A Brief Landscape of the Health Insurance Landscape Post-ACA
The ACA Increases the Role of Government in Health Insurance As Uninsurance Declines

PROJECTED ENROLLMENT BY PAYER TYPE (MILLIONS), 2013 & 2020

- Uninsured
- Non Group
- Employer
- Other Public
- Exchanges
- Medicaid
- Medicare

Avalere All-Payer Enrollment Model. Medicaid expansion scenarios based on latest state decisions. October 2015.
30 States & DC Have Expanded Medicaid Eligibility; Louisiana Is Also Planning to Expand

*Denotes states using or pursuing premium assistance models with exchange plans for parts of their expansion populations; NH began using premium assistance in 2016.

**UT’s House and Senate approved a plan to provide coverage to adults below 100 percent FPL who are chronically homeless, suffering from behavioral health or substance abuse issues, and/or on probation or parole; as well some parents. This plan is not a full ACA expansion.

Source: Avalere State Reform 360, March 15, 2016.
In Most States, Enrollment Increased Between 2015 and 2016; Some Enrollment Loss Is Expected Through Attrition

PERCENT CHANGE 2015 EFFECTUATED ENROLLMENT TO 2016 PLAN SELECTIONS

Notes: This map compares 2015 effectuated enrollment to 2016 plan selections in the Health Insurance Marketplace. 2015 effectuated enrollment is based on the latest information available from the Department of Health and Human Services (HHS), through September 30, 2015. To have effectuated coverage means those individuals paid for coverage and have an active policy in the applicable month. 2016 plan selections are based on the latest information available from the Department of Health and Human Services (HHS) through February 1, 2016. Plan selections provide a preliminary total of those who have submitted an application and selected a plan.
Exchange Benefit Design Accelerate Shift to Narrower Commercial Coverage

EXCHANGE BENEFIT DESIGNS MAY HAVE SPILLOVER EFFECTS BY SETTING A NEW STANDARD FOR COVERAGE GENEROSITY

Benefit Design Generosity

Less Generous

More Generous

Catastrophic

Exchange

Commercial

Medicaid

Lives Served by Market Today

Anticipated Future Market
The Exchange Plan Types with Most Enrollment—Bronze and Silver—Have Increasing Deductibles and MOOPs

Percent of Bronze Plans with Deductibles Equal to or Greater than $5,000

- 2015: 72%
- 2016: 79%

Average Combined Deductibles for Silver Plans

- 2014: $2,463
- 2015: $2,658
- 2016: $3,075

Average Maximum Out-of-Pocket (MOOP) Amount

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bronze Plans</td>
<td>$6,292</td>
<td>$6,381</td>
<td>$6,631</td>
</tr>
<tr>
<td>Silver Plans</td>
<td>$5,844</td>
<td>$5,853</td>
<td>$6,156</td>
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</table>

Source: Avalere PlanScape®, a proprietary analysis of exchange plan features, December 2015. Avalere analyzed data from the FFM Individual Landscape File released October 2015 and the California and New York state exchange websites.

MOOP: Maximum Out-of-Pocket

Note: In the FFM landscape file, plans note either a “combined” MOOP limit, which includes one MOOP for all medical and drug spending, or separate medical MOOP OP and drug MOOP limit. Average MOOP limits decline significantly at higher metal levels, averaging $2,650 in platinum plans.
For PCP Visits, Majority of Plans Charge Copayments Rather than Coinsurance, Averaging $25 in Silver Plans

PCP COST SHARING BY METAL LEVEL, 2016

Bronze
N=658

- 17%: $0 - $20
- 21%: $21 - $40
- 20%: $41 and over
- 23%: 0 – 20%
- 14%: 21 - 40%
- 5%: 41% or more

Silver
N=1,199

- 6%: $0 - $20
- 13%: $21 - $40
- 9%: $41 and over
- 43%: 0 – 20%
- 28%: 21 - 40%
- 23%: 41% or more

Source: Avalere PlanScape®, a proprietary analysis of exchange plan features, December 2015. Avalere analyzed data from the FFM Individual Landscape File released October 2015 and the California and New York state exchange websites.

PCP: Primary Care Physician

Note: Instances in which values were one percent or below were excluded from the graphic display. Avalere assigned the plan to $0 copayment or 0 percent coinsurance depending on which cost-sharing type was most prevalent for the specified benefit. For PCP Visit, Avalere used $0 copayment.
For Specialist Visits, Most Silver Plans Use Copayments Averaging $52; Most Bronze Plans Require Coinsurance

Source: Avalere PlanScape®, a proprietary analysis of exchange plan features, December 2015. Avalere analyzed data from the FFM Individual Landscape File released October 2015 and the California and New York state exchange websites. Note: Instances in which values were one percent or below were excluded from the graphic display. Avalere assigned the plan to $0 copayment or 0 percent coinsurance depending on which cost-sharing type was most prevalent for the specified benefit. For Specialist Visit, Avalere used $0 copayment.
Many Formularies with More than Four Tiers Use Multiple Tiers for Generics or Specialty Drugs

**FORMULARY TIER STRUCTURE IN SILVER PLANS WITH FIVE OR MORE TIERS, 2016**

<table>
<thead>
<tr>
<th>Number of Tiers on Formulary</th>
<th>Five Tiers N=224</th>
<th>Six Tiers N=150</th>
<th>Seven Tiers N=16</th>
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<tbody>
<tr>
<td>Multiple Generic</td>
<td>168</td>
<td>48</td>
<td>9</td>
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<tr>
<td>Multiple Specialty</td>
<td>56</td>
<td>102</td>
<td></td>
</tr>
<tr>
<td>Multiple Generic and Specialty</td>
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</tbody>
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**SPECIALTY TIER STRUCTURE FOR SILVER PLANS WITH FIVE OR MORE TIERS, 2016**

- One Specialty Tier: 182 (43%)
- Two Specialty Tiers: 167 (39%)
- Three or More Specialty Tiers: 79 (18%)

Source: Avalere PlanScape®, a proprietary analysis of exchange plan features, December 2015. Avalere analyzed data from the FFM Individual Landscape File released October 2015.

Note: The case study analysis only includes silver plans. Plans that noted only pre-deductible cost-sharing amounts were excluded from the analysis; this which explains why the total number of plans shift across the analysis. Instances in which values were below two were excluded from the graphic display. Avalere did not include health plans in which there was no cost sharing across service categories or that had deductibles that were equal to the out-of-pocket maximum.
Snapshot: Changes in Silver Plan Prescription Drug Cost Sharing Over Time

SILVER PLANS CHARGING COINSURANCE GREATER THAN 30% FOR SPECIALTY MEDICATIONS

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<tr>
<th></th>
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<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>SILVER PLANS</td>
<td>27%</td>
<td>41%</td>
<td>36%</td>
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</table>

40% of 2016 silver plans use formularies with more than four tiers. 19% use six or more tiers.

Plans That Use Copayments Instead of Coinsurance for Specialty Tier Drugs

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<tr>
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Source: Avalere PlanScape®, a proprietary analysis of exchange plan features, December 2015. Avalere analyzed data from the FFM Individual Landscape File released October 2015 and the California and New York state exchange websites.
Wrap Up

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