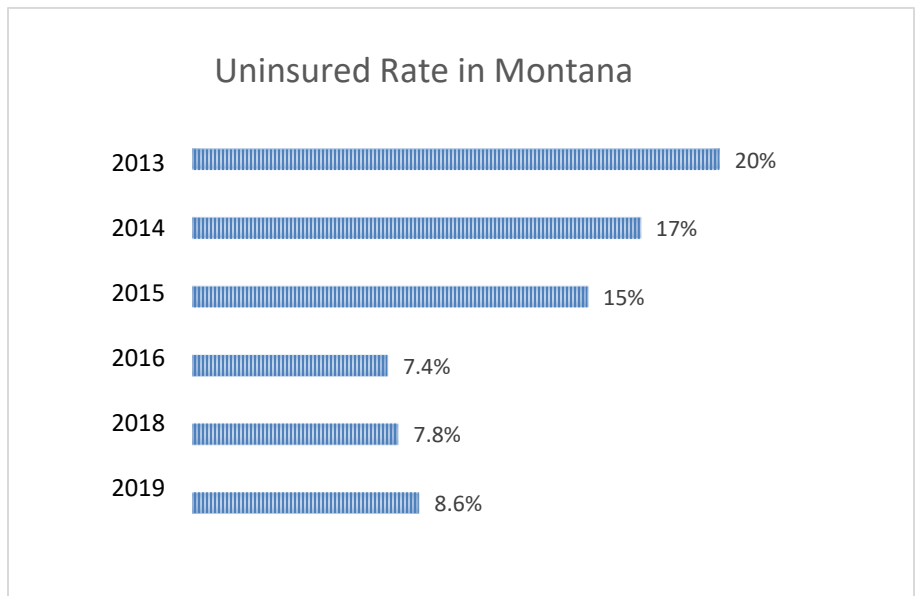


2019 REPORT ON HEALTH COVERAGE AND MONTANA'S UNINSURED

Montana's Uninsured Rate

The Montana Healthcare Foundation commissioned this study of Montana's uninsured rate for 2019. According to a report issued by the Montana Commissioner of Securities and Insurance (CSI), the uninsured rate in April 2016 was approximately 7.4%, down from 20% in 2012.¹ In March 2019, approximately 981,988 Montanans had health coverage, out of a total population of 1,074,167, resulting in an estimated uninsured rate of 8.6%, an increase of 1.2% since 2016.

The information contained in this study for 2019 was obtained through surveys of the three largest health insurers selling individual and small employer group major medical health insurance, as well as data obtained from Montana Medicaid/CHIP, Medicare, and other publicly available data. The [employer coverage numbers](#) come from Kaiser Family Foundation and encompass all types of employer health plans, including self-funded health plans. The Kaiser employer coverage numbers are from 2017 and were obtained using their unique survey methodology. The sources and surveys used for this study mirror what was used by the CSI in 2014, 2015, and 2016 and the survey that was used for this study for 2017 and 2018.



Individual Health Insurance Market

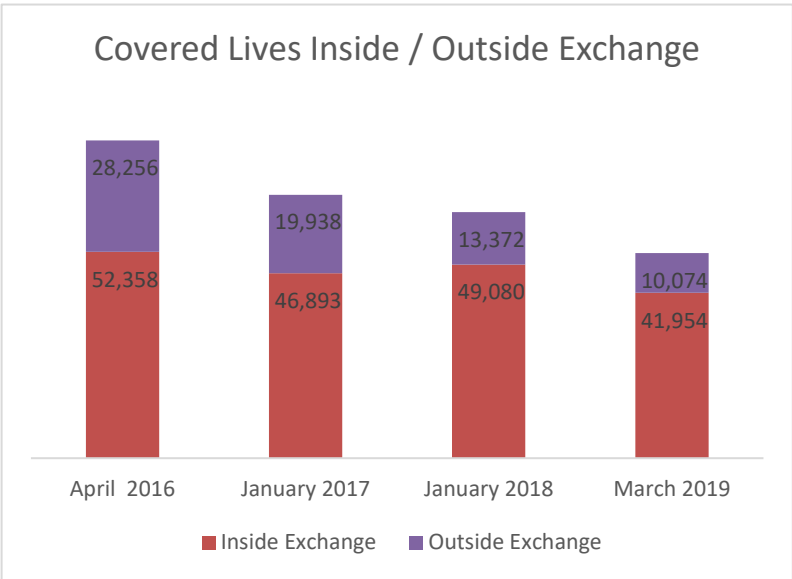
Between April 2016 and March 2019, the individual market declined by about 35.5%. There are several probable reasons for this decline. First of all, a significant number of individuals transitioned from the individual market to Medicaid and Medicare. Medicaid was not expanded until 2016, and it is estimated that there were approximately 10,000 to 15,000 people who transitioned to Medicaid between 2016 and 2018.² The largest decrease in enrollment occurred in the off-exchange individual market, where there are no premium tax credits available. In 2019, it decreased to 10,074, a total decrease of 64% since 2016. Second, premiums in the individual market overall increased significantly in 2017, in part because the federal reinsurance program ended that year. In 2018, the cost of silver plans in particular increased—an additional 11% to 24%—because the federal government stopped reimbursing health insurers for the cost-sharing reduction (CSR) benefit that individuals below 250% of the federal poverty level (FPL) may receive. Even though the federal government stopped reimbursing insurers for CSR, the law still requires those insurers to continue paying the benefit. Therefore, the cost of silver plans was increased for all consumers in order to make up that difference. There are

¹ Bureau of Business and Economic Research. (2012). *The Status of Montana's Health Insurance Population*. University of Montana: http://csimt.gov/wp-content/uploads/CSI_HealthInsurancePopulation.pdf

² Wakely Consulting Group. (2018). *Individual Market Stabilization – Medicaid Expansion Analysis*. <https://mthcf.org/resources/individual-market-stabilization-medicaid-expansion-analysis/>

several probable reasons why the off-exchange market has decreased, including but not limited to the fact that many individuals can no longer afford the premiums.

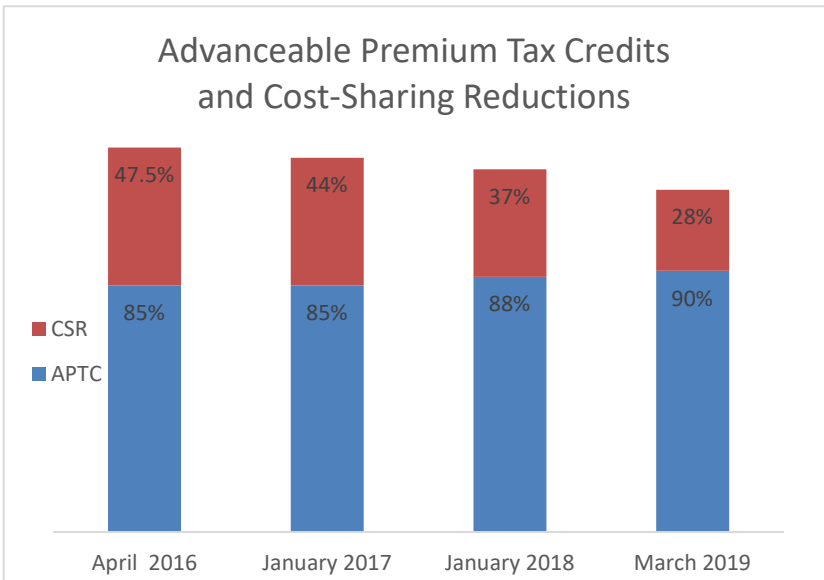
In April 2016 in the individual market, there were 52,358 covered lives inside the exchange and 28,261 outside the exchange, for a total of 80,619. In January 2017, there were 46,893 covered lives inside the exchange and 19,938 outside the exchange, for a total of 66,831. In January 2018, after open enrollment was completed, there were 49,080 covered lives inside the exchange and 13,372 outside the exchange, for a total of 62,452. In March 2019, after open enrollment was completed, there were 41,854 covered lives inside the exchange and 10,074 outside the exchange, for a total of 51,928.



In 2016, 52,358 individuals (65%) bought individual health insurance through the exchange. In 2018, 49,080 individuals (78.6%) bought coverage through the exchange. In 2019, 41,954 individuals (80.6%) bought coverage through the exchange.

In 2016, 85% of the on-exchange enrollees qualified for premium tax credits (PTC) and 47.5% qualified for CSR. In 2017, 85% qualified for PTC and 44% qualified for CSR. In 2018, 88% of exchange enrollees qualified for PTC and 37% qualified for CSR. In 2019, 90% of exchange enrollees qualified for PTC and 28% qualified for CSR.

The percentage of individuals purchasing bronze plans in the individual market increased significantly in 2018 and 2019. Because the price increases in the silver plans were higher than other metal levels, most individuals who are not eligible for CSR or PTC and could not afford the silver plans. In fact, many individuals who may have qualified for a CSR plan purchased bronze plans with no reduced cost sharing because their share of the premium was \$0. This could explain the decrease in the percentage of individuals receiving a CSR plan—from 47.5% in 2016 to 28% in 2019. The cost of the second lowest-cost silver plan increased significantly in 2018 and 2019, causing PTC to also increase because the formula for calculating the amount of PTC relies on the cost of the second lowest-cost silver plan. Therefore, a 40-year-old individual with an income of \$25,000 (207% of FPL) may pay \$0 in premiums if they purchased a bronze plan in 2018. Of course, that individual may have difficulty paying their out-of-pocket expenses (\$7,900 in 2019) under that plan if they experience a significant health event.



In 2016, 40,203 covered lives (49.9% of total covered lives) in the individual market were bronze, 33,470 covered lives (41.5%) were silver, and 5,970 covered lives (7.4%) were gold. In 2017, 34,614 covered lives (51.8%) were bronze, 27,854 lives (41.7%) were silver, and 3,516 lives (5.3%) were gold. In 2018, 36,801 covered lives (58.9%) were bronze, 21,515 covered lives (34.4%) were silver, and 3,383 lives (5.4%) were gold. In 2019, 34,240 covered lives (66%) were bronze, 14,279 covered lives (27.5%) were silver, and 2,992

lives (5.8%) were gold. There were also a very small number of covered lives in catastrophic plans: in 1,063 in 2016, 753 in 2018 and 420 in 2019.

In the 4 health insurance rating areas, the individual market enrollment **decreases** from 2016 to 2018 were 30% in rating area I (Yellowstone County) and 36.7% in 2019; 20.5% in rating area II (Bozeman, Helena, Great Falls area) and 35.8% in 2019; 28% in rating area III (Missoula and Kalispell area) and 33.3% in 2019; and 16% in rating area IV (the remaining rural areas of the state), 36.8% in 2019. A rating map for the state can be found [here](#).

In terms of age categories, the largest enrollment in 2016, 2018, and 2019 was the 55-to 64-year-old category. That age category also lost the least amount of enrollment between 2016 and 2018 (16%) and 26% in 2019. In 2019, the age categories of 45-to 64-year-old have approximately 41.6% higher enrollment than the 26-to 44-year-old age categories. This may be attributed to early retirees who lose access to employer coverage as well as a greater awareness of personal health needs. Additionally, enrollment in Medicaid/CHIP in the younger age categories is much higher than in the older age categories, and the average age of the population in Montana is much older than most states.

Immediately after open enrollment ends, there are generally enrollment losses because individuals fail to fully effectuate their coverage by not paying the premium, or they have issues with their tax credit eligibility (i.e., income documentation problems, etc.). There will always be a certain percentage of the individual market population that is in transition. The enrollment declines during the year because people transition to Medicare, employer coverage, and sometimes Medicaid, depending on their circumstances. Also, some individuals simply drop coverage because they can no longer afford it. The repeal of the individual mandate may exacerbate that problem. In 2019, enrollment was measured as of March 1 to avoid the attrition in enrollment that naturally occurs in January and February.

In 2012, there were only two health insurers with a market share of more than four percent in the individual market. In 2016, there were 3 health insurers in the individual market with a market share of 10% or more. In 2019, there are still 3 health insurers in the individual market with a market share of 20% or more, and all 3 of them are still participating in the exchange.

Medicaid

Medicaid grew from approximately 193,231 covered lives in early 2016 to approximately 257,142 by March 2019. Those with access to limited benefits or who are dually eligible for Medicare and Medicaid were deleted from the total. The largest age group covered by Medicaid/CHIP is children between 0 and 18 years of age. Of the 257,142 individuals enrolled with access to full coverage in March 2019, approximately 46% are children. The next largest category are individuals aged 19 to 34, which is 25% of the total enrollment. The highest Medicaid/CHIP enrollment occurs in the rural areas of the state (rating area IV). Detailed information about age groups and location of Medicaid enrollees [can be found here](#). Medicaid/CHIP covers approximately 25% of the population.

Medicare

Montana has an aging population and ranks in the top 10 states with the oldest population. Medicare enrollment expanded from 201,000 in 2016 to 218,000 in 2018 and as of February 2019, it is 226,228, which is approximately 21% of the population. A small percentage of that population is enrolled only in the free Part A coverage, which just provides hospitalization benefits. According to the Kaiser Family Foundation, 86% of Medicare enrollees have both Part A and Part B (outpatient coverage) and a form of supplemental coverage, such as Medicare Advantage, Medicare supplement insurance, employer retiree coverage, or Medicaid. [Of Medicare enrollees](#), 71% have purchased Part D or Medicaid Advantage prescription drug coverage.

Small Group Insurance Market

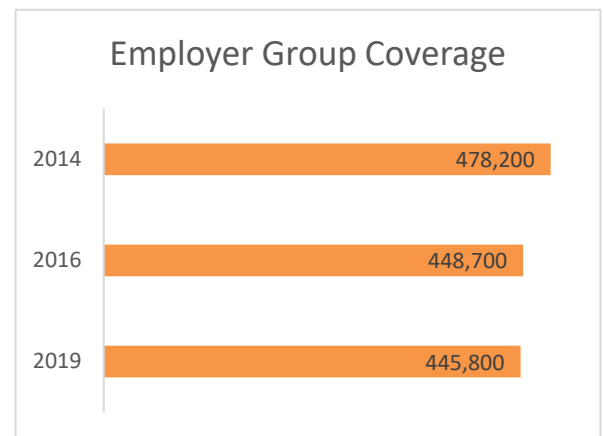


In 2012, the small employer group health insurance market had approximately 54,500 covered lives. In April 2016, there were 48,333 covered lives, in December 2017, there were 45,762 covered lives in the small group market, and in 2019 there were 45,761 covered lives in the small group market.

According to the statistics provided by the Kaiser Health Foundation, all types of employer group coverage declined in Montana between 2014 and 2019, from 478,200 to 445,800. [Of the total population in the United States, 49% get coverage through their employer, and that number is 41.5% in Montana in 2019.](#)

In 2014 and 2015, individual market premiums were lower than small

employer group premiums, and some small group employers, especially family-owned businesses, shifted to the individual market, where they might also qualify for premium tax credits. Other factors accounting for the declining enrollment in the small group market were the loss of premium assistance previously available to some small employers through the Insure Montana program (eliminated by the Legislature in 2015), and the movement of some small employers into self-funded health plans. In 2019, small employer group premiums are generally lower than individual market premiums. However, many small employers and their employees may qualify for PTC, thereby keeping individual premiums more affordable than small group premiums for some individuals.



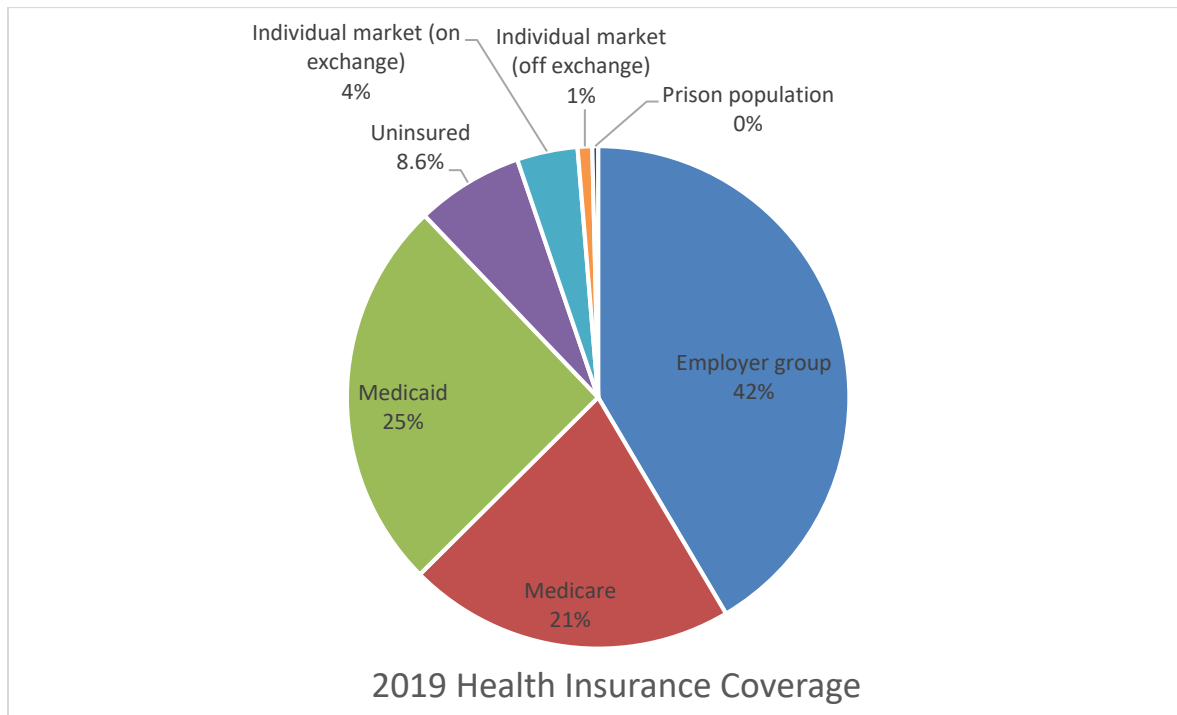
In 2012, there were four health insurers in the small group market with a market share greater than four percent. In 2018, there are 2 health insurers with a market share greater than 38% and 2 insurers with much smaller market shares that are actively marketing small group health plans in Montana. [Detailed information](#) about individual and small group health insurance coverage has been broken out into the following categories: age groups, rating areas, metal levels, and cost-sharing reduction plans (income levels).

Veteran's Health

The veteran population that is eligible to receive health care services from the Veterans Administration (VA) was not included in the CSI 2016 enrollment study, and, therefore, it has not been included here. Like Indian Health Services, access to VA health care benefits is not health coverage per se. Instead, the VA is a health care provider that may provide free or low-cost health care services to eligible individuals under certain circumstances. In 2017, there were 14,853 unique patients under 65 years old accessing VA health care services in Montana. There are many different levels of eligibility, and some levels, especially Level 8, have limited or no access to VA health care services. Also, many veterans have other health coverage, such as employer health insurance, Medicaid or Medicare. Because of some uncertainty around the number of individuals who have access to all necessary health care services and do not have any other type of health coverage, this population was not measured in this report, although access to VA benefits and Tricare likely lowers the uninsured rate in Montana somewhat more.

Summary of Health Coverage in Montana

Health Insurance Coverage			
	2016	2018	2019
Employer group	478,000	448,700	445,800
Medicare	201,000	217,983	226,228
Medicaid	193,231	246,039	257,142
Uninsured	76,000	83,073	92,179
Individual market (on exchange)	52,358	49,080	41,954
Individual market (off exchange)	28,261	13,372	10,074
Prison population	3,642	4,083	4,000



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Report completed by Christina Lechner Goe, J.D.

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