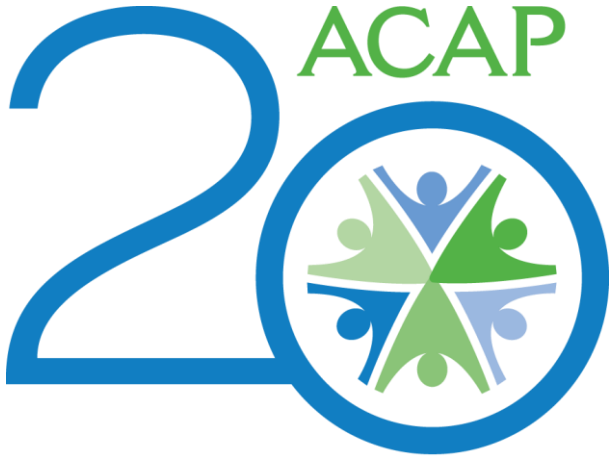



# Overlap between Medicaid and the Marketplace

Current status and a look ahead

Katherine Hempstead, RWJF

# Overlap plans

- Definition:
  - Same parent carrier
  - Medicaid and marketplace participation
  - Same geography
  - Measured at the county level

# Significance of overlap plans

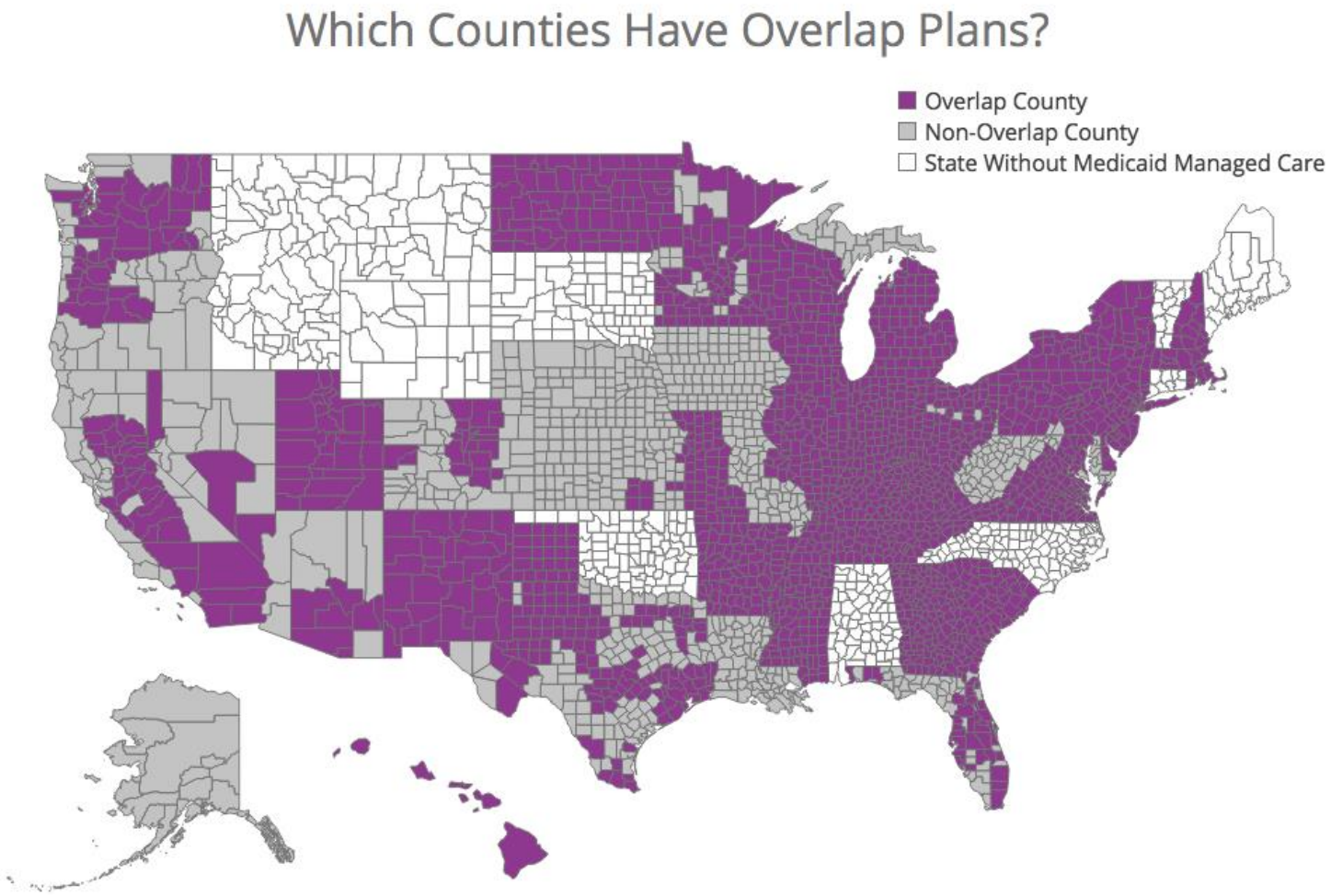
- Quality
  - Continuity of care
  - Household members
  - State interests
- Cost
  - Leverage provider relationships
  - Success of Medicaid MCOs in marketplace
  - Model for public option

# Status of overlap plans in 2020

- How prevalent?
- What are market characteristics?
- Are overlap plans cheaper?
- What might future look like?
- Data:
- https://hixcompare.org

HIX compare+ Health Exchange Data + More

# 80% of population < 65 lives in county with at least one overlap plan



# Percent of counties with at least one overlap plan

- Overall – 59%
- Large metro counties – 85%
- Non-metro counties – 52%
- Counties in expansion states – nearly 70%
- Counties in non-expansion states – approximately 50%
- Excluding states with no Medicaid managed care – 70%

# State characteristics

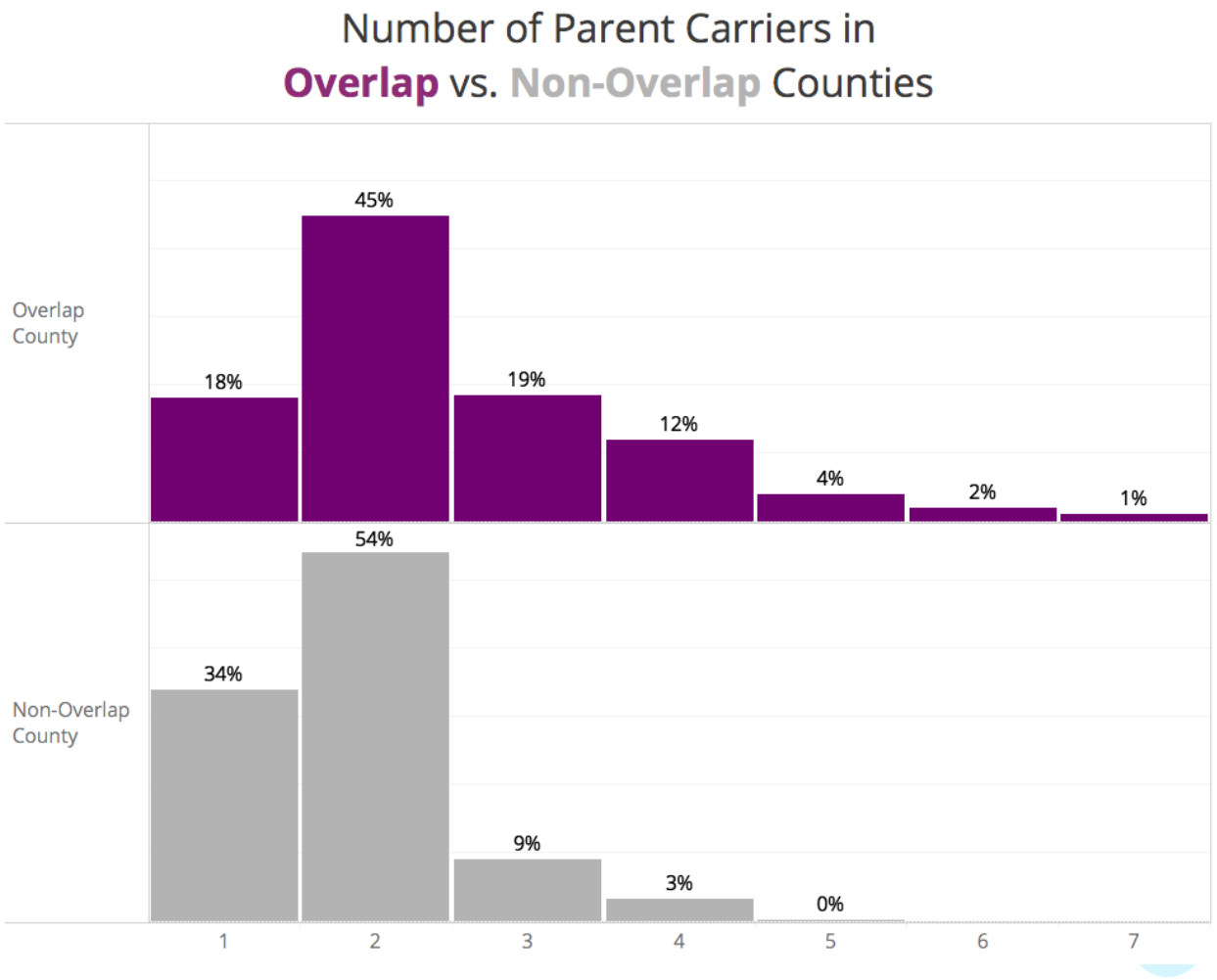
- Half of states with any overlap plans have them in every county
- Big states that don't have statewide overlap – CA, TX, FL
- Most states with no overlap have no Medicaid managed care
- Exceptions – LA, IA, etc.

# Overlap market characteristics

- There are 1,858 counties with at least one overlap
- There are 2,740 instances of overlap
- About 1/3 of counties with any overlap have > 1 overlap plan
- Manhattan (New York County) has 6 overlap plans

# Counties with overlap plans are more competitive

- Less likely to be solo (18% v 34%)
- More likely to have > 2 carriers (37% v 12%)



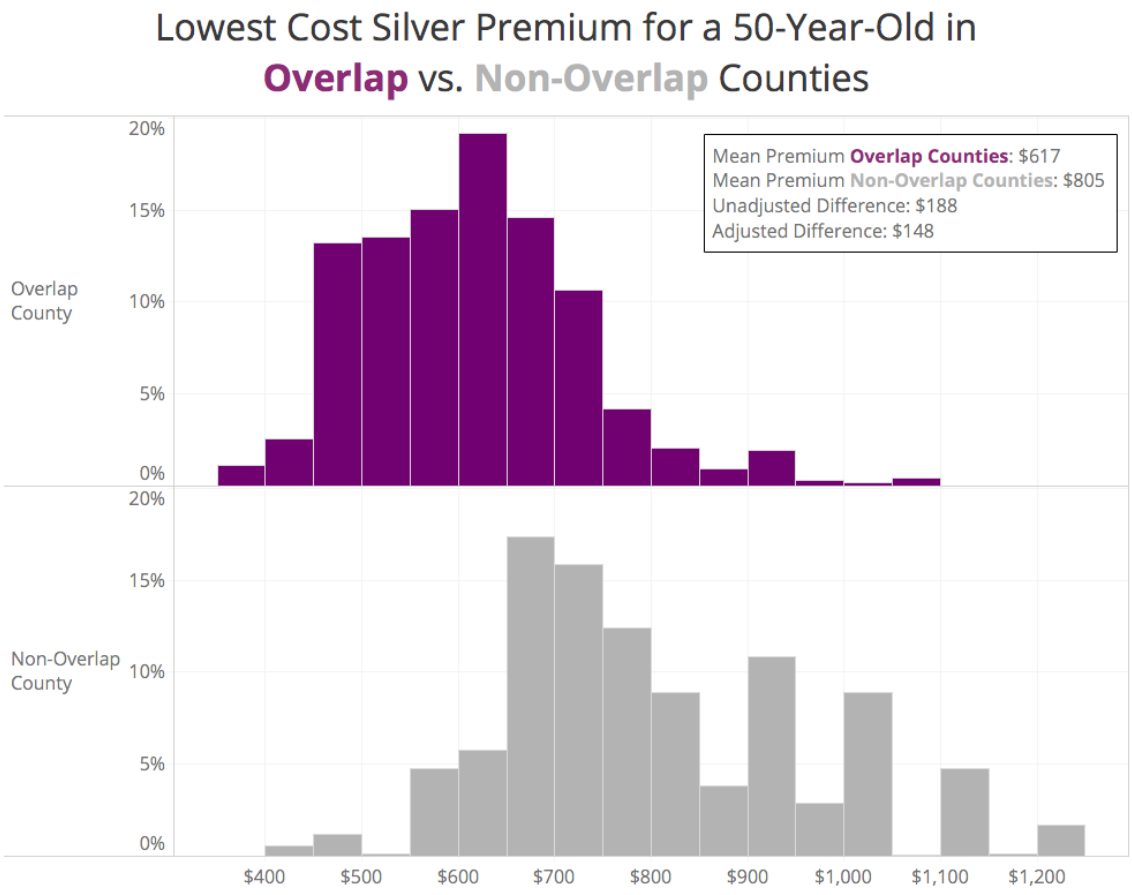
# Carrier characteristics

- National carriers offer > half of overlap plans
- PSHP – 21%
- Blues plans – 17%

| Carrier | Overlap counties |
|---|---|
| Centene | 699 |
| Anthem | 327 |
| Caresource | 286 |
| Molina | 161 |
| HCSC | 143 |

# Premiums are lower in counties with overlap plans

- Average difference - $188
- Adjusted - $148
- Expansion states – bigger difference
- 75% - overlap plan is lowest cost
- But 40% are overlap only
- When mixed, overlap carrier is lowest cost 57% of the time
- Implies that provider market conditions are important



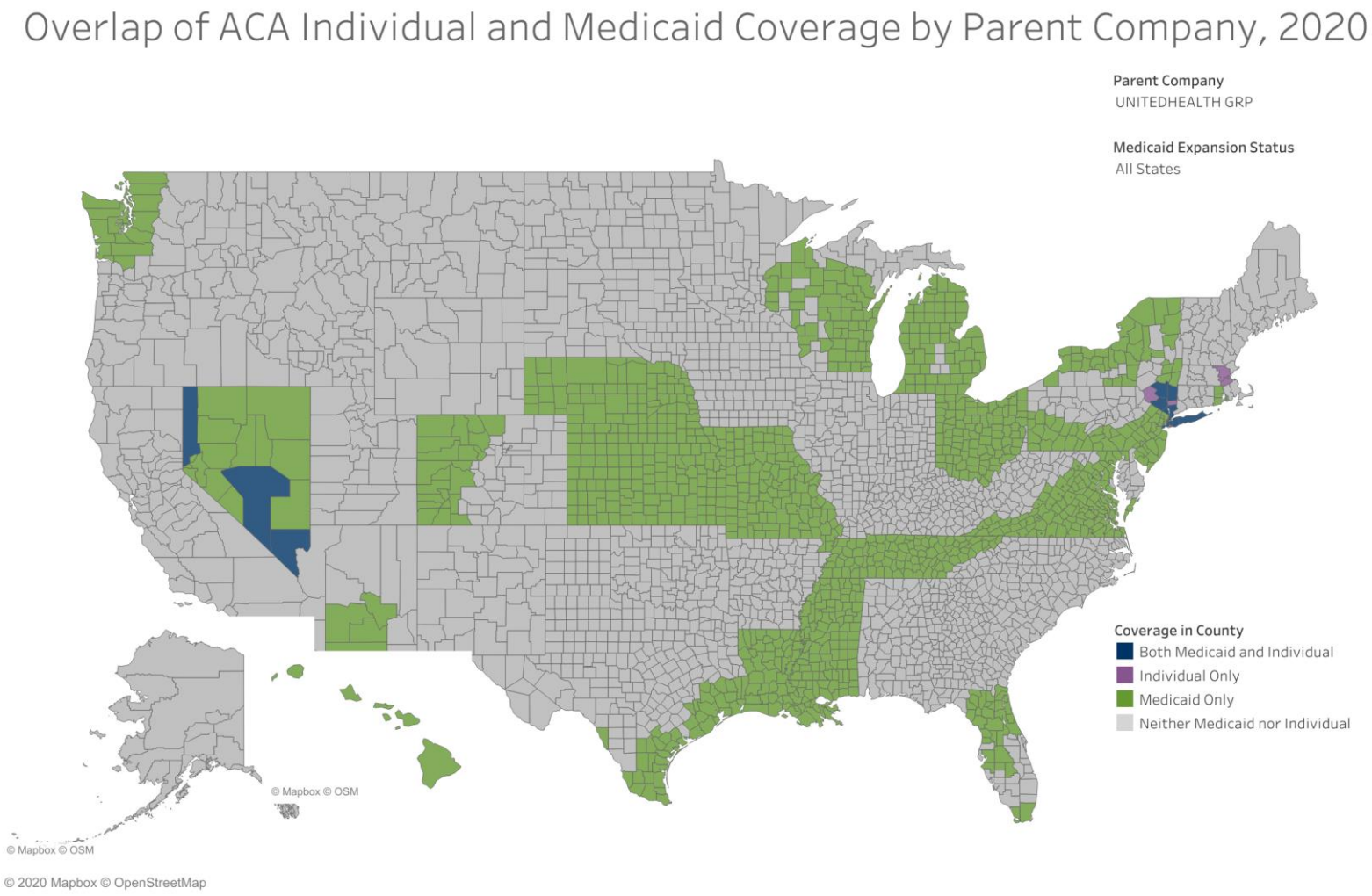
# Implications re: public option

- Where overlap plans are already present, marginal impact of public option on premiums could be small
- Where overlap plans are not present, there may be other barriers that will make establishment of a public option difficult
- Competitiveness of provider markets is most important factor

# Looking ahead

- Marketplace has become more competitive
- Entry by  Medicaid MCOs has been dominant pattern
- Participation in Medicaid may be important factor to competitiveness
- Increased enrollment in Medicaid and Marketplace is predicted
- Growing carrier interest in these two segments as ESI contracts
- UHG earnings call – choose states based on *"efficiency of networks and ability to compete"*

# RWJF interactive



# Looking ahead

- Anticipate overlap to increase:
- Current trends, growing competitiveness of marketplace
- Medicaid participation may shape pattern of marketplace entry
- Important questions:
- How will state fiscal duress affect Medicaid contracting?
- How do overlap plans affect customer experience/quality?
- Does overlap improve access to care/network adequacy?

# Sources

- Health Affairs - Overlap plans

HEALTH AFFAIRS BLOG

RELATED TOPICS:
MEDICAID | PREMIUMS | AFFORDABLE CARE ACT | HEALTH INSURANCE EXCHANGES | MARKETS | ACCESS TO CARE

## Overlap Plans Could Become An Important Option To Promote Continuity Of Care And Contain Health Care Costs During A Recession

# Sources

- Marketplace Pulse

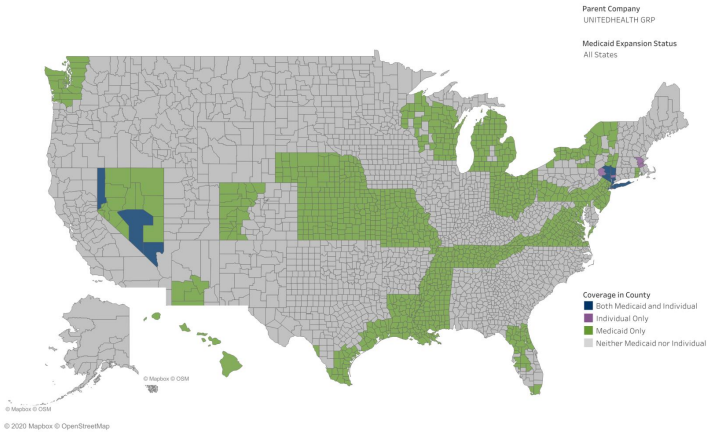
Robert Wood Johnson Foundation

## Marketplace Pulse: The Medicaid Map May Shape Marketplace Entry

June 11, 2020 | Publisher: Robert Wood Johnson Foundation | Publication: Marketplace Pulse
Author(s): Hempstead K

## Interactive

Overlap of ACA Individual and Medicaid Coverage by Parent Company, 2020



# Thank you!

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