrollment period will start on November 1, 2017, and run through December 15, 2017. The rationale for this change is cited in the final rule:

> *"...as the Exchanges continue, a month-and-a-half open enrollment period provides sufficient time for consumers to enroll in or change QHPs for the upcoming benefit year. Furthermore, this timeframe would achieve our goals of shifting to an earlier open enrollment end date, so that all consumers who enroll during this time will receive a full year of coverage, which will increase access for patients and simplify operational processes for issuers and the Exchanges. In addition, we noted that we also believe that this shorter open enrollment period may have a positive impact on the risk pool because it will reduce opportunities for adverse selection by those who learn that they will need healthcare services in late December or January. Although we originally thought a longer transition period was needed before moving to this shorter open enrollment period, in the proposed rule, we stated that we believe that the market and issuers are now ready for this adjustment sooner."*[2]

While this rule applies to both federally-facilitated and state-based exchanges, the rule allows for states to set their own open enrollment periods. Specifically CMS states that:

> *"…we recognize that some SBEs may have operational difficulties this year in transitioning to this shorter open enrollment period. Under their existing regulatory authority, those Exchanges may elect to supplement the open enrollment period with a special enrollment period, as a transitional measure, to account for those operational difficulties."*[3]

Prior to issuance of the rule, the Affordable Care Act (ACA) provided for a 90-day open enrollment period – from November 1, 2017 to January 31, 2018 for

[1] US Department of Health and Human Services, Final Rule CMS-9929-F (https://s3.amazonaws.com/public-inspection.federalregister.gov/2017-07712.pdf)
[2] US Department of Health and Human Services, Final Rule CMS-9929-F, pages 30-31
[3] US Department of Health and Human Services, Final Rule CMS-9929-F, page 35

coverage year (calendar year) 2018[4]. The impact of the rule is a 45-day reduction or 50%.

The MNsure Board would need to proactively change the open enrollment period if they chose NOT to follow the new federal rule. In other words, the open enrollment will be 45 days for 2018 coverage year, unless the MNsure Board decides otherwise.

It is important to note that the open enrollment period for 2019 and thereafter is scheduled for 45 days as part of the ACA statute. **The CMS rule of April 13, 2017, therefore, shortens the open enrollment period only for one year.**

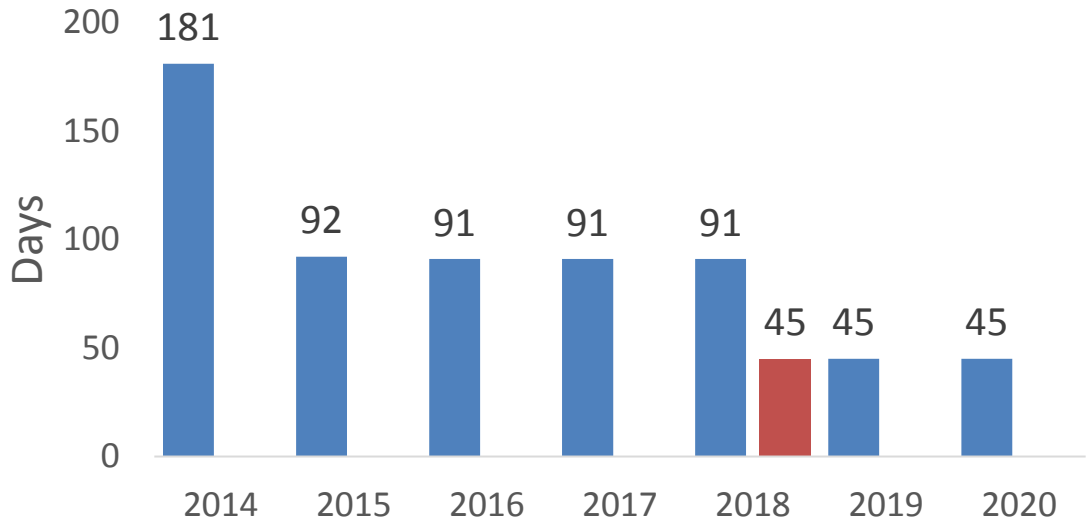
Chart 1 and Table 1 summarize the open enrollment period over time.

Chart 1 | Open Enrollment Start and End Dates

Coverage Year	Start Date	End Date
2014	10/1/2013	3/31/2014
2015	11/15/2014	2/15/2015
2016	11/1/2015	1/31/2016
2017	11/1/2016	1/31/2017
2018	**11/1/2017**	**1/31/2018**
	11/1/2017	**12/15/2017**
2019	11/1/12018	12/15/2018
2020	11/1/2019	12/15/2019

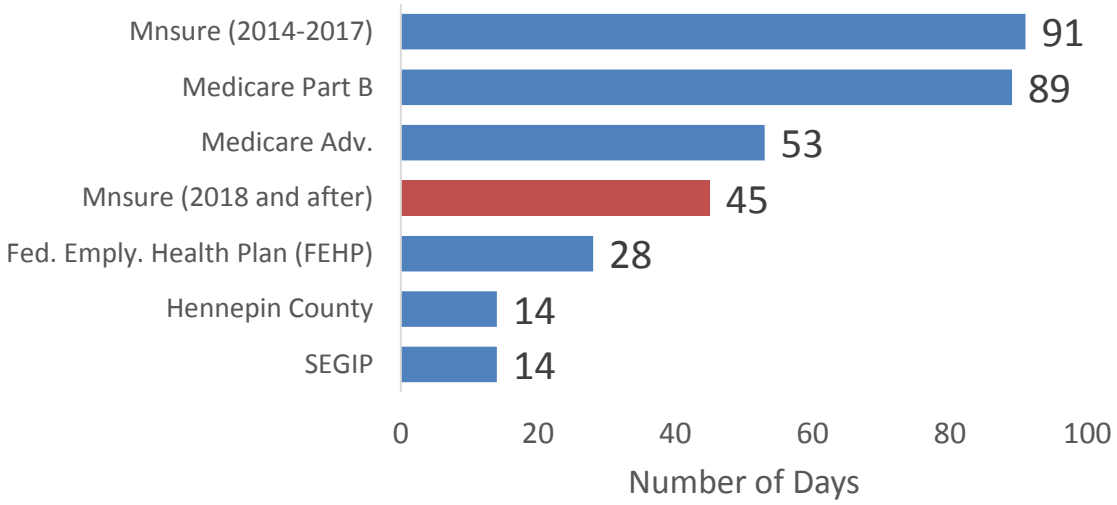
[4] §155.410 (e)

Chart 1 | Length of Open Enrollment, 2018 Pre- & Post-CMS April 2017 Rule



The HIAC and CSEAC also evaluated the open enrollment periods of other health coverage options. Chart 2 outlines the length, in days, of the open enrollment periods for various public coverage programs.

Chart 2 | Length of Various Public Open Enrollment Periods, by Days



The Kentucky Experience

There is very little literature documenting the impact of shortening the open enrollment period of health exchanges. A recent blog post from *Health Affairs*[5], attempts to assess the impact of an open enrollment period by evaluating previous enrollment in Kentucky's exchange known as "kynect."

For the 2015 coverage year, the authors found that **92% of re-enrollments were complete in the first week**. Conversely, new enrollees took longer to enroll as 60% of total enrollments occurred in the 2nd half of open enrollment, 33% in the last three weeks and **25% in the last week**.[6]

A key question that the *Health Affairs* authors could not directly resolve is identifying key demographics of the "late enrollees" who are signing up for coverage for the first time. To address this issue, the authors cited the Kentucky Health issues poll as a proxy for the uninsured entering the individual insurance market. Respondents to that poll cited:

- 73.8% are in "good health;"
- 64.2% are "employed at least part-time;"
- 58.0% are 45 years of age or younger; and
- 51% are female.

The authors of the *Health Affairs* blog post concluded:

1. Avoiding adverse selection is an obvious concern for insurers, but **limiting enrollment periods could also potentially reduce enrollment by younger and/or healthier individuals** — a group critical to balancing the risk pool and lowering (or at least slowing the growth of) premiums in exchange plans; and

2. Although the findings are descriptive, they suggest that **reducing the length of the open enrollment period in 2018 may cause as much or more harm for consumers** (e.g., reduced plan switching among re-enrollees, lower enrollment among those eligible but previously uninsured) **than any potential reduction in adverse selection for insurers**

Reviewing MNsure Data

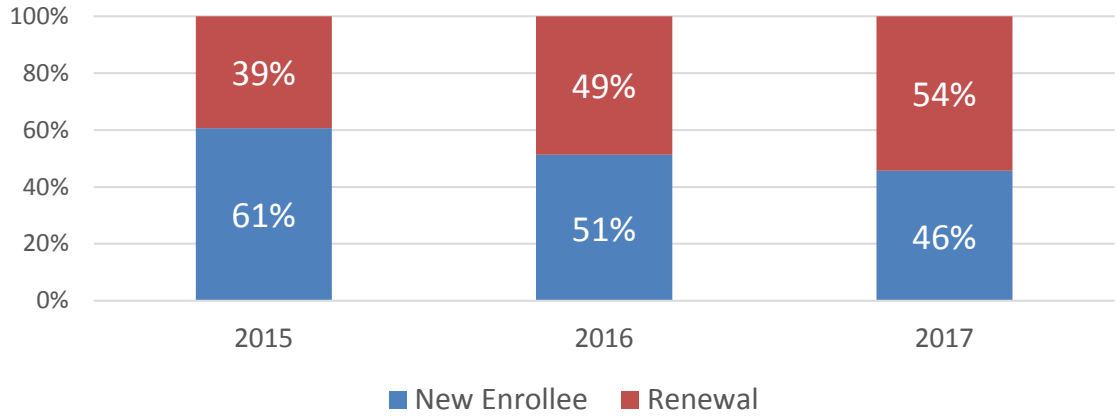
[5] http://healthaffairs.org/blog/2017/04/14/looking-ahead-to-2018-will-a-shorter-open-enrollment-period-reduce-adverse-selection-in-exchange-plans/

[6] It is important to note that the research does not reference any other influences in the marketplace that may have affected enrollee behavior with regard to timely enrollment. For example, it is unknown what the impacts of such factors as premium increases or number of health plans available had on consumer behavior.

The HIAC and CSEAC reviewed Minnesota's open enrollment data for the coverage years of 2015-2017[7].

As more and more individuals obtain health insurance in Minnesota, MNsure's consumers are more likely to renew coverage as opposed to seeking coverage as a new enrollee. Chart 3 shows the percentage of QHP new enrollees versus renewing enrollees through MNsure.

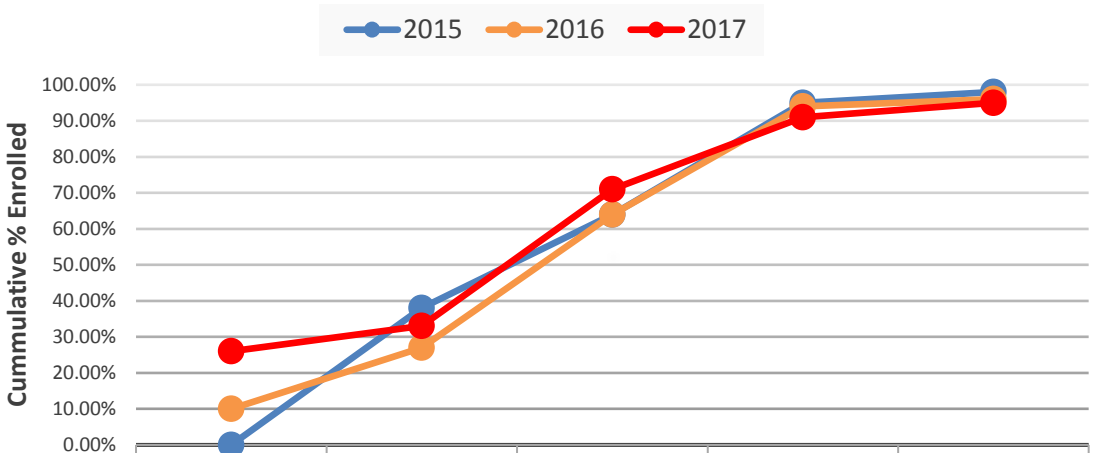
Chart 3 | MNsure QHP Enrollment, New vs. Renewal, 2015-2017



The HIAC and CSEAC also reviewed the timeliness of MNsure enrollees into QHPs over the course over the 2015-2017 open enrollment periods. This data – taken from MNsure Board meeting "Dashboards" – are presented in Charts 4 and 5.

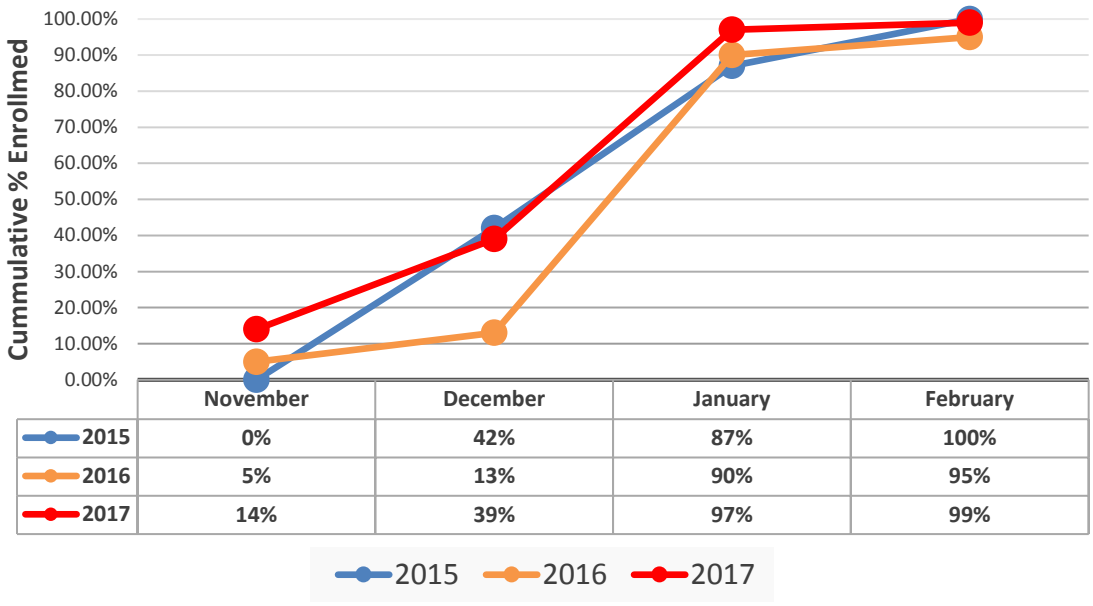
[7] Data extracted from MNsure Board meeting "dashboard" slide decks from 2014-2017.

Chart 4 | MNsure QHP NEW ENROLEES, % Enrolled By Month during OE, 2015-2017



	November	December	January	February	March
2015	0%	38%	64%	95%	98%
2016	10%	27%	64%	94%	96%
2017	26%	33%	71%	91%	95%

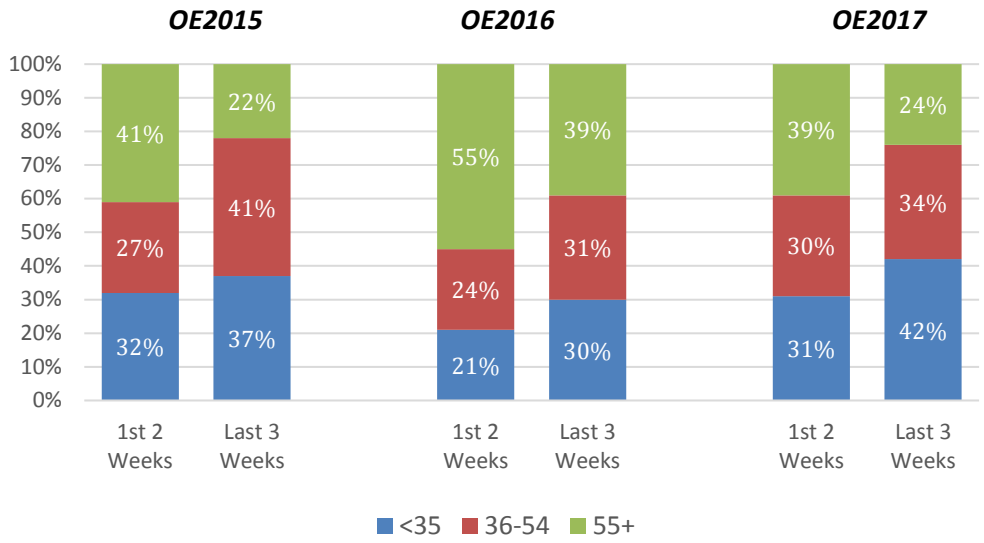
Chart 5 | MNsure QHP RENEWALS, % Enrolled By Month during OE, 2015-2017



	November	December	January	February
2015	0%	42%	87%	100%
2016	5%	13%	90%	95%
2017	14%	39%	97%	99%

The age of early enrollees versus late enrollees also provides insight into the "procrastinators" group in Minnesota. Based on data from MNsure from 2015-2017, enrollees in the last three weeks of OE in Minnesota are typically younger compared to enrollees in the first two weeks. Chart 6 provides a comparison, by age, of early and late enrollees.

Chart 6 | Comparing Enrollment By Age 1st Two Weeks vs. Last Three Weeks, MNsure, OE2015-2017



It should be noted that comparing enrollment patterns between MNsure's three OE years is very difficult given the differing circumstances in each year in the individual market. For example, each year had significant "one-time" events such as dramatic premium growth, enrollment caps and health plans leaving the individual market.

Data Observations

- Over time, QHP renewals are a greater portion of MNsure volume while new QHP enrollees are less. Renewals went from 39% of total QHP volume to 54% over the 2015-2017 period, while new enrollees went from 61% to 46%.

- Data from Kentucky and Minnesota suggests that younger enrollees tend to enroll later in the process compared to older enrollees.

- Historically for MNsure, (2015-2017), on average, by 7 ½ weeks or day 45, 30% of new enrollees have made a selection, while an estimated 40% of renewals have made a selection.

- Kentucky experience suggests that APTC eligible new enrollees are the 'last ones in' and that they may be young and relatively healthier.

Options

The HIAC and CSEAC jointly considered the following six (6) options:

Option	Dates	Open Enrollment Days				
		CY18	CY19	CY20	CY21	CY22
1. Adopt new federal timeline	Nov. 1 to Dec. 15	45	45	45	45	45
2. Maintain 90-day OE for CY18 only	Nov. 1, 2017 – Jan. 31, 2018 Nov. 1 to Dec. 15 thereafter	90	45	45	45	45
3. Adopt 90-day OE permanently in MN.	Nov. 1 to Jan. 31 every year.	90	90	90	90	90
4. Adopt 75-day enrollment every year, "start early, finish with federal time line."	Oct. 1 to Dec. 15 every year	75	75	75	75	75
5. Provide for "early education" period prior to federal timeline	Education (Oct 1-31)	31	31	31	31	31
	Nov. 1 to Dec. 15	45	45	45	45	45
6. Rolling enrollment monthly	30-day open enrollment prior to consumer's birthday					

Recommendation

- **The HIAC and CSEAC jointly recommend Option 4 – Adopting a 75-day open enrollment period for coverage years 2018 and beyond. Open enrollment would begin on October 1 and end on December 15 of every year.**

- **The MNsure Board would declare October 1 through 31 as "special enrollment period" prior to the federal open enrollment period of November 1 through December 15.**

Policy Rationale

HIAC and CSEAC members had **robust, cooperative discussion** throughout the development of the policy recommendation. All participants recognized and emphasized that setting an open enrollment length for MNsure could be influenced by a variety of factors – both policy and economic – in the individual market in Minnesota.

Rationale to Lengthening Minnesota's Open Enrollment Period from October 1-December 15

- Aligns enrollment with other open enrollment periods in the health care marketplace.
- Provides consumers with more time to evaluate options.
- Allows health plans with certainty of their enrollees as the enrollment period ends two weeks prior to the beginning of the coverage year.
- Concluding open enrollment (OE) before the start of the coverage year (calendar year), reduces the likelihood of adverse selection.
- Concluding OE at least two weeks prior to the end of the coverage year start date (January 1st) provides time for MNsure to process applications and provide carriers with necessary enrollment data.
- Increases the likelihood that consumers will have "proof of insurance" (i.e., insurance card) before the start of the coverage year.
- Allows for greater time of enrollment compared to federal law in order to attract a relatively younger and healthier insurance pool.
- The shortened enrollment period – 45 days -for 2018 coverage year will intensify the workload for MNsure, Assisters and Health Plans.

Areas of Concern with Lengthening Minnesota's Open Enrollment Period from October 1 – December 15

- With an earlier start date, it is difficult for consumers to project their income for the following coverage year.

- For 2018, MNsure may not be able to make the necessary changes to their information technology (IT) infrastructure to accommodate an OE start date change one month earlier.

- The shorter OE time-period – compared to previous years – will translate to higher intensity of work for assisters and health plans.

- MNsure will need to recertify all Assisters to be ready for October 1st and provide product and procedure training.

- For 2017, changes on the federal level may impact the ability of MNsure to implement the beginning of the OE on October 1st.

Other Discussion

- Adopting a "rolling enrollment" OE period that begins 30 days before a person's birthday. This could potentially "spread out" intensity of assister, health plan and MNsure efforts. Under "rolling enrollment," it would be difficult to reconcile with federal infrastructure, such as income-tax reporting and cost sharing support. Moreover, health plan rates are set on a calendar year basis and would not "line-up" with coverage years.

- MNsure should consider establishing an "education period" prior to October 1 in order to give consumers time to further evaluate options.

- Consideration should be given to the rate filing schedule promulgated by the Minnesota Department of Commerce. MNsure should ensure that rates are finalized to accommodate an October 1 start date for OE.

- The recommendation is made without consideration regarding any potential changes to the federal policy landscape regarding the Affordable Care Act or American Health Care Act. Congressional actions may have a significant impact on this recommendation.

APPENDIX A | HIAC & CSEAC vote

- The HIAC/CSEAC voted on this recommendation on May 30, 2017 as follows:

Option	HIAC Number of Votes	CSEAC Number of Votes	TOTAL

1| Adopt new federal timeline	**0**	**0**	**0**
2| 90 days for CY2018, 45 days thereafter	**0**	**0**	**0**
3| Permanently extend OE to 90 days	**0**	**0**	**0**
4| 75-day enrollment (Oct. 1- Dec. 15)	**16**	**11**	**27**
5| Early Education + federal timeline (45 days)	**0**	**0**	**0**
6| Rolling enrollment	**0**	**0**	**0**
Not present	**1**	**3**	**4**
TOTALS	**17**	**14**	**31**

- HIAC Members voting for Option 4 (16 members): Kenneth Bence, Kyle Bozentko David Dziuk, Forrest Flint, Carl Floren, Thomas Hoffman, Hillary Hume, Harlan Johnson, Andy McCoy, Heidi Michaels Mathson, Daniel Miesle, Chris Rofidal, Charles Sawyer, Jonathan Watson (Chair), Ghita Worcester (Vice-Chair) and Bette Zerwas.

- CSEAC Members voting for Option 4 (11 members): Mary Ellen Becker, Nancy Breymeier, Matthew Flory, Leigh Grauman, Kim Johnson, Richard Klick (Chair), Ann McIntosh, Denise Robertson, Kathleen Saari, Hussein Sheikh, and Matthew Steffens.

- HIAC Member Not Present: Rueben Moore

- CSEAC Members Not Present (3): Bentley Graves, Peter Musimami and Kate Onyeneho