

# INDIVIDUAL HEALTH COVERAGE:



## Building on the success of the ACA

Access to individual health coverage is vital for those who don't have job-sponsored insurance. Even though individual coverage has existed for decades, the **AFFORDABLE CARE ACT (ACA) MADE HEALTH INSURANCE MORE ACCESSIBLE** for hundreds of thousands in our region. By banning pre-existing conditions exclusions, requiring that coverage include all the essential health benefits, and providing financial assistance, individual health coverage has become a more viable option for many.

### Gaps still exist...

Unfortunately, individual market premiums are often unaffordable for those who do not qualify for financial assistance. Many people must pay **MORE THAN 10% OF THEIR INCOME FOR HEALTH INSURANCE**. This is increasingly untenable, especially as the economic consequences of the COVID-19 pandemic persist.

### ...and here's how we close them

CareFirst supports and is working with federal and state policymakers to build on the success of the ACA through the following solutions:

## 1 Support state-based reinsurance

CareFirst applauds the Maryland and Virginia legislatures for their establishment of state reinsurance programs. Maryland's reinsurance program, which took effect in 2019, continues to demonstrate a positive impact by supporting affordable premiums and helping individuals in the community obtain coverage. Virginia's reinsurance program, which will launch in 2023, will also **STABILIZE THE INDIVIDUAL MARKET AND REDUCE PREMIUMS**. We urge other jurisdictions to create reinsurance programs supported by a broad-based funding mechanism.

CAREFIRST INSURES  
**150,000+**

in the ACA individual marketplace in Maryland, Virginia, & D.C.



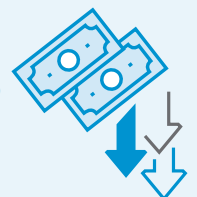
CAREFIRST IS  
**ONE OF ONLY 2 INDIVIDUAL ACA**  
health insurance options in D.C.



CAREFIRST IS THE  
**ONLY STATEWIDE ACA**  
individual market insurer in Maryland



REINSURANCE PROGRAMS  
**REDUCE PREMIUMS**  
for individual coverage



## 2 Enhance financial assistance

The American Rescue Plan Act of 2021 temporarily expanded eligibility for and the amount of financial assistance provided by the ACA. CareFirst supports making this temporary provision permanent, as well as further increasing financial assistance for younger individuals. These provisions will **EXPAND ACCESS TO COVERAGE, IMPROVE AFFORDABILITY, AND REDUCE THE NUMBER OF UNINSURED.**

MAKE HEALTH INSURANCE **MORE AFFORDABLE** for young people



## 3 Close loopholes

Short-term, limited duration insurance and association health plans both offer the promise of significantly reduced premiums. However, these policies achieve this by attracting healthy individuals out of the individual market, **LEAVING INCREASED PREMIUMS FOR SICKER INDIVIDUALS** who need coverage the most. In addition, these policies are not required to offer comprehensive coverage and may leave individuals with significant costs. CareFirst supported the legislation that Maryland and the District of Columbia enacted in 2018 to close individual market loopholes, and we urge other jurisdictions to do the same.

INDIVIDUAL MARKET LOOPHOLES **INCREASE PREMIUMS** for sicker individuals



## 4 Maintain Federal risk adjustment

The Federal risk adjustment program plays a vital role in ensuring that health insurers are not able to cherry-pick those with least risk. CareFirst opposes changes to diminish the effectiveness of this program, which would **LEAVE THOSE WHO NEED COVERAGE THE MOST WITH FEWER OPTIONS.**

ENSURING THAT HEALTH INSURERS ARE **NOT ABLE TO CHERRY-PICK** THOSE WITH LEAST RISK

