DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Consumer Information and Insurance Oversight
200 Independence Avenue SW
Washington, DC 20201

Special Trends Report: Enrollment Data and Coverage Options for Consumers During the COVID-19 Public Health Emergency

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This special trends report provides enrollment data for consumers in states with Exchanges using the HealthCare.gov platform who made a plan selection through a special enrollment period (SEP), from the end of the Open Enrollment Period (OEP) through May of the 2017-2020 coverage years. Because of the coronavirus disease 2019 (COVID-19) emergency, many consumers have experienced life changes that allow them to enroll in health coverage through the Exchanges using existing SEPs. This report examines coverage gains through SEPs, with a particular focus on the SEP for people who recently lost other qualifying health coverage (i.e., the "loss of minimum essential coverage", or loss of MEC SEP).

Key Findings

- The number of consumers gaining coverage in states with Exchanges using the HealthCare.gov platform through the loss of MEC SEP is higher for the 2020 coverage year than for any of the prior coverage years in this report with approximately 485,000 consumers gaining coverage through the loss of MEC SEP, an increase of 52 percent from the same time period last year.
- By month, the largest gain in loss of MEC SEP enrollments occurred in April 2020, with enrollments increasing by 139 percent when compared to April 2019.
- The number of consumers gaining Exchange coverage through the loss of MEC SEP dropped by about one-third from April 2020 to May 2020 but continued to be significantly higher—by 43 percent—than in May of 2019.
- Looking at enrollments across all SEP types, there was a 30 percent increase in total SEP enrollments from the end of OE through May from 2019 to 2020. The percentage change was slightly higher during the period from 2017 to 2018, with an increase of 31 percent. However, the higher increase in SEP enrollments from 2017 to 2018 could be attributed to the longer open enrollment period for 2017, which extended to January 31 and substantially shortened the period of time SEPs were available after the end of 2017 OE.

Trend Analysis: Impact of COVID-19 Job Losses on Demand for SEPs Remains Unclear

Millions of individuals have lost their jobs as a result of the COVID-19 pandemic and the associated suspension of many routine business activities. Some number of these recently unemployed individuals have also lost their job-based health coverage and may want to

[1] This report was originally published on June 25, 2020 and is being reissued with corrected data. For more information on the changes, please see "Methodology for Counting SEP Enrollments" at the end of the report.

transition to a new source of coverage. Based on current regulations, anyone who loses job-based minimum essential coverage (MEC) will qualify for a SEP and would be eligible to enroll in individual market coverage through the Exchange serving their state if they meet the applicable criteria for enrollment through an Exchange. Consumers typically have up to 60 days following the loss of job-based coverage to enroll in a plan.

Bureau of Labor Statistics (BLS) data show that nonfarm payroll employment dropped by an unprecedented 20.7 million people from March to April as states across the country issued stay-at-home orders. In May, the number of employed increased by 2.5 million compared to April, and the unemployment rate declined to 13.3 percent from a high of 14.7 percent in April.[2]

However, looking more closely, the BLS data shows that when job losses spiked in April, 98 percent of the monthly increase was due to temporary layoffs[3,4]—meaning either they had been given a date to return to work by their employer or that they expected to be back to work within the next six months.[5] In addition, many of the newly unemployed may be able to maintain their prior job-based health coverage due to the fact that many employers have reported they are continuing to provide coverage to laid-off and furloughed employees.[6]

Overall, due to a combination of factors including expectations of eventually returning to work, employers' ongoing contributions to their furloughed or laid-off employees' health insurance premiums during the public health emergency, COBRA continuation coverage through their former employer, and access to other coverage such as through a spouse, it remains unclear how many people will eventually look to Exchanges using HealthCare.gov to replace job-based coverage. As discussed below, while the magnitude may be unclear, job losses due to COVID-19 have led to increased enrollments on HealthCare.gov through the loss of MEC SEP. CMS has taken a number of steps, detailed below, to assist consumers who may have lost their coverage or experienced another SEP qualifying event in obtaining coverage through an Exchange using HealthCare.gov.

CMS Actions to Help People Enroll through Exchanges Using HealthCare.gov

For people who have lost coverage through their jobs and need new health coverage, CMS has taken a number of actions to help them understand their options and make it easier to gain coverage through Exchanges using HealthCare.gov.

Individuals who lose qualifying employer coverage and live in a state with an Exchange that uses HealthCare.gov can enroll in health coverage using a special enrollment period by visiting HealthCare.gov, if otherwise eligible to enroll through an Exchange; calling the Marketplace

[2] The Employment Situation – May 2020, Bureau of Labor Statistics, June 5, 2020. Available at: https://www.dol.gov/newsroom/economicdata/empsit_06052020.pdf
[3] The Employment Situation – April 2020, Table A-11, Bureau of Labor Statistics, reissued September 23, 2020. Available at: https://www.bls.gov/news.release/archives/empsit_05082020.pdf
[4] The June 25, 2020 version of this report incorrectly stated that 97 percent of those surveyed identified their job loss as a temporary layoff.
[5] Frequently asked questions: The impact of the coronavirus (COVID-19) pandemic on The Employment Situation for April 2020, Bureau of Labor Statistics, May 8, 2020. Available at: https://www.bls.gov/cps/employment-situation-covid19-faq-april-2020.pdf
[6] Poll Results Furloughs, Lay-offs, and Health Benefit Decisions, Mercer: https://www.mercer.us/our-thinking/healthcare/poll-results-furloughs-lay-offs-and-health-benefit-decisions.html#

Call Center at 1-800-318-2596 (TTY: 1-855-889-4325); contacting an agent, broker or other assister (who can be located on Find Local Help); or visiting a certified enrollment partner.

Any consumers who qualified for a SEP but missed the deadline as a result of the COVID-19 pandemic—for example, if they were sick with COVID-19 or were caring for someone who was sick with COVID-19—may also be eligible for another SEP. Consumers should contact the Marketplace Call Center at 1-800-318-2596 (TTY: 1-855-889-4325) to see if they are eligible for this SEP.

To further support people during this public health emergency, CMS updated HealthCare.gov to make it easier for consumers to find important information on how to best take advantage of existing SEP opportunities in light of the COVID-19. These updates to HealthCare.gov include the addition of a webpage on HealthCare.gov specifically designated for COVID-19 information as it relates to Exchange coverage. Additionally, CMS released new resources for assisters, agents/brokers and other partners who are helping consumers during this time.

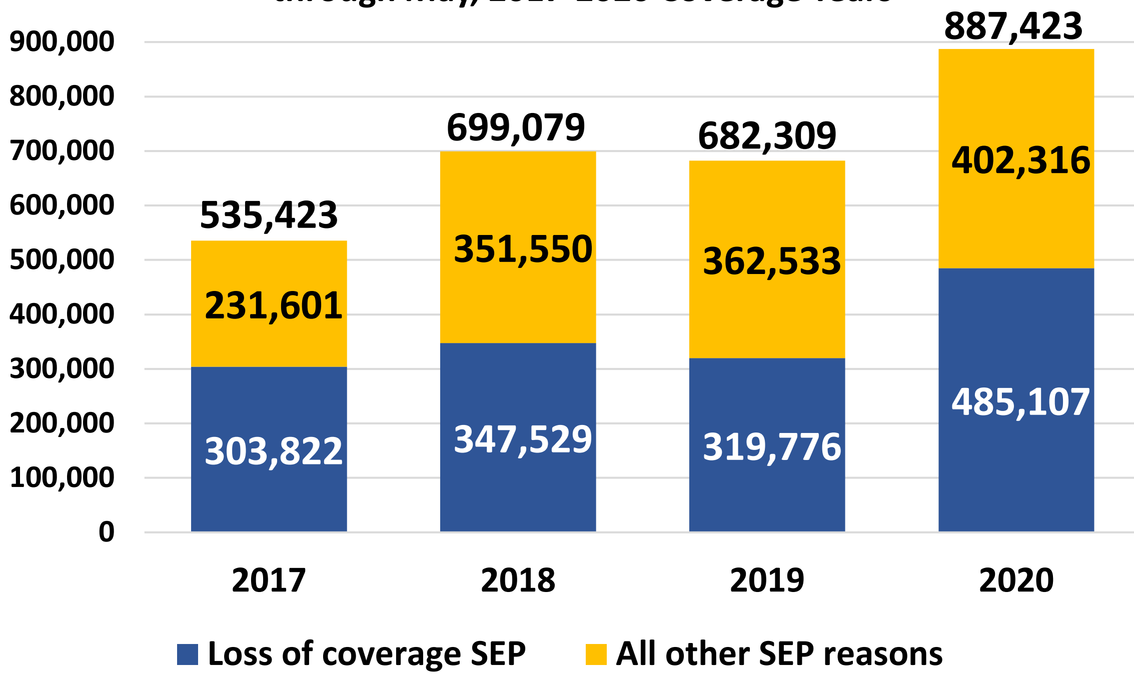
Along with helping people determine whether they are eligible for advance payments of the premium tax credit (APTC) to help lower the cost of Exchange coverage, HealthCare.gov also helps people assess if they or their family members may qualify for coverage from Medicaid or the Children's Health Insurance Program (CHIP).

Data Show that People Who Need Coverage are Enrolling Through Exchanges Using HealthCare.gov

Enrollment data for 2020 show that thousands of individuals who lost their health coverage through jobs due to COVID-19 are using existing SEPs to enroll in coverage through the Exchanges using the HealthCare.gov platform.

Figure 1 shows that more consumers used SEPs for the 2020 coverage year than in any other year of the reporting period, from 2017-2020. Compared to last year, 205,000 more people enrolled in coverage through a SEP; the loss of MEC SEP is responsible for 81 percent of this increase.

Figure 1: SEP Enrollment from the end of Open Enrollment through May, 2017-2020 Coverage Years

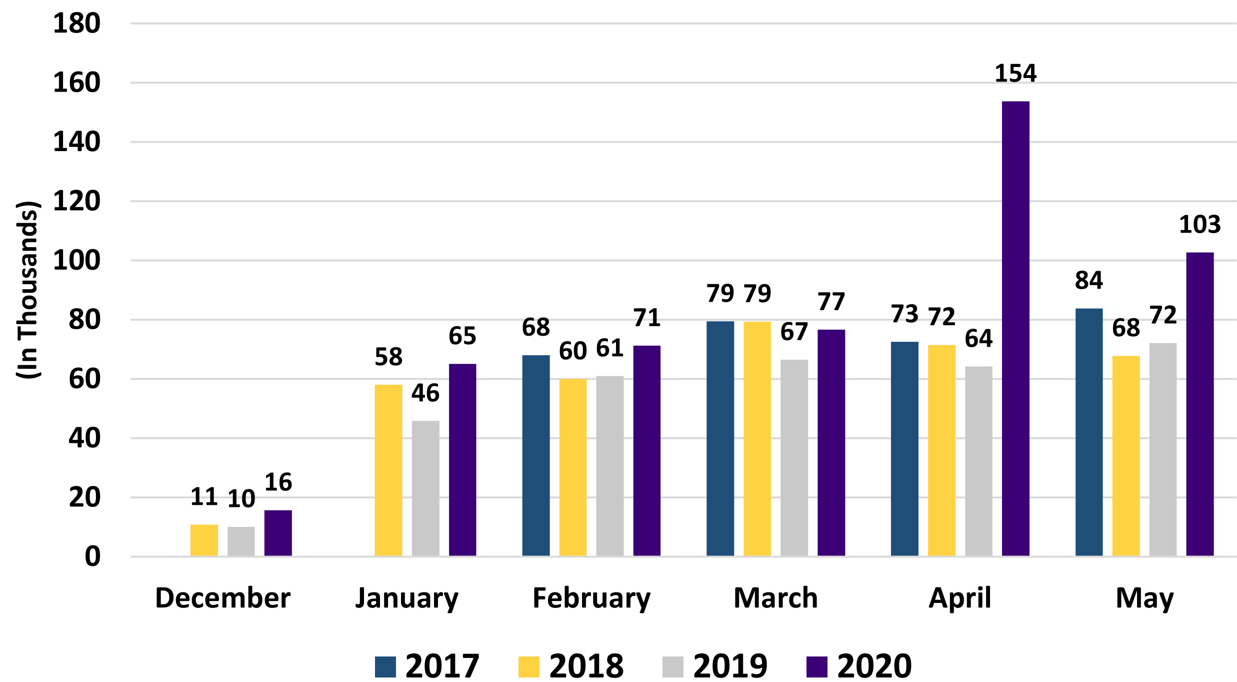


Note: 2017 has approximately 1.5 fewer months in the reporting period than the other years due to a longer Open Enrollment Period.

Focusing on SEP enrollment data for April and May of this year provides a clearer picture of the increased use of the loss of MEC SEP at the time job losses due to COVID-19 rose sharply. In April 2020, approximately 226,000 consumers enrolled in coverage through Exchanges using HealthCare.gov through an existing SEP. As shown in Figure 2, this includes 154,000 consumers who enrolled through the loss of MEC SEP, a 139 percent increase from the same month last year.

In May, as the labor market improved, the number of people using the loss of MEC SEP declined by 33 percent from April to 103,000. However, this still represents a 43 percent increase from May 2019, showing more people were continuing to use the loss of MEC SEP in May 2020 when compared to last year.

Figure 2: Loss of MEC SEP Enrollments from the End of Open Enrollment through May, 2017-2020 Coverage Years



Note: 2017 has approximately 1.5 fewer months in the reporting period than the other years due to a longer Open Enrollment Period.

Conclusion

These enrollment numbers show that individuals who lost their jobs or experienced other qualifying life events due to the COVID-19 pandemic are using existing SEPs to enroll in coverage through HealthCare.gov. As Americans consider their health insurance options during this crisis and as the country re-opens, CMS will continue to provide assistance to help inform those choices. CMS strongly encourages individuals to visit HealthCare.gov to explore their coverage options.

Background

In the Exchanges, most consumers select a plan during the Open Enrollment Period (OEP). Consumers who experience one of six types of life events can also select a plan during a Special Enrollment Period (SEP).

SEPs are a longstanding feature of employer-sponsored health coverage, giving people who lose coverage during the year (for example, through non-voluntary loss of MEC provided through an employer), or who experience other qualifying life events (for example, marriage or the birth or adoption of a child) the opportunity to enroll in new coverage or make changes to their existing coverage. While the annual OEP allows uninsured individuals to enroll in new coverage, SEPs are intended, in part, to promote continuous enrollment in health coverage during the plan year by allowing those who were previously enrolled in coverage to obtain new coverage or make changes to existing coverage without experiencing a gap in coverage. The application of SEPs helps protect the risk pool by minimizing the opportunity for individuals to wait until they are sick to enroll in coverage.

Methodology for Counting SEP Enrollments

This special trends report provides SEP enrollment counts from the end of the OEP through May for the 2017-2020 coverage years (see below for OEP end dates for each coverage year), broken down by: coverage year, month of plan selection, and loss of MEC SEP versus all other SEPs reasons. Consumers were only included if they "gained coverage" through a SEP, meaning the application was submitted after the end of the OEP (including the extra 36 hours provided to certain consumers after the 2020 OEP), the consumer did not have coverage at the time of application submission, and the consumer made a plan selection that was sent to the issuer (i.e., plan selections that were pended—for example, while the Exchange waited to receive documents from an applicant to prove a SEP-qualifying event—but that were not ultimately sent to an issuer, were excluded). We counted each consumer only once. If a consumer enrolled through multiple SEPs, we only counted the first SEP enrollment. In addition, consistent with our reporting during the OEP, plan selection counts do not reflect whether a consumer has paid any initial premium amount, if applicable.

The revised SEP enrollment counts in this report reflect corrections to the methodology that was used for the counts in the June 25, 2020 version. The corrections resulted in the following changes to total SEP enrollment counts for each coverage year: 2017: 221 (0.0%); 2018: -13,428 (-1.9%); 2019: 21,797 (-3.1%); 2020: -4,718 (-0.5%).

Other methodological notes:

- Open Enrollment for 2017 ended January 31, 2017; Open Enrollment for 2018, 2019, and 2020 ended December 15 of the year preceding the coverage year.[7] Therefore, 2017 has approximately 1.5 fewer months in the reporting period than the other years.
- Nevada became a state-based Exchange for coverage year 2020, and therefore has no HealthCare.gov SEP enrollments for that year. NV SEP volume across all SEP types was about 7,100 for 2017; about 8,700 for 2018; and about 7,800 for 2019.

[7] The 2020 OEP includes the period from December 16-18, 2019 provided to consumers who were unable to enroll by the December 15 deadline.