

La Cámara de Comercio de Puerto Rico y  
su Comité de Salud presentan:



# ALERTA

PARA EL SECTOR DE SEGUROS  
PRIVADO DE SALUD DE PUERTO RICO:  
¿Qué Está Pasando y Qué Vamos a Hacer?

**Una década bajo las reformas del ACA**

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**Principal and Consulting Actuary**

**Milliman**

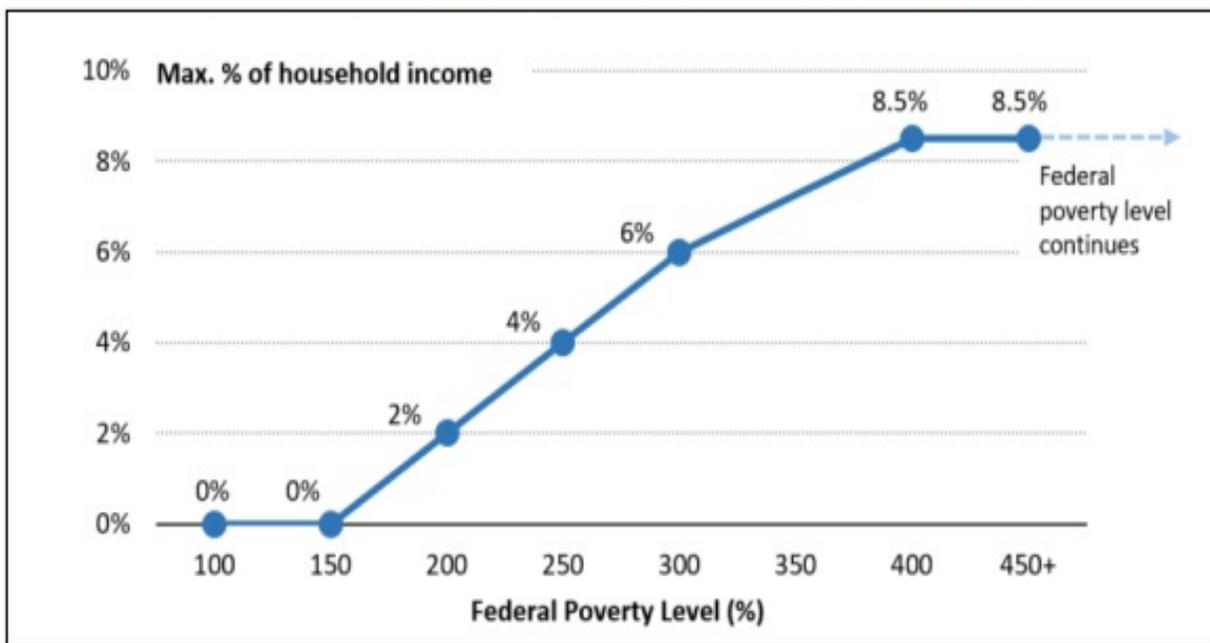


#CamaraEnAccion

## ALERTA PARA EL SECTOR DE SEGUROS PRIVADO DE SALUD DE PUERTO RICO

**Figure 1. Cap on Required Premium Contributions for Individuals Who Are Eligible for the Premium Tax Credit in 2021**

(cap varies by income, as measured relative to the federal poverty level)



**Source:** Internal Revenue Service (IRS), Revenue Procedure 2021-23, at <https://www.irs.gov/pub/irs-drop/rp-21-23.pdf>.

**Table 3. ACA Cost-Sharing Reductions: Reduced Annual Cost-Sharing Limits, 2021**

Household Income Tier, by Federal Poverty Level	Annual Cost-Sharing Limits	
	Self-Only Coverage	Family Coverage
100% to 150%	\$2,850	\$5,700
Greater Than 150% to 200%	\$2,850	\$5,700
Greater Than 200% to 250%	\$6,800	\$13,600

**Source:** Department of Health and Human Services (HHS), "Patient Protection and Affordable Care Act; HHS Notice of Benefit and Payment Parameters for 2021; Notice Requirement for Non-Federal Governmental Plans," 85 *Federal Register* 29164, July 13, 2020, at <https://www.govinfo.gov/content/pkg/FR-2020-05-14/pdf/2020-10045.pdf>.

**Note:** ACA = Patient Protection and Affordable Care Act (P.L. 111-148, as amended).

# ALERTA PARA EL SECTOR DE SEGUROS PRIVADO DE SALUD DE PUERTO RICO

Table 1: Federal Poverty Guidelines for 2022 Coverage Year

Number in Household	100% FPL	138% FPL	150% FPL	200% FPL	250% FPL	300% FPL	400% FPL
1	\$12,880	\$17,774	\$19,320	\$25,760	\$32,200	\$38,640	\$51,520
2	\$17,420	\$24,039	\$26,130	\$34,840	\$43,550	\$52,260	\$69,680
3	\$21,960	\$30,304	\$32,940	\$43,920	\$54,900	\$65,880	\$87,840
4	\$26,500	\$36,570	\$39,750	\$53,000	\$66,250	\$79,500	\$106,000
5	\$31,040	\$42,835	\$46,560	\$62,080	\$77,600	\$93,120	\$124,160

Table 2: Required Individual Contribution to Benchmark Plan Premium

Household Income Range (expressed as % of FPL)	Required % of household income at start of range	Required % of household income at top of range
Up to 150%	0	0
150% up to 200%	0	2
200% up to 250%	2	4
250% up to 300%	4	6
300% up to 400%	6	8.5
400% and higher	8.5	8.5

SOURCE: Internal Revenue Service

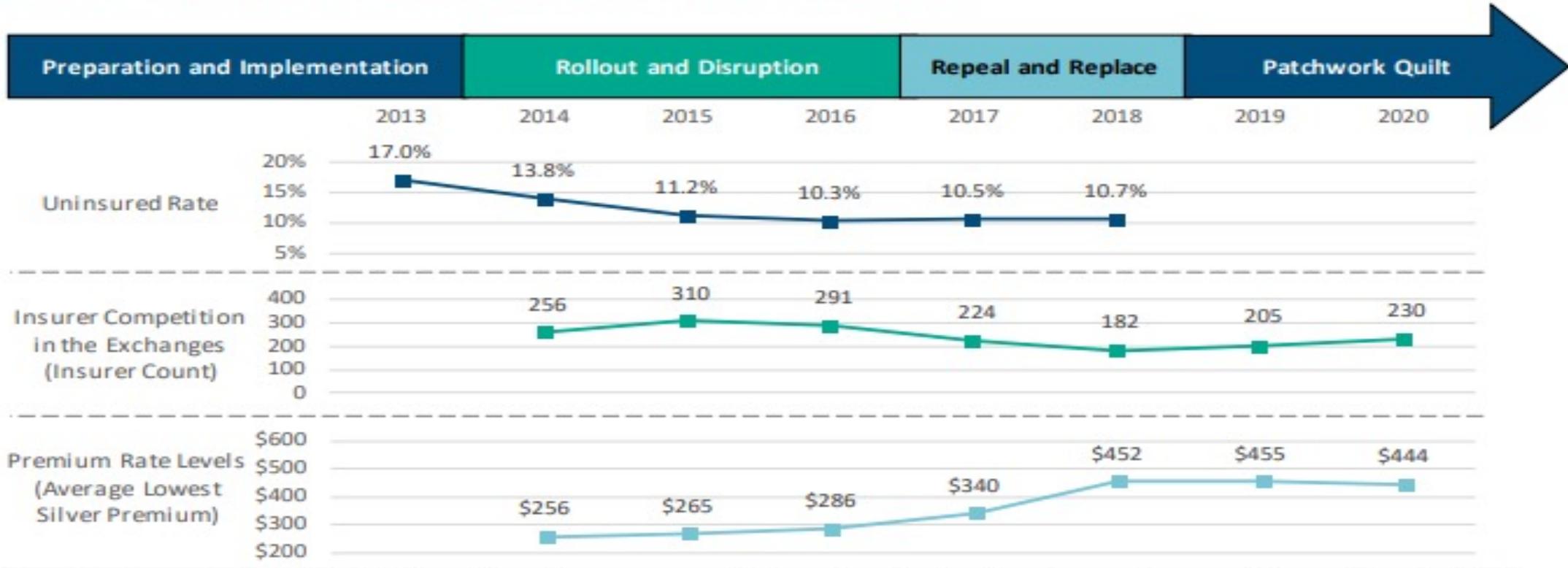
## ACA PREMIUM CREDITS

- Table 2 amounts were set by the American Rescue Plan Act (ARPA) and they are in effect temporarily, just for the 2021 and 2022 coverage years.
- Prior to ARPA, the required contribution percentages for the 2020 plan year ranged from 2.06% of household income for people with income between 100% and 133% FPL to 9.78% of income for people with income from 300% to 400% FPL. In addition, prior to ARPA, people with income above 400% FPL were not eligible for premium tax credits.
- Congress is debating extension of the ARPA subsidy changes for future years.

**ALERTA PARA EL SECTOR DE SEGUROS PRIVADO DE SALUD DE PUERTO RICO**

**50 States, 50 Stories**  
**A Decade of Health Care Reform Under the ACA**

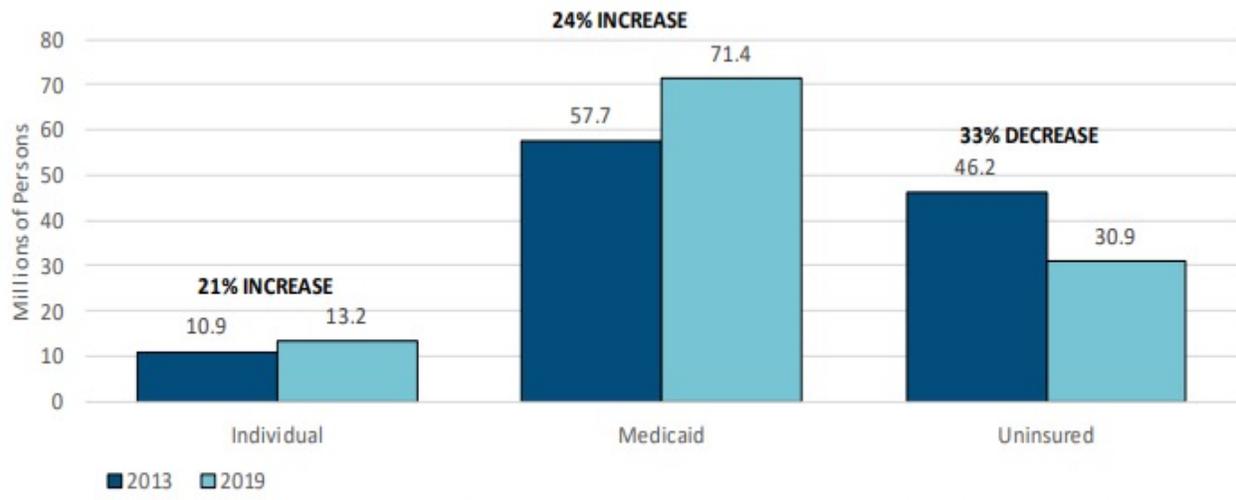
SELECT NATIONWIDE METRICS ASSOCIATED WITH ACA'S STATED GOALS



Notes: Premium rate levels reflect the nationwide average monthly premium for the lowest premium on-exchange silver plan for a person age 40. Insurer counts reflect the count of parent insurance companies, where each company is counted once for each state exchange it participates in. The uninsured rate is for individuals under age 65. See Appendix A for additional details.

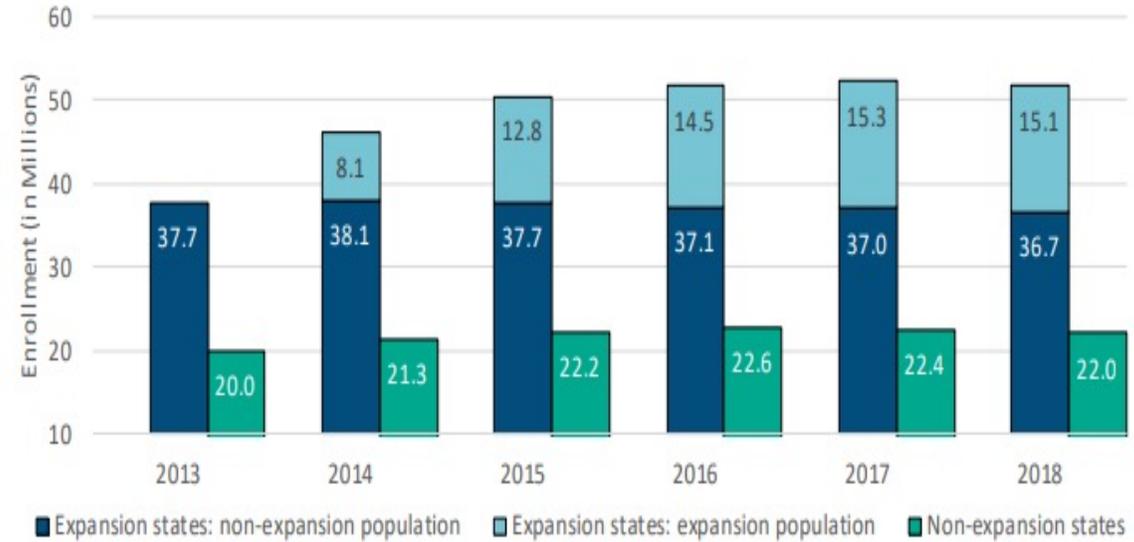
<https://www.soa.org/resources/research-reports/2020/50-states-50-stories/#summary>

**NUMBER OF PERSONS WITH INDIVIDUAL MARKET COVERAGE OR MEDICAID COVERAGE OR WHO ARE UNINSURED: 2013 AND 2019**



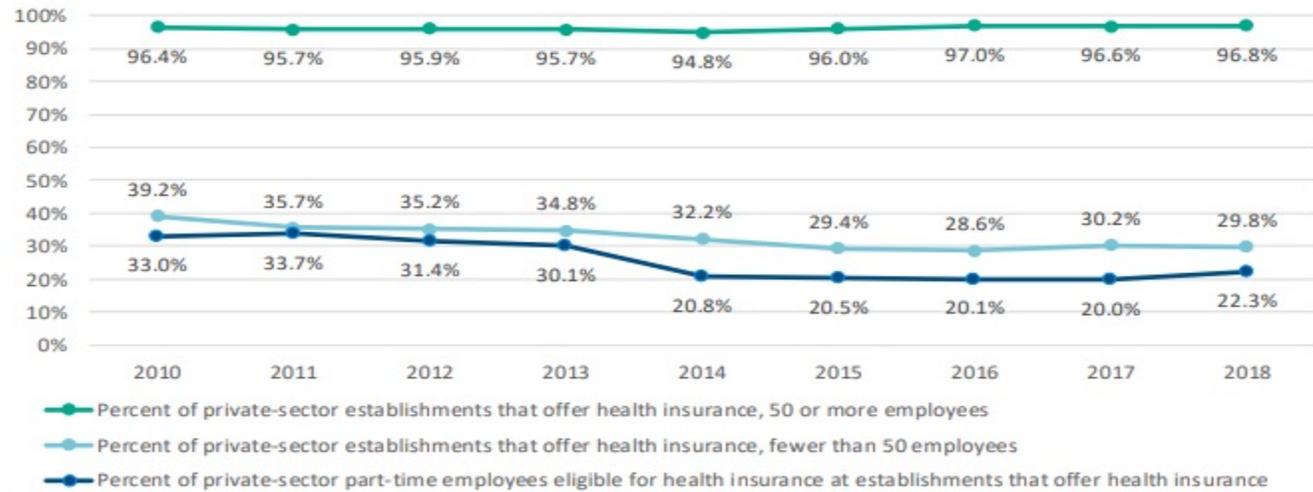
Notes: Uninsured counts for the total population. Individual market enrollment reflects ACA-compliant and non-ACA compliant coverage. Medicaid enrollment includes all beneficiaries receiving comprehensive coverage. CY 2019 values are estimates. See Appendix A for information on the data sources used to derive these estimates.

**MEDICAID ENROLLMENT IN EXPANSION AND NON-EXPANSION STATES BETWEEN 2013 AND 2018**



Notes: Medicaid enrollment for all beneficiaries receiving comprehensive coverage. See Appendix A for additional details.

**TRENDS IN EMPLOYER-SPONSORED INSURANCE OFFER RATES AND EMPLOYEE ELIGIBILITY FOR COVERAGE**



Source: Agency for Health Care Research and Quality, Medical Expenditure Panel Survey, Insurance Component Data compiled using MEPSnet/IC.

**ALERTA PARA EL SECTOR DE SEGUROS  
PRIVADO DE SALUD DE PUERTO RICO**

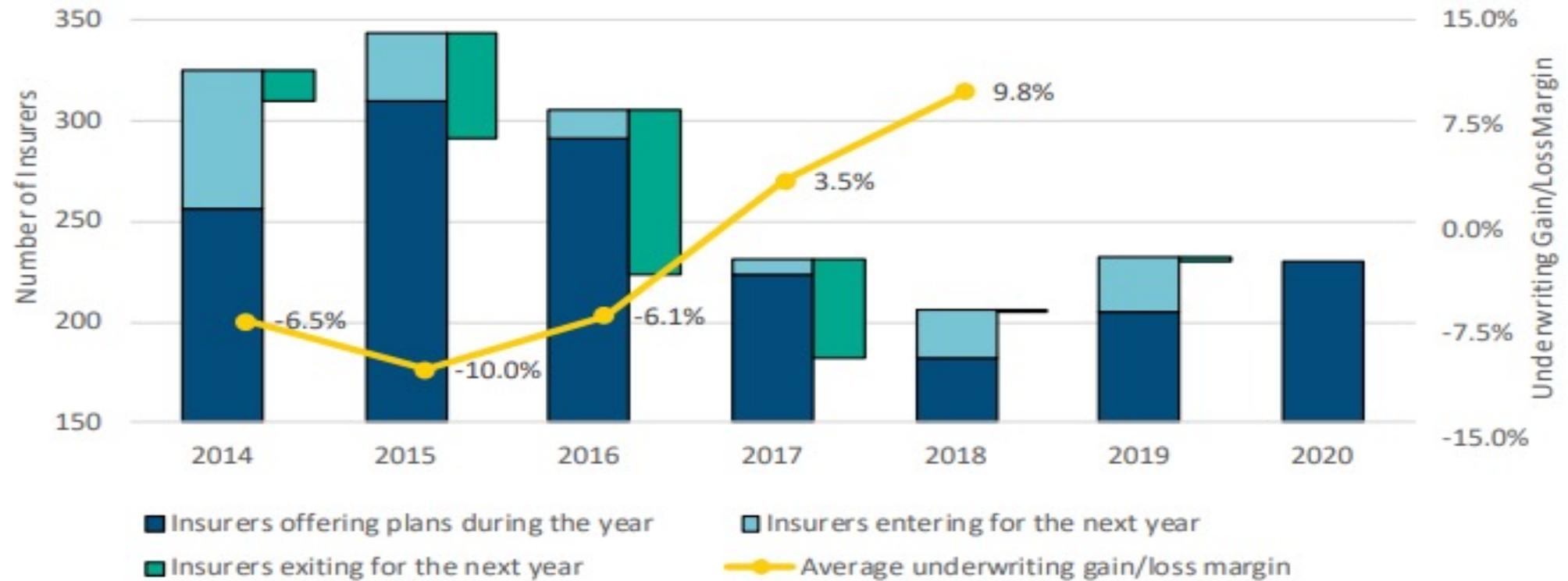
# Health Insurance Coverage of the Total Population 2019 vs 2012

	Employer	Non-Group	Medicaid	Medicare	Military	Uninsured	Total
<b>2019</b>							
United States	58%	7%	21%	1%	2%	10.9%	100%
<b>Puerto Rico</b>	<b>29%</b>	<b>10%</b>	<b>47%</b>	<b>3%</b>	<b>1%</b>	<b>9.7%</b>	<b>100%</b>
<b>2012</b>							
United States	56%	6%	18%	1%	2%	17.0%	100%
<b>Puerto Rico</b>	<b>32%</b>	<b>9%</b>	<b>47%</b>	<b>3%</b>	<b>1%</b>	<b>8.5%</b>	<b>100%</b>
Change							
United States	2%	1%	3%	0%	0%	-6.1%	
<b>Puerto Rico</b>	<b>-3%</b>	<b>1%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>+1.2%</b>	

<https://www.kff.org/state-category/health-coverage-uninsured/health-insurance-status/>

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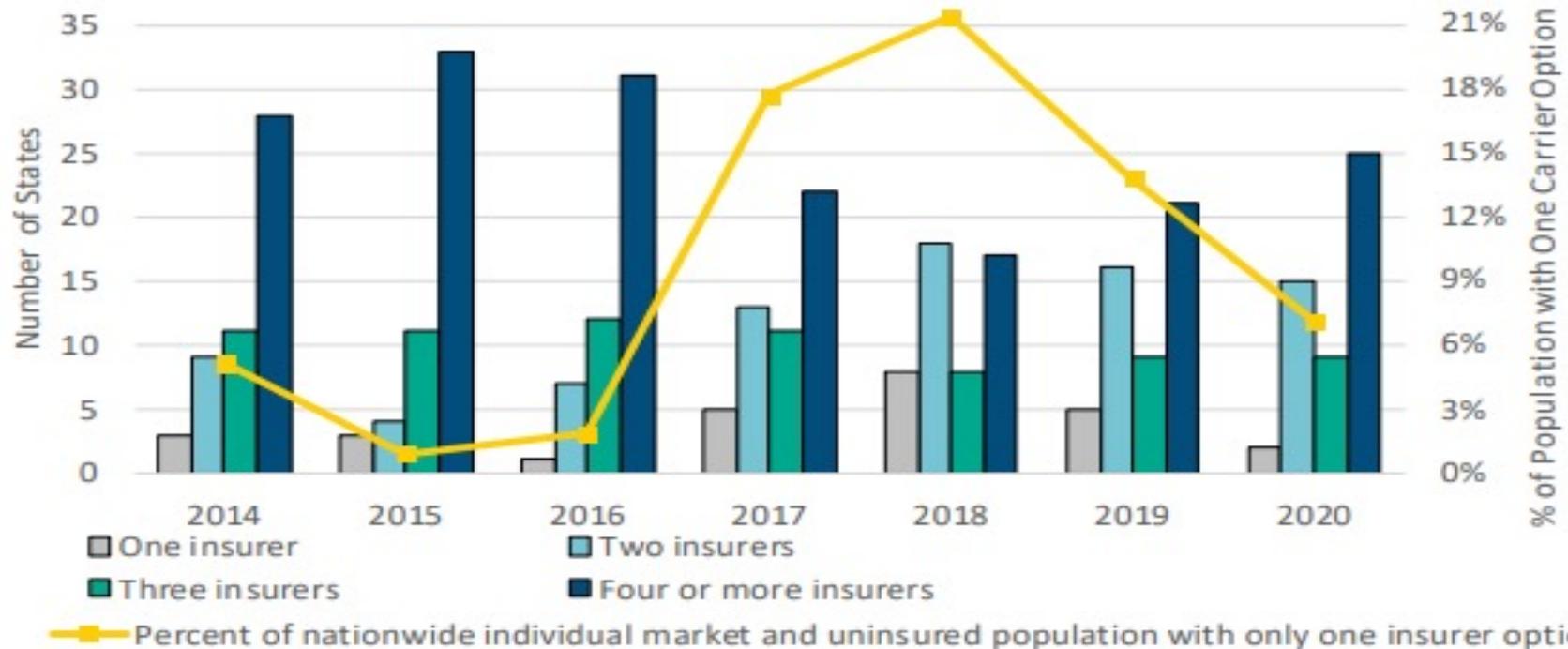
INSURER EXCHANGE PARTICIPATION AND FINANCIAL EXPERIENCE (INSURERS OFFERING ACA-COMPLIANT COVERAGE ONLY)



Notes: Insurer counts within each state reflect a count of parent companies participating on the exchange. Profit margin is calculated from insurer medical loss ratio filings. See Appendix A for additional details. Industry profit margins from 2011 to 2013 in the individual market ranged from 1% to 4% underwriting losses.

# ALERTA PARA EL SECTOR DE SEGUROS PRIVADO DE SALUD DE PUERTO RICO

## NUMBER OF INSURER OPTIONS AVAILABLE TO CONSUMERS THROUGH THE EXCHANGES



Notes: Insurer counts within each state reflect a count of parent companies participating on the exchange. The percent of population with only one insurer option is estimated based on plan offerings at the ACA rating area level. See Appendix A for additional details.

# Key Observations

Observation #1: The uninsured rate has declined in the years since the ACA has passed, but the means by which the reduction was achieved differs from CBO projections.

Observation #2: State decisions to expand Medicaid are strongly correlated with larger reductions in the uninsured rate, but non-expansion states also achieved reductions.

**Observation #3: Price is a key consideration.**

Observation #4: Insurer competition in the exchanges and individual market profitability were consistent with the underwriting cycle.

Observation #5: Initial exchange premium rates were unsustainable.

**Observation #6: Substantial premium rate increases (in 2017 and 2018 in particular) were associated with poor financial experience of insurers, decreases in competition and political uncertainty.**

Observation #7: With a few exceptions, insurers' state-level financial results were consistent with national trends.

Observation #8: Subsidized exchange consumers experienced lower out-of-pocket premium costs as premium rates increased in 2017 and 2018, while nonsubsidized individual market enrollment has dropped substantially as a result of decreased coverage affordability.

**Observation #9: Premiums plateaued (in 2019 and 2020) with growth in the number of states implementing Section 1332 State Innovation Waivers and improvements in insurer financials.**

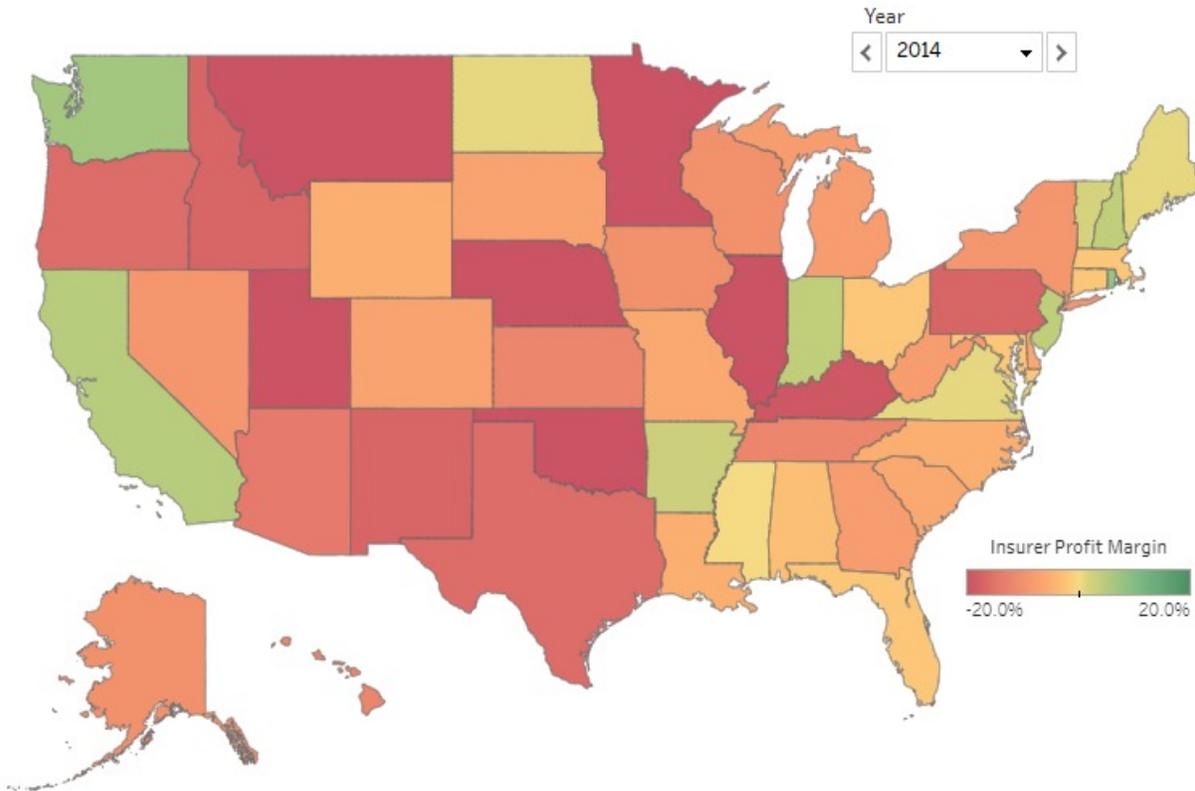
Observation #10: The vast majority of the remaining 30 million uninsured persons in the U.S. have income below 250% federal poverty level.

Observation #11: Medicaid-focused insurers achieved the largest market share gains in the individual health insurance market.

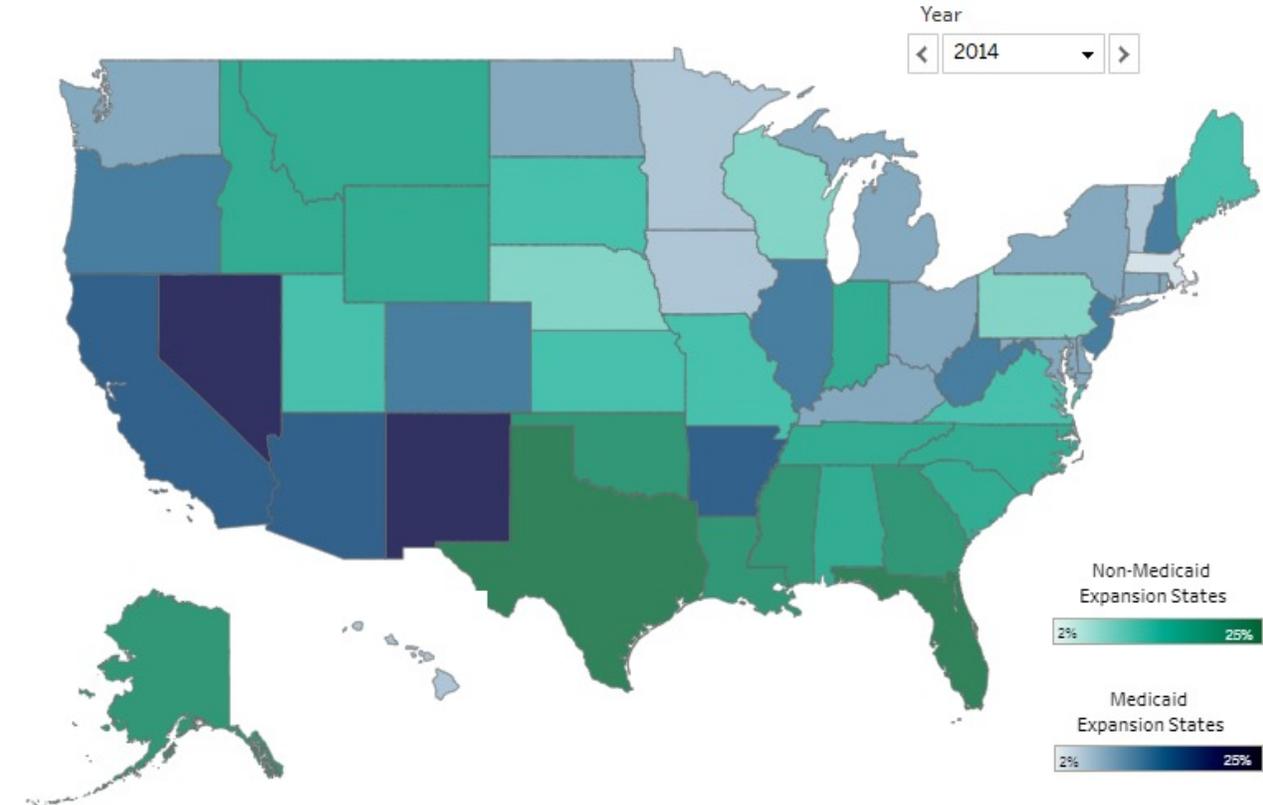
# ALERTA PARA EL SECTOR DE SEGUROS PRIVADO DE SALUD DE PUERTO RICO

## USA Individual Market Profitability and Uninsured Rate by State

Individual Market Profitability by State - 2014



Uninsured Population by State - 2014



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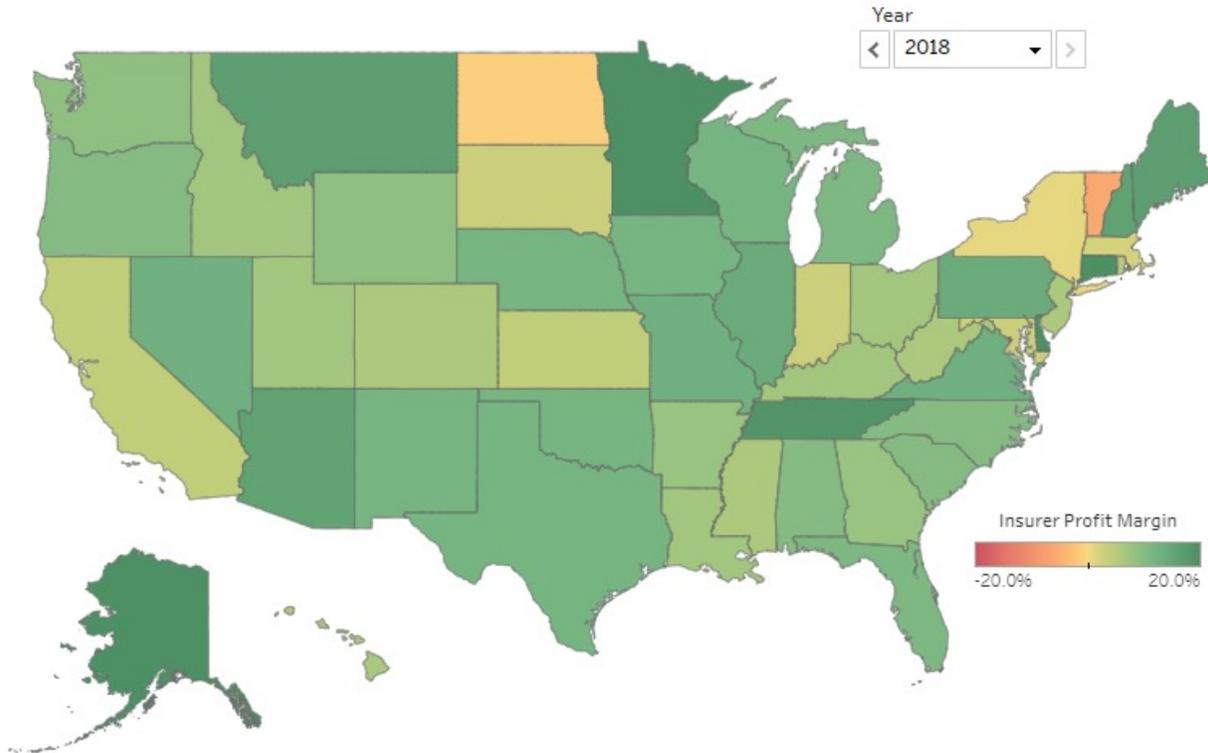
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<https://www.soa.org/resources/research-reports/2020/50-states-50-stories/#summary>

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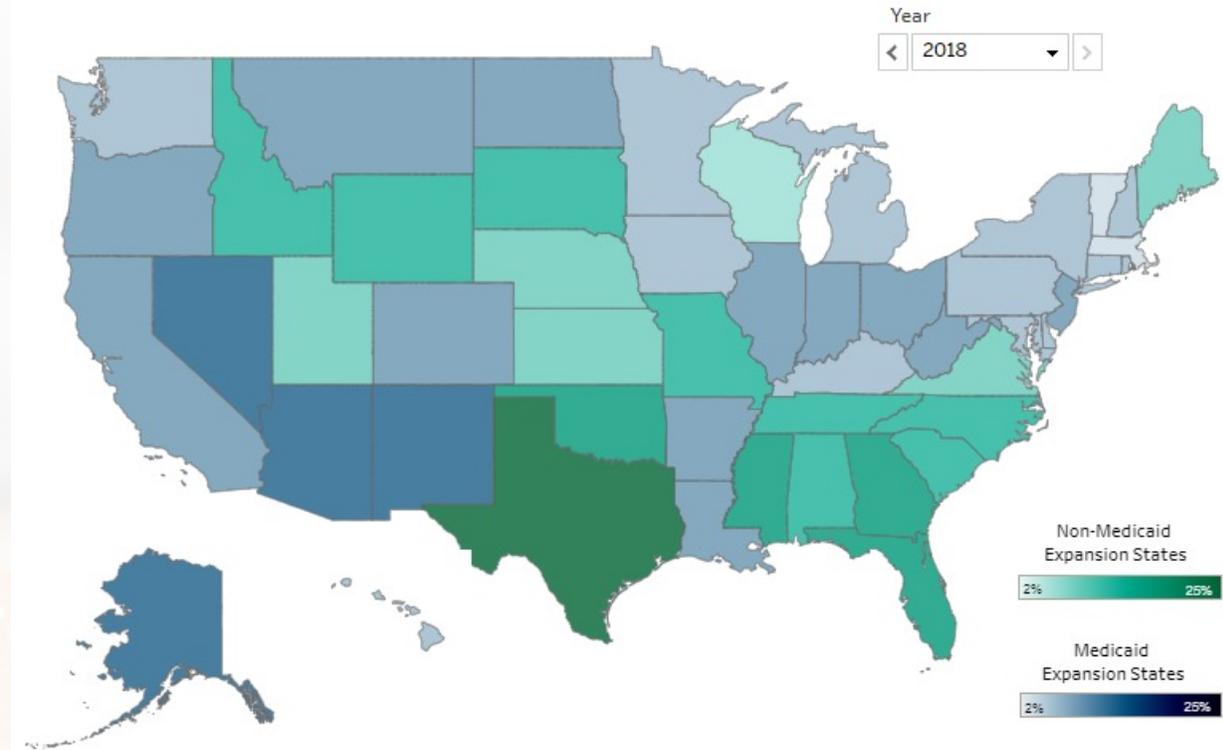
## USA Individual Market Profitability and Uninsured Rate by State

Individual Market Profitability by State - 2018



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Uninsured Population by State - 2018



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