

State of Key ACA Markets: The Individual Market and Medicaid

Background and Purpose

One of the goals of the Patient Protection and Affordable Care Act (ACA) is to provide a mechanism to provide access to affordable health care to the uninsured and underinsured populations in the U.S. With the passage of the ACA came some significant changes to the healthcare landscape, especially within the Individual and Medicaid Marketplaces. The Individual Marketplace was impacted by a combination of plan design requirements, subsidies and penalties. Similarly, Medicaid expansion provided coverage opportunities for many low-income people who had been previously uninsured. The implementation of this portion of the ACA did not always go smoothly, often resulting in market instability.

The core purpose of the research underlying this request for proposal (RFP) will be to provide a fact-based assessment of the viability of the Individual and Medicaid marketplaces from the perspectives of each of the key stakeholders. Specifically:

- From the consumer's viewpoint, the key issues include affordability, coverage eligibility and network adequacy.
- Policymakers at both the federal and state level will focus on which states best succeeded in meeting the ACA and other objectives and the specific factors that led to that success.
- Health plans will focus primarily on financial stability and administrative simplicity. A key element of financial stability is the ability of a health plan to predict the composition of the risk pool for each market and the stability of the risk adjustment process.

The expectation is that this viability assessment will be publicized broadly, beginning with a major announcement on March 23, 2020, the tenth anniversary of the ACA. To accomplish that, the work described below must be complete by 1/31/2020. In addition, the research will provide valuable technical information to actuaries who work in the Individual and/or Medicaid marketplaces on a day-to-day basis. This portion of the project may be delivered after 1/31/2020.

The Health Care Cost Trends Steering Committee (HCCT PSC) will oversee this research project. This group was formed to help create and disseminate research to help SOA members address some of the issues related to the high cost of health care.

The Role of the Researcher

The HCCT PSC is seeking a researcher or team of researchers to perform a study that will evaluate the Individual and Medicaid marketplaces as discussed above. The deliverable for the project will be done in three steps.

The first step in the viability portion of the project is to conduct primary research on market viability using detailed data sources, such as the Unified Rate Review Template (“URRT”) data base found on the Centers for Medicare and Medicaid Services (CMS) website. In doing this research, the researcher may rely on published data for direction, supplementary information and reasonableness testing. The scope of the research and the methodology will be defined by the researcher with appropriate oversight by the HCCT PSC and the project oversight group (“POG”). The scope of the project should include:

1. Defining the measures of success from the viewpoint of each of the key stakeholders. Examples of such measures include affordability, access, consumer costs, impact to state budget and health plan profitability.
2. Defining factors which may or may not have led to success, including:
 - a. Medicaid expansion, including both the date of expansion, where applicable, and other measures taken at a state level.
 - b. Structure of the Medicaid program, including work requirements
 - c. Open enrollment infrastructure, including advertising and open enrollment dates
 - d. The use of waivers at a state level
 - e. Competition in the marketplace
 - f. Demographic and/or geographic considerations

The methodology includes defining the data sources and the techniques for analyzing and summarizing the results.

Once the quantitative phase of the research is complete, the researcher will prepare one or more papers to be made available on the SOA website. Collectively, the papers should reflect the needs of the key stakeholders as defined through this RFP and the definition of the scope of the project. Meeting the needs of the stakeholders includes a balanced discussion of alternative policies and implementation techniques. **The paper(s) must be completed no later than 1/31/2020.**

After the paper(s) are published, the researcher will assist the SOA in promoting this work through articles, webinars, meeting sessions and interviews.

The technical portion of the project will follow a similar process.

The Submission Process

The submission process will be done in two steps. First, parties who wish to participate must submit a brief Letter of Intent (LOI) providing the following information:

1. The proposed title of the report.
2. A summary description of the key steps the researcher intends to take to meet research objectives for both the viability assessment and for the technical analysis.
3. A list of major data sources the researcher intends to use.
4. A rough estimate of the funding requirements, the ability of the applicant(s) to access any data needed.

5. The qualifications (including any actuarial designations and any relevant experience in industry) of the applicant(s).
6. A timeframe for completion for both portions of the project.
7. LOIs will be no more than 2 pages, with no less than 1-inch margins, no less than 11-point font, and no less than a space and a half. Quality of writing in the LOI will be a decision factor. The researcher may attach more detailed information about the research team such as resumes, biographies and CVs.

Letters should be submitted to Erika Schulty, eschulty@soa.org, by **May 31, 2019**. Decisions on whether an applicant will be invited to submit a full proposal based on the LOI will be communicated by **June 14, 2019**.

Parties who are invited to submit a full proposal would then provide the following information:

1. Resumes of the researcher(s), including any graduate student(s), undergraduate(s), actuarial analyst(s) expected to participate, indicating how their background, education and experience bear on their qualifications to undertake the research. If more than one researcher is involved, a single individual should be designated as the lead researcher and primary contact. The person submitting the proposal must be authorized to speak on behalf of all the researchers as well as for the firm or institution on whose behalf the proposal is submitted.
2. A more detailed summary of the approach to be used (literature search, data, model), emphasizing issues that require special consideration. Details should be given regarding the techniques to be used, collateral material to be consulted, and possible limitations of the analysis.
3. A description of the expected deliverables and any supporting data, tools or other resources.
4. Cost estimates for the research, including computer time, salaries, report preparation, and material costs. Such estimates can be in the form of hourly rates, but in these cases, time estimates would also be included. While cost will be a factor in the evaluation of the proposal, it will not necessarily be the decisive factor. Any amount funded will not be impacted by additional costs.
5. A schedule for completion of the research, identifying key dates or time frames for research completion and report submissions. The HCCT PSC is interested in completing this project in a timely manner.
6. Suggestions in the proposal for ensuring timely delivery, such as fee adjustments, are encouraged.
7. Other related factors that give evidence of a proposer's capabilities to perform in a superior fashion should be detailed.

Those that are requested to provide a proposal should submit it to Erika Schulty, eschulty@soa.org, by **July 15, 2019**. It is anticipated that all proposers will be informed of the status of their proposal by **August 1, 2019**.

Note: Proposals are considered confidential and proprietary.

Selection Process

The HCCT PSC will appoint a Project Oversight Group (POG) to oversee the project. The HCCT PSC and POG are responsible for recommending which proposal to fund. Input from other knowledgeable individuals also may be sought, but the HCCT PSC and POG will make the final recommendation, subject to SOA leadership approval. The SOA's Health Research Actuary will provide staff actuarial support. Proposals will be principally funded through the HCCT Research budget.

Key factors to be considered during the selection process includes the qualifications of the researchers, the ability to meet the deadlines and costs.

Questions

Any questions regarding this RFP should be directed to Achilles Natsis, SOA Health Research Actuary (phone: 847-273-8846; email: anatsis@soa.org).

Conditions

The selection of a proposal is conditioned upon and not considered final until a Letter of Agreement is executed by both the Society of Actuaries and the researcher.

The Health Care Cost Trends Program Steering Committee reserves the right to not award a contract for this research. Reasons for not awarding a contract could include, but are not limited to, a lack of acceptable proposals or a finding that insufficient funds are available. The Health Care Cost Trends Program Steering Committee also reserves the right to redirect the project as is deemed advisable.

The Society of Actuaries plans to hold the copyright to the research and to publish the results with appropriate credit given to the researcher(s).

The Health Care Cost Trends Program Steering Committee may choose to seek public exposure or media attention for the research. By submitting a proposal, the researchers agree to cooperate with the Health Care Cost Trends Program Steering Committee in publicizing or promoting the research and responding to media requests.

The Health Care Cost Trends Program Steering Committee may also choose to market and promote the research to members, candidates and other interested parties. The researchers agree to perform promotional communication requested by the Health Care Cost Trends Program Steering Committee, which may include, but are not limited to, leading a webcast on the research, presenting the research at an SOA meeting, and/or writing an article on the research for an SOA newsletter.