

Vermont Open Enrollment and Qualified Health Plan (QHP) Renewals for 2023

Background

This memo summarizes the state of Vermont's intended methodology for QHP annual redeterminations ("renewals") for 2023, pursuant to 45 CFR 155.335(a)(2)(iii)¹. Vermont's state-based marketplace, Vermont Health Connect (VHC), is administered by the eligibility and enrollment unit within the Department of Vermont Health Access (DVHA).

Updates for 2023

Note: On July 18, after the submission of this renewals plan, CMS issued guidance providing flexibility around Failure to Reconcile operational requirements for plan year 2023. Therefore, DVHA will not be processing FTR this year (see paragraph 5 below).

DVHA is implementing multiple changes during 2022, leading up to Open Enrollment. In the Summer of 2022, DVHA is implementing a new income based Special Enrollment Period (SEP) which will allow customers who are eligible for Tier 1 or Tier II CSR (i.e., at or below 200% Federal Poverty Level (FPL)) to perform plan selection of Silver Qualified Health Plans (QHP) when they are outside of the Open Enrollment period or another SEP. Qualifying customers who lose their Medicaid due to income will have access to this SEP to enroll in a QHP at any time.

Additionally, DVHA will also be implementing an enhancement to income verification eligibility rules to utilize Adjusted Gross Income (AGI) amounts in situations where Modified Adjusted Gross Income (MAGI) is not available. This enhancement will reduce the number of income discrepancies that occur during the Open Enrollment period.

DVHA is also preparing to update the eligibility system in response to the anticipated elimination of the "family glitch" rule. The "family glitch" is the rule that bases APTC eligibility on whether employer sponsored coverage is affordable for the employee only, even if the family premium is not affordable for the household. With the implementation of this change, more household members may be eligible for APTC.

Finally, Vermont is officially expanding its Open Enrollment period for plan years 2023 and beyond to run from November 1 to January 15.

Besides the above, the operational and system methodology for 2023 redetermination is largely similar to that of previous years.

Risks

DVHA's preparation for QHP renewals and Open Enrollment is awash with uncertainty. First, it is unclear whether the expanded subsidies under the American Rescue Plan Act (ARPA) will be in place for 2023. ARPA expanded eligibility parameters for premium tax credit eligibility. As a result of this change, the average net premium for subsidized customers was reduced by approximately \$200 a month. This also led to an 8% QHP enrollment increase between 2021 and 2022 including progress with hard-to-reach populations like young Invincibles.

¹ HBEE 75.02(a)(3)

If the enhanced federal subsidies under ARPA are not continued, subsidized customers will see their net premium double for 2023. This will happen as early as October when batch redetermination and plan shopping begins and will undoubtedly lead to coverage lapses. DVHA is contingency planning and will be able to accommodate APTC eligibility changes into the fall, from a system perspective. However, it is imperative that an extension of the subsidies happen as soon as possible in the interest of customer communications and continuous coverage.

Similarly, it is unclear when the federally declared Public Health Emergency and Medicaid continuous coverage will end. DVHA operates an integrated eligibility system and is responsible for Medicaid enrollment alongside QHP. We expect a significant percentage of current Medicaid enrollees to transition to QHP coverage following the PHE. However, beginning to unwind from the PHE at the same time as Open Enrollment would be operationally disastrous. Under the current framework, the PHE is expected to be extended into mid-October. DVHA would strongly advocate for a further extension into 2023 so that Medicaid renewals can start after Open Enrollment and—ideally—take advantage of the critical tool of affordability provided by extended ARPA subsidies.

QHP Renewals

For QHP renewals, DVHA uses automated renewal functionality which allows for self-service plan selection during open enrollment, self-service change reporting, automated noticing, and automated QHP issuer and billing integration.

1. Renewals Preparation and System Setup

In early August, DVHA will notice those QHP enrollees who did not provide authorization to obtain IRS data for their renewal. This “zero auth” notice will give instructions for providing authorization and explain that, if authorization is not given, any APTC will be removed for 2023. This population was expected to be around 650 this year.

As soon as 2023 QHPs have completed the rate review and certification process in early September,² the VHC rules engine will be updated to calculate 2023 eligibility using updated eligibility data. The marketplace will execute one-to-one plan mapping for default reenrollment. The Vermont QHP market will remain stable for enrollees transitioning from 2022 to 2023 with the expectation that there will be no new plans and all existing plans will continue to be offered.

Issuers will be given the opportunity to confirm the accuracy of 2023 plan data from the VHC live system prior to open enrollment, and the plans will be posted on the VHC informational website for customer shopping. The Plan Comparison Tool will also be available in October for customers to shop for 2023 QHPs before Open Enrollment begins.

The goal of this preparatory phase is to have all the updated rules, plans and authorizations in place to project 2023 eligibility for QHP enrollees prior to open enrollment.

2. Noticing and Plan Mapping

In early October, DVHA will send standardized renewal notices to all enrolled households³

² VT issuers will have separate rates for the individual and small group markets for 2023 pursuant to state law.

³ Approximately 20,000 households which could potentially increase due to the PHE unwind and the new income-based SEP.

directing them to the VHC portal, or to call the call center, for their projected eligibility and mapped plan for 2023. The notices will stress the importance of reporting updated household information, the requirement to report any eligibility change, and instructions for doing so. The notices will also include a description of open enrollment, the redetermination process, and the plan selection deadline for January 1 coverage. Finally, the standard renewal notices will include generic reminders and calls to action for those with outstanding data-matching issues and premiums, as well as age-off populations.

In mid-October, DVHA will process a batch activity wherein eligibility is projected for every household based on most recent, customer-reported case data. The hub is pinged using the Renewal and Redetermination Verification (RRV) Service. As part of the process, verification statuses are refreshed, and eligibility is redetermined. For example, an enrollee who has not authorized retrieval of tax information for this renewal, will show that they are not eligible for subsidies in the next plan year. A catastrophic plan enrollee who has turned 30 will show as no longer eligible for the catastrophic plan. This projected eligibility is populated into the VHC portal along with default re-enrollment (plan mapping) for customer review.

Subsequently, issuers will send renewal notices to customers that will include the cost of their 2022 plan and cost of 2023 plan.⁴ The issuers' notices will also explain that these costs are the gross premiums – premiums before subsidies – and will refer customers to DVHA to review their 2023 subsidies and net costs, if applicable.

The batch activity will also be the basis of the transmission of a batch re-enrollment file to QHP issuers. This will re-enroll all known QHP enrollees into an equivalently mapped 2023 QHP. Therefore, an individual who is enrolled in a QHP and whose QHP remains available will not be required to reapply or take other actions to renew coverage for the following year. They must only pay their premium due. This default passive enrollment will aid to maintain the State's existing high rate of insured individuals.

3. Outreach and Education

Vermont's open enrollment effort will be supported by the broad availability of in-person assistance, online health insurance literacy resources, key community partners, and mass media. Key messages include reminders of the December 15 deadline for January 1 coverage and encouragement to reconsider plan selection through comparison shopping.

Vermont's Assister Network consists of more than 100 Certified Application Counselors, Navigators, and Brokers working in 50 organizations including hospitals, clinics, and community-based organizations. Assister support is available in all of Vermont's 14 counties to help Vermonters enroll in health coverage through Vermont's health insurance marketplace. They also coordinate with state eligibility staff to promote health insurance literacy, help customers understand the total cost of insurance, and ensure that Vermonters are aware of the deadline for signing up as well as the requirement to maintain health insurance.⁵

DVHA uses the Plan Comparison Tool to help Vermonters better understand their subsidies and assess how various plan designs and out-of-pocket costs could impact their total health care costs. The tool is expected to continue to play a key role in equipping individuals and employees of small businesses to choose the best health plan for their families' needs and budgets.

⁴ 45 CFR 156.1255

⁵ 32 VSA 10452.

4. Redetermination

Beginning November 1, 2022, QHP enrollees will be able to call or log into the portal to make a change for their renewal. This will include the ability to authorize retrieval of tax information. Changes will be implemented using the automated change of circumstance process, and 2023 projected eligibility will be updated accordingly. An 834 transaction will be generated overriding the original re-enrollment.

All households, whether or not they have completed an active re-enrollment as described above, will receive a notice of decision reflecting their 2023 redetermination in November. The notice will be updated if a household takes further action on their renewal. If an enrollee does not report or make a change by December 15, 2022, they will remain re-enrolled according to their projected eligibility and mapped plan. Customers will receive invoices from the issuers in December for January 2023 coverage.

5. Failure to Reconcile (FTR)

Because of the economic uncertainty caused by the COVID-19 pandemic and the availability of the ARPA subsidies, DVHA advocates for a continued suspension of the FTR process for the 2022 tax year. However, the VHC system has the functionality to consider FTR indicators as part of the renewal process. Redetermination includes the loss of APTC for those who the IRS indicates did not file taxes to reconcile APTC for the previous year. The exchange will remove APTC for those households receiving any of the three IRS FTR indicators (007, 009 and 010). Those enrollees projected to lose their APTC pursuant to FTR can call the call center to attest that taxes have been filed and APTC reconciled and receive a new eligibility determination for APTC.⁶ They must make such an attestation by the plan selection deadline (December 15) in order to receive APTC as of January 1. If they make an attestation after December 15, the eligibility redetermination is effective according to the fifteenth of the month rule.⁷ Since eligibility is projected in October—before the IRS data is updated to account for all those with automatic extensions who met their filing deadline—in late November, DVHA will recheck customers who received the 009 code (valid filing extension) and grant APTC to those eligible.

6. Interaction with Medicaid

VHC is an integrated marketplace providing both Medicaid and QHP coverage. As described above, an unwinding of Medicaid continuous coverage during Open Enrollment would create significant operational and customer service challenges. Assuming the PHE and Medicaid continuous coverage remain in effect this fall, Medicaid members in households with both Medicaid and QHP enrollees will not lose Medicaid coverage as part of this annual renewal process. In some cases, this will create complicated eligibility determinations where subsidy eligible household members could apply more APTC but for their family member's Medicaid enrollment. DVHA will monitor these situations as appropriate.

7. Open Enrollment Duration

As noted above, Vermont is extending Open Enrollment to January 15, 2023. Enrollees and

⁶ HBEE 73.05(b)(1)(iii)

⁷ HBEE 73.06

applicants who make a plan selection after December 15 and by January 15 will have a February 1 coverage effective date.

Regulatory Standard

The State's approach to annual redetermination meets federal standards for approval of an alternative procedure⁸ by:

- facilitating continued enrollment in coverage,
- providing clear information about the process to the qualified individual or enrollee (including regarding any action by the qualified individual or enrollee necessary to obtain the most accurate redetermination of eligibility), and
- providing adequate program integrity protections.

⁸ 45 CFR 155.335(a)(2)(iii).