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In the Spotlight: What's New for Open Enrollment Period 2017?

During its fourth Open Enrollment Period, the Health Insurance Marketplace (Marketplace) is focusing on consumer experience as it continues to support and enhance functionality for its growing consumer base. The Open Enrollment Period (OEP) 2017 will last from November 1, 2016 to January 31, 2017. For the first time this year, the federal Marketplace will display quality and network rating information in some markets across the country¹, and will undertake outreach to help improve the enrollment process for new and returning consumers. The focus of this OEP and 2017 coverage year for health insurers – and likely consumers too – will be on managing health care costs and planning for the future of affordable coverage. These changes will help to address market stability challenges. Consumers can expect to see changes in the insurer options and plan offerings sold on the Marketplace, as well as changes to premium and out-of-pocket expenses. This *In the Spotlight* will focus on the changes that consumers can expect for Open Enrollment Period 2017.

Consumer Enrollment and Reassignment

Insurer Participation. This year, there will be changes to insurer participation in many Marketplaces. It is expected that the rising costs of care and the risk of financial losses have deterred some insurers from continuing their full participation on the individual Marketplace in certain states. Specifically, United Healthcare announced its exit from 31 of 34 of its operational states on April 19th for 2017,² followed by Aetna announcing its exit from 11 of 15 states on August 15th for plan year 2017.³ The exit of these insurers will result in significantly fewer Marketplace options for consumers than in previous years. As a result, Blue Cross and Blue Shield of North Carolina (BCBSNC) will be the only insurer available on the Marketplace in the vast majority of the 100 counties in North Carolina.⁴ As in years past, BCBSNC remains the only insurer participating in the Marketplace statewide.⁵

Although the majority (62%) of Marketplace enrollees nationwide will have a choice of three or more insurers in 2017, this is a noticeable decrease from the insurers available in 2016.⁶ In an increasing number of counties across the United States, more consumers are now limited to a single insurer option for insurance coverage. An estimated 19% or 2.3 million enrollees will have a single insurer available in 2017, compared to just 2% or 303,000 in 2016, as illustrated in the chart below.⁷

¹ North Carolina is not one of the pilot states that will display quality and network rating information this year.

² Phil Galewitz. "[United Healthcare to Exit All But 'Handful' of Obamacare Markets in 2017.](#)" Kaiser Health News. April 19, 2016.

³ Aetna. "[Aetna to Narrow Individual Public Exchange Participation.](#)" August 15, 2016.

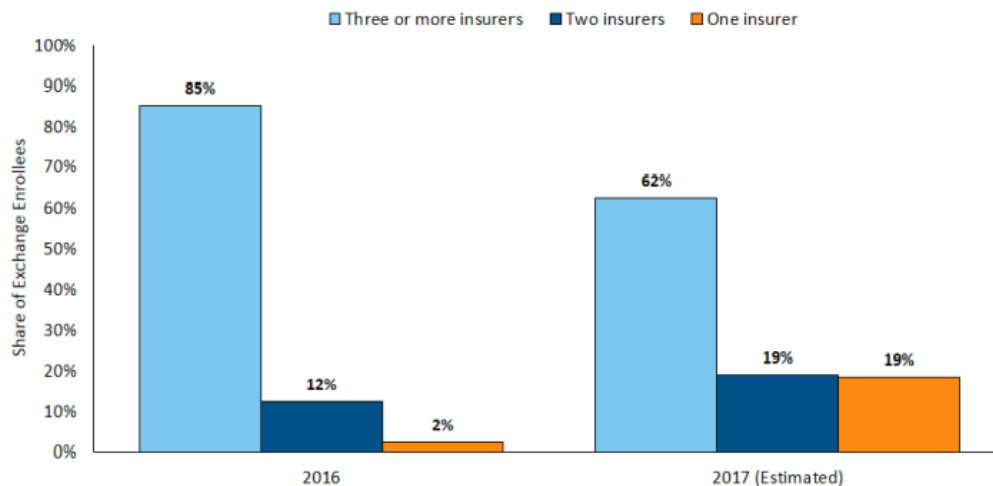
⁴ Becker's Hospital Review. "[State-by-State Look at ACA Individual Marketplaces.](#)" October 3, 2016.

⁵ Plan offerings may vary by county.

⁶ Cox, Cynthia. "[Preliminary Data on Insurer Exits and Entrants in 2017 Affordable Care Act Marketplaces.](#)" Kaiser Family Foundation. August 2016.

⁷ Cox, Cynthia. "[Preliminary Data on Insurer Exits and Entrants in 2017 Affordable Care Act Marketplaces.](#)" Kaiser Family Foundation. August 2016.

Number of Insurers Available to Exchange Enrollees in 2016 and Estimated Number of Insurers in 2017



Source: Kaiser Family Foundation analysis of data gathered from insurer rate filings, exchange and state government reports, healthcare.gov and state exchange websites, insurer press releases, and media reports. Note: Enrollment is based on 2016 signups. See methods for details. Data as of August 26, 2016.



Source: <http://kff.org/health-reform/issue-brief/preliminary-data-on-insurer-exits-and-entrants-in-2017-affordable-care-act-marketplaces/>

Reassignment. For many consumers, the Marketplace exit by insurers such as United Healthcare and Aetna will mean that the coverage they held in 2016 will end at the end of December. The federal government determined that it has the authority to assign consumers whose 2016 insurer will exit the Marketplace to a product sold by one of the remaining Marketplace insurers. Under federal guidelines, consumers will be automatically assigned to a new 2017 plan based on the metal level, plan type, and premium cost of their 2016 coverage. Even after consumers are moved to a new plan, they must make their initial payment to their new insurer to complete enrollment for 2017 coverage. Consumers are encouraged to return to the Marketplace during OEP by December 15th to actively select another plan that best meets their needs in order for coverage to begin on January 1, 2017.

Despite efforts to manage the transition, it is expected that this change will cause market and network disruption. Communications by the federal government and health insurers will help to guide consumers through the process. Consumers affected by this assignment will receive targeted communications from the federal government in early November to describe their options. Affected individuals may also see communications from their new health insurer to ease the transition. BCBSNC will have a website with dedicated information for newly assigned members. It will also provide a welcome letter and a letter that will accompany the initial 2017 payment statement in November. Assuming that individuals do not return to the Marketplace to choose another plan, their coverage on the assigned plan will begin on January 1, 2017 if they make their initial payment.

New Expectations

Quality and Network Breadth Pilot Testing. Starting with OEP 2017, plans sold in certain pilot states will be displayed on the Marketplace with a new [quality rating](#) based on that plan's performance. The quality rating is based on elements like provider quality, health outcomes, enrollee experience, and access to care. Scores across these metrics are calculated into a star rating, for which one star is the lowest quality and five is highest. Consumers can use the information to make informed decisions on which plan to select. In 2017, consumers in the federal Marketplace states of Virginia and Wisconsin will see the new quality rating as they shop for plans. Using experiences in these states as a guide, the federal government will likely expand use of the rating to additional states in 2018.

Similarly, consumers shopping for coverage in the federal Marketplace states of Maine, Ohio, Tennessee, and Texas will see a new pilot network rating program, which is intended to display the relative breadth of each plan's network. This network breadth rating will identify a plan's network size compared to other plan options in the county across primary care providers, pediatricians, and hospitals.

For both the Quality Rating System (QRS) and network breadth projects, North Carolina was not selected as a pilot state for 2017.

Targeting Young Adults. In an attempt to connect with young adults during OEP, the federal government launched a new strategic campaign to encourage higher levels of enrollment and educate millennials about the affordability of coverage, deadlines for Marketplace enrollment, and penalties for not having coverage. Despite the fact that more than 9 in 10 Marketplace-eligible young adults without health insurance could qualify for tax credits to lower their premiums, millions of young adults remain uninsured.⁸ To reach young adults and ultimately strengthen the Marketplace pool, the government has tapped into multiple channels of communication to provide easy-access messaging. Targeted emails with specific action steps, popular digital platforms, and social media campaigns are being used to increase engagement by connecting with this consumer population in ways they can relate to. The federal government has partnered with Facebook, Twitter, and Tumblr to engage in meaningful conversations about healthcare using the hashtag #HealthyAdulting. YouTube, Instagram, and Facebook are also being used as advertising platforms. In addition, to make shopping online for health plans easier, mobile experiences have been optimized for young adults who exclusively use their mobile devices to access the internet. By aligning with partners that young adults trust, the #HealthyAdulting campaign is expected to reach nearly 5 million social media followers.⁹

Ongoing Challenges

Coverage Affordability. Similar to previous years, the increasing cost of coverage continues to be a challenge in 2017. Many consumers who buy coverage through the Health Insurance Marketplace are shielded from much of these costs due to government subsidies. Nonetheless, the costs continue to rise for the federal government, health insurers, and some consumers without subsidies or who purchase coverage outside of the Marketplace. Due to similar factors as the [reasons we identified](#) for 2016 rates, health insurers will issue rate increases to cover their costs in 2017, which will affect some consumers. From the health insurer's perspective, the balance of the risk pool

⁸ Center for Medicare & Medicaid Services. [Administration launches new campaign to enroll young adults during Open Enrollment.](#) September 2016

⁹ Center for Medicare & Medicaid Services. ["Administration launches new campaign to enroll young adults during Open Enrollment."](#) September 2016.

continues to be an issue considering that individuals who purchase coverage for ACA plans (on and off the Marketplace) tend to be high-cost health care users. As a result, these consumers drive up the cost of coverage broadly. Federal rating limitations on health insurers and mandated benefit enhancements can also add costs. To cover these costs, health insurers must increase premium rates, which causes some consumers to feel the impact on their pocketbooks.

BCBSNC Views

BCBSNC is selling products on the Marketplace in all 100 counties for the fourth straight year in 2017, and is the sole health insurer selling on North Carolina's Small Business Health Options Program (SHOP) Marketplace. While BCBSNC is encouraged by the annual improvements to the Marketplace, we are preparing for upcoming challenges as well. We anticipate significant market disruption as two major NC health insurers exit the Marketplace. As the only remaining insurer in the majority of counties in the state, BCBSNC is preparing to support the transition of hundreds of thousands of new consumers due to Aetna's ACA market withdrawal and United Healthcare's exit. BCBSNC will distribute targeted communications to members to notify them of their new enrollment status. In addition, operational improvements and increased customer support will be put in place to offer a good consumer experience. Customers should expect, however that this significant increase in membership may strain BCBSNC's customer service capacity. In the midst of continuous change, BCBSNC will continue to encourage the federal government to develop policies that help to increase affordability and [stabilize health insurance markets](#). Continued efforts to stabilize the markets are critical to our ability to serve the consumers of North Carolina.

For More Information:

Healthcare.gov: <https://www.healthcare.gov/>

Dates & Deadlines for 2017 Health Insurance: <https://www.healthcare.gov/quick-guide/dates-and-deadlines/>

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