Market Stabilization Final Rule Overview

Lindsey Murtagh
Senior Policy Advisor

June 29, 2017

CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES

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Final Rule Background

- The proposed *Market Stabilization rule* was published in the Federal Register on February 17, 2017.
- The final *Market Stabilization rule* was published in the Federal Register on April 18, 2017 (82 Fed. Reg. 18346).
  - This rule is effective on June 19, 2017.

Final Rule Background (cont.)

The final rule:

- Provides issuers with needed flexibility
- Takes steps to improve the risk pool
- Promotes stability in the individual and small group markets
- Affirms the traditional role of state regulators

Overview of Policies

1. Guaranteed Availability
2. Open Enrollment Period
3. Special Enrollment Periods
4. Levels of Coverage
5. Network Adequacy
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Guaranteed Availability

- To the extent permitted by applicable State law, an issuer may attribute to past-due premiums owed to that issuer, or to an issuer in the same controlled group, payments made for new coverage, and refuse to effectuate the new coverage based on failure to pay the initial premium payment.

Guaranteed Availability (cont.)

- Look-back period:
  - 12-month period preceding effective date of new coverage.
- Notice of premium payment policy:
  - Issuer adopting this policy, and all others in controlled group, must describe in any enrollment application materials, and in any notice regarding non-payment of premiums, consequences of non-payment on future enrollment.

Guaranteed Availability (cont.)

- Effective 60 days after publication for individuals to whom notice was provided prior to their failure to pay premiums that become past-due.
- An issuer may only condition the effectuation of new coverage on payment of past-due premiums for the individual contractually responsible for the past-due premium.

Open Enrollment Period

- We modified the 2018 open enrollment period for the 2018 coverage year so that it begins on November 1, 2017 and runs through December 15, 2017 (instead of January 31, 2018).

Special Enrollment Periods

- We expanded pre-enrollment verification from 50% to 100% of all new consumers applying for coverage through all applicable special enrollment periods (SEPs) on HealthCare.gov beginning in June 2017.
  - Consumers will need to submit documentation to prove their eligibility if it cannot be electronically verified.

Special Enrollment Periods (cont.)

- Consumers who are delayed due to pre-enrollment verification and owe 2 or more months of retroactive premium have the option to start their coverage 1 month later.
  - The FFE will notify issuers of the later coverage start date.

Special Enrollment Periods (cont.)

We placed new limits on existing enrollees' ability to change plans and metal levels upon qualifying for an SEP or adding dependents to their application through an SEP during the year:

1. For the SEPs for gaining or becoming a dependent through marriage, birth, adoption, placement for adoption, placement in foster care, or through a child support or other court order, enrollees may only add new dependents to their existing plan[1] or enroll the new dependent in a separate plan.

[1]If the new dependent cannot be added to the enrollee's existing plan, he or she can enroll in another plan at the same metal level. If there are no other available plans at the same metal level, he or she can enroll in a plan one metal higher or lower.

Special Enrollment Periods (cont.)

We placed new limits on existing enrollees' ability to change plans and metal levels upon qualifying for an SEP or adding dependents to their application through an SEP during the year:

2. For the SEP for becoming newly eligible for cost-sharing reductions, enrollees may only enroll in a silver-level plan.

Special Enrollment Periods (cont.)

We placed new limits on existing enrollees' ability to change plans and metal levels upon qualifying for an SEP or adding dependents to their application through an SEP during the year:

3. For most other SEPs, enrollees may only change to a plan at the same metal level.[2] If adding a dependent through these SEPs and wanting to enroll together, must enroll in a plan at the same metal level[2] or enroll the new household member in a separate plan.
   - The SEPs for members of Federally recognized tribes and Shareholders in Alaska Native Corporations (AIAN), Errors of the Exchange, Exceptional Circumstances, and Victims of domestic abuse and spousal abandonment are exempt from this requirement.

[2]If the there are no other available plans at the same metal level, the enrollee and any dependents can enroll in a plan one metal level higher or lower.

Special Enrollment Periods (cont.)

- We excluded AIAN from the prior coverage requirement for the SEP for a permanent move and announced that we will be verifying this prior coverage requirement through the SEP Verification process.

Special Enrollment Periods (cont.)

- We added a new prior coverage requirement to the SEP for marriage.
  - At least one spouse must have had minimum essential coverage for at least one day in the 60 days prior to the marriage, unless they were previously living in a foreign country or U.S. territory or are AIAN.

Special Enrollment Periods (cont.)

- We announced that we will be tightening eligibility for the SEP for exceptional circumstances.
- We reminded consumers that those who are terminated from coverage due to nonpayment of premiums cannot qualify for the SEP for loss of minimum essential coverage due to this coverage loss.
- In addition, we codified the elimination of several SEPs that were previously eliminated in 2016 through guidance.

Levels of Coverage

- Starting in 2018, the allowable de minimis range for the metal tier levels will change from -2/+2 percent AV to:
  - -4/+2 percent AV for metal tier level plans (bronze, silver, gold and platinum levels of coverage)
  - -4/+5 percent AV for certain bronze plans that either:
    - Covers and pays for at least one major service, before the deductible; or
    - Meets the requirements to be a high deductible health plan.
- The de minimis range of -1/+1 percent AV did not change for silver plan variations.

Network Adequacy

- QHP Certification:
  - For the 2018 Plan Year Certification, CMS is relying on states to review the adequacy of provider networks for FFM issuers in states that have been determined to have adequate network review.

Network Adequacy (cont.)

- In states that do not, issuers will need to be accredited by The National Committee for Quality Assurance, URAC, or the Accreditation Association for Ambulatory Health Care; or
- Submit an access plan showing standards and procedures consistent with National Association of Insurance Commissioners' Health Benefit Plan Network Access and Adequacy Model Act.

Essential Community Providers

- We reduced the Essential Community Provider (ECP) threshold for inclusion of ECPs in the issuer's provider network(s) from 30 to 20 percent of the available ECPs in the plan's service area.

Essential Community Providers (cont.)

- The ECP write-in process will continue to be available to issuers for counting toward the issuer's satisfaction of this standard for only the issuer that wrote in the ECP, provided that the issuer arranges that the written-in provider has submitted an ECP petition to HHS by no later than the deadline for issuer submission of changes to the QHP application.

Questions?