The Marketplace Consumer: Understanding the Marketplace Population Through Two Years’ Worth of Data
Lessons Learned from The Individual Marketplace
Horizon Blue Cross Blue Shield of New Jersey

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June 9, 2016
Discussion Points

• Horizon’s Learnings in the Individual Segment
  – Key environmental/market factors
  – Product and pricing actions
  – Consumer engagement and go-to-market strategies
Horizon had the leading market share pre-ACA: Horizon entered the ACA world with a large block of members in the Basic and Essential (B&E) plan. Biggest challenge was how to retain these members with the withdrawal of the B&E, with new plans at higher premiums.

High risk consumers had access to specific plans (NJ Protect) prior to ACA. However, with ACA, they became part of the same risk pool as the rest of direct consumer buyers.

Pre-ACA uninsured rate was about 12%, or 1.2 million residents. Of these, we expected about 161K would come into the exchange.

We decided against offering transitional plans, meaning we did not offer the “old” products as an alternative to the new products. We have a single risk pool.

Many other plans (outside of New Jersey) decided otherwise and had more than one risk pool, resulting in adverse selection.

Given all the uncertainties, we conducted a significant amount of consumer research prior to ACA to refine our product line up, pricing, membership forecasts and marketing messaging.

Research included product simulations to test our proposed product line-up and pricing vs. the projected competitive set, conjoint analysis to determine primary drivers of product selection and understand trade-offs between specific features and premium pricing, and focus groups with uninsured and insured to better understand consumer needs and motivations.
### Horizon BCBSNJ Individual Market – Lessons Learned

**Product & Pricing Factors**

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<tr>
<th>Category</th>
<th>Details</th>
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| Prudent Pricing           | - We intentionally went with conservative assumptions about morbidity and priced for a reasonable margin in 2014. Our conjoint and product/pricing simulation research helped us in guiding our pricing decisions.  
                           - For 2015, our posture was “competitive but not reckless.”                                                                               |
| Simple Product Offerings  | - **We offered 5 products in 2014, under a philosophy of “keep it simple.”** Product simulation testing again helped us determine our final product portfolio, including not offering a Platinum product in either 2014 or 2015, and only offering a Gold tiered network plan in 2014.  
                           - In contrast, some other NJ plans offered 50 or more products, only to withdraw many of them, forcing consumers to shop around. |
| Use of Tiered Networks    | - We developed tiered network products and offered them as a lower-premium alternative to traditional broad networks. Note that these tiered products still offered access to Horizon’s broad managed care network. |
| Off Exchange Presence     | - We offered our products both on and off exchange. Our competitors play either exclusively or primarily on the exchange.                   |
Horizon BCBSNJ Individual Market – Lessons Learned

Consumer Engagement/Go-to-Market

Consumer Analytics
- We leveraged our consumer analytics to develop a segmentation model and an approach for identifying potential uninsured segments.
- We used a multi-channel marketing strategy to not only build awareness but to directly target likely uninsured populations.

Integrated Marketing
- Outdoor, transit and social were used primarily to build awareness for Horizon products.
- Direct mail, targeted digital and email were focused on specific segments.
- We developed a simplified enrollment process and more consumer-friendly welcome kits patterned after credit card welcome letters.

Latino Market Focus
- We recognized that the Latino market was underserved and comparatively healthy; we launched a Spanish website and a grass roots effort to sign them up.
- We ran separate Spanish language marketing campaigns using transit, direct mail and digital.
- We grew from 8,000 Latino members to 30,000 by OEP 2016.

Retail Presence
- We set up a retail center in South Jersey and also deployed pop-up retail kiosks in major NJ malls during open enrollment. We also deployed our Blue to You vans at community events.
- In 2015, we also launched a Hispanic retail center in a major NJ city with a high percentage of Hispanic residents.

Retention
- We stepped up our retention efforts beginning 2015, including addressing major consumer pain points in enrollment and billing, outbound welcome calls to new members, handing off “at risk” members from CSRs to sales, and targeted marketing to reinforce benefits (beyond access to doctors) to demonstrate more value for monthly premiums.
Horizon Outdoor and Transit Ads
Horizon Social, Digital and Direct Mail

SOCIAL MEDIA

Horizon BCBSNJ [HorizonBCBSNJ] 11 Dec 2015

“Plan options with lower premiums, lower copayments, and no deductible?” YES.

shout.it/bi6vm #OMNIANJ

Horizon BCBSNJ [HorizonBCBSNJ] 3 Nov 2015

“A no-deductible plan on the health insurance marketplace?” YES.

shout.it/bhKWN #OMNIANJ

DIGITAL

“Health plan options with no deductible?”

“Health plan options with more for less?”

YES.

DIRECT MAIL

YOUNG INVINCIBLES

FAMILIES

EMPTY NESTERS
Spanish Language Campaign

"¿Opciones de planes con tarifas más bajas, copagos bajos y sin deducible?"

¡Claro que SÍ!

PRESENTAMOS

Horizon + OMNIA HEALTH PLANS

Nuestros nuevos Planes de salud OMNIA ofrecen tarifas más bajas para obtener acceso a nuestra red completa de doctores y hospitales, la más grande en Nueva Jersey. Además, usted y su familia pueden ahorrar aún más en gastos de hospitalización cuando utilice a ciertos doctores, hospitales y otros profesionales del cuidado de la salud de OMNIA. Todo sin sacrificar la calidad de su salud y con un equipo de profesionales en beneficio para usted y su familia.

Si en otra forma en la que decimos, ¡Claro que SÍ!

a la reducción de costos en atención médica en Nueva Jersey.

HorizonAzul.com/OMNIA • 888-765-7061
Retail Presence

Mall Pop Up Retail Kiosks

Blue 2 You Travelling Van
### Membership Trends

**2014 – 2016 Individual Business Highlights**

<table>
<thead>
<tr>
<th>Year</th>
<th>Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>120,000</td>
</tr>
<tr>
<td>2014</td>
<td>128,000</td>
</tr>
<tr>
<td>2015</td>
<td>168,000</td>
</tr>
<tr>
<td>2016 est.</td>
<td>200,000</td>
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Marketplace Consumers

SelectHealth

Rachel Reimann & Russ Elbel

June 9, 2016
Enrollment and Outreach Strategies for the Marketplace Population

Rachel Reimann
June 9, 2016
Who We Are

HEADQUARTERS: Salt Lake City, UT
ESTABLISHED: 1984
EMPLOYEES: 1,500
PRESIDENT/CEO: Patricia R. Richards
SERVICE AREA: Utah and Idaho
OWNED BY: Intermountain Healthcare®
Who We Serve

SelectHealth covers more than 880,000 members in Utah and Idaho—more than 780,000 of those are in Utah.
Annual Open Enrollment Themes

• Year One — Get Educated
• Year Two — Get Covered
• Year Three — We’ll Come to You
Healthcare Reform.
We don’t make the laws. But we do make sense of them.

selectthealth.org/reform

Most people are confused about healthcare reform.
Don’t be one of them.

selectthealth.org/reform
Healthcare Coverage ABCs

Maybe you’ve never had health insurance before, or maybe you’re just buying it on your own for the first time. No matter the case, we can help you find the best way to choose and pay for your family’s healthcare—every step of the way.

Because of the Affordable Care Act (ACA), everyone qualifies for coverage, even if you have preexisting health issues.

The government is offering a tax credit (sometimes called a “subsidy”) to help you pay for your health insurance. Depending on your age and income, your subsidy might cover your entire monthly payment.

We have online tools that make it easy to see if you qualify for a tax credit and, if so, how much it will pay for.

selecthealth.org/calculator

Healthcare Coverage 123s

1. I picked a plan on healthcare.gov—now what?
   > Pay your premium.
     - We recommend that you pay your first month’s premium through healthcare.gov. This will give you the quickest access to your plan and your benefits.
     - If you are unable to make your payment through healthcare.gov, you may call us, bring payment to our building in Murray or mail us your payment. You will not be enrolled or receive any plan materials until your premium has been paid.
     - We will contact you for future payment options that will be paid directly to us.

2. I paid my premium—what happens next?
   > You will receive your member materials.
     - You will receive your ID Card within two weeks of paying your premium.
     - You will also receive a copy of your Contract that describes your benefits in detail.

3. I need to use my benefits but don’t have my materials—what should I do?
   > Call us or visit our website.
     - You can find a doctor, learn about preventive care, or find a pharmacy on selecthealth.org.
     - If your ID Card doesn’t arrive before you need to receive care, you may call us to get your subscriber ID# and a copy of your card.
     - Once you have your ID#, you may sign up to My Health, our secure member website at selecthealth.org/myhealth. This site allows you to send secure messages and provides you with access to a copy of your ID Card.

Member Services is available during extended hours to answer questions. Call 800-538-5038 weekdays, from 7:00 a.m. to 8:00 p.m., and Saturdays, from 9:00 a.m. to 2:00 p.m. TTY/TDD users should call 711.
Year Two—Get Covered

You've still got time for a few more ski runs, but the chance to sign up for health insurance coverage is running out. **To get coverage for this year, you must enroll by February 15.**

We can help you find the right plan, answer your questions, and chat about the weather—faster than you can navigate the bunny hill.

Walk in with questions, walk out with a plan.

**LAST CHANCE ENROLLMENT FAIRS:**

**Red Lion Hotel Canyon Springs**
Oak Room, 1357 Blue Lakes Boulevard North
Twin Falls, ID 83301
Friday, February 6 | 2:00 p.m. to 6:00 p.m.

**The Village at Meridian**
3600 East Fairview Avenue, Fountain Square
Meridian, ID 83642
Saturday, February 7 | 10:00 a.m. to 3:00 p.m.
Last Chance Events

- Events were better attended near the deadline.
- Online enrollment was difficult for new insurance purchasers.
- Consumers appreciated one-on-one assistance.


OPEN ENROLLMENT ENDS FEBRUARY 15

selecthealth.org
Affordable Coverage Promotion

Think health insurance is out of reach? Think again.

Affordable Care Act (ACA) changes may help you qualify for and afford health insurance coverage:

- **Coverage is guaranteed** — You won’t be turned down for insurance based on your health status, age, gender, or a pre-existing condition when you apply during the annual enrollment period.
- **Tax credits are available** — The government may help pay for your plan with a tax credit (also known as a subsidy). For some, these tax credits cover their entire payment. Learn more and see if you qualify for these or other medical assistance programs at selecthealth.org/calculator.

Great benefits are within your reach...

Continue to get care from one of the region’s top healthcare networks.

A family of four with a household income of $52,000 per year could pay around $35 for a comprehensive plan after tax credit.

You already know that you get great care at Intermountain Healthcare. And no other plan works as closely with Intermountain as Select Health.

So what are you waiting for? Health insurance is within reach. Visit selecthealth.org/hike or call us at 866-440-0300.
Year 3—We’ll Come to You

- Community Centers
- Grocery Stores
- Personal Appointments
- Expert Phone Bank
- News Stories
Ask the Expert
Integration and Coordination with the Delivery System and Community Services

Russ Elbel
June 9, 2016
Categories and Overlap of Vulnerable Populations

Racial and ethnic minority
Live in Native American community
Immigrant
Live in impoverished neighborhood
Have low incomes
Have low levels of education
Have low health literacy
Reside in rural area
Homeless
Non-English-speaking
Dual-eligible beneficiaries
Uninsured/underinsured
Have low social supports

Have complex chronic illnesses
Have acute serious illnesses
Have multiple chronic conditions
Disabled
Mentall ill
Substance abusers
Cognitively impaired
Frail elderly
Patients nearing the end of life
Pregnant women
Very young children
High-utilizer patients
High-cost patients
Dual-eligible beneficiaries

IMPORTANT CHARACTERISTICS:
Geographic concentration
High use of social services
Health care concentrated in low-performing health care systems

IMPORTANT CHARACTERISTICS:
Social needs exacerbate clinical needs
Greatest opportunity to reduce cost, improve quality, and reduce disparities

IMPORTANT CHARACTERISTICS:
Geographically dispersed
High use of clinical care
All socioeconomic groups affected

Lewis V A et al. Health Affairs. Categories and Overlap of Vulnerable Populations In the US Health Care System 2012;31:1777-1785
Member Engagement

- Early Innovations
  - Comprehensive Care Clinic
  - Community Care Management
- Recent Innovations
  - Telehealth
  - Community Health Workers
People Need Help Finding Help

- I can't pay my rent
- My child is on drugs
- I want to kill myself
- I need to find childcare
- I can't afford groceries

2-1-1, how may I help you?

- Yes, I can connect you with someone who can help...

- Rental Assistance Program
- Drug Rehabilitation Center
- Suicide Prevention Hotline
- Child Care Resource And Referral
- Food Pantry
2-1-1 Search
Continuum of Care

- Care Management
- Emergency Behavioral Health Services (EBHS)
- Mobile Crisis Services (MCS)
- Acute Inpatient Services
- Sub-Acute Treatment
- Residential Services
- Partial Hospitalization (Day Treatment)
- Intensive Outpatient Services (IOP)
- Outpatient Services
- Community Social Services
Total Accountable Care Organization (TACO)

A health care system where all physical health, behavioral health, long-term services and supports (LTSS), and elements of public health and social services are integrated for targeted high-need populations.

Introducing Total Accountable Care Organizations:
Content

- Summary Statistics
- State Variations
- Plan Experience
- Member Profiles
- Thinking about the information
Before the ACA

Uninsured Rate for Non-Elderly Adults (2012-2013)
ASPE Issue Brief March 3, 2016

- Total Population
- Black Non-Hispanics
- Hispanics
- White Non-Hispanics

% Uninsured 2013
After the ACA

Gains in Coverage for Non-Elderly Adults
ASPE Issue Brief March 3, 2016

<table>
<thead>
<tr>
<th>Category</th>
<th>% Uninsured 2013</th>
<th>% Uninsured 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uninsured Total</td>
<td>20%</td>
<td>10%</td>
</tr>
<tr>
<td>Black Non-Hispanics</td>
<td>30%</td>
<td>20%</td>
</tr>
<tr>
<td>Hispanics</td>
<td>40%</td>
<td>30%</td>
</tr>
<tr>
<td>White Non-Hispanics</td>
<td>10%</td>
<td>5%</td>
</tr>
</tbody>
</table>
Who obtained coverage?

- Steady increase in coverage:
  NCHS reported people with private coverage increased from 6.7 million in (Q4 2014) to 9.1 million (Q4 2015).
Enrollee Financial Assistance

- 85% of enrollees on the Federally Facilitated Marketplace qualified for Financial Assistance
- 77% for the State/Federal Marketplaces
- 89% in California (2014)
### Enrollment Distribution by Age Group

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Percentage</th>
</tr>
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<tbody>
<tr>
<td>&lt;18</td>
<td>9%</td>
</tr>
<tr>
<td>18-25</td>
<td>11%</td>
</tr>
<tr>
<td>26-34</td>
<td>17%</td>
</tr>
<tr>
<td>35-44</td>
<td>16%</td>
</tr>
<tr>
<td>45-54</td>
<td>21%</td>
</tr>
<tr>
<td>55-64</td>
<td>25%</td>
</tr>
<tr>
<td>&gt;-65</td>
<td>1%</td>
</tr>
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Variation by State

Each state had a different starting point.

And no two implementations were the same.
Transition Plans

• Transition plans allowed people to re-enroll and renew plans that did not comply with ACA protections. These can be maintained through December 31, 2017.
## Medicaid Expansion

<table>
<thead>
<tr>
<th>Year</th>
<th>Expansion</th>
<th>Non Expansion</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Uninsured</td>
<td>18.4%</td>
<td>22.7%</td>
</tr>
<tr>
<td>Public</td>
<td>17.7%</td>
<td>15.6%</td>
</tr>
<tr>
<td>Private</td>
<td>65.2%</td>
<td>63.2%</td>
</tr>
<tr>
<td>2015</td>
<td>Expansion</td>
<td>Non Expansion</td>
</tr>
<tr>
<td>Uninsured</td>
<td>9.8%</td>
<td>17.5%</td>
</tr>
<tr>
<td>Public</td>
<td>21.5%</td>
<td>14.7%</td>
</tr>
<tr>
<td>Private</td>
<td>70.0%</td>
<td>69.0%</td>
</tr>
</tbody>
</table>
Choosing a health plan

- Cost sharing insulated some members from making price based decisions.
- Familiarity with plans is an important part of the decision and Medicaid plans have name familiarity among lower income groups.
- Networks were important for both cost and access.
Special Enrollment Periods

- Loss of health coverage
- Changes in household size
- Changes in residence
- Life circumstances
Moral hazard

- Purchase health insurance for non-chronic emergent care and terminate insurance after the procedure.
- Providers choosing to help with premiums in order to get higher reimbursement.
- Self insured plans purchasing individual coverage for expensive members
- Nonpayment of premium while retaining coverage.
Information about the health status of newly insured

- Plans reported that newly insured members tended to have more conditions as well as more complex conditions.
- There was some evidence of pent-up demand.
- Chronic disease prevalence was evident.
Specialty Pharmacy

- Hepatitis C
- HIV medication
- Cancer Care
- Drugs for Chronic Diseases
Thinking about the numbers
Prevalence of Chronic Disease by Income Category

<table>
<thead>
<tr>
<th>Income Category</th>
<th>Prevalence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 100 %</td>
<td>33%</td>
</tr>
<tr>
<td>100-199%</td>
<td>30%</td>
</tr>
<tr>
<td>200-299%</td>
<td>21%</td>
</tr>
<tr>
<td>400% or more</td>
<td>16%</td>
</tr>
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Looking forward

- There are still 11.5% uninsured.
- Transition plans will enter the pool.
- Plans will enter and exit the market.
- Recovering economy may mean more people receive coverage through employers.
- Experience will drive better understanding.
- There will continue to be variation from market to market.
Thank you

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