REPORT: NEARLY 4 IN 10 MARKETPLACE ISSUERS ALSO OFFER MEDICAID PLANS IN THE SAME STATE

Number of Qualified Health Plans, 'Overlap Issuers' Both Increased Over Last Year

WASHINGTON—A new study issued today by the Association for Community Affiliated Plans (ACAP) finds that nearly 4 in 10 organizations that offer coverage through Qualified Health Plans (QHP) in public Health Insurance Marketplaces operate a Medicaid managed care plan in the same state, providing an opportunity for consumers with low incomes to select a source of coverage that may remain continuous, even if their incomes rise above the threshold for Medicaid eligibility. Such plans may also provide a single source of coverage to families with 'split eligibility'—where, for instance, parents may be eligible for subsidized Marketplace coverage while their children are eligible for Medicaid or CHIP.

The report found that 131 of 338 QHP issuers, or 39 percent, were found to be 'overlap issuers'—that is, they also offered a Medicaid managed care plan in the same state. Last year, 123 of 284 QHP issuers were found to be overlap issuers, or 43 percent. While the percentage of overlap issuers dropped slightly year over year, their overall numbers increased.

"As the economy improves, it's certain that many workers and families will experience a change in eligibility between Medicaid and the Marketplace, or vice versa," said ACAP CEO Margaret A. Murray. "Plans that offer a continuous source of care help consumers see the same doctors and get the same care even if their coverage changes. That's a choice we'd like to see offered to everyone who receives care through a Medicaid MCO."

The report found that 33 states housed at least one overlap issuer, which was unchanged from the previous year. It also found a significant increase in consumer choice: as noted above, overall plan participation in Marketplaces increased significantly—338 QHP issuers this year versus 284 in 2014. Seven states experienced a net gain of three or more QHP issuers, while only one state experienced a net loss of more than one QHP issuer.

In a new analysis for 2015, a county-by-county analysis shows that consumer choice is, in fact, more constrained than state-level data would imply. While Texas features 15 QHPs and ten overlap issuers, county-level data reveal that each of Texas's 254 counties offer fewer choices in practice:

- **12** counties offer three overlap issuers,
- **13** counties offer two overlap issuers,
- **113** counties offer one overlap issuer, and
- **116** counties offer none.

A county-level analysis of New York, detailed in the brief, yielded similar results. The underlying data for the analysis came from McKinsey & Company's Exchange Offering Database.

It also bears noting that like many states, Texas has not yet opted to expand its Medicaid program, making a continuous source of health coverage far more difficult to attain for its adults who find work and transition off the Medicaid program owing to rising incomes. Additionally, some overlap plans can be hard to find as their plan names may differ between Medicaid and the Marketplace. To facilitate consumer choice, ACAP has advocated that 'overlap issuers' be identified by an icon or other means on Marketplace Web sites.

"Better informing consumers about which plans overlap markets can help them make smarter choices and smooth out the rougher edges of 'churn,'" added Murray. "It's a small, yet significant step that would help consumers be smarter shoppers on the Marketplaces."

The complete list and analysis of QHP issuers is available at www.communityplans.net; more information about churn is available at www.coverageyoucancounton.org.

About ACAP
ACAP represents 59 nonprofit Safety Net Health Plans in 24 states, which collectively serve more nearly twelve million people enrolled in Medicaid, Medicare, the Children's Health Insurance Program (CHIP), and other public health programs. For more information, visit www.communityplans.net.

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