Early Observations Regarding Health Insurance Exchanges

Marketplace Competition, Enrollment, and Pricing in 2014 and 2015

Cynthia Cox, Kaiser Family Foundation
Before the ACA, most states’ individual insurance markets were highly concentrated

Kaiser Family Foundation analysis of Mark Farrah Associates™ data
Background on health insurance exchanges

- Pre-ACA individual market
  - Highly concentrated
  - Medical underwriting hampered competition

- Exchanges were created to:
  - Expand access
  - Encourage insurers to participate
  - Promote competition
Who is buying on the exchanges?

- **2014**
  - About 8 million signed up by end of open enrollment
  - 28% of potential market
  - Most received financial assistance (85%)
  - Most picked silver (65%) and bronze (20%)

- **2015**
  - 6.7 million still enrolled at beginning of open enrollment
  - Approx. 11.4 million signed up by end of open enrollment
  - Vast majority receive financial assistance

[Source: Kaiser Family Foundation State Health Facts](http://kff.org/state-category/health-reform/)
2015 Marketplace signups in states using HealthCare.gov

Percentage of potential market signed up varies by state

- Florida: 64%
- Maine: 60%
- Pennsylvania: 52%
- Delaware: 52%
- Alaska: 24%
- North Dakota: 23%
- South Dakota: 21%
- Iowa: 20%

Kaiser Family Foundation State Health Facts [http://kff.org/state-category/health-reform/]
Insurer participation has increased in most state Marketplaces

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<thead>
<tr>
<th>State</th>
<th>2014</th>
<th>2015</th>
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<tr>
<td>New York</td>
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<td>West Virginia</td>
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Kaiser Family Foundation State Health Facts [http://kff.org/state-category/health-reform/]
Market Share of Insurers in California’s Individual Market (2012) and Exchange (as of Feb. 28, 2014)

- **Wellpoint (incl. Anthem)**: 30% (Pre-ACA Individual) and 47% (Exchange)
- **Kaiser Permanente**: 18% (Pre-ACA Individual) and 29% (Exchange)
- **Blue Shield of California Group**: 19% (Pre-ACA Individual) and 29% (Exchange)
- **Health Net**: 18% (Pre-ACA Individual) and 10% (Exchange)
- **Other Insurers**: 10% (Pre-ACA Individual) and 5% (Exchange)


Market Share of Insurers in Minnesota’s Individual Market (2012) and Exchange (as of Feb. 19, 2014)

- Blue Cross Blue Shield: Pre-ACA Individual: 59%, Exchange: 24%
- Medica: Pre-ACA Individual: 17%, Exchange: 4%
- HealthPartners: Pre-ACA Individual: 11%, Exchange: 12%
- Assurant: Pre-ACA Individual: 7%
- PreferredOne: Pre-ACA Individual: 3%, Exchange: 58%
- Other Insurers: Pre-ACA Individual: 3%, Exchange: 2%

Market Share of Insurers in Connecticut’s Individual Market (2012) and Exchange (as of Feb. 18, 2014)

- Wellpoint (incl. Anthem): 45% Pre-ACA, 60% Exchange
- Aetna: 22% Pre-ACA, 19% Exchange
- UnitedHealth: 19% Pre-ACA, 19% Exchange
- EmblemHealth (incl. ConnectiCare): 8% Pre-ACA, 37% Exchange
- HealthyCT: 3%
- Other Insurers: 5%

What Americans paid for the second-lowest cost silver plan in 2014, before tax credits

Notes: Premiums indicate the amount a 40-year-old would need to spend on the second-lowest cost silver plan in a given county or region. Source: Premiums for state-based exchanges were obtained through a Kaiser Family Foundation review of insurer rate filings to state regulators. Premiums for federally-facilitated and partnership exchanges were obtained from data published by HealthCare.gov, as of January 22, 2014, available at https://www.healthcare.gov/health-plan-information/.
The difference in premiums Americans pay for the second-lowest cost silver plan from 2014 to 2015, before tax credits

Notes: The premium changes shown are for the second-lowest cost silver ("benchmark") plan available to a 40-year-old in a given county or region.
Trends & Lessons from first 2 years

- Individual market highly concentrated 2010 - 2013
- Marketplace insurer participation increased 2014 - 2015
- Some marketplaces are more competitive than pre-ACA, but no guarantee of early success
- Trends in the future:
  - Narrow networks
  - Migration to self-insurance among small employers
  - Private exchanges