**Proposed Project for Batten School Spring 2019 Applied Policy Project Seminar**

**How can the health insurance marketplace in Virginia be improved?**

Client description

Staff of the Joint Legislative Audit and Review Commission (JLARC) conduct policy analysis, program evaluation, and oversight of state agencies on behalf of the Virginia General Assembly. Commission staff conduct in-depth program evaluations on all areas of state government. Previous studies, and more background on JLARC, can be found on our [web site](http://jlarc.virginia.gov/index.asp).

The proposed project would be conducted for JLARC staff, not the legislative members of JLARC. The results of the project would be used primarily to help JLARC staff with a responsibility established by the General Assembly in 2018 “to review and evaluate the agencies and programs under the Secretary of Health and Human Resources (HHR) on a continuing basis.” Specific projects under this new oversight authority have not yet been established, but Medicaid and health insurance coverage are primary areas of interest.

Problem definition

The main question to address is how Virginia policymakers can most cost-effectively increase enrollment rates through the health insurance marketplace, and improve competition among private insurers.

Specific questions for the analysis are:

* Is there a relationship between competition (particularly the number of insurers offering plans) and price or plan design in Virginia localities?
* Is there evidence that differences in enrollment rates among uninsured individuals across states and across Virginia localities are related to price and the number of insurers?
* What effect would Medicaid expansion in Virginia have on price and enrollment in the health insurance marketplace?
* Are any states using promising strategies (e.g., tax policies, other incentives, marketing) to encourage competition and enrollment in the health insurance marketplace, and to ensure that no areas are bare? Is there any evidence of effectiveness?

Background of the problem

Health insurance exchanges established under the Patient Protection and Affordable Care Act (ACA) have been operational since 2014, but the institutional framework continues to evolve, and the number of insurers in the exchanges, the plans they offer, and prices change every year. There is also uncertainty about federal policy changes that could affect exchanges, including subsidies to individuals.

Virginia has relied on the federal health exchange, rather than developing a state exchange, to enroll residents. In 2018, about 400,000 individuals in Virginia selected a health insurance plan in the marketplace, according to [data compiled](https://www.kff.org/health-reform/state-indicator/marketplace-enrollment-2014-2017/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D) by the Kaiser Family Foundation.

Medicaid expansion in Virginia is planned to take effect on January 1, 2019, but details of how it will be implemented are not yet clear. A key issue is implementation of a work requirement, as envisioned by the General Assembly.

Specific tasks

The specific design and analysis approach for this project would be determined by the student(s) assigned to the project, in collaboration with their advisor and with input from JLARC staff. A key and challenging part of the project will be analyzing detailed health plan price and enrollment data, both within Virginia (across localities) and across states. The analysis should be informed by a review of the research on factors affecting competition and enrollment in the health exchanges, including the effects of Medicaid expansion on health exchanges.

Data availability

Detailed pricing data for health plans offered through the federal marketplace are available from the Centers for Medicare and Medicaid Services (CMS); [link to public use files](https://www.cms.gov/CCIIO/Resources/Data-Resources/marketplace-puf.html). The analogous data for states with their own exchanges are available through CMS [here](https://www.cms.gov/CCIIO/Resources/Data-Resources/sbm-puf.html).

Detailed enrollment data are available from CMS; [link](https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/Marketplace-Products/2018_Open_Enrollment.html).

Other data sources are likely to be useful also.

Other concerns

Any geographic comparison of prices should account for differences in affordability because, for example, a $400 monthly premium is much less affordable in southwest Virginia than in northern Virginia.

Ideally, the analysis will also distinguish between individuals who qualify for cost-sharing reductions because of their income, and individuals who do not qualify for cost-sharing reductions.

The analysis envisioned does not require using advanced statistical techniques, but would be best suited for a student with a strong interest in quantitative analysis.