

The Underinsured
&
Subsidies available to Vermonters in
the Exchange

Nolan Langweil
Joint Fiscal Office

House Ways & Means
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SLIDES with a  mean data were taken from the 2014 Vermont Household Health Insurance Survey:

- Conducted between August 13 and December 4, 2014
- By *Market Decisions* on behalf of the *Vermont Department of Financial Regulations*.
- Released January 2015
- Some slides have been modified by JFO for presentation purposes.

The Underinsured: Defined

NOTE: Although there is a commonly referred to definition, there is no official definition.

Someone is underinsured if they have private health insurance but:

- Annual OOP medical expenses amount to 10% or more of income.

For low income ($\leq 200\%$ FPL)

- Annual OOP medical expenses amount to 5% or more of family income or
- Plan deductible exceeds 5% of family income



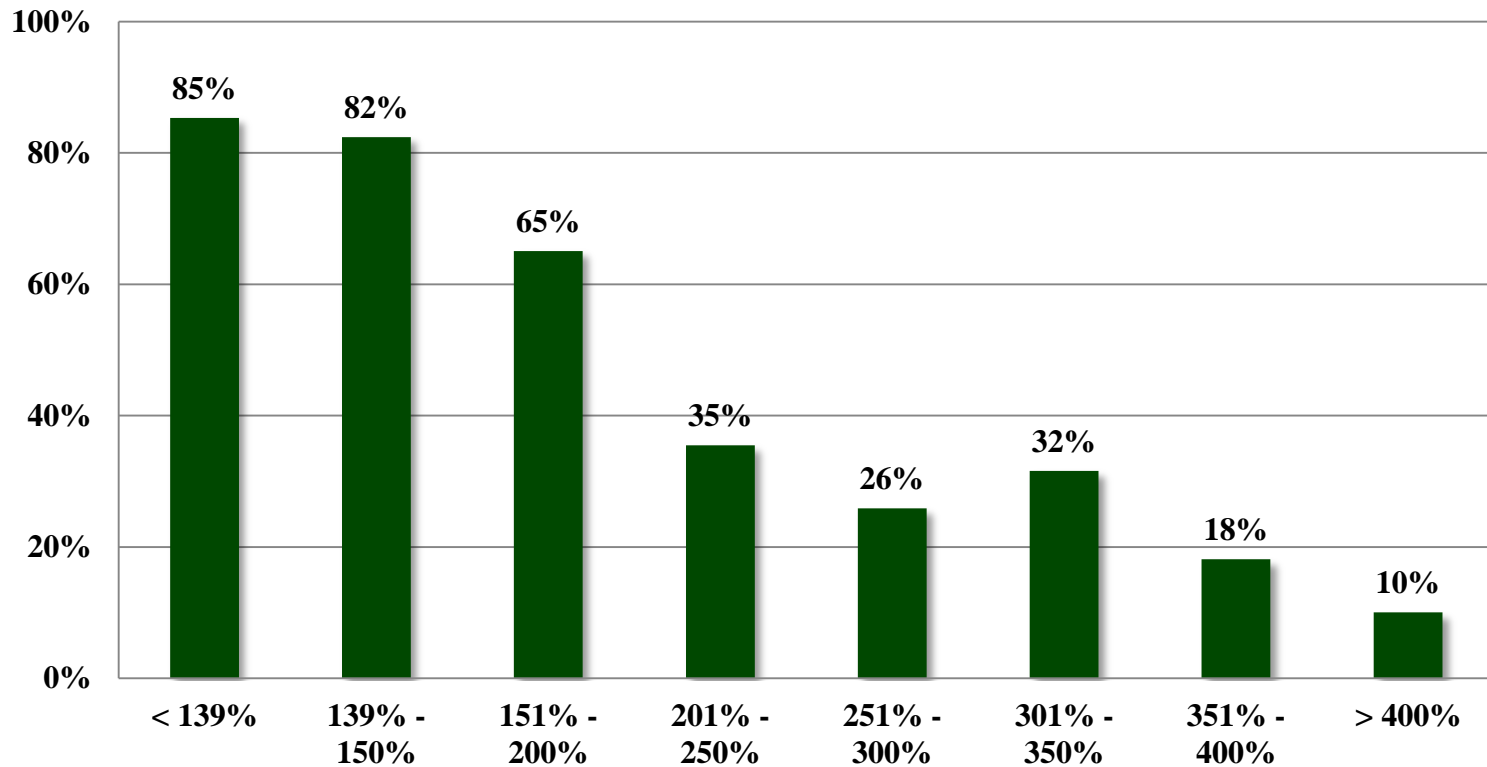
The Underinsured: Demographics

- 27% of privately insured Vermonters are considered underinsured
- Almost two-thirds (63%) of the underinsured are between the ages of 18-24.
- Many of the underinsured are actually Medicaid eligible.

Many of the underinsured are eligible for Medicaid



**Is person on private health insurance underinsured - by Income (FPL)
(% yes among those under age 65)**

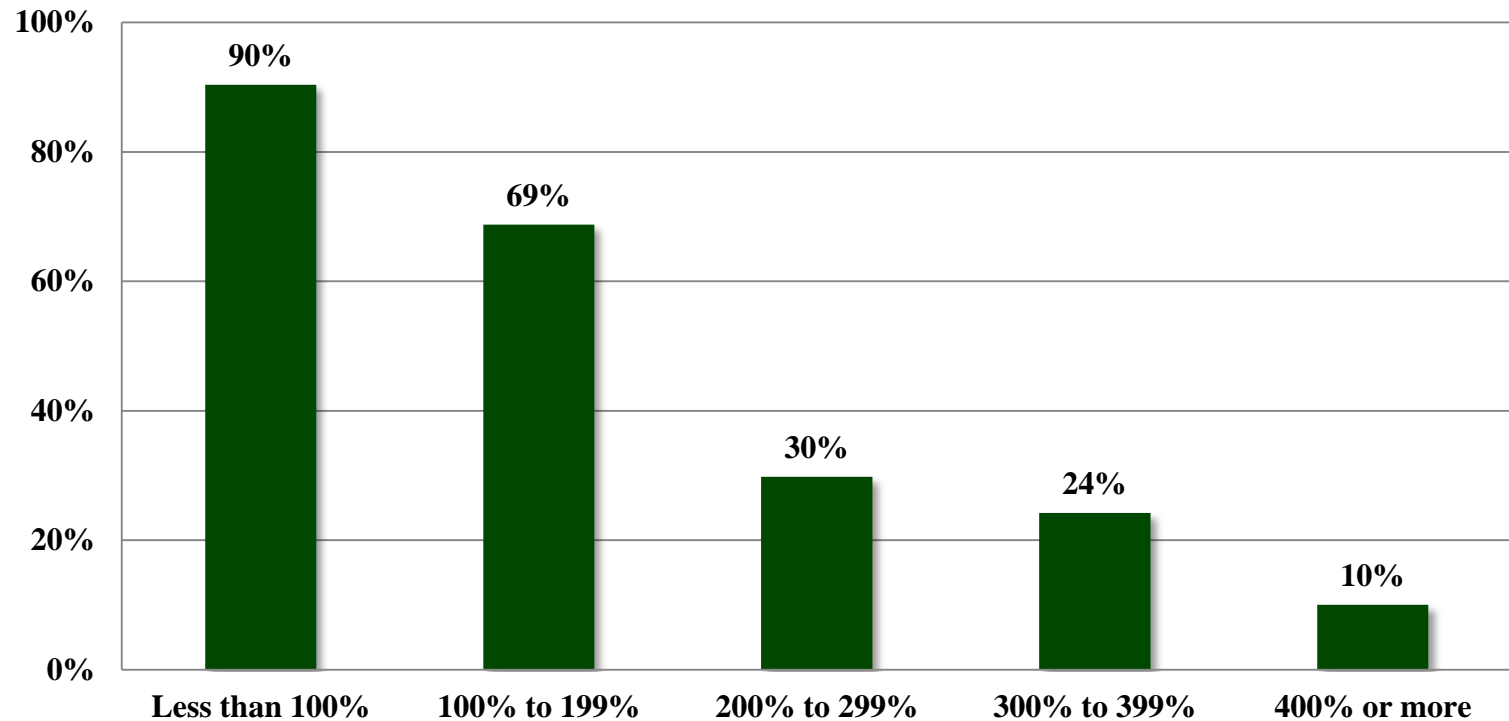


Source: 2014 Vermont Household Health Insurance Survey



The Underinsured by income level

**Is person on private health insurance underinsured - by Income (FPL)
(% yes among those under age 65)**



Source: 2014 Vermont Household Health Insurance Survey

Exchange Cost Sharing Subsidies Reference

| FPL% | ACA Subsidy | Vermont Subsidy | Governor's Proposal |
|---------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------|---------------------|
| 100-150% Med Deductible Med OOP Max Rx Deductible Rx OOP Max | 94% \$100 / \$200 \$500 / \$1000 \$0 \$200 / \$400 | Same | Same |
| 150-200% Deductible OOP Max Rx Deductible Rx OOP Max | 87% \$600 / \$1200 \$1250 / \$2500 \$100 / \$200 \$400 / \$800 | Same | Same |
| 200-250% Deductible OOP Max Rx Deductible Rx OOP Max | 73% \$1900 / \$3800 \$4000 / \$8000 \$100 / \$200 \$1200 / \$2400 | 77% \$1500 / \$3000 \$3000 / \$6000 \$100 / \$200 \$1000/\$2000 | 83% N/A |
| 250-300% Deductible OOP Max Rx Deductible Rx OOP Max | 70% \$1900 / \$3800 \$5100 / \$10,200 \$100 \$1250 / \$2500 | 73% \$1900 / \$3800 \$4000 / \$8000 \$100 / \$200 \$1200 / \$2400 | 79% N/A |
| 300-400% Deductible OOP Max | | 70% \$1900 / \$3800 \$5100 / \$10,200 \$100 \$1250 / \$2500 | |

For comparison:

| BCBSVT Standard GOLD PLAN | |
|---------------------------|-----------------|
| Deductible | \$750 / \$1500 |
| OOP Max | \$4250 / \$8500 |
| Rx Deductible | \$50 |
| Rx OOP Max | \$1250/\$2500 |

Note: Many of the deductibles and OOP Max's listed above may be subject to change.

The Underinsured: Exchange Cost-sharing subsidies

*Comparing annual deductibles and OOP Max:
5% income for ≤ 200 FPL*

ANNUAL DEDUCTIBLES COMPARED TO 5% OF INCOME

| Family Size Example | 140% FPL (2014) | 5% of income | Cost-sharing Subsidy on exchange (94% AV) (Annual Deductible) |
|---------------------|-----------------|--------------|--------------------------------------------------------------------------------------------|
| Family of 1 | \$16,338 | \$817 | Medical Deductible: \$100 RX Deductible: \$0 <i>Beneficiary Premium = \$26/month</i> |
| Family of 4 | \$33,390 | \$1,670 | Medical Deductible: \$200 RX Deductible: \$0 <i>Beneficiary Premium = \$53/month</i> |

ANNUAL OUT-OF-POCKET MAX COMPARED TO 5% OF INCOME

| Family Size Example | 140% FPL (2014) | 5% of income | Cost-sharing Subsidy on exchange (94% AV) (Annual OOP Max) |
|---------------------|-----------------|--------------|--------------------------------------------------------------------------------------|
| Family of 1 | \$16,338 | \$817 | Med OOP max: \$500 RX OOP max: \$200 <i>Beneficiary Premium = \$26/month</i> |
| Family of 4 | \$33,390 | \$1,670 | Med OOP max: \$1,000 RX OOP max: \$400 <i>Beneficiary Premium = \$53/month</i> |

| Family Size Example | 200% FPL (2014) | 5% of income | Cost-sharing Subsidy on exchange (87% AV) (Annual Deductible) |
|---------------------|-----------------|--------------|------------------------------------------------------------------------------------------------|
| Family of 1 | \$23,340 | \$1,167 | Medical Deductible: \$600 RX Deductible: \$100 <i>Beneficiary Premium = \$93/month</i> |
| Family of 4 | \$47,700 | \$2,385 | Medical Deductible: \$1200 RX Deductible: \$200 <i>Beneficiary Premium = \$191/month</i> |

| Family Size Example | 200% FPL (2014) | 5% of income | Cost-sharing Subsidy on exchange (87% AV) (Annual OOP Max) |
|---------------------|-----------------|--------------|---------------------------------------------------------------------------------------|
| Family of 1 | \$23,340 | \$1,167 | Med OOP max: \$1,250 RX OOP max: \$400 <i>Beneficiary Premium = \$93/month</i> |
| Family of 4 | \$47,700 | \$2,385 | Med OOP max: \$2,500 RX OOP max: \$800 <i>Beneficiary Premium = \$191/month</i> |

Note: The Beneficiary premium include state and federal premium tax credits

The Underinsured: Exchange Cost-sharing subsidies

*Comparing annual deductibles and OOP Max:
10% income for > 200 FPL*

ANNUAL DEDUCTIBLES COMPARED TO 10% OF INCOME

| Family Size Example | 225% FPL | 10% of income | Cost-sharing Subsidy on exchange (77% AV) (Annual Deductible) |
|------------------------|----------|---------------|------------------------------------------------------------------------------------------------|
| | (2014) | | |
| Family of 1 | \$26,258 | \$2,626 | Medical Deductible: \$1500 RX Deductible: \$100 <i>Beneficiary Premium = \$124/month</i> |
| Family of 4 | \$53,663 | \$5,366 | Medical Deductible: \$3000 RX Deductible: \$200 <i>Beneficiary Premium = \$254/month</i> |

| Family Size Example | 275% FPL | 10% of income | Cost-sharing Subsidy on exchange (73% AV) (Annual Deductible) |
|------------------------|----------|---------------|------------------------------------------------------------------------------------------------|
| | (2014) | | |
| Family of 1 | \$32,093 | \$3,209 | Medical Deductible: \$1900 RX Deductible: \$100 <i>Beneficiary Premium = \$194/month</i> |
| Family of 4 | \$65,588 | \$6,559 | Medical Deductible: \$3800 RX Deductible: \$200 <i>Beneficiary Premium = \$397/month</i> |

ANNUAL OUT-OF-POCKET MAX COMPARED TO 10% OF INCOME

| Family Size Example | 225% FPL | 10% of income | Cost-sharing Subsidy on exchange (77% AV) (Annual OOP Max) |
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| Family of 1 | \$26,258 | \$2,626 | Med OOP max: \$3,000 RX OOP max: \$1,000 <i>Beneficiary Premium = \$124/month</i> |
| Family of 4 | \$53,663 | \$5,366 | Med OOP max: \$6,000 RX OOP max: \$2,000 <i>Beneficiary Premium = \$254/month</i> |

| Family Size Example | 275% FPL | 10% of income | Cost-sharing Subsidy on exchange (73% AV) (Annual OOP Max) |
|------------------------|----------|---------------|-----------------------------------------------------------------------------------------|
| | (2014) | | |
| Family of 1 | \$32,093 | \$3,209 | Med OOP max: \$4,000 RX OOP max: \$1,200 <i>Beneficiary Premium = \$194/month</i> |
| Family of 4 | \$65,588 | \$6,559 | Med OOP max: \$8,000 RX OOP max: \$2,400 <i>Beneficiary Premium = \$397/month</i> |

Note: The Beneficiary premium include state and federal premium tax credits



Approximately half (52.2%) paid \$1,500 or less out of pocket for medical expenses in 2014.

Over the last 12 months, about how much has your household had to pay ‘out of pocket’ for...

| | Prescription Medications | Dental and Vision Care | Mental Health Care | All Other Medical Expenses | All Medical Expenses |
|---------------------------|---------------------------------|-------------------------------|---------------------------|-----------------------------------|-----------------------------|
| \$250 or less | 55.2% | 42.5% | 94.8% | 43.2% | 14.3% |
| \$251 to \$500 | 17.0% | 19.1% | 2.3% | 17.4% | 9.5% |
| \$501 to \$1,000 | 16.0% | 17.5% | 1.3% | 14.7% | 14.2% |
| \$1,001 to \$1,500 | 6.7% | 8.4% | 0.4% | 6.7% | 14.2% |
| \$1501 to \$2,000 | 1.8% | 5.3% | 0.3% | 6.8% | 9.7% |
| \$2,001 to \$3,000 | 1.2% | 3.8% | 0.5% | 4.7% | 14.0% |
| \$3,001 to \$4,000 | 0.9% | 1.3% | 0.1% | 1.3% | 8.1% |
| \$4,001 to \$5,000 | 0.6% | 0.9% | 0.1% | 2.3% | 5.3% |
| \$5,001 or more | 0.5% | 1.1% | 0.2% | 2.9% | 10.6% |

Questions?