

2018: OVERVIEW OF THE HEALTH INSURANCE MARKET IN KANSAS

2018 Open Enrollment for Individuals and Families

It is important to note that the open enrollment period for individual health insurance coverage has been shortened by the Federal Government. Open enrollment will begin on **November 1, 2017** and will end on **December 15, 2017**. Anyone wishing to have coverage effective January 1, 2018 needs to complete the application process by the December 15, 2017 date. The only way to obtain coverage after January 1, 2018 will be through a special enrollment period due to a triggering event.

Kansas has a Federally Facilitated Marketplace (FFM) that utilizes the healthcare.gov platform. New in 2018 is a direct enrollment pathway that allows agents, brokers, consumers or issuers to assist consumers in shopping for coverage on a third party website. Direct enrollment entities are permitted to use a “proxy direct enrollment” pathway, which allows direct enrollment entities to collect consumer information on their websites and input that information into healthcare.gov.

In addition, coverage may be purchased off the Marketplace from the same companies offering coverage on the Marketplace during the open enrollment period. For coverage in 2018 there are no companies offering coverage off the marketplace only.

Kansans should take an active role in the 2018 open enrollment period to ensure the selected health plan meets the insureds specific needs. For the 2018 open enrollment, the federal government will be suggesting new plans for individuals on discontinued Qualified Health Plans (QHPs) on the federal Marketplace. Affected individuals are those currently covered under Blue Cross and Blue Shield of Kansas City and Blue Cross Blue Shield Kansas Solutions, Inc. However, these suggested new plans are only effective when the premium is paid.

During open enrollment Kansans should evaluate whether to enroll in coverage, stay on their current policy if available, 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.

Funding for CSRs is on a month-by-month basis as of October 1, 2017. The long-term availability of CSRs is uncertain at this time.

It is important for consumers to understand how their policy works and especially important is to understand the network requirement of any plan being considered. Consumers should check to be

certain that their physicians and other medical providers are in the network for the plan they are considering purchasing. Companies may provide the following plans:

- **Exclusive Provider Organization (EPO)** – A type of managed care organization (health plan) that provides health care coverage through preferred health care providers. The EPO may require a gatekeeper, a primary care professional who makes referrals for specialty care.
- **Health Maintenance Organization (HMO)** – A type of managed care organization (health plan) that provides health care coverage through a network of hospitals, doctors and other health care providers. Typically, the HMO only pays for care that is provided from an in-network provider.
- **Preferred Provider Organization (PPO)** – A type of managed care organization (health plan) that provides health care coverage through a network of providers. Typically the PPO requires the policyholder to pay higher costs when they seek care from an out-of-network provider.
- **Point of Service (POS)** – A managed care plan that gives members the option of seeking care from a specialist without a referral from a primary-care physician. Such services are subject to a higher deductible and/or coinsurance.

New in 2018 consumers may purchase **Expanded Bronze** plans. Expanded bronze plans either covers and pays for at least one major service, other than preventative services before the deductible or meets the requirements to be a high deductible health plan. Covered major services could include primary care visits, specialist visits, emergency room services, inpatient hospital services, generic drugs, preferred brand drugs, or specialty drugs.

Key Dates to Remember

- **November 1, 2017** - Open Enrollment begins.
- **December 15, 2017** - Open Enrollment ends.
- **January 1, 2018** - Coverage for 2018 can begin.

Policy Options for Individuals and Families

In 2018 consumers shopping on the FFM in Kansas will have the opportunity to purchase individual policies offered by three health insurance companies depending on where they live. Those companies include: Blue Cross and Blue Shield of Kansas (103 Counties) Medica Insurance Company (105 Counties) and Sunflower State Health Plan, Inc. (2 Counties). There are 23 individual policies available on the Marketplace.

Marketplace Policies Available in Kansas in 2018

Company	Type	Total	Catastrophic	Bronze	Silver	Gold
Blue Cross and Blue Shield of Kansas, Inc.	EPO [#]	5	0	2	2	1
Medica Insurance Company	PPO [#]	7	1	3	1	2
Medica Insurance Company	EPO [*]	7	1	3	1	2
Sunflower State Health Plan, Inc.	HMO [*]	4	0	1	2	1
Total Individual:		23	2	9	6	6

Note: Companies offering plans on the Marketplace must also offer those plans off the Marketplace. Also, Bronze plans in the table above may include Expanded Bronze plans.

[#]Plans available in all counties except Johnson and Wyandotte.

^{}Plans only available in Johnson and Wyandotte counties.*

Consumers who wish to purchase coverage off the FFM may do so and will have the opportunity to purchase individual policies, depending on where they live. Companies offering plans on the Marketplace must also offer those plans off the Marketplace.

Small Business Health Options Program (SHOP)

Plan year 2018 will not have any issuers on the SHOP exchange. However, coverage off the SHOP is available from Blue Cross and Blue Shield of Kansas City; Blue Cross and Blue Shield of Kansas, Inc.; UnitedHealthcare Insurance Company; Aetna Life Insurance Company; Aetna Health Inc.; Humana Health Plan, Inc. and Humana Insurance Company.

Off SHOP Policies Available in Kansas in 2018

Company	Type	Total	Bronze	Silver	Gold	Platinum
Aetna Health Inc.	POS	1	0	1	0	0
Aetna Life Insurance Company	EPO	1	0	1	0	0
Blue Cross and Blue Shield of Kansas, Inc.	EPO	5	2	2	1	0
Blue Cross and Blue Shield of Kansas, Inc.	PPO	12	3	4	3	2
Blue Cross and Blue Shield of Kansas City	EPO	2	1	1	0	0
Blue Cross and Blue Shield of Kansas City	PPO	18	3	8	7	0
Humana Health Plan Inc.	POS	37	3	15	18	1
Humana Insurance Company	Indemnity	1	0	1	0	0
Humana Insurance Company	PPO	37	3	15	18	1
UnitedHealthcare Insurance Company	EPO	5	0	2	3	0
UnitedHealthcare Insurance Company	POS	29	2	10	16	1
Total Small Group:		148	17	60	66	5

Bronze plans in the table above may include Expanded Bronze plans.

Stand-Alone Dental Plans

For individual policies that do not include pediatric dental, stand-alone dental plans are available. Exchange certified stand-alone dental plans include pediatric dental to meet the essential health benefits. Issuers may offer High or Low stand-alone dental plans. High plans have higher premiums but lower copayments and deductible. Whereas Low plans have lower premiums but higher copayments and deductibles.

In 2018, consumers shopping on the FFM in Kansas will have the opportunity to purchase individual dental policies offered by BEST Life and Health Insurance Company, Dentegra Insurance Company, Renaissance Life & Health Insurance Company of America and TruAssure Insurance Company. There are 12 individual policies available on the Marketplace.

Marketplace Policies Available in Kansas in 2018

Company	Total	High	Low
BEST Life and Health Insurance Company	4	2	2

Dentegra Insurance Company	2	1	1
Renaissance Life & Health Insurance Company of America	4	2	2
TruAssure Insurance Company	2	1	1
Total Individual:	12	6	6

Consumers who wish to purchase coverage off the FFM may do so and will have the opportunity to purchase individual policies. Consumers shopping off the FFM in Kansas will have the opportunity to purchase certified stand-alone dental policies offered by Dentegra Insurance Company and Renaissance Life & Health Insurance Company of America.

Off the Marketplace Policies Available in Kansas in 2018

Company	Total	High	Low
Dentegra Insurance Company	1	0	1
Renaissance Life & Health Insurance Company of America	4	2	2

BEST Life and Health Insurance Company will be the only issuer offering stand-alone dental plans on the SHOP for 2018.

SHOP Policies Available in Kansas in 2018

Company	Total	High	Low
BEST Life and Health Insurance Company	6	3	3

Businesses will be able to purchase stand-alone dental plans off the SHOP from Metropolitan Life Insurance Company and TruAssure Insurance Company in 2018.

Off SHOP Policies Available in Kansas in 2018

Company	Total	High	Low
Metropolitan Life Insurance Company	1	0	1
TruAssure Insurance Company	2	2	0

Premium Rates for Individual and Small Group Markets

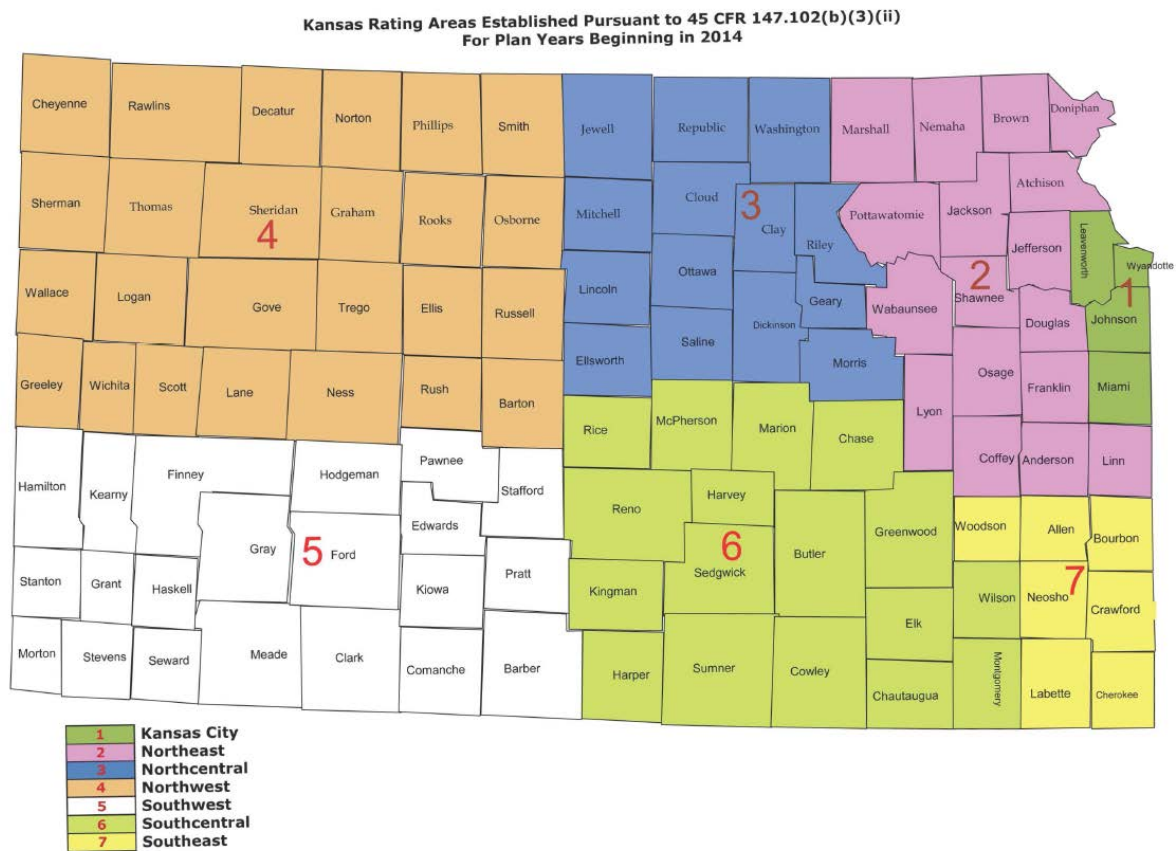
While the premium rates for 2018 show increases, it is important to note that approximately 6% of the Kansas population will be affected. However, the rate increase will be at least partially offset for individuals receiving a premium tax credit.

Individual plan premium rates may vary by age, rating area, family composition and tobacco usage. For example, a person living in Manhattan, KS (rating area 3) may pay a different rate

than someone living in Pittsburg, KS (rating area 7) based on the claims data by rating area. A map of the counties included in the rating areas is provided on the next page.

The companies indicate that the rate revisions are necessitated by factors including: the coverage being guaranteed issue and companies cannot limit coverage for pre-existing conditions, mandates that must be covered, coverage being unlimited, rising prescription drug costs and other medical cost trends that continue to increase, utilization of emergency rooms as an entry point for medical services, and other factors. In addition, higher utilization rates than expected due to unforeseen use of Special Enrollment Periods (SEPs), services obtained during grace periods and then subsequent policy cancellation after services rendered, third party payments of premiums, age rating band limitations and other factors contribute to a climate of adverse selection which continues to increase claims resulting in higher premiums.

Kansas is considered an effective rate review state and the actuarial review is conducted by the Kansas Insurance Department. KHIS (Kansas Health Insurance Information System) claims data was utilized during the rate review process to verify the claims experience submitted by the companies.



The following table provides details regarding the average requested rate revisions for companies writing individual policies in Kansas.

Company Name	Average Filed Increase	On Marketplace	Off Marketplace
Blue Cross and Blue Shield of Kansas, Inc.	New plans in 2018	Yes	Yes
Medica Insurance Company	29.0%	Yes	Yes
Sunflower State Health Plan	New to market in 2018	Yes	Yes

Medica Insurance Company is shown as filing an increase due to the fact that they were also on the FFM in 2017. Blue Cross and Blue Shield of Kansas, Inc. was not on the FFM in 2017 but their sister company, Blue Cross Blue Shield Kansas Solutions, Inc., did participate. Sunflower State Health Plan is brand new in 2018 and therefore does not show a revision.

Small Business Health Insurance Rates

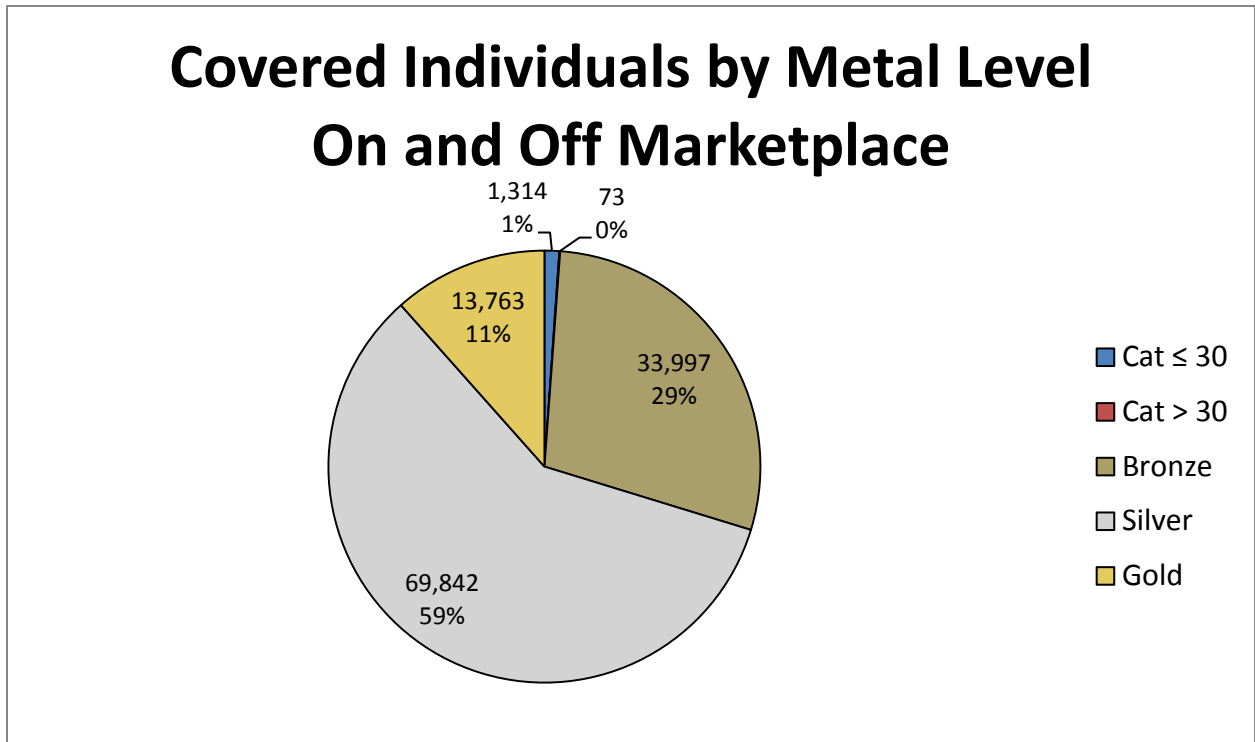
The range of average rate revisions by insurance companies for policies sold off the 2018 federally facilitated SHOP is -8.88 percent to 9.66 percent. Contributing factors to the small business rate increases include an increase in the utilization of health services.

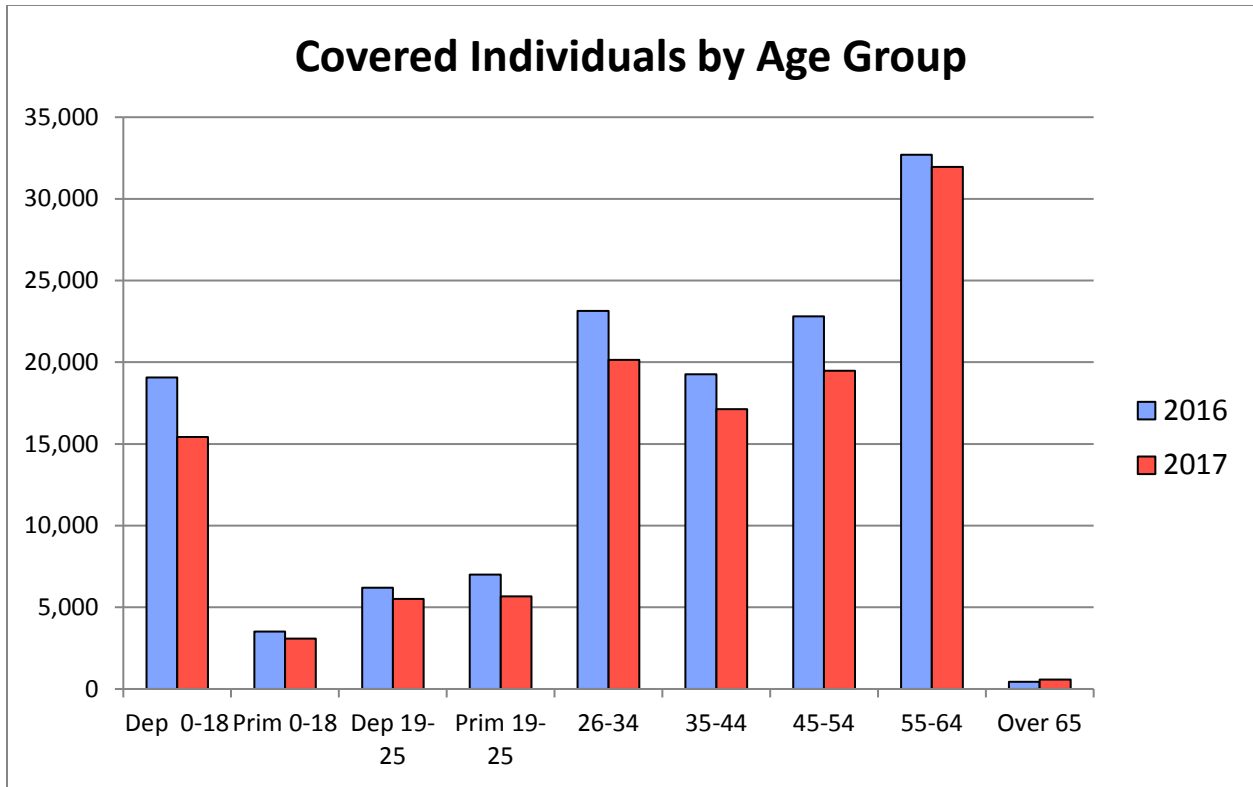
The following table details the average rate revisions requested by the companies that write small business health insurance in Kansas.

Company Name	Average Filed Increase
Aetna Health Inc.	9.66%
Aetna Life Insurance Company	-8.88%
Blue Cross and Blue Shield of Kansas, Inc.	4.53%
Blue Cross and Blue Shield of Kansas City	2.00%
Humana Health Plan, Inc.	7.59%
Humana Insurance Company	7.88%
UnitedHealthcare Insurance Company	5.80%

The following charts demonstrate an overview of Kansas Plan Selections for 2017. All information provided in the charts is as of May 1, 2017 and was collected by the Kansas Insurance Department.

Fifty nine percent of Kansans purchasing an individual or family policy themselves selected a silver plan for 2017.





The following provides an overview of plan selections from 2015 through 2017.

Kansas Federal Marketplace Enrollment Comparison 2015-2017			
	2015	2016	2017
Total Number of Individuals with Plan Selection Through the Marketplace	96,197	101,555	98,780
Number of Plan Selections with Financial Assistance	80%	83%	84%
Total Consumers Reenrolling in Coverage Through the Marketplace	46,393	60,661	67,292
Total Active Reenrollees	23,398	50,743	52,378
Active Reenrollees Who Switched Plans	13,922	38,412	26,435
Age < 18	9%	10%	11%
Age 18 - 25	11%	11%	11%
Age 26 - 34	19%	19%	18%
Age 35 - 44	16%	15%	15%
Age 45 - 54	19%	18%	17%
Age 55 - 64	25%	26%	27%
Age ≥ 65	< 1%	< 1%	< 1%