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Summary Cost Data for Health Plans Available in West Virginia's Exchange, 2014: Fact Sheet

name redacted

Specialist in Health Care Financing

name redacted

Analyst in Health Care Financing

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The Patient Protection and Affordable Care Act (ACA, P.L. 111-148, as amended) contains a number of provisions that may affect the individual health insurance market. These provisions may alter the amounts that individuals and families can expect to pay for insurance plans sold on West Virginia's exchange. This fact sheet provides a look at selected costs and options for individual and family plans in West Virginia's exchange.¹ (For background information, see the related overview report, CRS Report R43484, *Summary Cost Data for Federally-Facilitated Exchanges, 2014*.)

A state resident interested in purchasing an individual plan in his or her exchange may have a choice of plans that vary in characteristics, such as the share of medical spending the plan will cover ("actuarial value," or AV),² the scope of the benefits package (e.g., types of services and providers covered), and other plan features.³ Under ACA, each plan that meets a specific AV is designated by a precious metal: platinum, gold, silver, or bronze.⁴ Exchanges are also allowed to offer catastrophic plans, with AVs below 60%; such plans are available only to individuals under the age of 30 and certain others who are exempt from ACA's individual mandate.⁵ Given this potential range in plans, this fact sheet displays premium and cost-sharing data tables for five categories of health plans, in order of decreasing actuarial value: platinum to catastrophic.

A person or family seeking health insurance faces a tradeoff between the expense of premiums and cost-sharing requirements. For example, a younger resident expecting to use relatively few medical services may prefer a lower-tier plan. Although lower-tier plans in general have smaller premiums, they also have greater cost-sharing requirements, overall. **Table 1** summarizes selected premiums for individual insurance plans available in this state for adults at different ages, and **Table 2** shows selected cost-sharing requirements of the same plans.

Table 1. Monthly Exchange Premiums for Individuals, for Selected Ages

(premium amounts are rounded to the nearest dollar)

| Metal Level | Single Adults, Age 21 | | | Single Adults, Age 40 | | | Single Adults, Age 60 | | |
|---------------------------|-----------------------|---------------------|-------|-----------------------|--------|-------|-----------------------|--------|-------|
| | Min. | Median ^a | Max | Min. | Median | Max | Min. | Median | Max |
| Platinum | — | — | — | — | — | — | — | — | — |
| Gold | \$225 | \$256 | \$289 | \$288 | \$328 | \$369 | \$612 | \$696 | \$784 |
| Silver | \$185 | \$214 | \$239 | \$236 | \$273 | \$306 | \$502 | \$580 | \$649 |
| Bronze | \$157 | \$176 | \$199 | \$200 | \$225 | \$254 | \$425 | \$478 | \$539 |
| Catastrophic ^b | \$143 | \$159 | \$175 | \$183 | \$203 | \$224 | \$389 | \$432 | \$475 |

¹ The data analysis for this report was conducted by CRS using a publicly available data set from Data.Healthcare.gov.

² Actuarial value (AV) is a measure of a plan's generosity, expressed as the percentage of medical expenses estimated to be paid by the insurer for a standard population and set of allowed charges. In other words, the higher the percentage, the lower the cost-sharing, on average.

³ For descriptions of the variety of health plans that may be offered inside (and outside of) exchanges, see CRS Report R43233, *Private Health Plans Under the ACA: In Brief*.

⁴ Platinum plans have an actuarial value of 90%; gold plans, 80%; silver, 70%; and bronze, 60%.

⁵ ACA allows certain individuals to receive exemptions from ACA's individual mandate; however, only individuals who receive affordability or hardship exemptions are eligible to enroll in a catastrophic plan. The ability for *exempted individuals and families* to enroll in a catastrophic plan offered through an exchange does not depend on their age. For more information about the affordability and hardship exemptions, see CRS Report R41331, *Individual Mandate Under ACA*, by (name redacted).

Source: CRS analysis of data from Data.HealthCare.gov.

Notes: The listed premiums are pre-subsidy figures; they do not reflect the premium tax credits that will in effect reduce these prices for many individuals with incomes that fall below 400% of the federal poverty level. Differences between listed premiums may also be attributed to variables not considered in the table, such as geographic rating areas within a state. Child-only plans are excluded.

- a. A median is the middle value of an ordered sequence. For each median premium, half of the set of premiums are above its value and half below it. This is in contrast to the arithmetic mean, an alternative measure of central tendency, which is the sum of a set of values divided by the number of values. Median premiums were drawn from an ordered list of premiums for all plans offered in all rating areas in the state.
- b. Catastrophic plans are available only to individuals under the age of 30 and certain others who are exempt from the ACA's individual mandate (regardless of age).

The premiums and cost-sharing amounts listed in these tables are based on all plans offered in the state at the appropriate metal level (AV). Individuals may choose from plans within insurance rating areas. Individuals in a specific rating area may have a more limited range of plans, premiums, and cost-sharing options than those shown in these state-level tables.

Table 2. Annual Exchange Cost-Sharing Requirements for Individuals

| Metal Level | Medical Deductible | | | Maximum Out-of-Pocket Expenses | | |
|--------------|--------------------|---------|---------|--------------------------------|---------|---------|
| | Min. | Median | Max | Min. | Median | Max |
| Platinum | — | — | — | — | — | — |
| Gold | \$500 | \$1,300 | \$1,500 | \$2,300 | \$3,500 | \$6,000 |
| Silver | \$1,500 | \$3,625 | \$4,750 | \$3,500 | \$6,350 | \$6,350 |
| Bronze | \$3,000 | \$4,000 | \$5,000 | \$6,350 | \$6,350 | \$6,350 |
| Catastrophic | \$6,350 | \$6,350 | \$6,350 | \$6,350 | \$6,350 | \$6,350 |

Source: CRS analysis of data from Data.HealthCare.gov.

Notes: Some individuals with incomes below 250% of the federal poverty level may be eligible for cost-sharing subsidies, which would have the effect of reducing the listed cost-sharing burdens.

ACA generally requires exchange plans to limit annual out-of-pocket (OOP) expenses to specific levels. For 2014, the annual OOP limits for individual and family plans are \$6,350 and \$12,700, respectively. Given these limits, exchange plans with lower actuarial values may use the OOP limits to also establish deductible levels.

Just as an individual may consider premiums and cost-sharing when seeking insurance, a family may likewise make such a comparison. For example, a family that either expects to use a high volume of medical services or wants to assume less financial vulnerability to a large medical bill may prefer to select a higher-tier plan with larger premiums in order to have less burdensome cost-sharing requirements, such as a low deductible. **Table 3** shows the range of premiums for family insurance plans in the state for hypothetical families at selected ages, and **Table 4** shows the range of selected cost-sharing requirements for those plans.

Table 3. Monthly Exchange Premiums for Families, for Selected Ages and Family Composition

(premium amounts are rounded to the nearest dollar)

| Metal Level | Individual, Age 40, with Two Children | | | Couple, Age 40, with Two Children | | |
|--------------|---------------------------------------|--------|-------|-----------------------------------|--------|---------|
| | Min. | Median | Max | Min. | Median | Max |
| Platinum | — | — | — | — | — | — |
| Gold | \$574 | \$653 | \$736 | \$862 | \$981 | \$1,105 |
| Silver | \$472 | \$545 | \$610 | \$708 | \$818 | \$915 |
| Bronze | \$399 | \$449 | \$506 | \$600 | \$674 | \$760 |
| Catastrophic | \$365 | \$405 | \$446 | \$549 | \$609 | \$669 |

Source: CRS analysis of data from Data.HealthCare.gov.

Notes: The listed premiums are pre-subsidy figures; they do not reflect the premium tax credits that will in effect reduce these prices for many families with incomes that fall below 400% of the federal poverty level. Differences between listed premiums may also be attributed to variables not considered in the table, such as geographic rating areas within a state. Median premiums were drawn from an ordered sequence of premiums for all plans offered in all rating areas in the state. Child-only plans were excluded.

Table 4. Annual Exchange Cost-Sharing Requirements for Families

| Metal Level | Medical Deductible | | | Maximum Out-of-Pocket Expenses | | |
|---------------------------|--------------------|---------|----------|--------------------------------|----------|----------|
| | Min. | Median | Max | Min. | Median | Max |
| Platinum | — | — | — | — | — | — |
| Gold | \$1,000 | \$2,600 | \$3,000 | \$4,600 | \$7,000 | \$12,000 |
| Silver | \$3,000 | \$7,250 | \$9,500 | \$7,000 | \$12,700 | \$12,700 |
| Bronze | \$6,000 | \$8,000 | \$10,000 | \$12,700 | \$12,700 | \$12,700 |
| Catastrophic ^a | — | — | — | — | — | — |

Source: CRS analysis of data from Data.HealthCare.gov.

Notes: Some families with incomes below 250% of the federal poverty level may be eligible for cost-sharing subsidies, which would have the effect of reducing the listed cost-sharing burdens.

- a. Information about medical deductibles and maximum out-of-pocket expenses for families was not available for any of the catastrophic plans available through West Virginia's exchange in the data set CRS analyzed.

Some exchange enrollees may be eligible for federal tax credits to help them pay the insurance premium. The credits are provided to low- and middle-income individuals and families; in general, larger credit amounts are provided to those with lower incomes. While some individuals will receive a credit generous enough to pay for the entire premium, some individuals will still have to pay some amount toward the monthly premium. Because the credit is based on income, the remaining amount the individual would pay after receiving the credit generally will be the same among individuals with the same income, regardless of the state or local area.⁶

⁶ There are exceptions to this general rule. For a comprehensive discussion about premium tax credits, see CRS Report R41137, *Health Insurance Premium Credits in the Patient Protection and Affordable Care Act (ACA)*.

For example, consider the pre-credit premiums for one person age 21 and another person age 60 (see **Table 1**). For purposes of this example, assume that the median premiums at the silver tier represent the standard plan on which the credit formula is based: \$214 for the 21-year-old, and \$580 for the 60-year-old. Under this premium credit formula, a person with income that is equivalent to the federal poverty level (FPL)⁷ may pay up to \$20 a month toward premiums for a standard plan.⁸ At this income level, the resulting premium credit amounts would differ by age. The 21-year-old may pay up to \$20 a month, with a credit amount of \$194. The 60-year-old may also pay \$20, but with a credit of \$560.

Table 5 shows the number of plans available to someone purchasing an exchange plan in the state, which can change depending on where in the state that person lives, and the number of geographic rating areas where multiple plans are available.

Table 5. Exchange Plan Availability
(West Virginia has 11 geographic rating areas)

| Metal Level | Number of Health Plans Available in a Given Rating Area ^a | Number of Rating Areas with More than One Plan Option |
|--------------|--|---|
| Platinum | — | — |
| Gold | 5 | 11 out of 11 rating areas |
| Silver | 4 | 11 out of 11 rating areas |
| Bronze | 3 | 11 out of 11 rating areas |
| Catastrophic | 1 | 0 out of 11 rating areas |

Source: CRS analysis of data from Data.HealthCare.gov.

Notes: Under ACA, geographic rating areas may be used as the basis for premium variation within a state. Rating areas can be based on counties, three-digit zip codes, or metropolitan statistical areas.

- a. A single number in this column indicates that all rating areas in the state offer the same number of plans in a given metal level. A set of numbers indicates that at least some rating areas in the state offer different numbers of plans in a given metal level. Child-only plans are excluded from this analysis.

⁷ For 2014 premium credit purposes, the income level equivalent to the federal poverty level is \$11,490 for one person residing in this state.

⁸ The amount is based on a standard plan (the second-lowest cost silver plan in the person/family's local area), and the poverty level applicable to the 48 contiguous states and DC. Different amounts would apply to Alaska and Hawaii, and for any other metal tier plan.

Author Contact Information

(name redacted)
Specialist in Health Care Financing
/redacted/@crs.loc.gov, 7-....

(name redacted)
Analyst in Health Care Financing
/redacted/@crs.loc.gov, 7-....

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