



# Special Enrollment Periods for Health Insurance Marketplaces

## Insights from Wisconsin School of Business Survey of Insurance Experts

June 1, 2020

Department of Risk and Insurance at the Wisconsin School of Business Center for Insurance  
Policy and Research at the National Association of Insurance Commissioners



DEPARTMENT OF  
RISK & INSURANCE

# EXECUTIVE SUMMARY

COVID-19 has brought the largest economic shock to the United States since the Great Depression. More than 38 million U.S. workers have filed unemployment claims between March 21 and May 16. Given that most Americans receive their health insurance through employer-sponsored plans, increases in unemployment can lead to significant decreases in health insurance coverage – a non-ideal outcome during the pandemic. Newly unemployed workers have several options to replace lost health insurance coverage, including enrolling in an Affordable Care Act (ACA) marketplace that allows for special enrollment periods (SEPs) for certain life events such as losing employer coverage.

Twelve of the 13 state-based ACA marketplaces have established a SEP for COVID-19<sup>1</sup> to allow the uninsured – not just the newly unemployed – to sign up for coverage outside the traditional annual enrollment period. The federal government declined a similar SEP provision for the other 38 states that operate a federal ACA marketplace.

The Wisconsin School of Business (WSB) Insurance Experts Panel explores the extent to which insurance experts agree or disagree on major public policy issues affecting the insurance industry.

**We turned to the more than 50 insurance experts on the WSB Insurance Experts Panel to obtain insights on special enrollment periods (SEPs) during the COVID-19 pandemic.**

**Overall, a majority of the experts surveyed believe that opening COVID-19 SEPs is necessary because the existing special enrollment rules and Medicaid access are not sufficient to provide health insurance access to those who need it.**

Below we provide further detail on the responses to the SEP survey question, including highlighting the key themes that emerged from the text responses provided. We encourage you to review the full results at <https://explore.wsb.wisc.edu/risk-and-insurance-guidance>.

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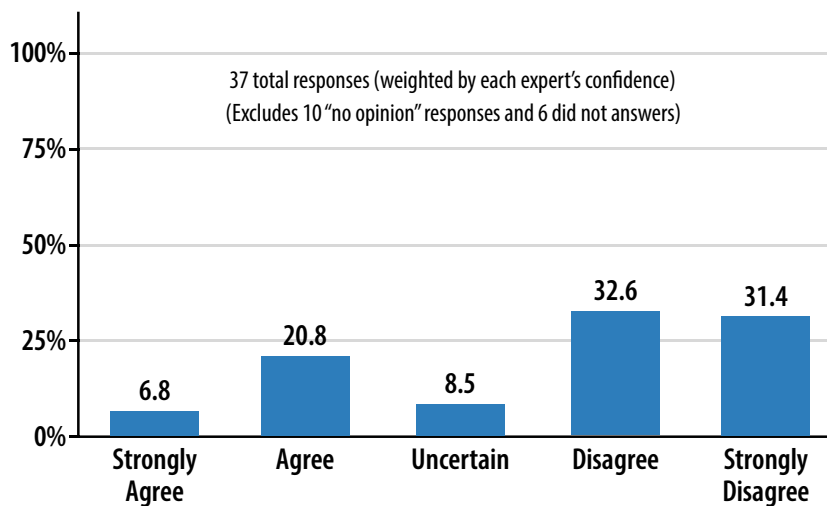
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*This study represents the opinions of the author(s) and is the product of professional research. It is not intended to represent the position or opinions of the National Association of Insurance Commissioners (NAIC) or its members, nor is it the official position of any NAIC staff members. Any errors are the responsibility of the author(s).*

<sup>1</sup>[https://content.naic.org/naic\\_coronavirus\\_info.htm](https://content.naic.org/naic_coronavirus_info.htm)

# SUMMARY OF SURVEY RESULTS AND ACCOMPANYING TEXT

**We asked respondents to provide their opinion along a scale of strongly agree to strongly disagree on the following statement:** *Opening special enrollment periods for health insurance marketplaces during the Covid-19 pandemic is not a necessary policy because there are sufficient existing special enrollment rules (e.g., loss of employer-based coverage) and Medicaid access that provide health insurance access to those who need it.*



— **28% Agree or Strongly Agree – Key Themes Included:**

- > Opening SEPs induces moral hazard and adverse selection.
- > The SEPs for ACA coverage are otherwise sufficient and the treatment for COVID-19 patients is happening via direct government payments to hospitals.
- > If the government wants to see catastrophic coverage provided to lower income people who did not buy insurance, it should just provide the coverage, not use the exchanges.

— **64% Disagree or Strongly Disagree – Key Themes Included:**

- > Most health care coverage in the United States is employer based and losing one's job due to the pandemic forces loss of health insurance. Other options – COBRA, Medicaid, ACA – can either be expensive, not immediately available, highly variable by state, or difficult to obtain.
- > Not all consumers benefit from the "existing special enrollment rules;" Many people will not have access to Medicaid; Some workers are going to much shorter hours or are not formally displaced in a way that would allow them to access the SEP.
- > There are likely a number of people throughout the United States who decided to go uninsured this year because they were not eligible for substantial subsidies in the exchange market and found the cost of insurance too high and decided to "self-insure." However, at this point many of these same individuals may be suffering income losses due to the Covid-19 economic shock and could now be eligible for subsidies.

- > A widely publicized COVID-related SEP may increase awareness of the availability of these sources among people who may not be familiar with but are now be eligible for them – many people are likely confused about their eligibility for exchange coverage after job losses.
- > The health of the general public is a public good amid a pandemic. All of society benefits. At a societal level, there can be negative externalities during the pandemic of uninsured individuals being unable to access the health system effectively and hence the priority for getting these people insured should be higher than usual. In addition, access to testing, treatment and professional medical advice may encourage the adoption of behaviors that reduce the spread of the disease.
- > There remain many uninsured people who ought to be insured. Take up of coverage was insufficient prior and any additional tools to increase coverage have high returns, including adding an open enrollment period.
- > The risk of substantial hospitalization needs has risen in an unexpected way for many of these families due to Covid-19. Opening special enrollment for these groups would provide important financial protection and the relative role of health-based adverse selection, compared to changes in financial circumstances, is probably much lower for a special enrollment period now.
- > A special open enrollment period should be limited to a fixed time-period and accompanied by mechanisms to ensure consistent enrollment and premium payment throughout the remainder of the coverage year to reduce problems related to adverse selection.
- > Allowing special enrollment would not be likely to increase adverse selection as most people who get the virus do not need extensive treatment and because any such costs are more than outweighed by savings that health insurers are experiencing due to the cessation of most voluntary procedures.

— **8% Uncertain**

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**Survey Methodology and Summary of Results Description:**

We asked 53 respondents to provide their opinions on a number of questions using Qualtrics, a web-based survey tool. All the respondents are faculty at research universities in various disciplines including economics, risk management and insurance, actuarial science, and law. The questions are structured for agree or disagree responses along a scale of strongly agree to strongly disagree. In some instances, a panelist may neither agree nor disagree with a statement. When an expert feels that the evidence on the exact claim at hand is ambiguous, the panelists may vote “uncertain.” When an expert believes the topic is far removed from their expertise, the panelists may vote “no opinion.” Respondents also provide the confidence that they have in their opinion on a 1 to 10 scale (1 = low confidence to 10 = high confidence). Finally, respondents are able to provide context to their responses through brief written comments. Comments, however, are not required.

In the question summary, we provide the confidence weighted responses, excluding “no opinion” responses. We also identify the number of experts that responded to a question from the total 53 experts surveyed. We then use the comments from the experts to identify the key themes that emerge, summarizing them by response categories of agree and strongly agree; disagree and strongly disagree; and uncertain.