

## ***2016: OVERVIEW OF THE HEALTH INSURANCE MARKET IN KANSAS***

### **2016 Open Enrollment for Individuals and Families**

The open enrollment period for individual health insurance coverage in Kansas will begin on November 1, 2015 and will end on January 31, 2016. Kansas has a Federally Facilitated Marketplace (FFM) that utilizes the healthcare.gov platform. In addition, coverage may be purchased from companies off the Marketplace during the open enrollment period.

During open enrollment Kansans should evaluate whether to enroll in coverage, stay on their current policy or enroll in a different policy. Consumers currently enrolled in a qualified health plan (QHP) through the FFM may be eligible for automatic re-enrollment. It is important for Kansans to report changes to their income, address, and household information as soon as possible. If changes are not reported federal taxes could be affected. The FFM will re-determine enrollee eligibility for advance premium tax credits (APTC) and income-based cost-sharing reductions (CSRs) for those receiving financial assistance using the most recent income data available. The tax credits and cost-sharing reductions are only available when purchasing on the FFM.

As of May 1, 2015 less than five percent of Kansans were covered by individual major medical insurance purchased either on or off the marketplace, according to department statistics. For 2015 the penalty for not having coverage is \$325 per person for the year (\$162.50 per child under 18). The maximum penalty per family using this method is \$975 or 2% of the family's income whichever is higher.

For 2016, the penalty for not having coverage is the higher of these two amounts; 2.5% of the yearly household income or \$695 per person (\$347.50 per child under 18). In future years, the fee is adjusted for inflation. The fee will be paid on the federal income tax return filed for the year that coverage was not in place.

### **Key Dates to Remember**

- November 1, 2015- Open Enrollment begins.
- December 15, 2015- Enroll by this date for coverage to be effective January 1, 2016.
- January 1, 2016- Coverage for 2016 can begin.
- January 31, 2016- Open Enrollment ends.

## Policy Options for Individuals and Families

In 2016 consumers shopping on the federal Marketplace in Kansas will have the opportunity to purchase individual policies offered by four health insurance companies depending on where they live. Those companies include: UnitedHealthcare of the Midwest, Inc.; Blue Cross and Blue Shield of Kansas City; BlueCross BlueShield Kansas Solutions, Inc. and Blue Cross and Blue Shield of Kansas, Inc. There are 42 individual policies available on the Marketplace.

### Marketplace Policies Available in Kansas in 2016

Company	Type	Total	Bronze	Silver	Gold	Platinum
Blue Cross and Blue Shield of Kansas, Inc.	Individual	12	3	4	3	2
Blue Cross and Blue Shield of Kansas City	Individual	15	5	7	3	0
BlueCross BlueShield Kansas Solutions, Inc.	Individual	5	2	2	1	0
United Healthcare of the Midwest, Inc.	Individual	8	2	4	2	0
Blue Cross and Blue Shield of Kansas, Inc.-Multi-State Plan	Individual	2	0	1	1	0
Individual Total:		42	12	18	10	2

*Note: Companies offering plans on the Marketplace must also offer those plans off the Marketplace. The plans shown in the Off Marketplace table on the next page are not available on the Marketplace.*

Consumers who wish to purchase coverage off the Marketplace may do so and will have the opportunity to purchase individual policies, depending on where they live, offered by United Healthcare of the Midwest, Inc.; Blue Cross and Blue Shield of Kansas City; Coventry Health and Life Insurance; Coventry Health Care of Kansas, Inc.; BlueCross BlueShield Kansas Solutions, Inc. and Blue Cross and Blue Shield of Kansas, Inc.; UnitedHealthcare Life Insurance Company; Freedom Life Insurance Company of America and Celtic Insurance Company. There are 103 individual policies available off the Marketplace.

**Off the Marketplace Policies in Kansas in 2016**

<b>Company Name</b>	<b>Type</b>	<b>Total</b>	<b>Catastrophic</b>	<b>Bronze</b>	<b>Silver</b>	<b>Gold</b>	<b>Platinum</b>
Blue Cross and Blue Shield of Kansas, Inc.	Individual	8	0	2	3	2	1
Blue Cross and Blue Shield of Kansas City	Individual	20	2	5	7	6	0
BlueCross BlueShield Kansas Solutions, Inc.	Individual	5	0	2	2	1	0
Celtic Insurance Company	Individual	1	0	1	0	0	0
Coventry Health and Life Insurance	Individual	18	0	6	9	3	0
Coventry Health Care of Kansas, Inc.	Individual	40	0	12	20	8	0
Freedom Life Insurance Company of America	Individual	2	0	2	0	0	0
United Healthcare Life Insurance Company	Individual	9	1	3	4	1	0
<b>Total Individual:</b>		<b>103</b>	<b>3</b>	<b>33</b>	<b>45</b>	<b>21</b>	<b>1</b>

*Note: Companies offering plans on the Marketplace must also offer those plans off the Marketplace. The plans shown in the Off Marketplace table are not available on the Marketplace. United Healthcare of the Midwest, Inc. is not included because all of their plans were approved to be sold on the Marketplace.*

**Small Business Health Options Program (SHOP)**

The SHOP Marketplace is open to employers with 50 or fewer full-time equivalent employees. SHOP is open year round and employers must offer coverage to all of their full-time employees, generally those employees working 30 or more hours per week on average. Employers choose the coverage that is offered and how much they will contribute toward employee premiums. They also choose whether to offer dependent coverage and dental insurance as well as how long the employees’ open enrollment period is, and the length of the waiting period that will apply before new employees can enroll in the insurance coverage. In 2016 Kansas will have Employee Choice on SHOP for the first time. This means that employers apply for SHOP then choose a plan or plans that will be available for employees. Employees will also enroll online.

If a business enrolls in SHOP coverage and has fewer than 25 employees, they may qualify for a Small Business Health Care Tax Credit worth up to 50% of the premium costs. This tax credit is available only for plans bought through the SHOP Marketplace. Carriers offering coverage on the SHOP for 2016 include the following depending on where the business is located: Blue Cross and Blue Shield of Kansas City; BlueCross BlueShield Kansas Solutions, Inc. and Blue Cross and Blue Shield of Kansas, Inc.

For 2016 there are 12 policies for small businesses available.

**SHOP Policies Available in Kansas in 2016**

Company Name	Type	Total	Bronze	Silver	Gold	Platinum
Blue Cross and Blue Shield of Kansas, Inc.	Small Group	5	2	2	1	0
Blue Cross and Blue Shield of Kansas City	Small Group	2	0	1	1	0
BlueCross BlueShield Kansas Solutions, Inc.	Small Group	5	2	2	1	0
Small Group Total:		12	4	5	3	0

Similar to individual coverage, small group coverage can also be purchased off the Marketplace. Coverage off the Marketplace is available from Blue Cross and Blue Shield of Kansas City; BlueCross BlueShield Kansas Solutions, Inc. and Blue Cross and Blue Shield of Kansas, Inc.; UnitedHealthcare Insurance Company; Federated Mutual Insurance Company; Aetna Life

Insurance Company; Aetna Health Inc.; Humana Health Plan, Inc. and Humana Insurance Company.

**Off SHOP Marketplace Small Business Policies**

<b>Company Name</b>	<b>Type</b>	<b>Total</b>	<b>Bronze</b>	<b>Silver</b>	<b>Gold</b>	<b>Platinum</b>
Blue Cross and Blue Shield of Kansas	Small Group	26	4	10	8	4
Blue Cross and Blue Shield of Kansas City	Small Group	21	6	7	8	0
BlueCross BlueShield Kansas Solutions, Inc.	Small Group	10	4	4	2	0
United Healthcare Insurance Company	Small Group	39	2	15	20	2
Federated Mutual Insurance Company	Small Group	186	30	84	54	18
Aetna Life Insurance Company	Small Group	65	12	40	13	0
Aetna Health Inc.	Small Group	160	30	100	30	0
Humana Health Plan, Inc.	Small Group	34	4	21	9	0
Humana Insurance Company	Small Group	35	4	22	9	0
Small Group Total:		576	96	303	153	24

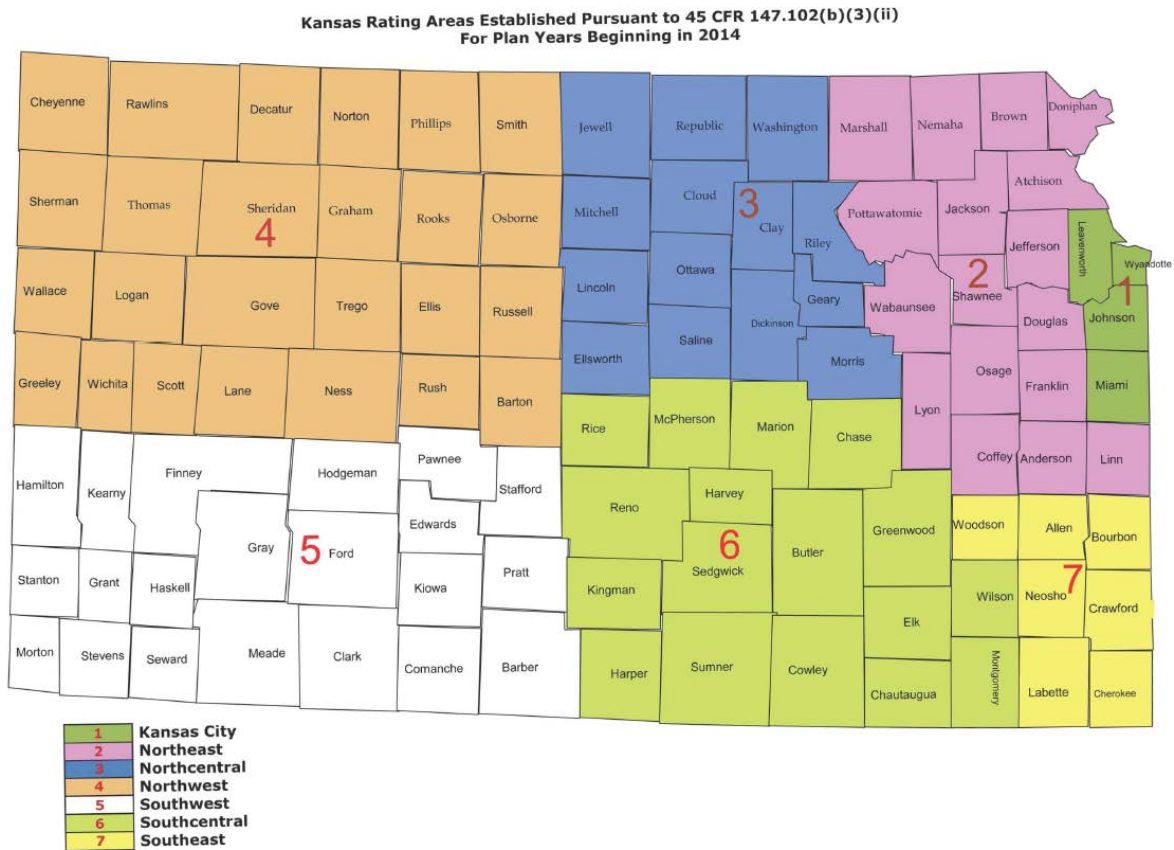
**Premium Rates for Individual and Families**

The 2016 rate filings mark the first time since the federal Marketplace began that insurance companies have had a full year of claims experience on which to base their premium rate revisions. The rate revisions are necessitated by the fact that the coverage is guarantee issue, companies cannot limit coverage for pre-existing conditions, there are a broad range of mandates that must be covered, prescription drug cost and other medical cost trends continue to increase

and the use of emergency rooms which may not be the most appropriate care continue to drive costs upward. In comparison to other states, Kansas has one of the higher risk scores for the individual market. Another factor contributing to the rate increases is that the premium tax applicable to Health Maintenance Organizations (HMOs) was increased during the 2015 legislative session from 1 percent to 3.31 percent. Premium tax is a component of the premium rates.

The range of average rate revisions by insurance companies for individual health plans on and off the 2016 federal Marketplace in Kansas is from 9.4 percent to 25.4 percent, which is less than the increases originally requested in May. While the rate revisions for 2016 are significant it is important to note that less than five percent of the Kansas population will be affected.

The rate revisions mentioned above are average rate increases by company. The revisions by plan may be above or below the average revision by company. In addition, premium rates may vary by age, rating area, family composition and tobacco usage. For example, companies may charge up to 50 percent more to those that use tobacco, however, none of the companies selling on the Marketplace charge the full 50 percent. A map of the counties included in the rating areas is provided below.



The following table provides details regarding the requested rate revisions versus the final filed rates for the companies writing individual policies in Kansas.

<b>Company Name</b>	<b>Average Requested Increase</b>	<b>Average Filed Increase</b>	<b>On Marketplace</b>
Blue Cross and Blue Shield of Kansas, Inc.	37.78%	25.40%	Yes
Blue Cross and Blue Shield of Kansas City	9.50%	9.40%	Yes
BlueCross BlueShield Kansas Solutions, Inc.	37.78%	19.00%	Yes
Celtic Insurance Company	9.85%	9.85%	No
Coventry Health and Life Insurance Company	31.90%	25.20%	No
Coventry Health Care of Kansas, Inc.	26.6%	18.50%	No
Freedom Life Insurance Company of America	9.92%	9.92%	No
UnitedHealthcare Life Insurance Company	20.00%	15.00%	No
UnitedHealthcare of the Midwest, Inc.	New in 2016	New in 2016	Yes

### **Small Business Health Insurance Rates**

The range of average rate revisions by insurance companies for policies sold on and off the 2016 federally facilitated SHOP is -0.4 percent to 10.5 percent. Contributing factors to the small business rate increases include an increase in the utilization of health services and the fact that the premium tax applicable to HMOs was increased during the 2015 legislative session.

The following table details the rate revisions requested by the companies that write small business health insurance in Kansas.

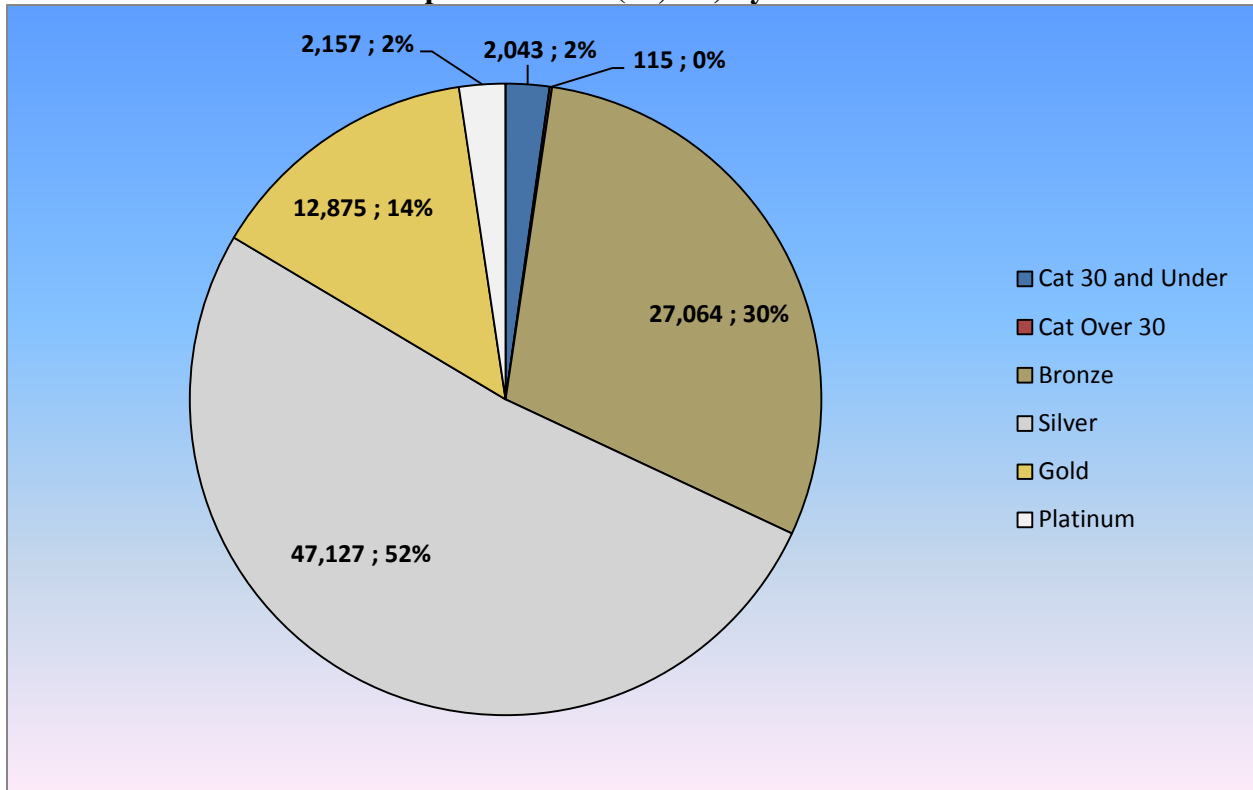
<b>Company Name</b>	<b>Average Requested Increase</b>	<b>Average Filed Increase</b>	<b>On SHOP Marketplace</b>
Aetna Health Inc.	8.46%	8.46%	No
Aetna Life Insurance Company	9.89%	9.89%	No
Blue Cross and Blue Shield of Kansas, Inc.	6.33%	6.33%	Yes
Blue Cross and Blue Shield of Kansas City	8.1%	8.1%	Yes
BlueCross BlueShield Kansas Solutions, Inc.	6.36%	6.36%	Yes
Federated Mutual Insurance Company	New Plans in 2016	New Plans in 2016	No
Humana Health Plan, Inc.	0.98%	0.98%	No
Humana Insurance Company	-0.40	-0.40%	No
UnitedHealthcare Insurance Company	10.50%	10.50%	No

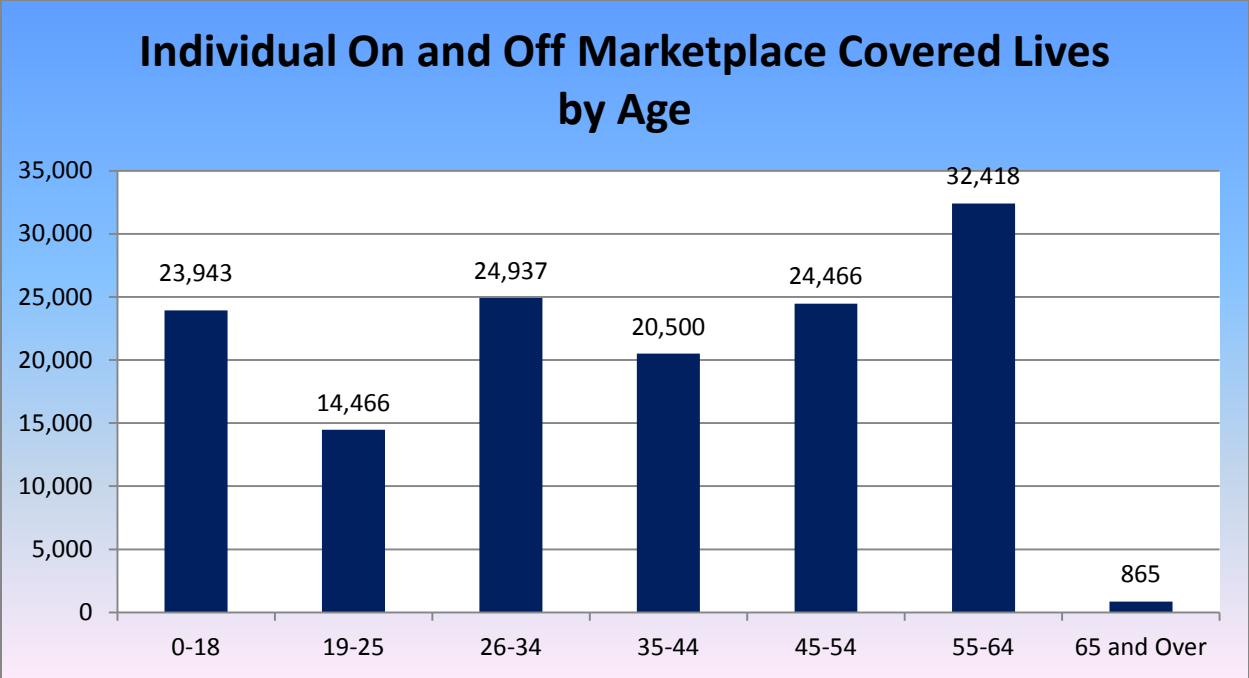


The following charts demonstrate an overview of Kansas Plan Selections for 2015. All information provided in the charts is as of May 1, 2015 and was collected by the Kansas Insurance Department.

Fifty two percent of Kansans purchasing an individual or family policy themselves selected a silver plan for 2015.

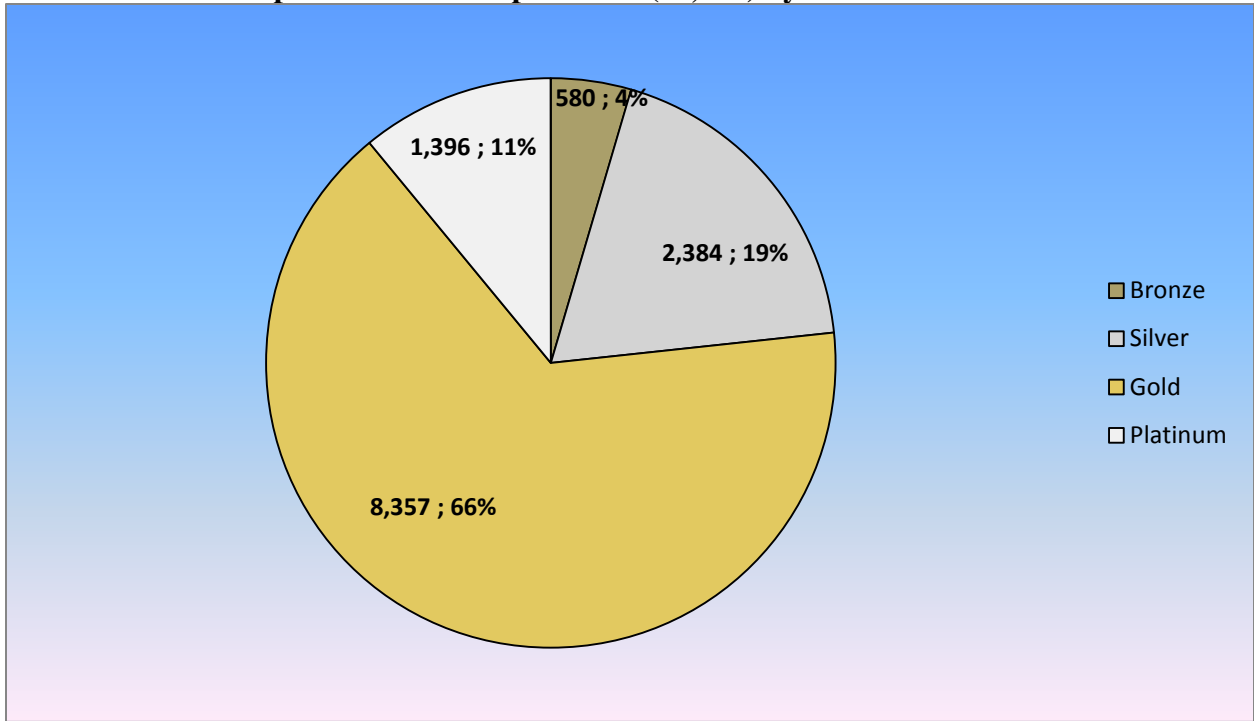
**Individual On and Off Marketplace Policies (91,381) by Metal Level**





Sixty Six percent of small businesses purchased gold plans. The uptake of policies purchased via the SHOP Marketplace has been low in Kansas as most small employers have purchased their small group coverage outside of the federally facilitated SHOP Marketplace. As of May 1, 2015 there were 367 policies purchased on the SHOP Marketplace versus 12,350 small group policies purchased off of the SHOP Marketplace.

**On and Off Marketplace Small Group Policies (12,717) by Metal Level**



**On and Off Marketplace Small Group Covered Lives by Age**

