

Reducing Ordeals through Automatic Enrollment: Evidence from a Subsidized Health Insurance Exchange

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Motivation

- **Incomplete take-up is a common issue for safety net programs**
 - E.g., EITC (78%); Food stamps (84%); AFDC welfare (80%), TANF (25%)
 - Health insurance: ~30 million uninsured, of whom ~60% qualify for free/subsidized coverage via the ACA
- **Standard approach for health insurance: Financial incentives**
 - E.g., Subsidies for insurance, Penalties on uninsurance
 - Substantial research shows *effectiveness*, but also *limits* of incentives
- **Alternate approach: Streamlined / Automatic enrollment**
 - Enrolling can be a hassle. What if it were easy or automatic?
 - Substantial evidence that auto-enrollment works in other settings (e.g., 401k pensions), but little evidence on health insurance

Overview of Paper

- **Study “targeted” auto-enrollment policy in Mass. exchange**
 - Starting point: Many people apply and qualify for \$0 coverage, but do not respond when asked to select a plan (“passive”)
 - Two possible defaults: (1) Non-enrollment (*unless actively choose*)
(2) Auto-enrollment (*assigned plan if passive*)
- **Policy variation**: Auto-enr in place through 2009, suspended in 2010+
 - DD strategy: Compare lowest-income group subject to AE (pre-2010) vs. higher income “control” group not subject to it.
- **Economic framework to evaluate policy tradeoffs**
 - Key idea: AE is not free – removes an “ordeal” to enroll in a government *subsidized* program
 - Ordeals can be optimal if improve targeting efficiency [Nichols & Zeckhauser 1982]. How well does this work for health insurance?

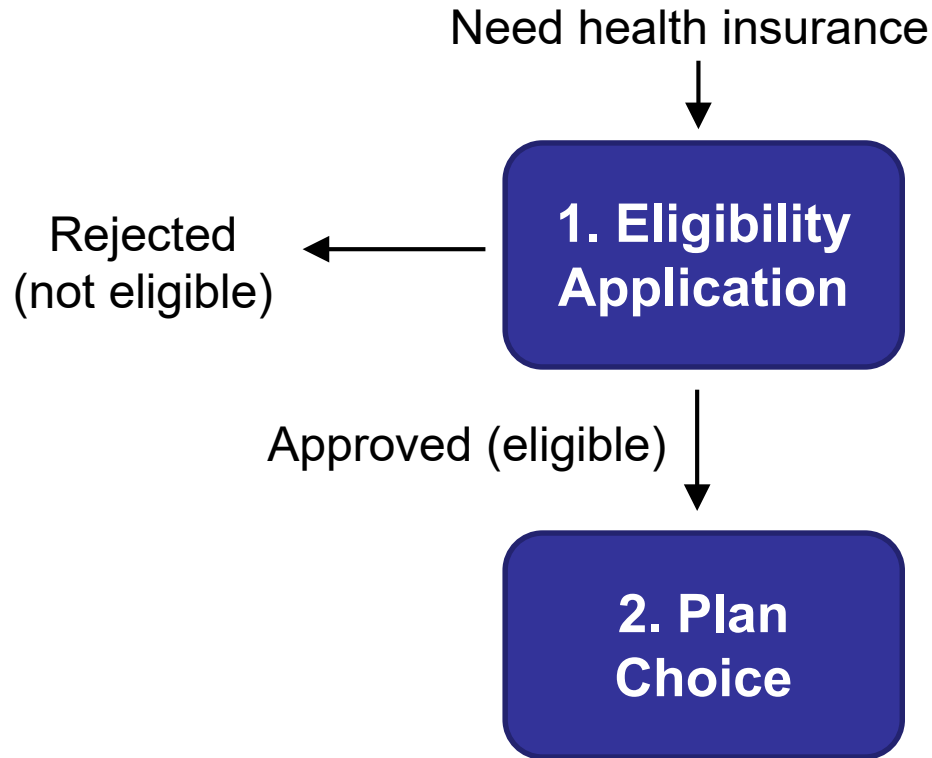
- 1. Setting and Policy Variation**
- 2. Results #1: Impact on Enrollment**
- 3. Results #2: Targeting Implications**
- 4. Policy Comparison: Auto-Enrollment vs. Subsidies**

Setting and Policy Variation

Setting: Massachusetts Pre-ACA Exchange

- **Setting:** Pre-ACA subsidized insurance exchange (“CommCare”)
 - Subsidized coverage for low-income adults (< 300% of poverty) not eligible for other insurance (*employer, Medicaid, Medicare, etc.*)
 - Relevant take-up margin: CommCare vs. Uninsurance
- **Plan choices:** Standardized and simple
 - 4-5 participating insurers (one plan per insurer)
 - Standardized cost sharing and covered services; Networks vary.
- **“Targeted” auto-enrollment policy:**
 - Applies to lowest-income group (0-100% poverty) – all plans are free
 - Sets default for people who apply and qualify for coverage but fail to actively choose a plan (within 2 weeks)
 - Based on similar policy used in Medicaid (but not ACA exchanges)

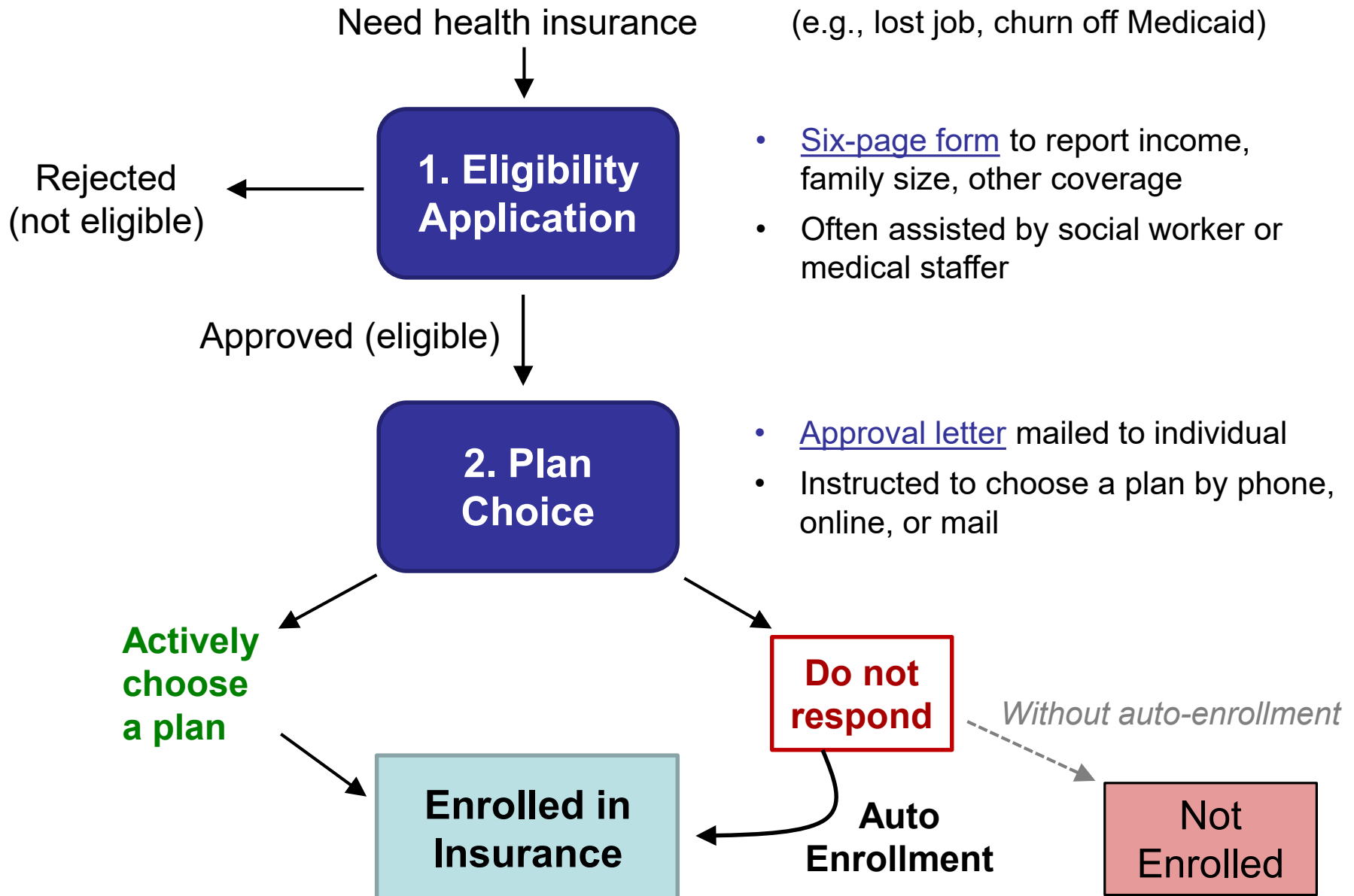
Enrollment Process and Default Policy



(e.g., lost job, churn off Medicaid)

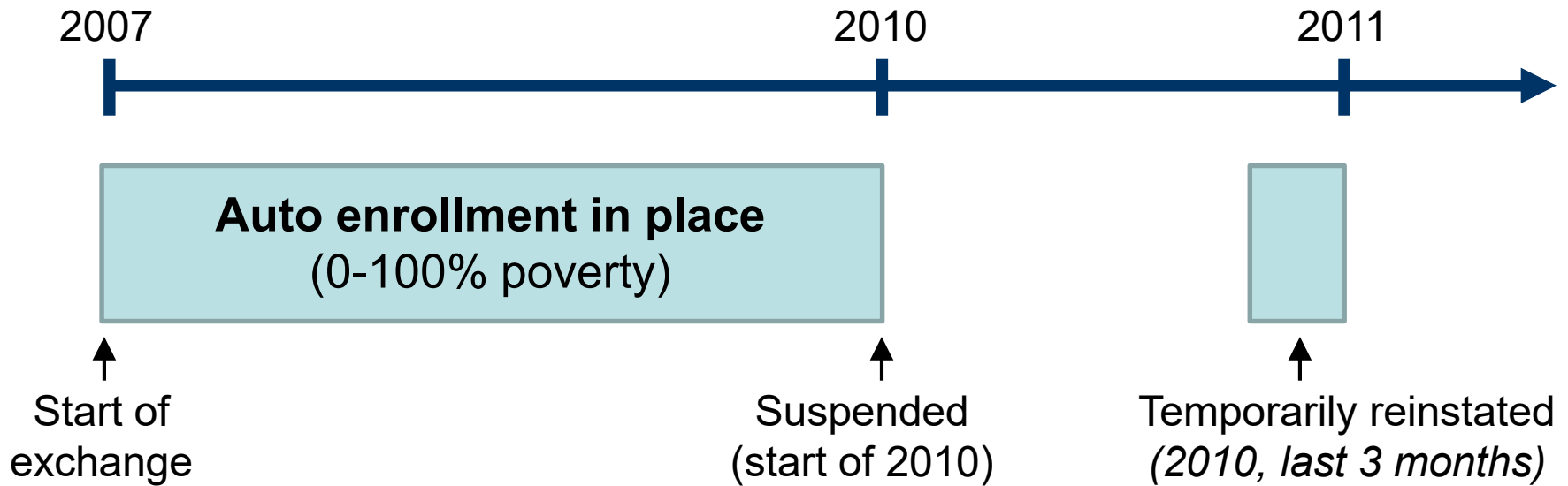
- [Six-page form](#) to report income, family size, other coverage
- Often assisted by social worker or medical staffer
- [Approval letter](#) mailed to individual
- Instructed to choose a plan by phone, online, or mail

Enrollment Process and Default Policy



Auto Enrollment Policy Variation

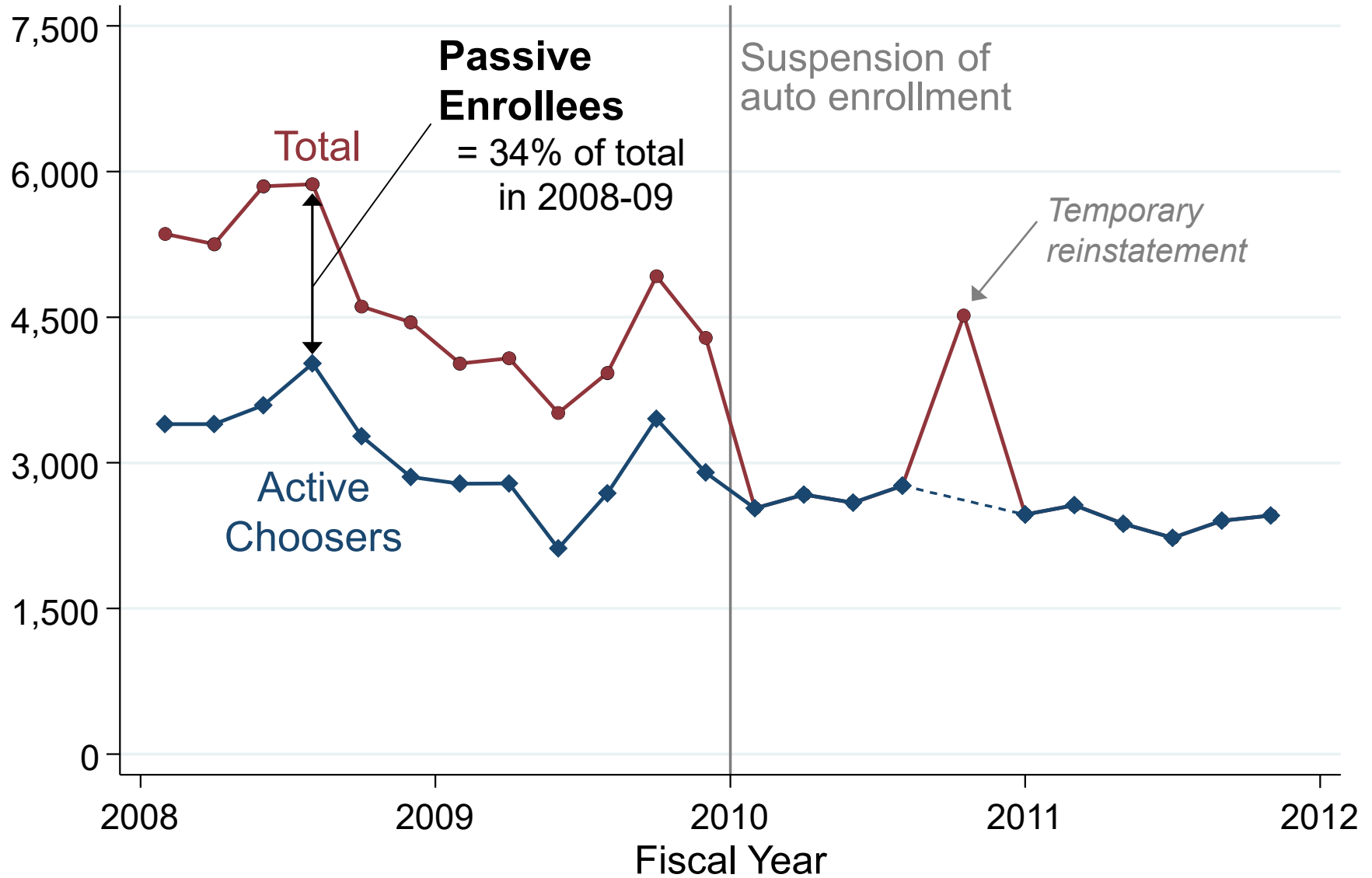
Date (state fiscal years)



Control group: 100-200% poverty enrollees
→ *No auto enrollment throughout*

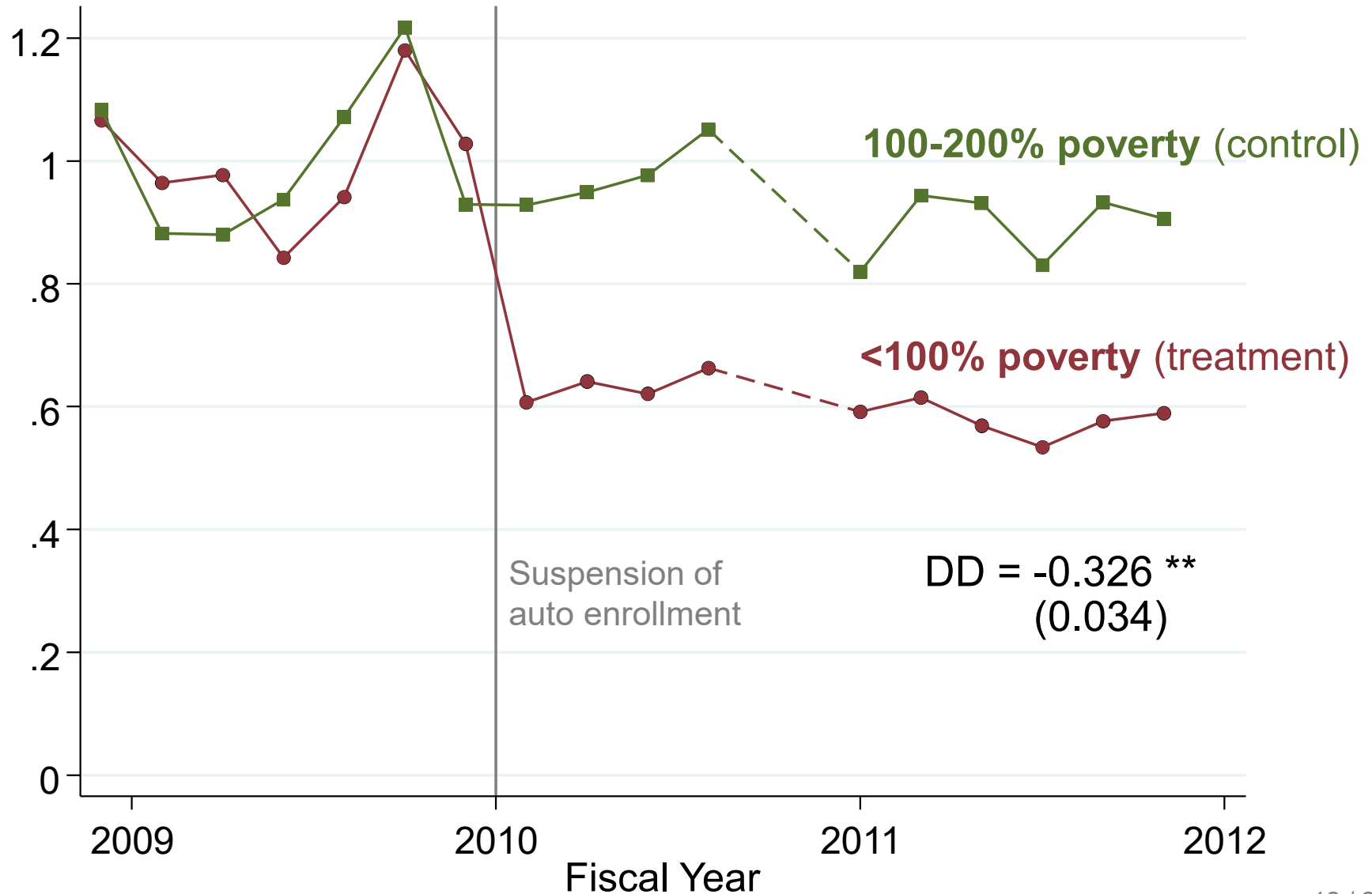
Results #1: Impact on Enrollment

New Enrollees per Month (0-100% Poverty)



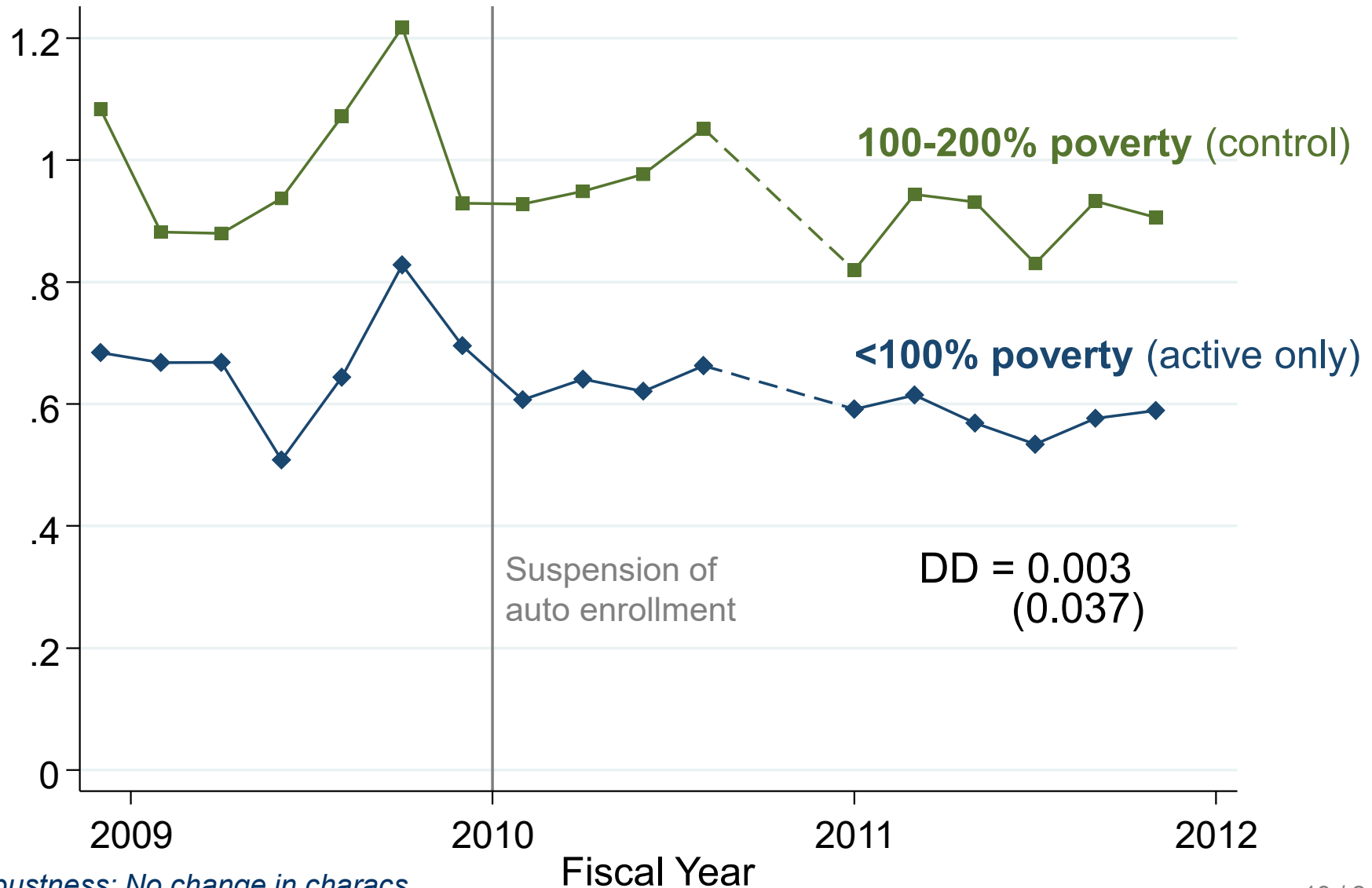
DD Estimates: Large Decline in New Enrollment

New Enrollees per Month (normalized: pre-period mean = 1.0)



DD Estimates: No Change in Active Enrollment

New Enrollees per Month (*normalized: pre-period mean = 1.0*)



→ Robustness: No change in characs.

Summary: Causal Effect on Enrollment

- **Auto-enrollment substantially increases enrollment (+30-50%)**
 - Increases flow of new enrollment by 48% ($=0.326/(1-0.326)$)
 - Translates to 32% higher enrollment in steady state (\rightarrow [Graph](#))
 - No effect on number of active enrollees
 - **Take-away:** Modest hassles can be a major barrier to take-up

- **Magnitude: Large relative to other take-up policies**
 - ~10x larger than outreach/reminder “nudges” (+1-6% pts.)
 - Goldin et al. 2019; Domurat et al. 2021; Ericson et al. 2020
 - 1.25-2x larger than mandate penalty (+20-26% in MA)
 - Chandra et al. 2011; ACA effects are smaller (Lurie et al. 2019)
 - Comparable to ↓57% enrollee premiums via subsidies (\$40/month)
 - Finkelstein et al. 2019 in MA (c.f. Frean et al. 2017, Tebaldi 2020 for ACA)
 - **Take-away:** Defaults are first-order important policy for take-up

Results #2: Targeting Implications

Targeting Implications of Auto-Enrollment

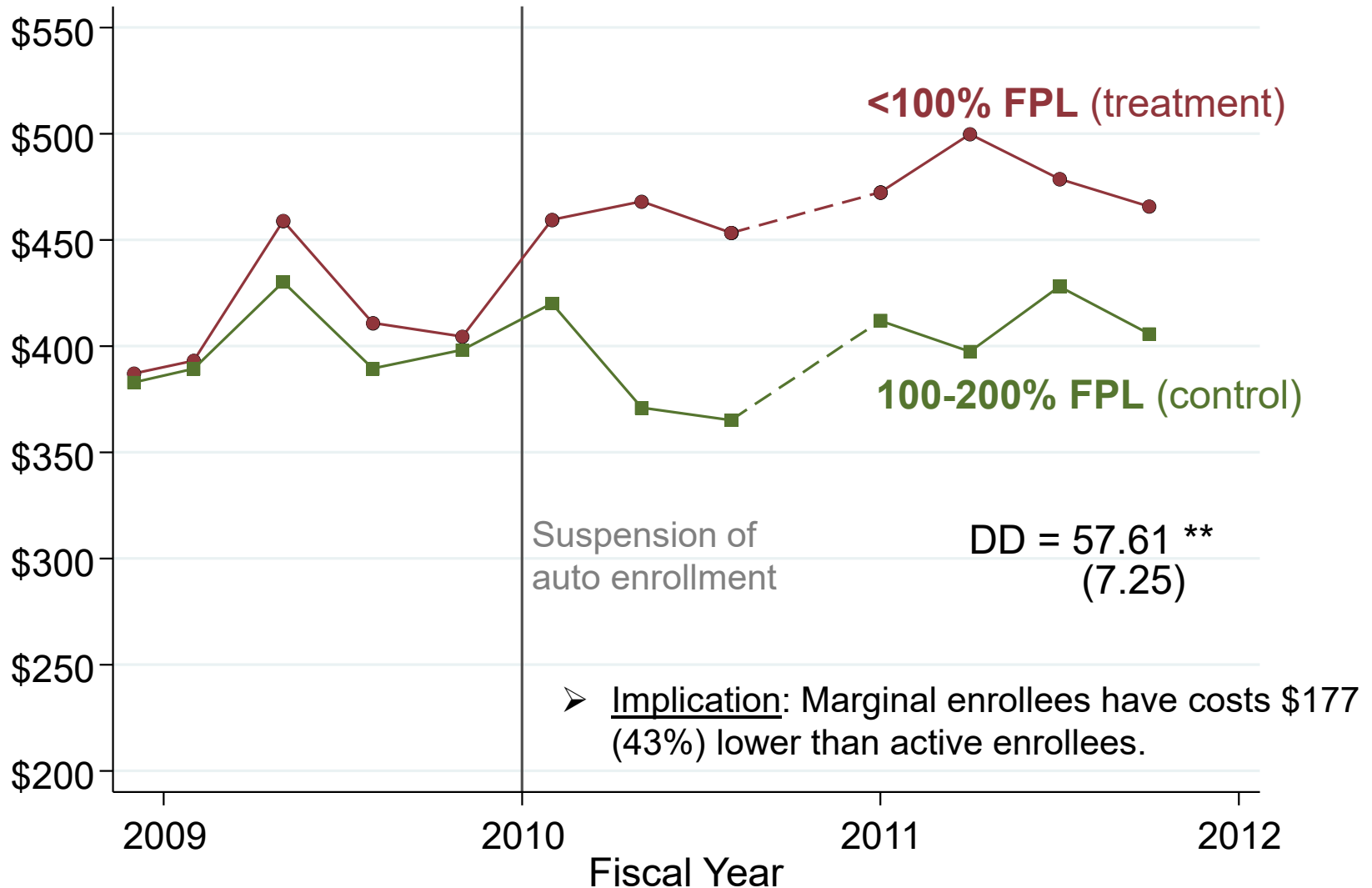
- Who gets health insurance b/c of auto-enrollment? Is it optimal that they get enrolled, given the public cost of subsidies?
- **Issue #1:** Are they eligible for the program? (“*statutory targeting*”)
 - **Likely “yes”:** AE is limited to people who recently applied & qualified
 - **Analysis in APCD:** Very low (<5%) duplication of coverage (CommCare + private); evidence of similar rates for passive enrollees (→ Evidence)
- **Issue #2:** Given limited budgets, is covering passive enrollees worth the extra public cost? (“*economic targeting*”)
 - Benchmark: How do marginal enrollees compare to inframarginals?
 - “Self-screening” logic: Ordeals may be optimal if screen out people with relatively low value (demand) for the program [Nichols & Zeckhauser 1982]
 - Does this logic work for health insurance?

Targeting: Active vs. Passive Enrollees

Outcome	Active	Passive	Diff.	(s.e.)	<i>Passive enrollee differences:</i>
	(1)	(2)	(3)	(4)	
A. Age and Health					
Age (years)	35.6	31.8	-3.8	(0.1) **	} <i>Younger and healthier</i>
Any Chronic Illness	0.641	0.427	-0.215	(0.003) **	
Severe Chronic Illness	0.158	0.081	-0.077	(0.002) **	
Risk Score (HCC)	1.012	0.644	-0.367	(0.015) **	
B. Medical Cost					
Average Cost (\$/month)	\$408.6	\$227.9	-\$180.6	(5.6) **	} <i>Lower medical costs (-44%)</i>
Any Spending (>\$0)	0.894	0.709	-0.185	(0.003) **	
C. Duration Enrolled					
Average (months)	16.5	11.9	-4.6	(0.1) **	} <i>Shorter duration enrolled</i>
Share 4+ months	0.846	0.772	-0.075	(0.002) **	
Share 12+ months	0.559	0.441	-0.119	(0.003) **	
D. Income & Neighborhood SES					
Income / Poverty Line	0.248	0.200	-0.049	(0.004) **	} <i>Lower income & area SES</i>
High-Disadvantage Area	0.320	0.401	+0.082	(0.003) **	
Within 2 miles of Safety Net					
Hosp. or Health Center	0.371	0.458	+0.087	(0.003) **	

Robustness: Inferring Targeting from Policy Change

Average Cost of New Enrollees (\$ per month)



Summary of Targeting Findings

- **Passive enrollees are younger, healthier, enrolled shorter periods**
 - Consistent with “self-screening” prediction of lower private value (demand) for health insurance (*relative to one-time enrollment hassle*)
- **But passive enrollees also have much lower costs**
 - 44% lower costs per month, 60% lower over full enrollment spell
 - Key Q: Is the social efficiency (= Value/Cost, or MVPF) of covering passive enrollees lower or higher? This is less clear.
 - Ongoing work: Estimating (proxies for) social value to assess this empirically
- **General point**: Ordeals screen on low demand \neq low efficiency
 - Demand and cost are often positively correlated (esp. for insurance)
 - Ordeals targeting is less well-suited to insurance programs
 - True even if low take-up is rational (*behavioral biases add further concerns*)

Policy Comparison: Auto-Enrollment vs. Subsidies

Comparing Take-Up Policies

- What is the most **cost-effective** way to expand take-up?
 - Relevant question for designing ACA reforms

- **Converse:** How best to reduce take-up if need to save money?
 - CommCare's situation in 2010 when it faced a budget crunch, stopped AE.
 - Our analysis suggests it did save money (total subsidy spending ↓15%).
 - Would other policies (e.g., ↓ subsidies) have worked better?

- **Comparison:** Auto-enrollment vs. Subsidies
 - Auto-enrollment: Results just shown
 - Subsidies: [Finkelstein, Hendren, Shepard \(2019\)](#) findings using RD subsidy variation in same Massachusetts exchange.

Cost Effectiveness: Auto Enrollment vs. Subsidies

Public Cost Calculation (\$/month)	Auto Enrollment <i>0-100% FPL</i>	Subsidy Increase (↓ premiums)		
		\$39 to \$0 <i>150% FPL</i>	\$77 to \$39 <i>200% FPL</i>	\$116 to \$77 <i>250% FPL</i>
Spending on Marginal Enrollees				
Medical Costs	\$228	\$196	\$268	\$281
Premiums Paid	\$0	\$0	\$39	\$77
Net Public Subsidy	\$228	\$196	\$229	\$204
<i>Similar cost on marginals</i>				
Transfers to Inframarginals (per newly enrolled)				
	---	\$114	\$106	\$123
<i>Large subsidy transfer</i>				
Total Cost per Newly Insured				
Gross Govt. Cost	\$228	\$310	\$336	\$326
%Δ vs. auto-enr.	--	+36%	+47%	+43%
Net of Uncomp Care savings*	\$82	\$184	\$164	\$147
%Δ vs. auto-enr.	--	+125%	+100%	+79%

*Subsidies 36-125% more expensive
than auto enrollment*

* Note: Estimates follow method in Finkelstein, Hendren, Shepard (2019).

Conclusion

Conclusion

- **Large impact of defaults on health insurance enrollment (+30-50%)**
 - Large relative to other policies (outreach/reminder nudges, mandate penalty, comparable to 57% premium decrease)
 - Policy implication: Hassles are a major factor in health insurance take-up; “smart defaults” can be used to reduce hassles.
- **Targeting: Enrolls young, healthy, low-cost people**
 - Consistent with “self-screening” on low value, but also low cost
 - General point: Ordeals targeting less likely to work well when value & cost are positively related (as true in insurance).
- **Policy tradeoffs: AE more cost-effective than subsidies (+36-125%)**
 - Suggests that if want to reduce uninsurance, it is more cost-effective to prioritize policies that streamline the enrollment process.

Thank You!

Appendix Slides

Step 1: Eligibility Application Form



Medical Benefit Request



For office use only
Date received:

This is an application for MassHealth, the Children's Medical Security Plan (CMSP), Healthy Start, Commonwealth Care, and the Health Safety Net. You do not have to be a U.S. citizen/national to get these benefits. Please print clearly. Please answer all questions and fill out all sections and any supplements that apply to you and your family. If you need more space to finish any section on this form, please use a separate sheet of paper (include your name and social security number), and attach it to this form.

Head of Household

1. Last name First name MI Street address City State Zip

Mailing address (if different from street address or if living in a shelter) homeless
City State Zip

Is this person applying? yes no If yes, is this person a U.S. citizen/national? yes no Social security number* C I

Date of birth / Gender M F Spoken language choice Written language choice

Telephone numbers Home: Cell: Work:

Race (optional) Ethnicity (optional) E-mail

Other Family Members

List all other members of your family group. Do not repeat head of household information in this section.
See instruction page for description of a family group.

2. Last name First name MI

Is this person applying? yes no If yes, is this person a U.S. citizen/national? yes no Social security number* C I

Date of birth Gender M F Spoken language choice Written language choice

Race (optional) Ethnicity (optional) Relationship to head of household

3. Last name First name MI

Is this person applying? yes no If yes, is this person a U.S. citizen/national? yes no Social security number* C I

Date of birth Gender M F Spoken language choice Written language choice

Race (optional) Ethnicity (optional) Relationship to head of household

4. Last name First name MI

Is this person applying? yes no If yes, is this person a U.S. citizen/national? yes no Social security number* C I

Date of birth Gender M F Spoken language choice Written language choice

Race (optional) Ethnicity (optional) Relationship to head of household

*Applicants must provide a social security number if one has been issued. Applicants for MassHealth Limited are not required to provide a social security number or proof of application for a social security number.

Pregnancy

Are you or any family member pregnant? yes no Name:

Are you or this person pregnant with: 1 baby? twins? triplets? If more, how many? Due date

Residency (You must fill out this section.)

Are you and all members of your household who are applying for benefits living in Massachusetts with the intention to stay? yes no
If no, list the names of the members of your household (including yourself)* who are applying and who are not residents of Massachusetts and who intend to leave.

*Do not include infants born in Massachusetts who have not left the state.

General instructions for filling out the Working Income, Nonworking Income, AND College Student sections Each family member who has income and/or is aged 19 or older must fill out all sections on this page through page 4.

Working Income (You must fill out this section.)

1. Name

Is this person currently working or seasonally employed? (You must answer this question.) yes no
If yes, fill out the Employer Information section below.
If no, answer the next two questions below. You do not have to fill out the "Employer Information" section below.

Has this person worked in the last 12 months before the date of application? yes no
If yes, how much did this person earn in the last 12 months before taxes and deductions? Note: If you answered "yes" to this question, you MUST enter a dollar amount on this line. \$ If no, go to the next section (Nonworking Income).

Employer Information

Employer name
Employer address, and telephone number

Type of work (Check all that apply.) full-time day labor part-time seasonal yearly wage: \$
 self-employed sheltered workshop yearly wage: \$

Number of hours per week Weekly pay before deductions \$ Date began getting this amount of pay

Is health insurance offered that would cover doctors' visits and hospitalizations? yes no
(Answer yes even if you cannot get it now, chose not to sign up for it, or dropped insurance that was available.)
If you answered no to the above question, was health insurance offered in the last six months? yes no
Send proof of income, like a copy of one recent pay stub. If self-employed, see the MassHealth Member Booklet for information about the needed proof.

2. Name

Is this person currently working or seasonally employed? (You must answer this question.) yes no
If yes, fill out the Employer Information section below.
If no, answer the next two questions below. You do not have to fill out the "Employer Information" section below.

Has this person worked in the last 12 months before the date of application? yes no
If yes, how much did this person earn in the last 12 months before taxes and deductions? Note: If you answered "yes" to this question, you MUST enter a dollar amount on this line. \$ If no, go to the next section (Nonworking Income).

Employer Information

Employer name
Employer address, and telephone number

Type of work (Check all that apply.) full-time day labor part-time seasonal yearly wage: \$
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Is health insurance offered that would cover doctors' visits and hospitalizations? yes no
(Answer yes even if you cannot get it now, chose not to sign up for it, or dropped insurance that was available.)
If you answered no to the above question, was health insurance offered in the last six months? yes no
Send proof of income, like a copy of one recent pay stub. If self-employed, see the MassHealth Member Booklet for information about the needed proof.

Step 1: Eligibility Application Form (2)

Nonworking Income (You must fill out this section.)

Rental Income Do you or any family member get rental income? (You must answer this question.) yes no

If yes, enter the monthly amount of rental income (before taxes and deductions) on this line. \$

Name of person getting rental income

If no, go to the next section (Unemployment Benefits).

Send proof of rental income.

Unemployment Benefits Are you or any family member getting an unemployment check? (You must answer this question.) yes no

If yes, fill out this section and answer all questions. Send proof of unemployment benefits.

If no, go to the next section (Other Nonworking Income).

Name of person getting unemployment benefits

Is this check from the Commonwealth of Massachusetts? yes no

If yes, in the 12 months before this person became unemployed, did this person work for an employer in Massachusetts? (Do not include federal employers, like the U.S. Postal Service.)

Enter the monthly amount of unemployment benefits (before taxes and deductions). \$

Name of person getting unemployment benefits

Is this check from the Commonwealth of Massachusetts? yes no

If yes, in the 12 months before this person became unemployed, did this person work for an employer in Massachusetts? (Do not include federal employers, like the U.S. Postal Service.)

Enter the monthly amount of unemployment benefits (before taxes and deductions). \$

Other Nonworking Income Do you or any family member have any other income? (You must answer this question.) yes no

If yes, fill out this section.

If no, go to the next section (College Student).

Please describe the source of the income (where it comes from) for each family member. If anyone has more than one source, list on separate lines.

Send proof. Some types of other income are: (You do not have to send proof of social security or SSI income.)

- alimony
- annuities
- child support
- dividends or interest
- pensions
- retirement
- social security
- SSI
- trusts
- veterans' benefits (federal, state, or city)
- workers' compensation
- other (Please describe below.)

Name	Type of income (all that apply from list above)
Source (where the income comes from)	Monthly amount before taxes \$
Name	Type of income (all that apply from list above)
Source (where the income comes from)	Monthly amount before taxes \$
Name	Type of income (all that apply from list above)
Source (where the income comes from)	Monthly amount before taxes \$

College Student (You must fill out this section.)

Are you or any family member a college student? (You must answer this question.) yes no

If yes, fill out this section and answer all questions.

If no, go to the next section (Health Insurance You Have Now and Subsidized Health Insurance You May Be Eligible For).

1. Name of college student

Is this person eligible for health insurance from college? yes no

Is this person a college student in Massachusetts with at least 75% of a full-time schedule? yes no

(Note: If you are not sure that this person has 75% of a full-time schedule, contact the school to find out if the number of credits the student is taking would require the student to get the health insurance the school offers to students.)

If yes, is this student planning to get health insurance coverage from the school, but is waiting for coverage to start? yes no

If yes, what is the date that the school health insurance coverage starts?

2. Name of college student

Is this person eligible for health insurance from college? yes no

Is this person a college student in Massachusetts with at least 75% of a full-time schedule? yes no

(Note: If you are not sure that this person has 75% of a full-time schedule, contact the school to find out if the number of credits the student is taking would require the student to get the health insurance the school offers to students.)

If yes, is this student planning to get health insurance coverage from the school, but is waiting for coverage to start? yes no

If yes, what is the date that the school health insurance coverage starts?

Health Insurance You Have Now and Subsidized Health Insurance You May Be Eligible For

Even if you or any family member have other health insurance, MassHealth may be able to help you pay your premiums. Health insurance can be from an employer, an absent parent, a union, a school, Medicare, or Medicare supplemental insurance, like Medex. All applicants must fill out the health insurance section. Do not include MassHealth or any health plan you enrolled in through Commonwealth Care when answering the questions below.

Do you or any family member get Medicare benefits? yes no

If yes, name(s):

Claim number(s):

Do you or any family member have health insurance other than Medicare? yes no

If yes, fill out both Part A below and Part B on the next page.

If no, fill out Part B on the next page.

Part A: Health Insurance You Have Now

1. Policyholder name	Date of birth
Social security number*	Insurance company name
Policy type (Check one.) <input type="checkbox"/> individual <input type="checkbox"/> couple (two adults) <input type="checkbox"/> dual (one adult, one child) <input type="checkbox"/> family	Policy start date
Policy number	Group number (if known)
Employer or union name	
Policyholder contribution to premium costs (Complete one.) \$	per week \$ per quarter \$ per month
Insurance type (Check one.) <input type="checkbox"/> employer or union subsidized (employer or union pays some or all of the insurance cost) <input type="checkbox"/> TRICARE <input type="checkbox"/> other federal or state subsidized (government pays some or all of the insurance cost) <input type="checkbox"/> student health insurance through school <input type="checkbox"/> nonsubsidized, like self employment or COBRA (policyholder pays total insurance cost) <input type="checkbox"/> Medical Security Program	
Names of covered family members	
Insurance coverage (Check all that apply.) <input type="checkbox"/> doctors' visits and hospitalizations <input type="checkbox"/> catastrophic only <input type="checkbox"/> vision only <input type="checkbox"/> pharmacy only <input type="checkbox"/> dental only	
If you have long-term care insurance, send a copy of the policy.	

* Required, if obtainable and one has been issued, whether or not this person is applying.

Step 1: Eligibility Application Form (3)

2. Policyholder name _____ Date of birth _____

Social security number* _____ Insurance company name _____

Policy type (Check one) individual couple (two adults) dual (one adult, one child) family Policy start date _____

Policy number _____ Group number (if known) _____

Employer or union name _____

Policyholder contribution to premium costs (Complete one) \$ _____ per week \$ _____ per quarter \$ _____ per month

Insurance type (Check one) employer or union subsidized (employer or union pays some or all of the insurance cost) TRICARE
 other federal or state subsidized (government pays some or all of the insurance cost) student health insurance through school
 nonsubsidized, like self-employment or COBRA (policyholder pays total insurance cost) Medical Security Program

Names of covered family members _____

Insurance coverage (Check all that apply) doctors' visits and hospitalizations catastrophic only vision only pharmacy only dental only

If you have long-term-care insurance, send a copy of the policy.
 * Required, if obtainable and one has been issued, whether or not this person is applying.

Part B: Subsidized Health Insurance You May Be Eligible For

Are you or any member of your family in one of the uniformed services? yes no
 If yes, fill out the section below. (The uniformed services are the Army, Navy, Air Force, Marine Corps, Coast Guard, Public Health Services, National Oceanic and Atmospheric Administration, and the National Guard or Reserves.)

1. Name: _____

Active Duty? yes no Retiree? yes no Reserves? yes no Medal of Honor? yes no

2. Name: _____

Active Duty? yes no Retiree? yes no Reserves? yes no Medal of Honor? yes no

Have you or any member of your family served in the U.S. military or can you be considered a dependent of someone who has served in the U.S. military?
 Yes, I have served. Name: _____
 Yes, I am a dependent of someone who has served. Name: _____
 No, I am neither a veteran nor a dependent.

American Indian/Alaska Native

Certain American Indians and Alaska Natives may not have to pay MassHealth premiums and copays.
 Are you or any member of your family who is applying a federally recognized American Indian or Alaska Native who is eligible to receive or has received services from an Indian health-care provider or from a non-Indian health-care provider through referral from an Indian health-care provider? yes no
 If yes, name of person(s): _____

General instructions for filling out the Injury, Illness, Disability, or Accommodation, Absent Parent, and U.S. Citizenship/National Status and Immigration Status sections below

The HIV section is optional. You must answer all questions in each of the three sections after the HIV section.

HIV Information (optional)

MassHealth may give benefits to people who are HIV positive who might not otherwise be eligible.
 Do you or any family member who is HIV positive want to apply for these benefits? yes no
 If yes, fill out this section.

Send proof of income, U.S. citizenship/national status and identity, or qualified alien status to see if you can get benefits for up to 60 days while we wait for you to send us proof of your HIV-positive status. For more information, see the MassHealth Member Booklet.

Name(s): _____

Injury, Illness, Disability, or Accommodation

Do you or any family member have an injury, illness, or disability (including a disabling mental health condition) that has lasted or is expected to last for at least 12 months? (If legally blind, answer yes.) yes no
 Do you or any family member need health care because of an accident or injury? yes no
 Do you or any family member applying for MassHealth require a reasonable accommodation because of a disability or injury? yes no
 If you answered yes to any of these three questions, you must fill out Supplement A (the blue sheet).

Absent Parent

Has any child in the household been adopted by a single parent or has a parent who is deceased or unknown? yes no
 Does any child in the family have a parent who does not live with you who is not included in the previous question? yes no
 If you answered yes to either of these questions, you must fill out Supplement B (the yellow sheet).

U.S. Citizenship/National Status and Immigration Status

The U.S. citizenship/national status of parents does not affect the eligibility of their children.

U.S. Citizens

For applicants born in Massachusetts who want help getting proof of their U.S. citizenship, please fill out Supplement D (the red sheet).
 For applicants born outside Massachusetts who want help getting proof of their U.S. citizenship, MassHealth may be able to help you. Please call MassHealth Customer Service at 1-800-841-2900 (TTY: 1-800-497-4648 for people who are deaf, hard of hearing, or speech disabled).

Persons who are not U.S. citizens/nationals

If you or any other family member applying for MassHealth or Commonwealth Care fits any of the immigration status codes on Supplement C (the orange sheet), numbered 1 through 17, you must fill out Supplement C.
 If you or any other family member applying for benefits does not fit any of the immigration status codes on Supplement C (the orange sheet), numbered 1 through 17, you or that family member may get only one or more of the following: MassHealth Limited, Healthy Start, CMSP, or the Health Safety Net. You do not have to fill out Supplement C.

Note: A social security number is not required for approval for MassHealth Limited. We will not match the names of applicants for MassHealth Limited with any other agency including the Department of Homeland Security (DHS). You do not need to send proof of immigration status. MassHealth Limited pays for emergency services only. See the MassHealth Member Booklet for more information.

List below the names of family members who want to get only one or more of the following: MassHealth Limited, Healthy Start, CMSP, or the Health Safety Net.

Name(s): _____

Name(s): _____

Step 2: Plan Choice Form



HealthConnector
CommonwealthCare

Your connection to good health

[Mail_date]
[Case_Name]
[Case_Street]
[Case_City], [Case_State] [Case_Zip]

Dear [Insert Name]

Welcome to Commonwealth Care. Here is the enrollment package you requested. This information will help you select and enroll in the health plan that is right for you. Your package includes:

- *Getting Started*, a brochure about Commonwealth Care that explains the program and how to enroll.
- *Health Benefits and Copays*, a chart that lists your health benefits and how much you pay for each health visit or service (copays).
- *Health Plan Information*, descriptions of each health plan available to you and any special programs they offer. The health plans available to you depend on where you live, your plan type and in some cases, whether you've been previously enrolled with Commonwealth Care or MassHealth.
- *Enroll Now*, information and instructions for selecting and enrolling in a health plan.

There are a lot of benefits to enrolling in Commonwealth Care: you get your own health care provider, regular checkups, care when you are sick or injured, prescriptions, treatment for alcohol, drug abuse and mental health problems, vision care and free glasses. Some members also receive dental benefits (Plan Type 1 only).

You can enroll in Commonwealth Care over the phone and online.*

1. **By phone:** Call the Commonwealth Care Member Service Center Monday - Friday, from 8:00 a.m. to 5:00 p.m. at 1-877 MA ENROLL (1-877-623-6765) TTY 1-877-623-7773 for people with partial or total hearing loss.
2. **Online:** Enroll using the Commonwealth Care website at www.MAhealthconnector.org. Read the instructions on the back of this letter to learn how to create an account and log in.

If you have any questions, call the Commonwealth Care Member Service Center Monday - Friday, from 8:00 a.m. to 5:00 p.m. at 1-877 MA ENROLL (1-877-623-6765) TTY 1-877-623-7773 for people with partial or total hearing loss.

We are pleased to offer you a full range of health benefits and be your connection to good health.

Commonwealth Care Member Service Center

Turn to review your health plan options

Member ID

Enroll Now! Select and Enroll in a Commonwealth Care health plan

Below are the Commonwealth Care health plans you can choose from. The dollar amount next to each health plan is what you must pay each month to stay enrolled in that plan. If you select a health plan with \$0.00 next to it, you will not be charged a monthly premium. The premiums listed below are based on your plan type, which depends on your income and your family size. Based on the information you provided, you are eligible for **Plan Type X**.

1. Choose your health plan and premium. Choose only one.
These plans are available to you. Read each Health Plan Information description to learn about the Commonwealth Care health plans.

<BMC HealthNet Plan	\$0.00	web address	Phone number>
<CeltiCare Health Plan	\$0.00	web address	Phone number>
<Fallon Community Health Plan	\$0.00	web address	Phone number>
<Neighborhood Health Plan	\$0.00	web address	Phone number>
<Network Health	\$0.00	web address	Phone number>

2. Choose your Primary Care Provider (PCP).
Tell us the name of your PCP when you select your health plan by phone or online.* When choosing a health plan, check to see if the doctors, hospitals or community health center you visit today are part of the plan you would like to select. To find out if a provider is in a certain health plan, look on our website or call the doctors, the health plans, or the Commonwealth Care Member Service Center.

You have selected _____ as your Primary Care Provider (PCP).
First Name Last name

3. Enroll by phone, or online.* Enroll by phone or on our website. Commonwealth Care will send you a bill if you need to pay a monthly premium. After you pay your first monthly premium, you will be in Commonwealth Care. If you do not need to pay a monthly premium, Commonwealth Care will enroll you in your selected health plan.

If this is your first time using the website, follow the instructions below.

Create an account

1. Log on to www.MAhealthconnector.org
2. Click **Register** for access to your account
3. Click **Create Login** then follow the instructions on each screen

* If you are unable to call or go online, circle the health plan of your choice, write in the name of your PCP and mail this page to:
Commonwealth Care Member Service Center, 133 Portland St, 1st Floor, Boston MA 02114-1707.
DO NOT A SEND PAYMENT with your health plan selection.

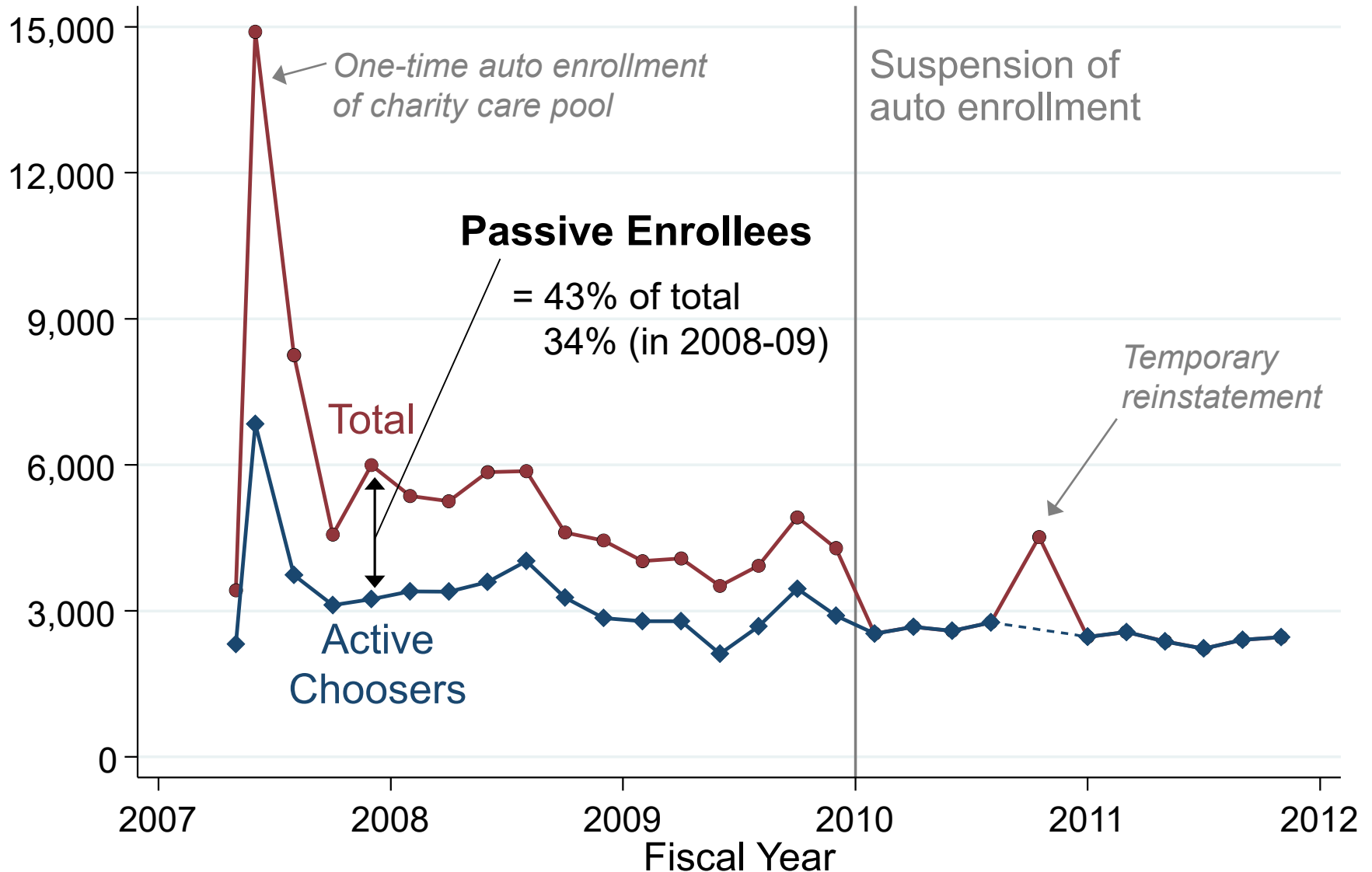
Context on Auto Enrollment Policy

- This auto enrollment policy is **standard in Medicaid managed care programs** (*called “auto assignment”*)

- Auto enrollment is **very common in Medicaid**
 - Median state auto enrolls 45% of new enrollees (KFF 2015)
 - But no previous evidence on causal effect of turning off this policy
 - Other work uses random auto assignment to estimate causal plan effects [Garthwaite & Notowidigdo 2020; Geruso, Layton, Wallace 2020]

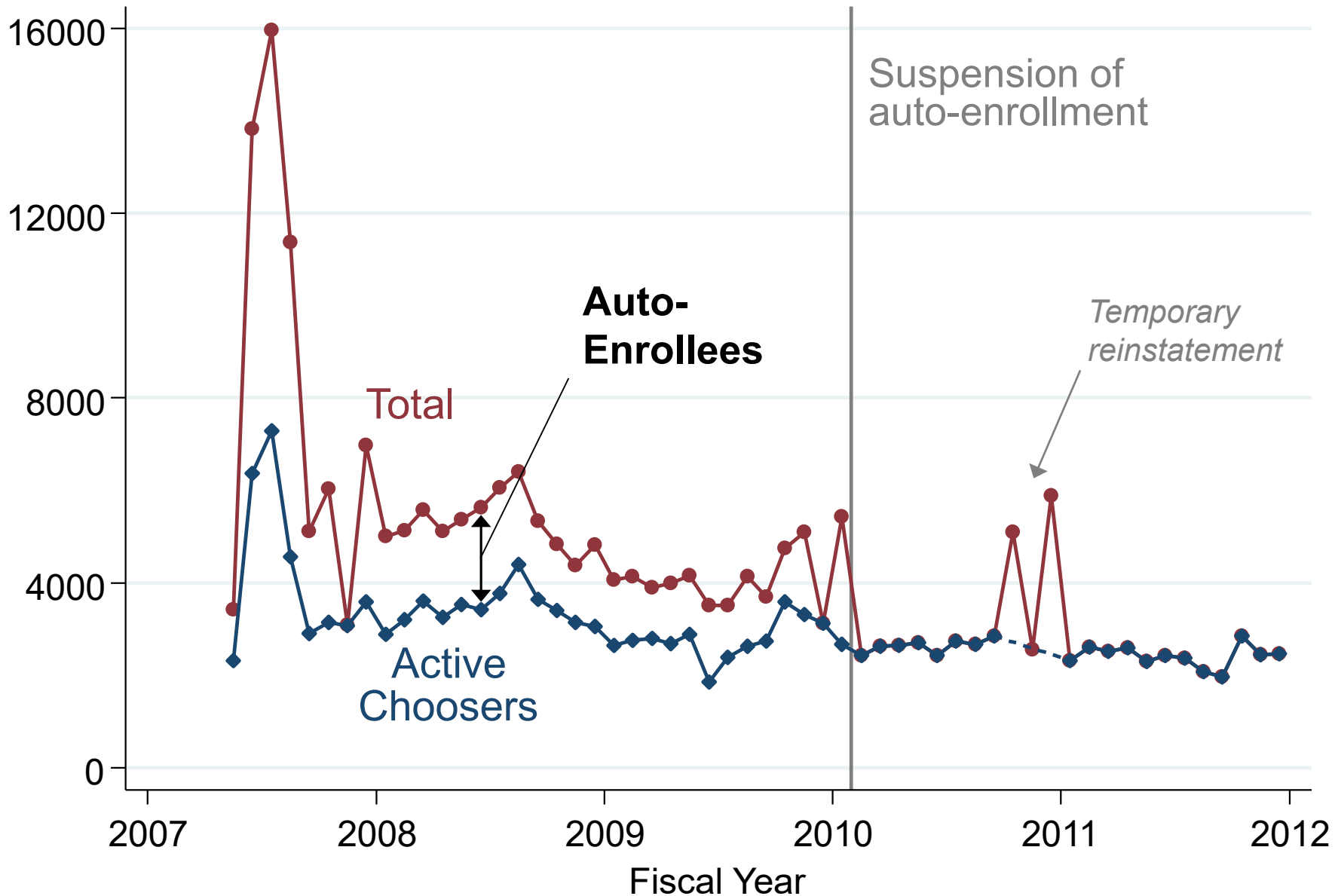
- But not used by **ACA health insurance exchanges**
 - Most people not eligible for \$0 coverage, and states do not have legal authority to auto enroll and withhold premiums (e.g., via taxes).
 - May help explain lower take-up of ACA exchanges.

New Enrollees per Month (0-100% Poverty)

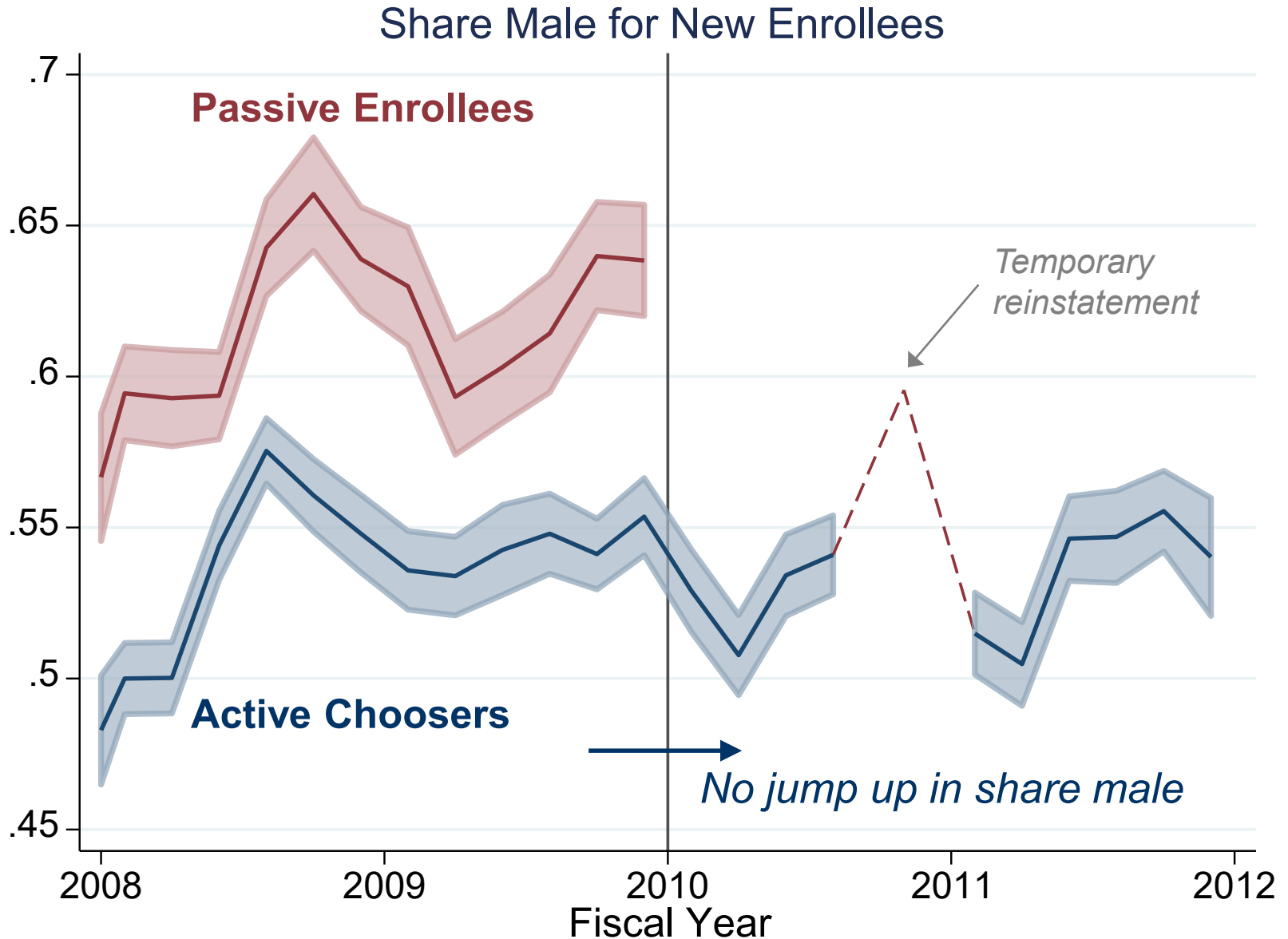


Note: Points are bimonthly averages for 0-100% poverty group. For raw monthly data, [see here](#).

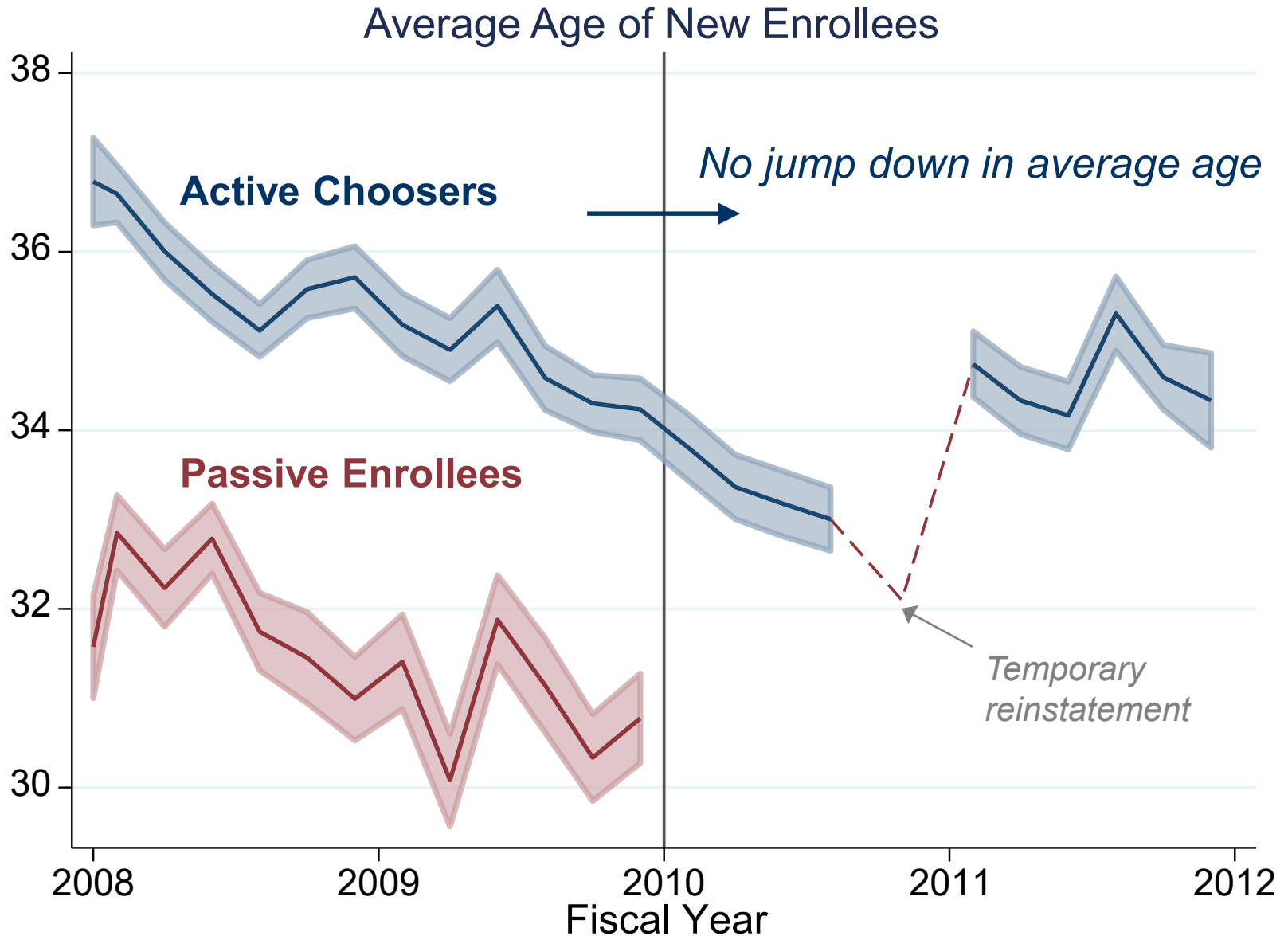
New Enrollees per Month into Exchange



Evidence #2: No Change in Average Attributes

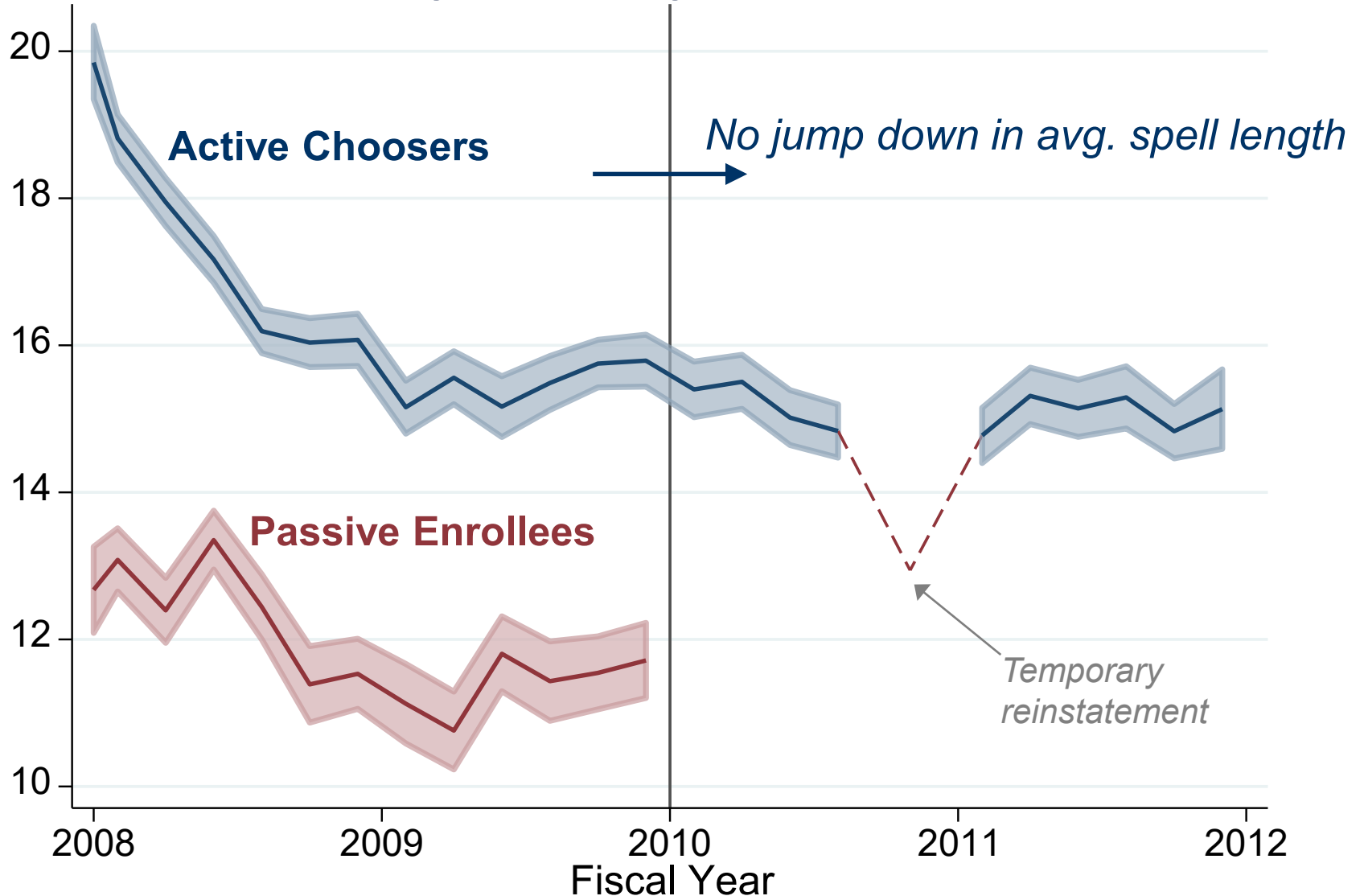


Evidence #2: No Change in Average Attributes

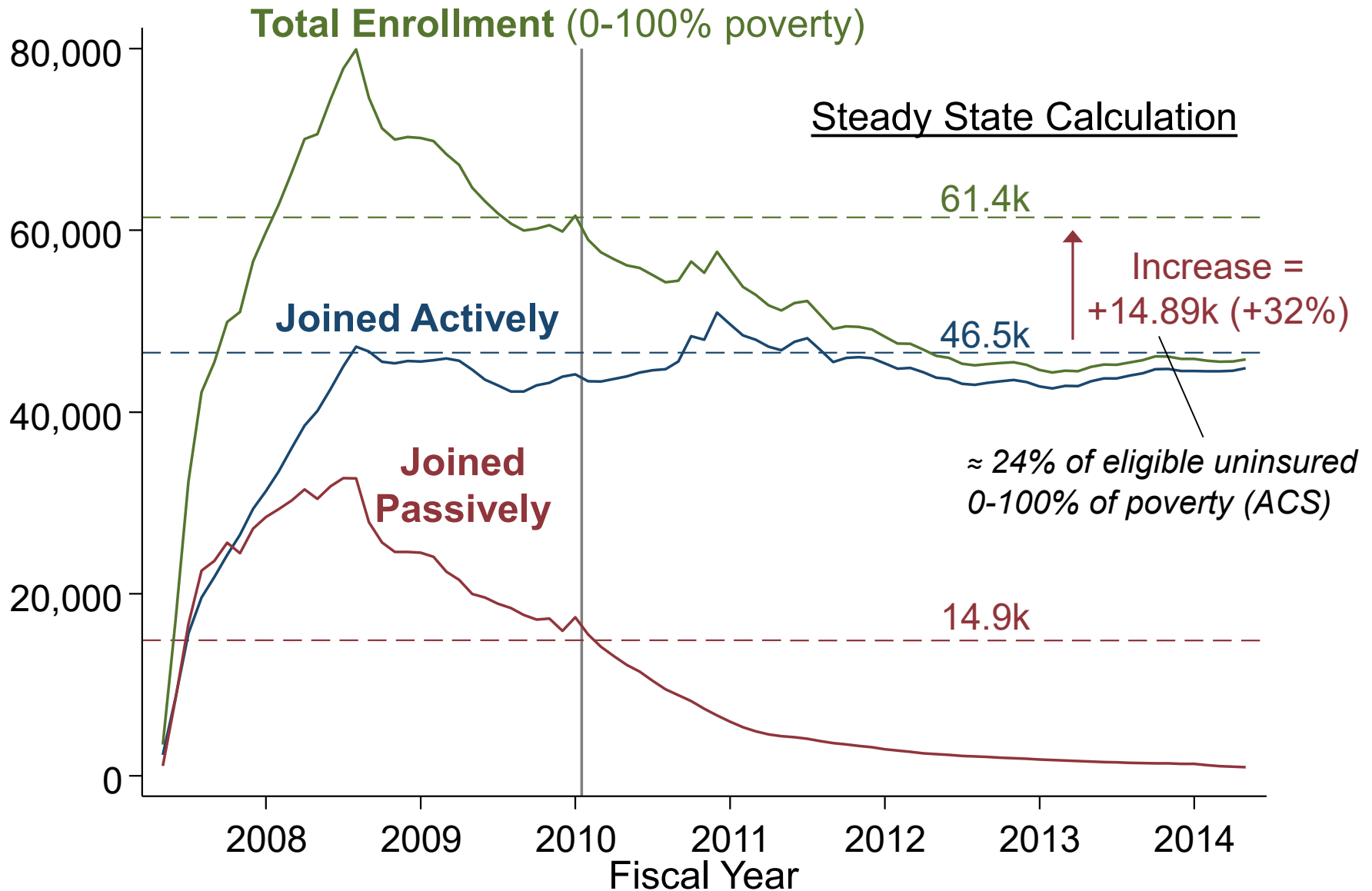


Evidence #2: No Change in Average Attributes

Average Spell Length of New Enrollees

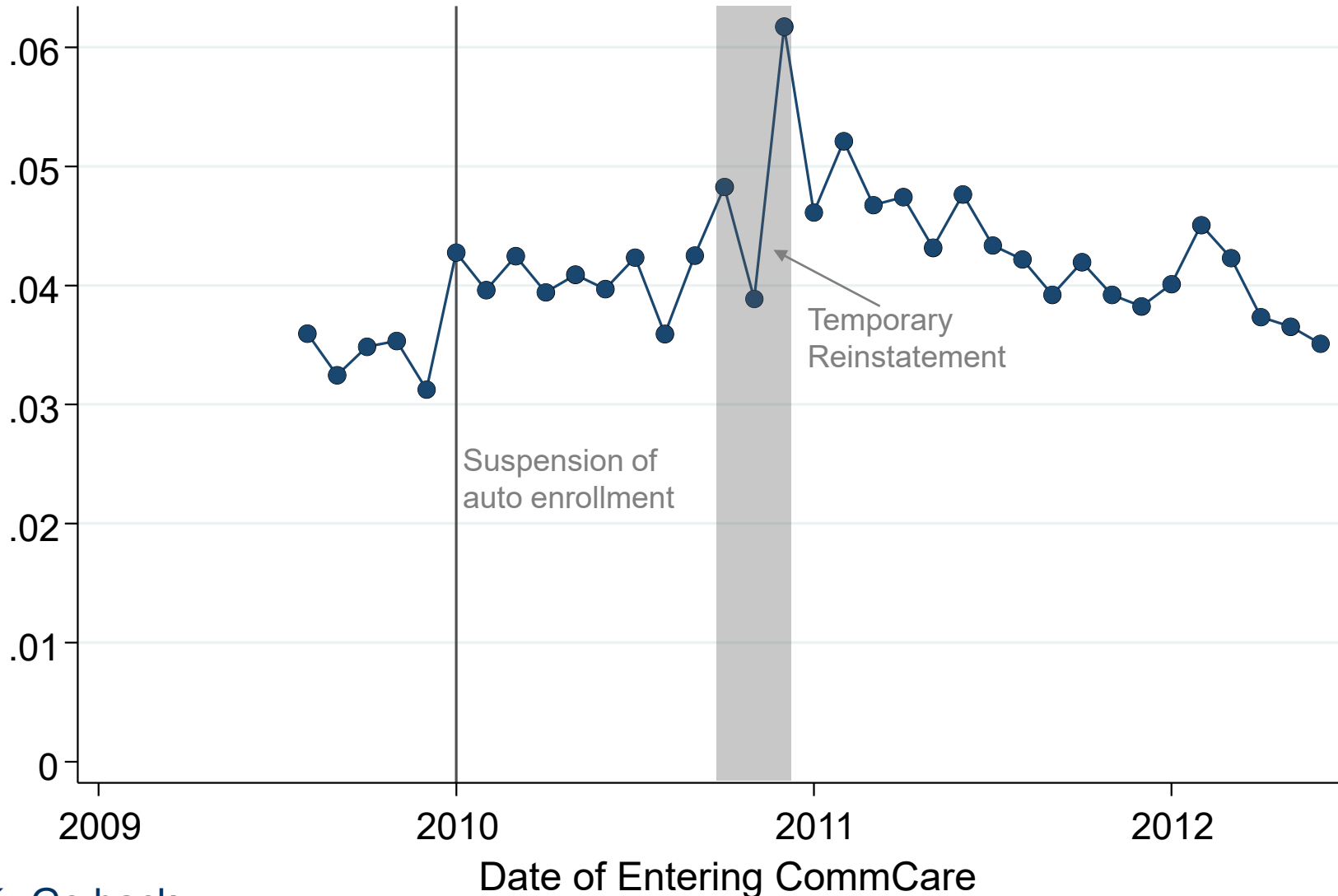


Effect on Steady State Enrollment



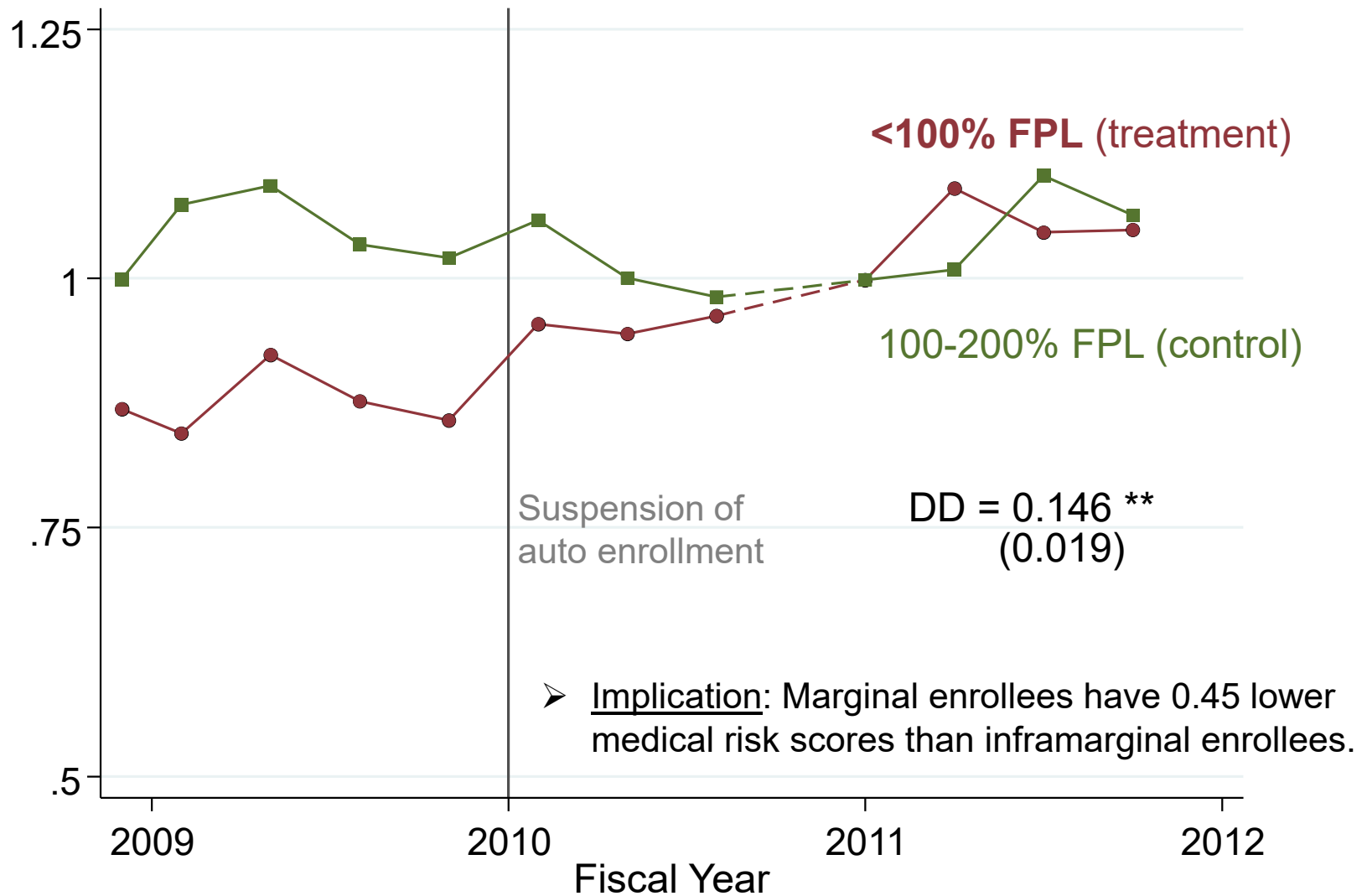
APCD Analysis: Low Rates of Coverage Duplication

Share of CommCare Enrollment Months with Duplicate Private Insurance

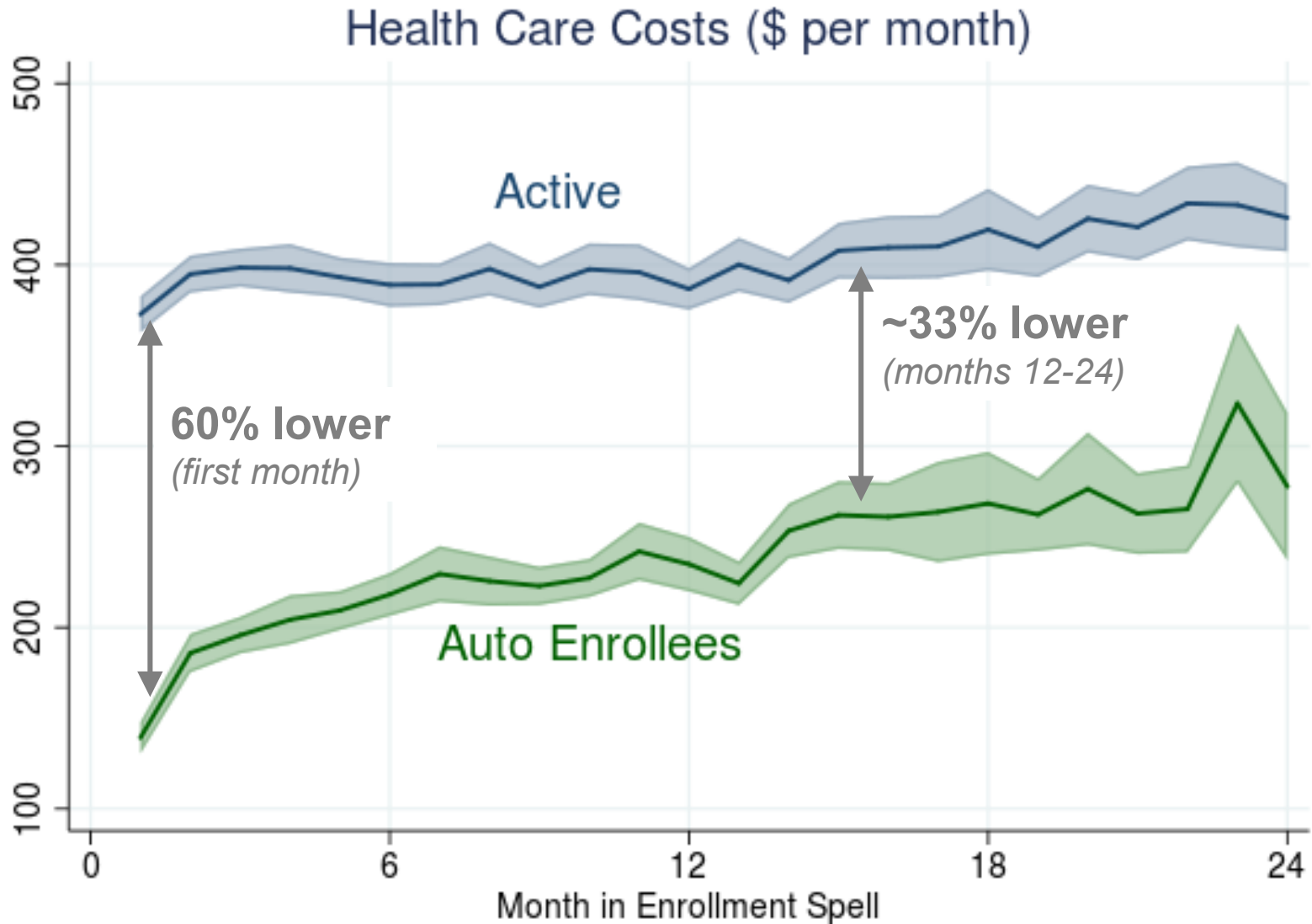


Robustness: Inferring Targeting from Policy Change

Average Medical Risk Score of New Enrollees



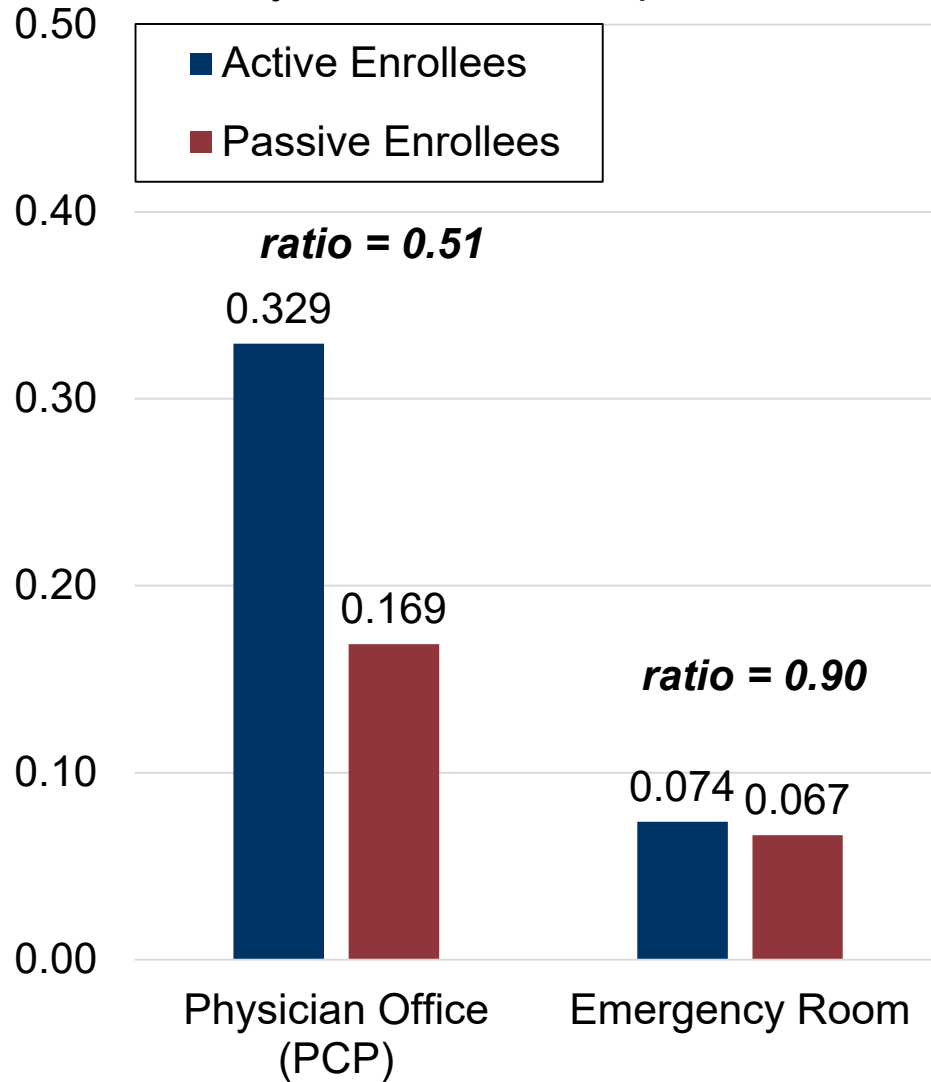
Timing of Cost Differences



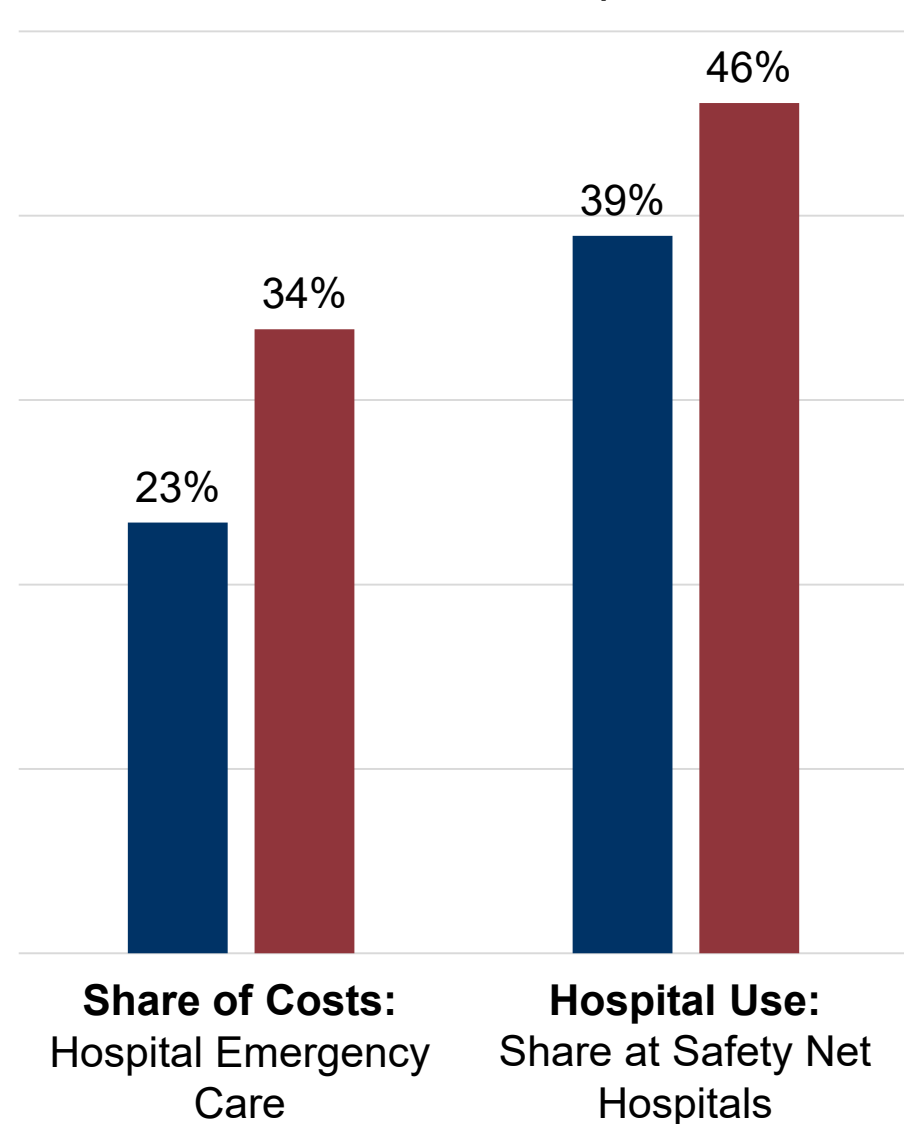
Note: Plots show estimates from regression with individual fixed effects to control for attrition.

Differential Use of Charity Care Sources

Physician/ER Visits per month



Share of Costs and Hospitals Used

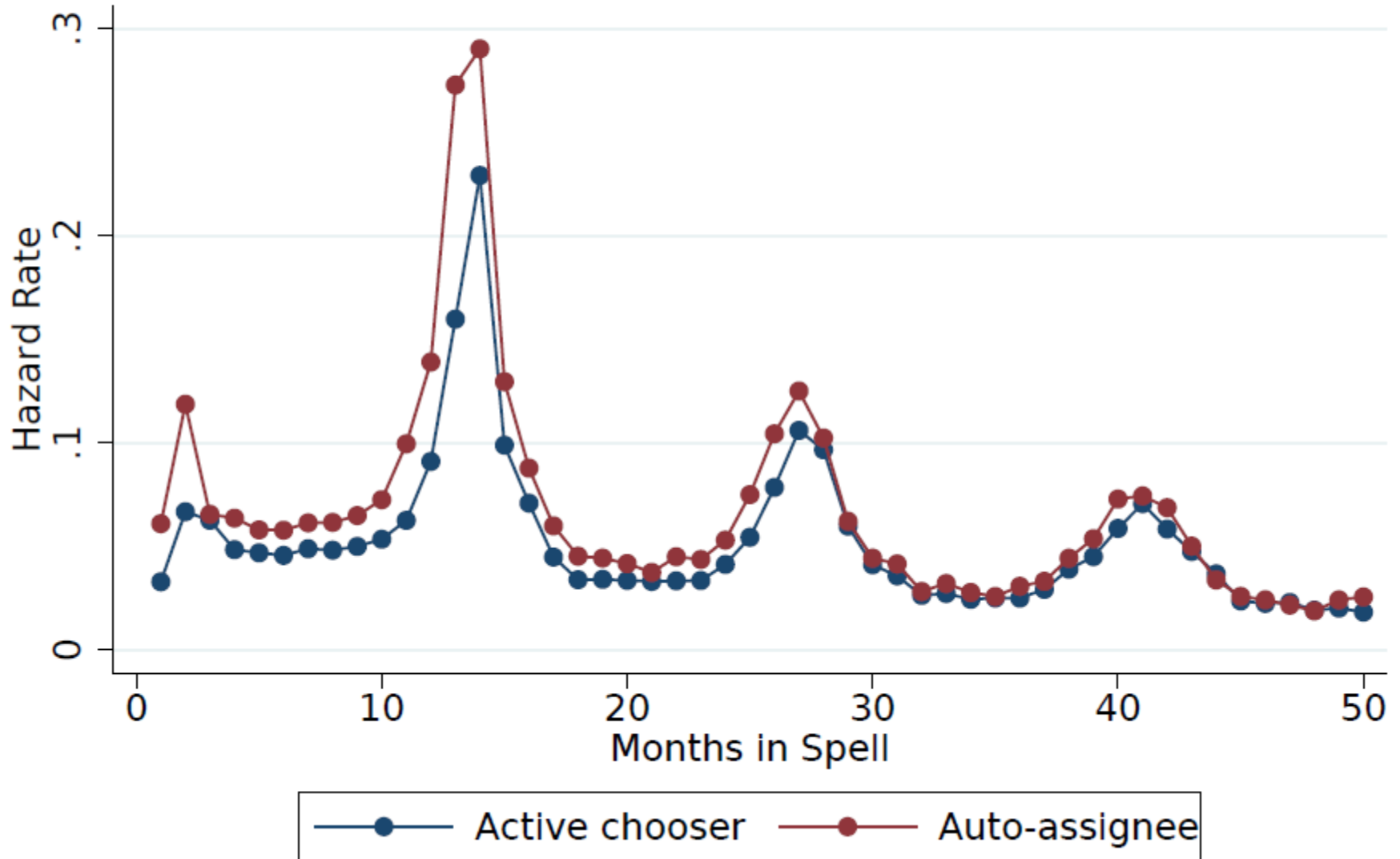


Signs of Real Benefits from Insurance

- Do passive enrollees benefit from having health insurance?
- **Metric #1: Risk Protection**
 - Passives are less likely than actives to experience medical shocks
 - But the difference is one of degree – they do face real risks
 - 60% as likely to have a high-cost month (>\$500, >\$1k, or >\$2k)
 - 75% as likely to have an emergency hospitalization ([→ Graphs](#))
- **Metric #2: Coverage of Predictable Expenses**
 - About $\frac{1}{4}$ of passives regularly use a chronic med (vs. $\frac{1}{2}$ of active)
 - Mean cost = \$45 per month (→ \$450 over 10-month spell)
 - Unlikely to be covered by charity care
- **Summary:** Signs of meaningful benefits from having insurance (despite failure to actively take up)

Hazard Rate of New enrollees, 2008-2010

CommCare Market, <100% FPL



Probability of Medical Shocks

