

## Achieving Affordability in Virginia's Individual Health Insurance Marketplace

The Affordable Care Act (ACA) expanded quality, comprehensive, and affordable health insurance to hundreds of thousands of Virginians through the Individual Health Insurance Marketplace and Medicaid Expansion.

Unfortunately, insurance is still too expensive for some Virginians. Many are self-employed or work for small businesses and make more than 400% of the federal poverty line – leaving them without an offer of employer coverage or financial assistance to purchase private. **We support efforts to stabilize Virginia's Health Insurance Marketplace to help those who are currently bearing the full cost of premiums. We support solutions that not only help this population, but also do no harm to the 269,474 Virginians currently enrolled in the Marketplace.**

### Stabilize and Strengthen the Individual and Small Business Marketplace

#### *State-based Exchange (SBE)*

#### *Support SB 732 & HB 1428, Governor's Budget Item #487*

SBEs have been shown to strengthen the individual market and reduce premiums by growing and maintaining enrollment, fostering greater competition between plans, and enrolling younger and healthier populations<sup>1</sup>.

#### *Reinsurance*

#### *Support Governor's Budget Item #291 D*

Reinsurance subsidizes insurers for their sickest and most expensive enrollees so that these high costs are not passed on to all consumers through higher premiums. States that have reinsurance programs have experienced significant reductions in Individual Marketplace premiums.<sup>2</sup>

#### *State-based Subsidies*

#### *Support HB 531*

Providing state-based subsidies to individuals and families ineligible for federal subsidies is the most direct way to insulate them from premium increases in the individual market.

### Support ACA Consumer Protections and a Robust Risk Pool

#### *Maintain Limits on Catastrophic Plans*

#### *Oppose SB 216*

Catastrophic Health Plans are available to individuals under 30 and those eligible for certain ACA exemptions. Allowing other older and sicker people to buy them will increase the premiums for those under 30. It will also pull healthier people out of the rest of the Individual Market, likely increasing those premiums as well. Additionally, Virginia will need approval of a §1332 waiver to be allowed to do this, which is unlikely.

#### *Maintain Limits on Association Health Plans*

#### *Oppose SB 235, SB 861 & HB 795*

Association Health Plans (AHPs) will be able to directly compete with ACA compliant health plans, cherry-pick healthier individuals, and have fewer consumer protections. AHPs would be able to operate with less oversight by the SCC and be exempt from state taxes paid by other health insurance products. They will damage the risk-pool in the Individual Market and increase premiums for those who rely on the full set of ACA protections.

#### *Limit Short-Term Limited-Duration Health (STLD) Plans*

#### *Support HB 1037 & SB 404*

Short-term limited duration plans are not required to cover all ACA benefits or pre-existing conditions, can cap what they spend on care, and have no profit limits. These plans may be helpful to some people have a short coverage gap. They are not comprehensive insurance; strict regulation is needed.

<sup>1</sup> [https://nashp.org/wp-content/uploads/2019/04/SBM-FFM-Comparison-Data\\_4\\_1\\_2019.pdf](https://nashp.org/wp-content/uploads/2019/04/SBM-FFM-Comparison-Data_4_1_2019.pdf)

<sup>2</sup> [https://www.communitycatalyst.org/resources/tools/guide-health-insurance-reform/pdf/Advocates-Guide-to-Reinsurance\\_FINAL-1.pdf](https://www.communitycatalyst.org/resources/tools/guide-health-insurance-reform/pdf/Advocates-Guide-to-Reinsurance_FINAL-1.pdf)