

## MNSure HIAC

### Medical Assistance - MinnesotaCare – QHP Affordability Cliff

April 25, 2019

#### Definitions

- Medical Assistance (MA) – Minnesota’s Medicaid program. Provides coverage for individuals and families with income 0-133% Federal Poverty Guidelines (FPG).
- MinnesotaCare – Provides coverage for individuals and families with income 133%-200% FPG.
- Qualified Health Plan (QHP) – Provides private insurance coverage through MNSure. Coverage for 200%-400% FPG is subsidized via advance premium tax credits (APTC) and cost-share subsidies.

#### Incomes and Monthly Premiums - 2019

	Fed Poverty Guidelines (FPG) %	Income (Family Size = 1)	Monthly Premium
Medical Assistance	0-34%	\$0 - \$4,248	\$0
	35-54%	\$4,249 - \$6,676	\$4
	35-79%	\$6,677 - \$9,711	\$6
	80-89%	\$9,712 - \$10,925	\$8
	90-99%	\$10,926 - \$12,139	\$10
	100-109%	\$12,140 - \$13,353	\$12
	110-119%	\$13,354 - \$14,567	\$14
	120-129%	\$14,568 - \$15,781	\$15
Minnesota Care	130-139%	\$15,782 - \$16,995	\$16
	140-149%	\$16,996 - \$18,209	\$25
	150-159%	\$18,210 - \$19,423	\$37
	160-169%	\$19,424 - \$20,637	\$44
	170-179%	\$20,638 - \$21,851	\$52
	180-189%	\$21,852 - \$23,065	\$61
	190-199%	\$23,066 - \$24,279	\$71
	200%	\$24,280	\$80
QHP	201%	\$25,000 27 year-old male living in Minneapolis	\$127 member pay \$105 APTC \$232 total premium

Cliff!

Big Cliff!

#### What is the cliff?

- **Premiums** – Even with subsidies, premiums increase dramatically when transitioning from MinnesotaCare to QHP.
- **Cost-share** – Even with cost-share subsidies, co-pays and co-insurance increase when transitioning to QHP.
- **Benefits** – Fewer covered services, narrower networks, etc.

**What can MNSure do to “fix” the cliff?**

- Diminish complexity by moving from a three-tier (MA/MNCare/QHP) to two-tier model based on MA/QHP.
- Further consider “OneCare” options to combine MinnesotaCare and QHP.
- Consider MA and MNCare plan designs more aligned to QHP (e.g. don’t cover brand drugs when generic equivalent available) – could facilitate cost savings with minimal impact to consumers
- Evaluate silver loading options
- Cost share reconciliation litigation (no insurer has ever lost!)
- Evaluate options to better balance risk pool to drive down premiums. Minnesota individual mandate?

**What different communication methods might be useful in helping consumers understand differences in premiums, benefits, etc.?**

- TV ads, website, video shorts, other programs will likely have minimal impact as the primary issue is consumer willingness to learn about a complicated industry
- Brokers, navigators, and healthplans will be most effective in helping consumers understand
- Health concierge or advocate within provider offices
- Foster real-time benefit check infrastructure/systems for providers and consumers