



COUNCIL FOR AFFORDABLE  
**HEALTH COVERAGE**

# Health Insurance Markets: What is Happening and How Can Congress Fix It?

# CAHC: A DIVERSE COALITION



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***CHALLENGES  
FACING THE ACA  
MARKET***

# BACKGROUND

## **The ACA made massive changes to health markets – some positive and some negative**

- New consumer protections, corrected market imbalances, reduced the number of uninsured to historic lows
- Overreach has also contributed to high and growing health insurance premiums and cost sharing
- Plan choice and competition have declined
- ACA's risk pools are seriously unbalanced

**Result:** An unstable and expensive market that is driving away many of the healthy consumers needed to hold coverage costs down

## **Congress should quickly pass legislation to stabilize markets:**

- Guaranteed Reinsurance funding
- 1332 Waiver Reforms
- Other reforms to attract better risk

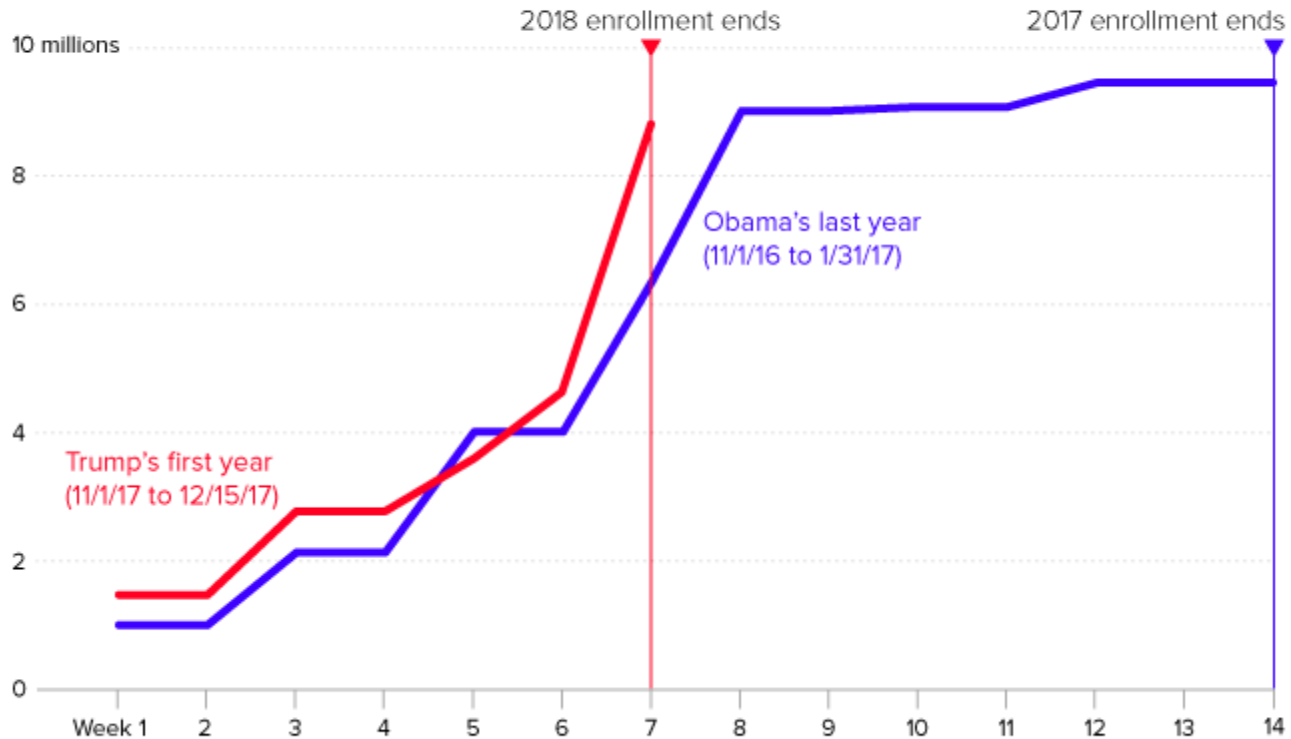


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# ACA EXCHANGE ENROLLMENT: ROUGHLY 8.8M SIGN-UPS ON HC.GOV AFTER 2018 OPEN ENROLLMENT

## Obamacare enrollment in the Trump era

Number of Americans who enrolled through HealthCare.gov in the past two years



Source: Centers for Medicare & Medicaid Services



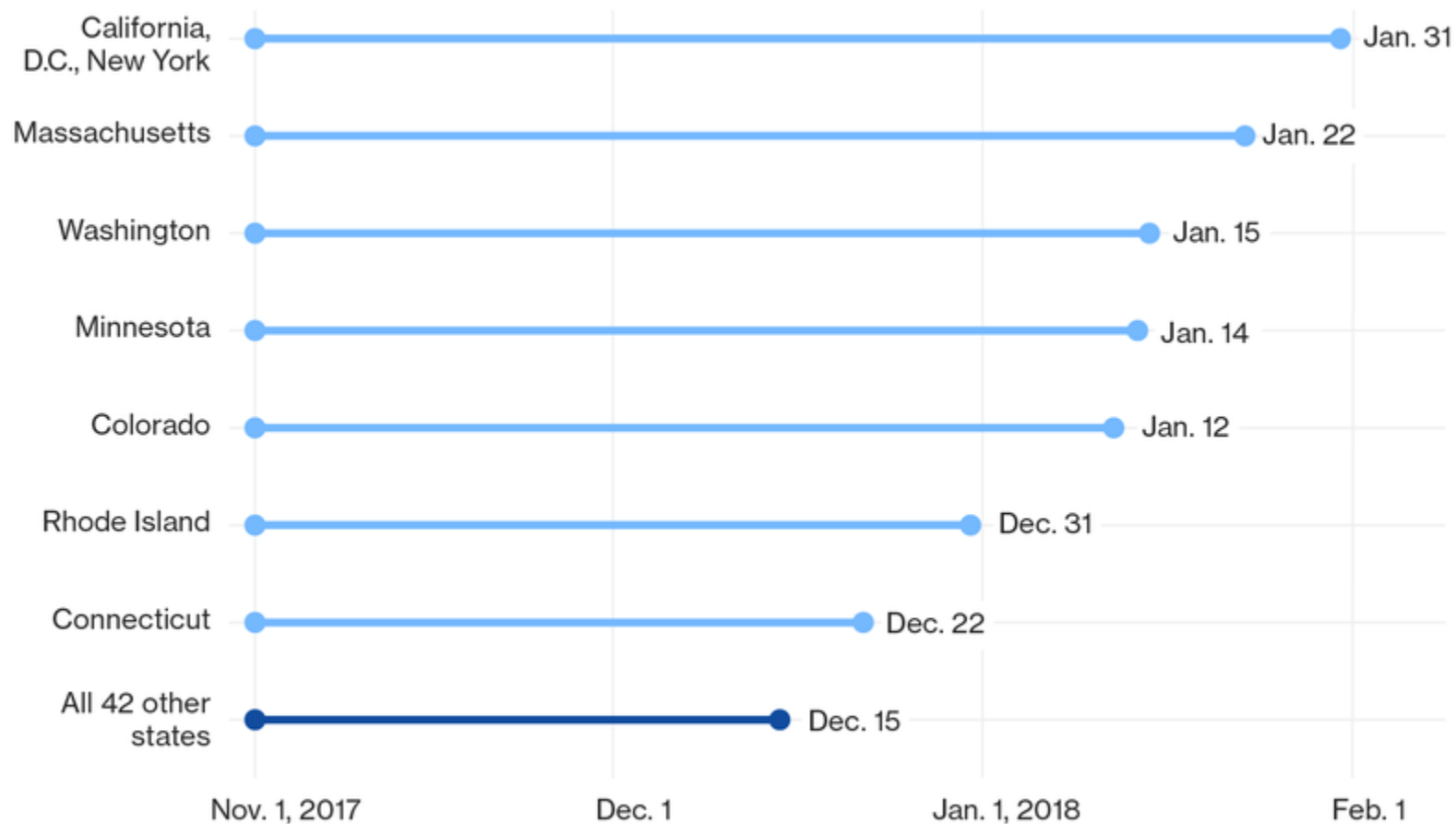
*\*Approximate enrollment total.*



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# SEVERAL STATES STILL OPEN FOR BUSINESS

## 2018 Open Enrollment Dates



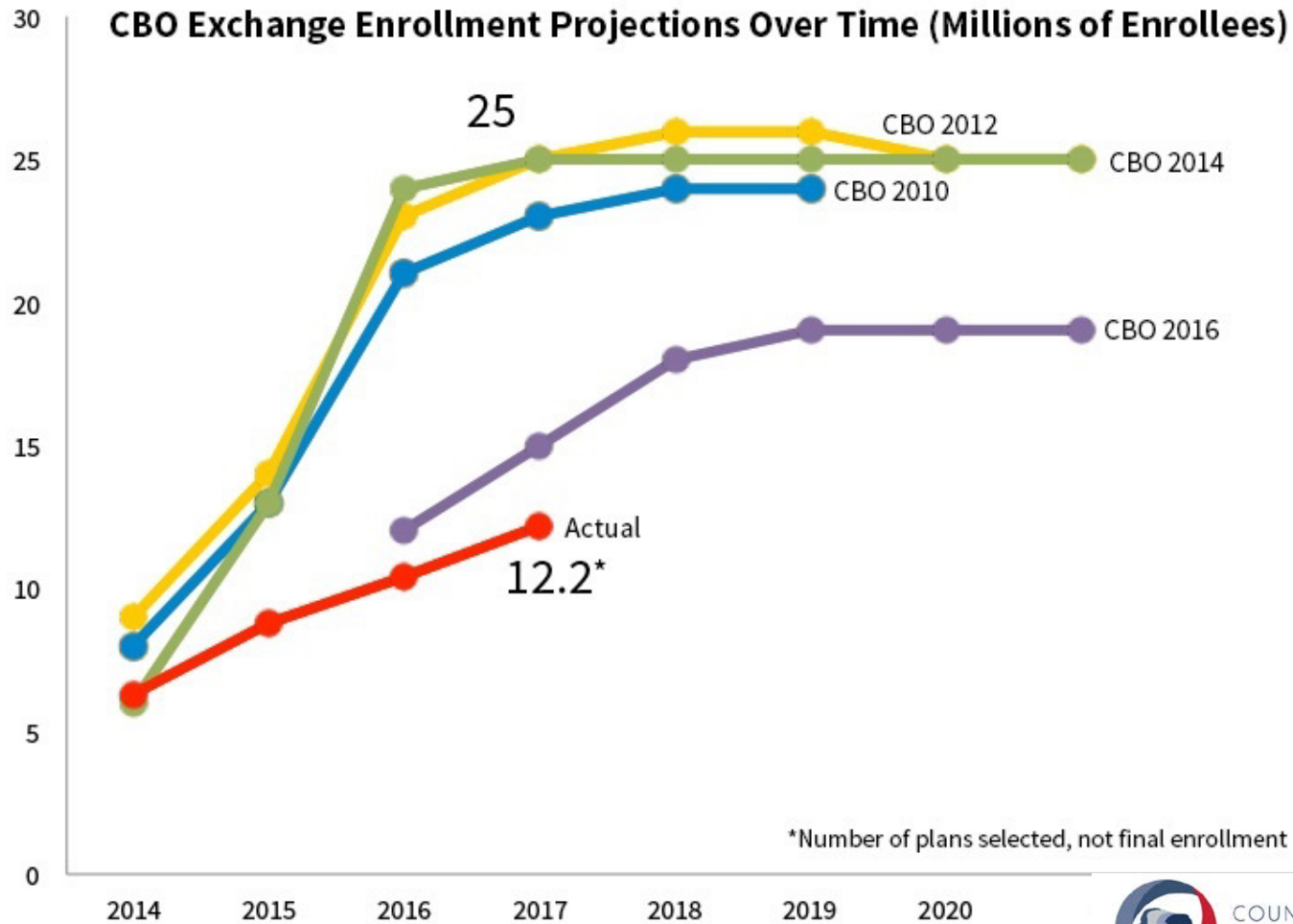
Sources: State marketplaces and insurance departments, Centers for Medicare and Medicaid Services

**Bloomberg**



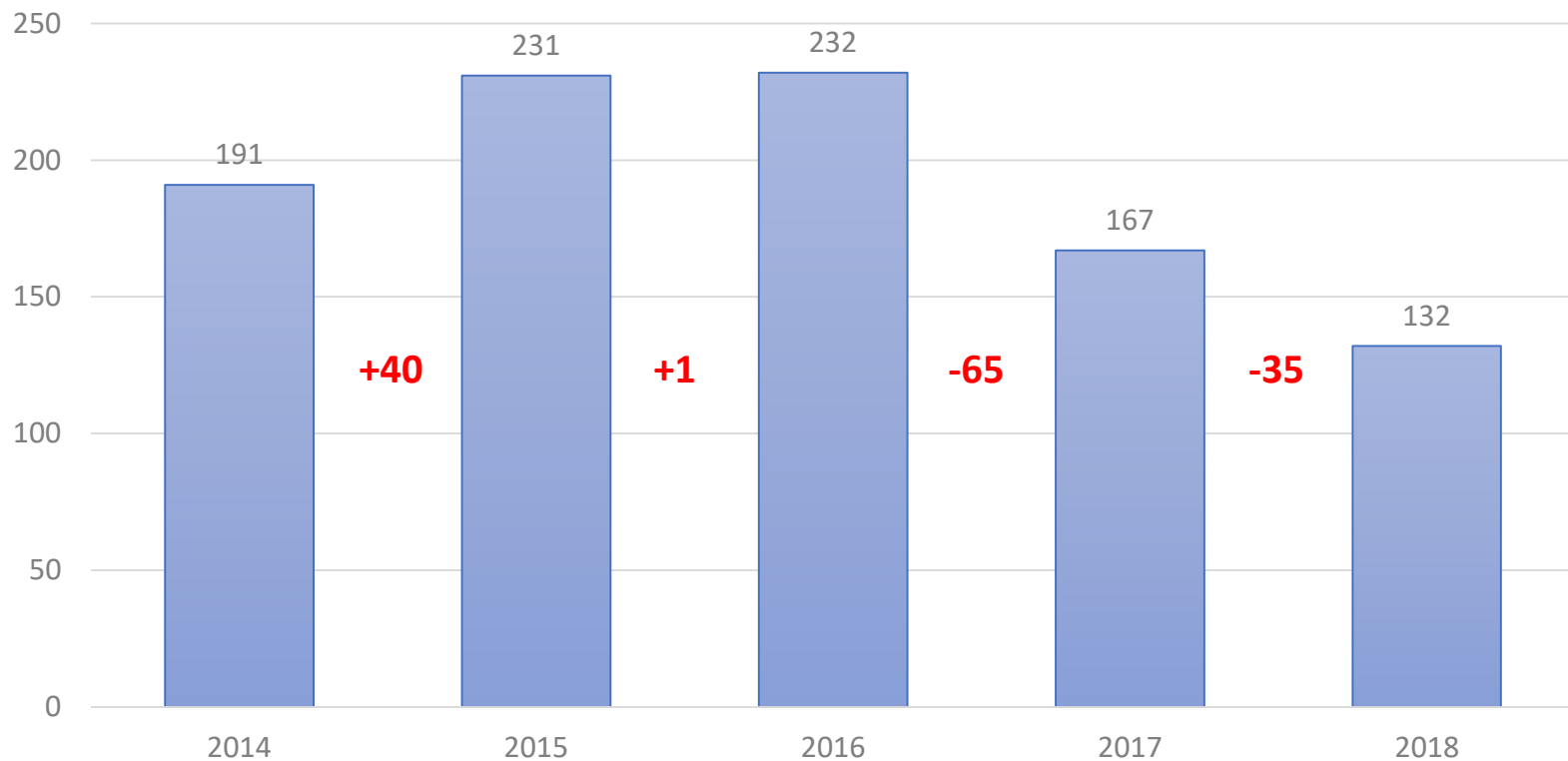
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# TOTAL ENROLLMENT LAGS BEHIND PROJECTIONS, RISK POOLS ARE UNBALANCED



# 2018 EXCHANGE PLANS: CHOICE CONTINUES TO DECLINE

## Number of Marketplace Issuers, 2014-2018



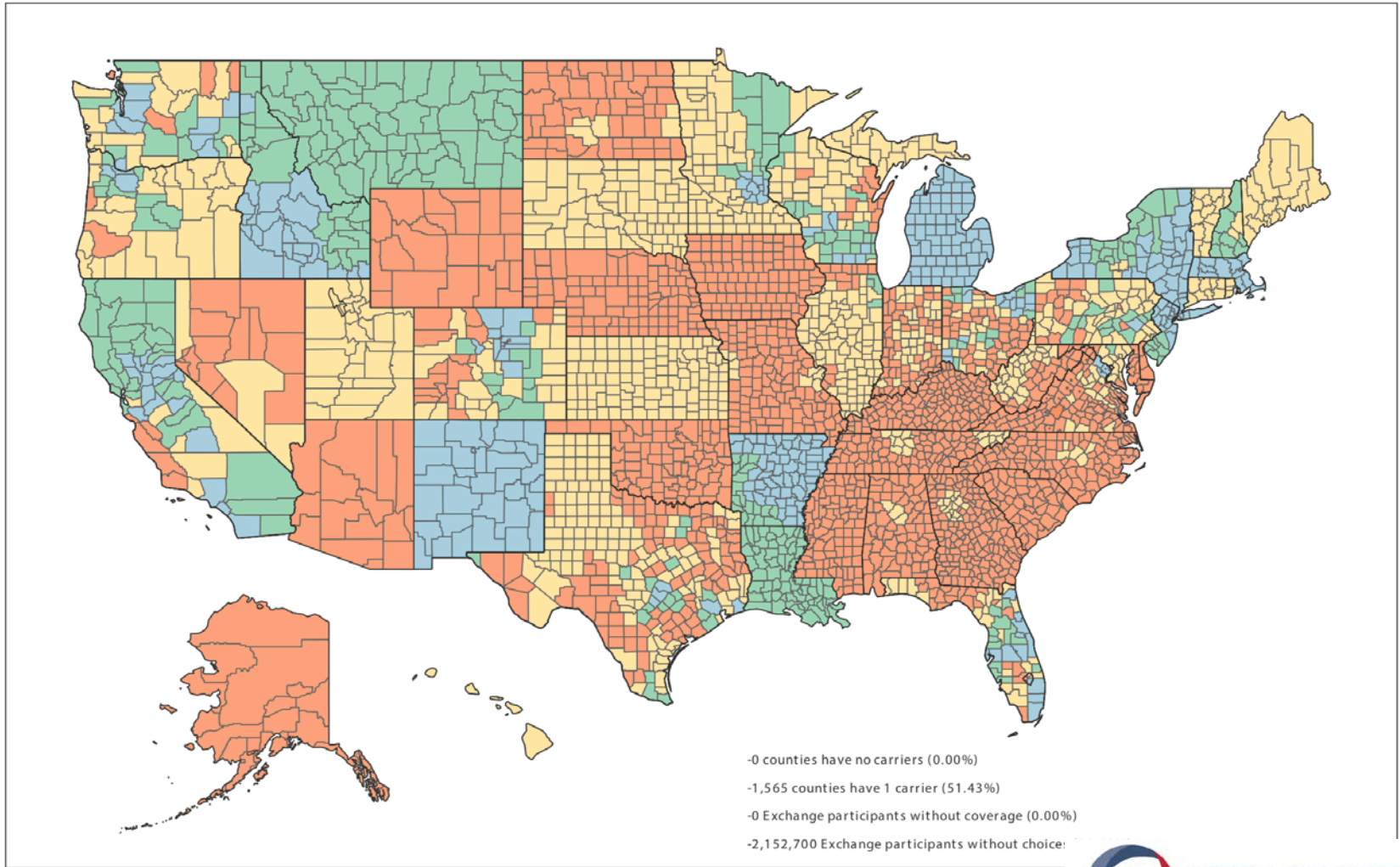
Source: "Health Plan Choice and Premiums in the 2018 Federal Health Insurance Exchange." Department of Health and Human Services, 30 Oct 2017



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# NEARLY 30% OF ENROLLEES HAVE ONLY ONE ISSUER TO CHOOSE FROM, UP FROM 20% IN PY17



Exchange Carrier Number

0 Carriers

1 Carrier

2 Carriers

3 Carriers

>3 Carriers

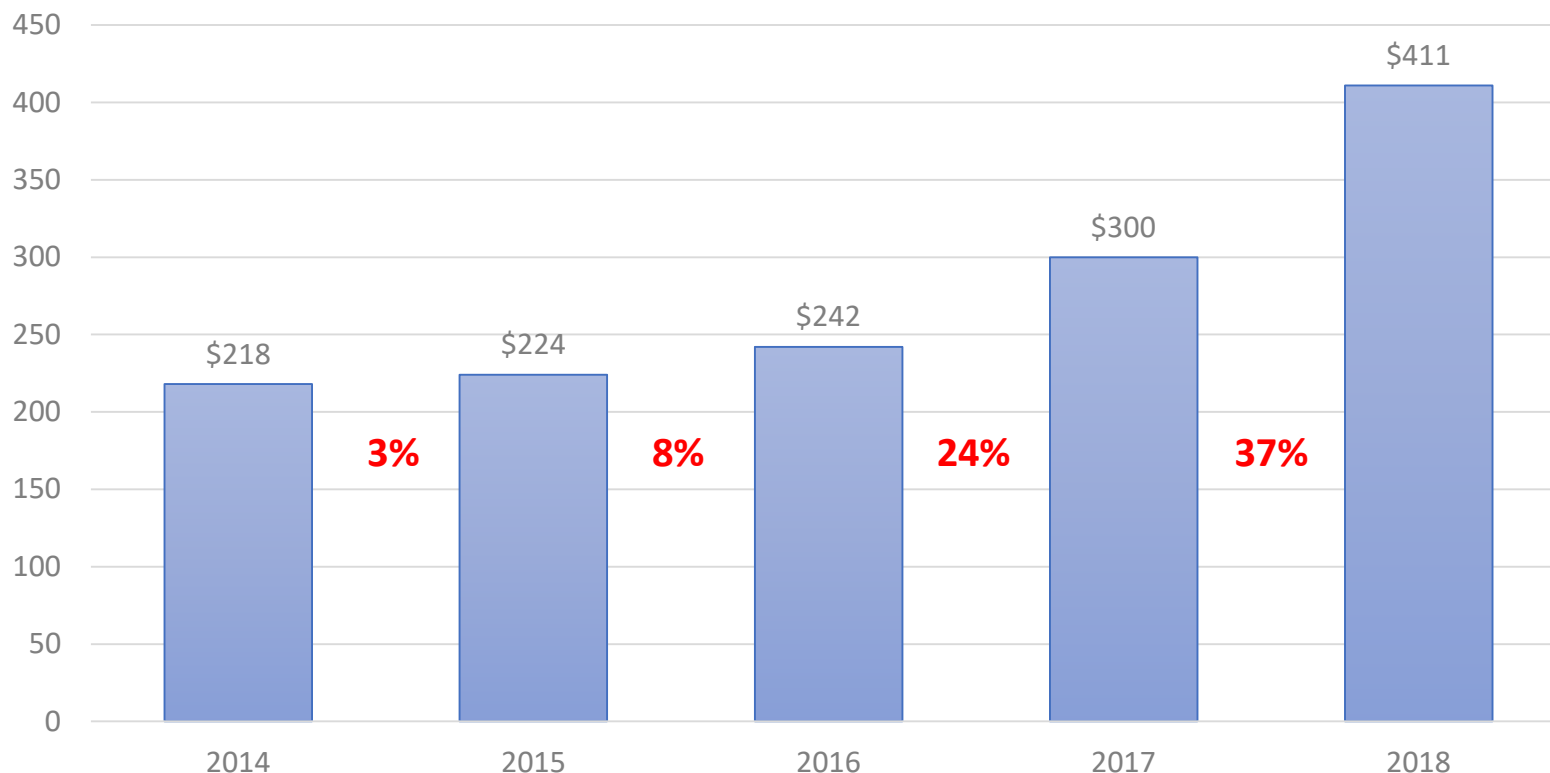


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Source: "Health Plan Choice and Premiums in the 2018 Federal Health Insurance Exchange." Department of Health and Human Services, 30 Oct 2017

# 2018 EXCHANGE PLANS: AVERAGE PREMIUMS INCREASE SIGNIFICANTLY

## Average Second Lowest Cost Silver Plan Premiums for a 27-year old (Before Tax Credits), 2014-2018



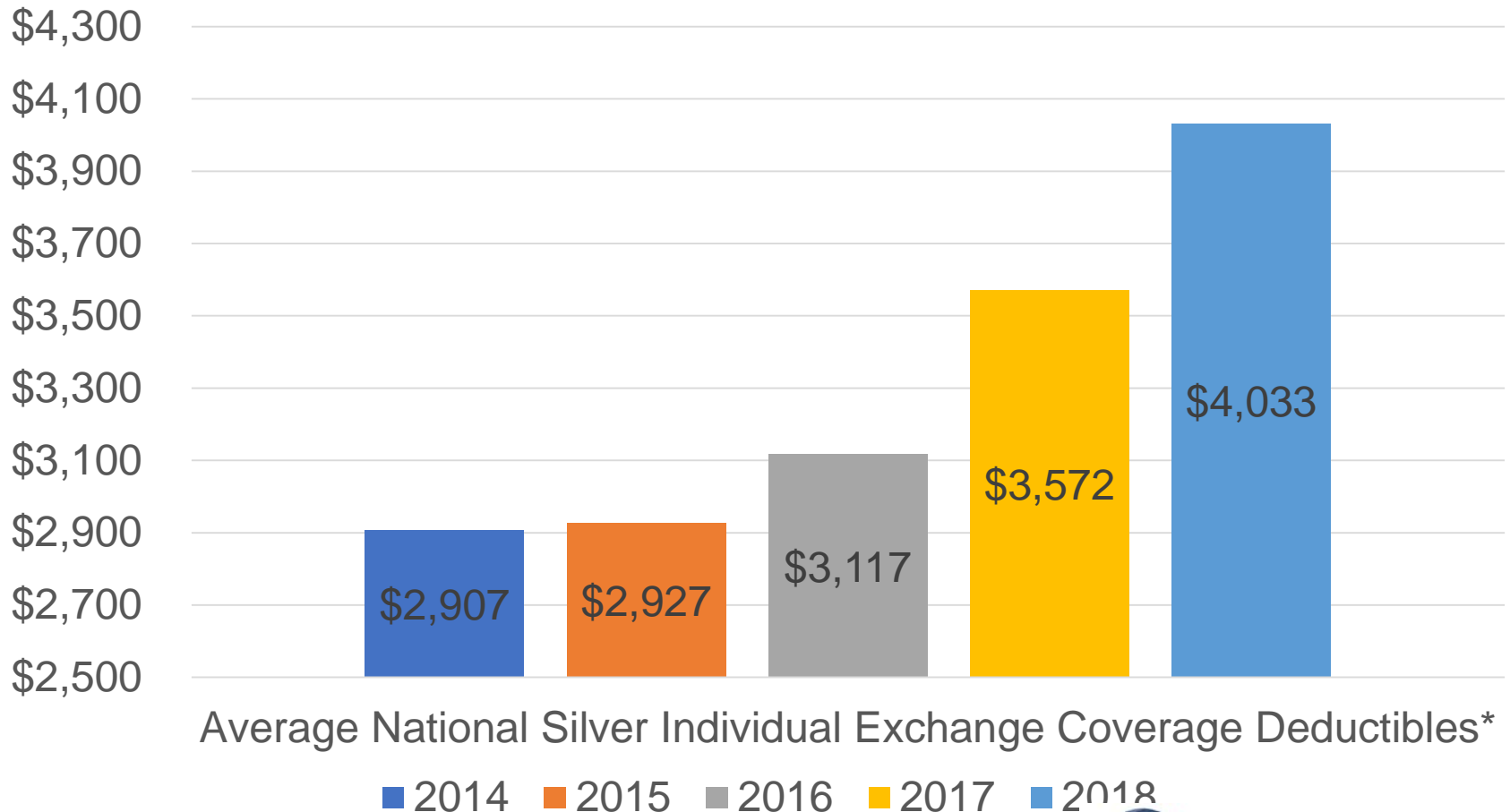
Source: "Health Plan Choice and Premiums in the 2018 Federal Health Insurance Exchange." Department of Health and Human Services, 30 Oct 2017



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# ACA DEDUCTIBLES RISING AT DOUBLE DIGIT RATES

## Average National Deductibles for Individual Exchange Coverage\*



\* Individual Silver is the most popular Exchange plan.

Source for Individual Market: Data.HealthCare.gov via HealthPocket's Infostat Reports.



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# WHY ARE EXCHANGE PREMIUMS INCREASING?

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- 1) **Medical Cost Trend:** Health spending is expected to grow by 6.5% in 2018, well above wage growth and inflation
- 2) **Risk pool composition:** Enrollees are sicker and costlier
- 3) **Lower Enrollment:** One-half of expected total enrollees
- 4) **Less Competition:** Fewer participating plans
- 5) **Legislative and Regulatory Uncertainty**

Cannot reform or improve markets that doesn't exist.

## 1. Stabilize markets

- Reinsurance funding and seed money
- Fund cost sharing reduction mandates
- Repeal taxes that directly impact premiums (e.g. HIT Tax)

## 2. Create more certainty, flexibility, and choice for consumers

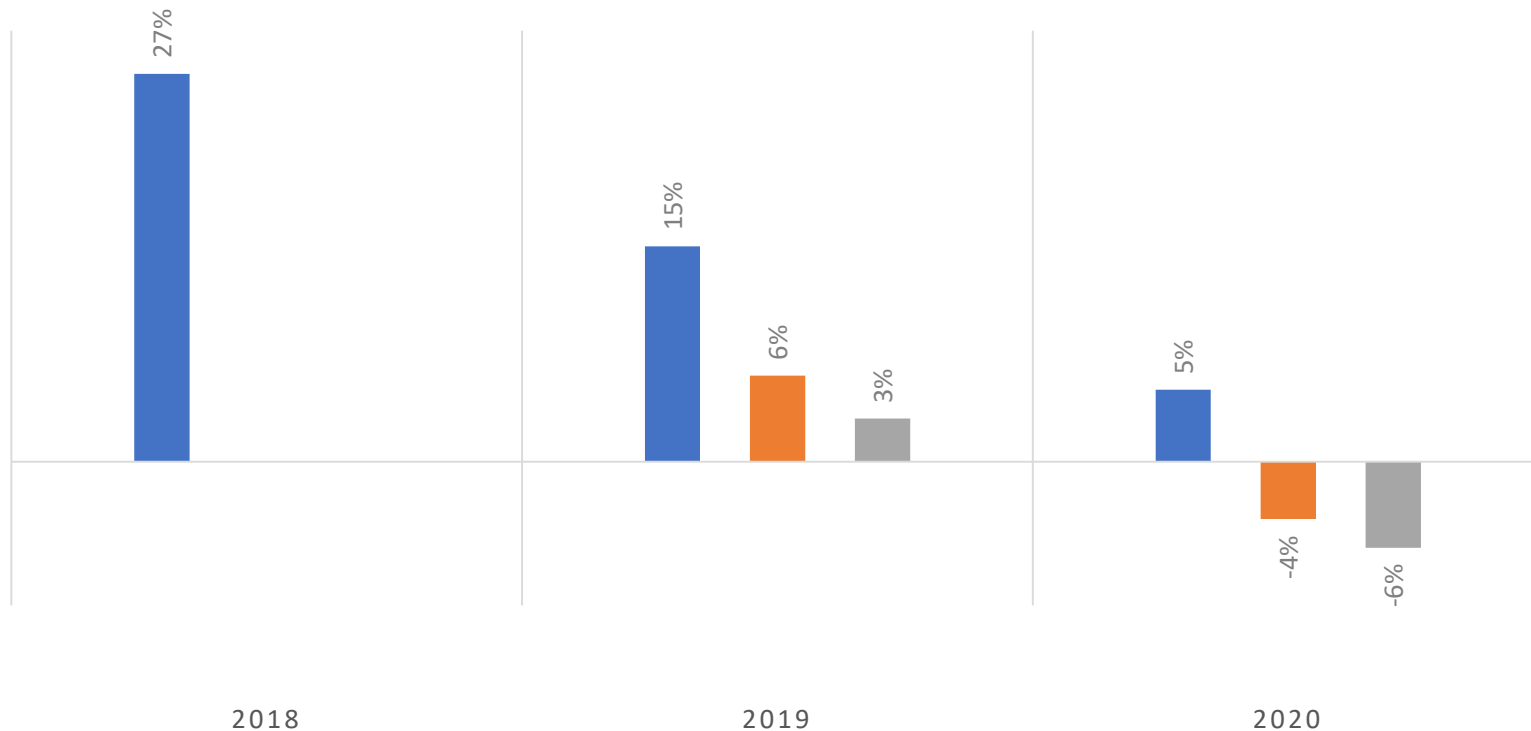
- Allowing those without options to use subsidies off exchange
- Improve risk pools by attracting younger, healthier enrollees
- 1332 reforms to allow states to address local needs



# IMPACT OF REINSURANCE ON PREMIUMS

## IMPACT OF COLLINS-NELSON ON PREMIUMS

■ Baseline Premium Increase    ■ Premium After Collins (low)    ■ Premium After Collins (high)



Source: CAHC Analysis of S. 1835

# CONTACT US



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