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Initial Findings for 2021 Special Enrollment Period

The Department of Health and Human Services (HHS) recently announced that it would offer a Special Enrollment Period (SEP) from February 15 through August 15, 2021, in the states that it operates Exchanges (i.e., the Healthcare.gov states). During this time, prospective enrollees may enroll without a qualifying event that would typically be required.¹ HHS released the SEP enrollment data as of March 31 for the Healthcare.gov states.² This brief explores key findings of the 2021 SEP to date.

Special Enrollment Period Plan Selections More than Doubled

The 36 states with HHS operated Exchanges saw an increase of 528,005 enrollees³ during the February 15 through March 31 time period. This was a 152% increase over the 2020 enrollment numbers (209,429) during the same time period and 208% compared to 2019 (171,359). Over 70% of states saw enrollment during this period double compared to 2020. Enrollment during the Open Enrollment (OE) period⁴ from November 1 through December 21, 2020, for the 2021 benefit year increased by 7.5% compared to the 2020. The year-over-year growth in SEP enrollment surpassed the change during the OE period. Plan selections during both the OE and SEP time frames were up 10.8%, over 850K enrollees, compared to 2020⁵. Table 1 below provides an overview of plan selection for the OE and SEP from 2019 to 2021.

Table 1. Healthcare.gov Enrollment Totals by Year OE and SEP

Enrollment Period	Type	Total Plan Selection	Year over Year % Change ⁶
2021: Nov 1 - Dec 21, 2020	OE	8,251,703	7.1%
2021: Feb 15 - Mar 31, 2021	SEP	528,005	152.1%
2020: Nov 1 - Dec 21, 2019	OE	7,708,620	0.0%
2020: Feb 15 - Mar 31, 2020	SEP	209,429	22.2%
2019: Nov 1 - Dec 21, 2018	OE	7,707,031	-3.5%
2019: Feb 15 - Mar 31, 2019	SEP	171,359	N/A ⁷

¹ Most state-based exchanges had open SEPs in 2020.

² [cms.gov/newsroom/fact-sheets/2021-marketplace-special-enrollment-period-report-0](https://www.cms.gov/newsroom/fact-sheets/2021-marketplace-special-enrollment-period-report-0)

³ In this discussion we use plan selections and enrollment interchangeably. Please note that some of the enrollment may not effectuate.

⁴ [cms.gov/newsroom/fact-sheets/2021-federal-health-insurance-exchange-weekly-enrollment-snapshot-final-snapshot](https://www.cms.gov/newsroom/fact-sheets/2021-federal-health-insurance-exchange-weekly-enrollment-snapshot-final-snapshot)

⁵ CMS has not released data on effectuation or other attrition metrics. These numbers should be expected to fluctuate.

⁶ Percents rounded to the nearest tenth of a percentage.

⁷ Values for the 2019 SEP enrollment was not included in the SEP report.

Impact of Medicaid Expansion

Plan selection was 175% higher for states that had not implemented Medicaid expansion during the SEP enrollment, while states that had implemented Medicaid expansion experienced 96% higher enrollment. Table 2 below provides a year-over-year comparison based on Medicaid expansion implementation.

Table 2. SEP Enrollment Totals by Medicaid Expansion Implementation

Medicaid Expansion as of 2021	Number of States	2021 SEP New Plan Selection	2020 SEP New Plan Selection	2019 SEP New Plan Selection	YoY 2020 compared to 2021
Implemented	21	119,954	61,168	57,258	96.1%
Not Implemented	15	408,051	148,261	114,101	175.2%

Variation in Enrollment by Census Region

Nationally, there was a large increase in 2021 SEP enrollment compared to 2020; however, there was regional variation. The South had larger increases (173%) compared to the other census regions, see Table 3 below. The top five states with the largest increases were all from the South: North Carolina (221%); Georgia (258%); Mississippi (286%); Alabama (289%); and South Carolina (316%). All of these states have not implemented Medicaid expansion. Kentucky (South) and Montana (West) had the smallest increases (36%). The median increase year-over-year for all states was 138%.

Table 3. SEP Enrollment Totals by Census Region

Census Region	Number of States	2021 SEP New Plan Selection	2020 SEP New Plan Selection	2019 SEP New Plan Selection	YoY 2020 compared to 2021
South	15	407,531	148,974	115,869	173.6%
Midwest	11	81,575	41,099	37,723	98.5%
West	8	33,971	16,891	15,399	101.1%
Northeast	2	4,928	2,465	2,368	99.9%

The American Rescue Plan

The SEP plan selection increases discussed in this paper occurred before the changes implemented by the American Rescue Plan⁸ and the resulting increase in subsidies (most of those changes went into effect in the Healthcare.gov states on April 1, 2021). Consequently, enrollment differences going forward may look very different than what has occurred to date. Future enrollment data released by CMS should be monitored for ongoing changes.

⁸ For further details on the American Rescue Plan please see [wakely.com/blog/american-rescue-plan-implications-individual-market](https://www.wakely.com/blog/american-rescue-plan-implications-individual-market)

Risk Adjustment and Ongoing Considerations

States and issuers that saw an influx of enrollees during this time period should pay close attention to the SEP cohort. It can be more difficult to capture diagnoses that map to chronic conditions for enrollees with shorter enrollment spans. In most instances, issuers may not have any historical claims data to assist in identifying members with chronic conditions. Having less time to capture diagnosis codes will have implications for risk adjustment and impact the ability for issuers to optimize risk scores.

The enrollment increase during this year's SEP will have an impact on the individual on-exchange market for the Healthcare.gov states, particularly for those that have not implemented Medicaid expansion. The introduction of the additional subsidies (from the American Rescue Plan) and the extended timeline to enroll may result in continued growth on the Federally-facilitated Exchanges.

Please contact Nick Shaneyfelt at nick.shaneyfelt@wakely.com and Michael Cohen at michael.cohen@wakely.com with any questions or to follow up on any of the concepts presented here.

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