

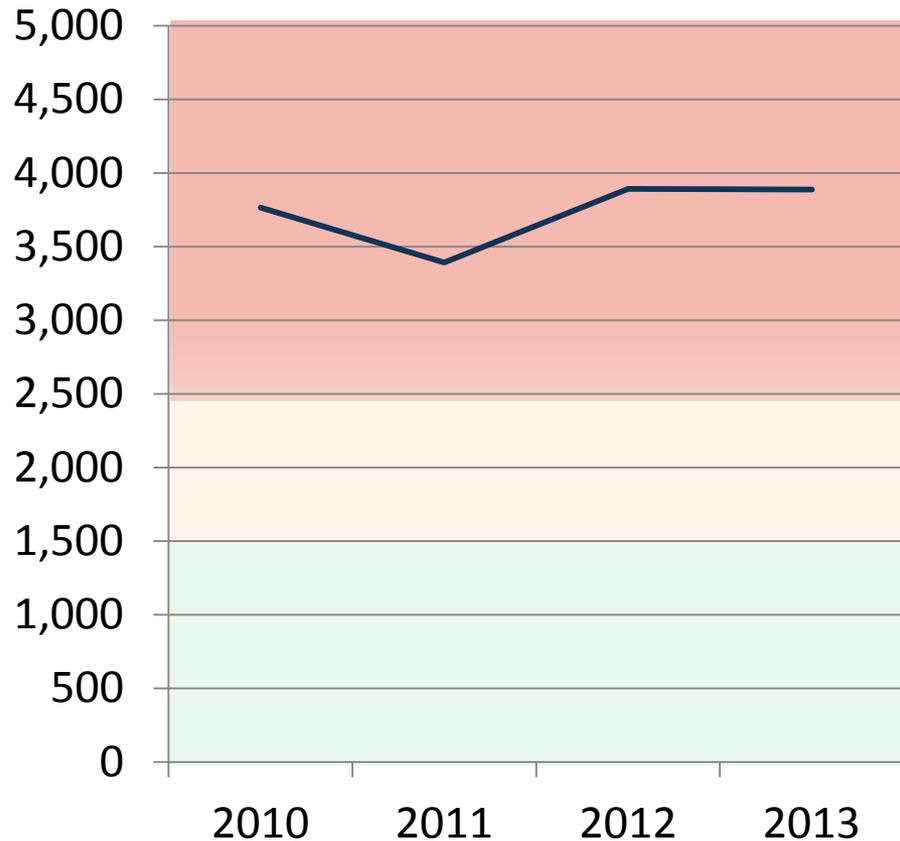
Early Observations Regarding Health Insurance Exchanges

Marketplace Competition, Enrollment, and Pricing in 2014 and 2015

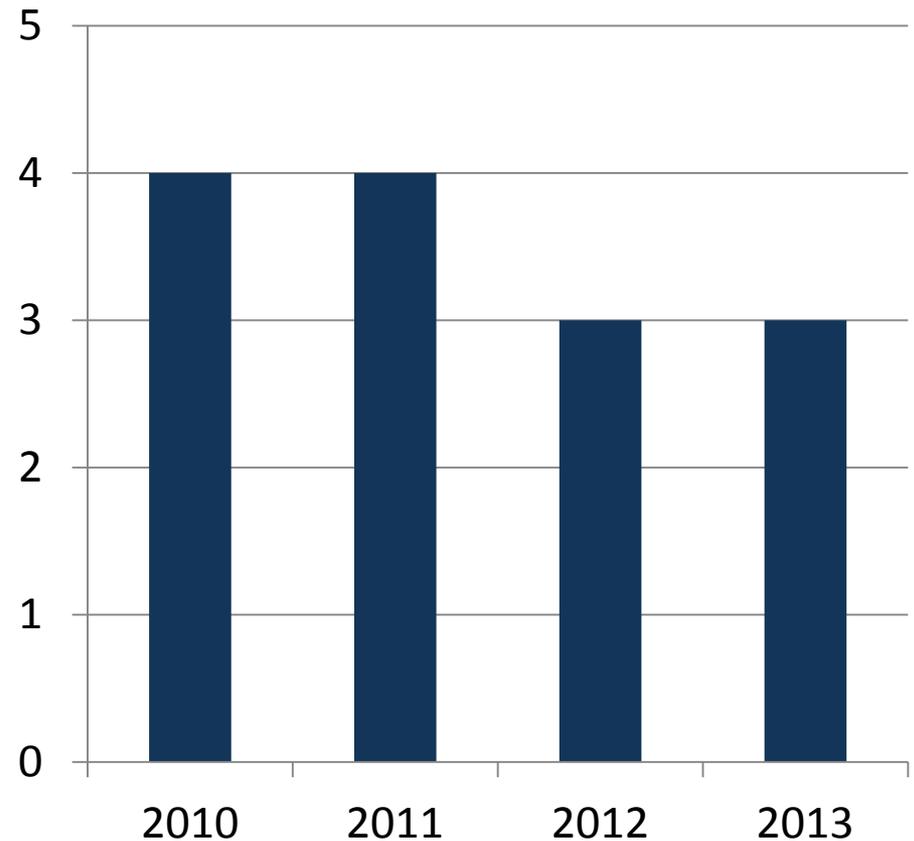
Cynthia Cox, Kaiser Family Foundation

Before the ACA, most states' individual insurance markets were highly concentrated

Median market concentration
(Herfindahl index, HHI)



Median number of issuers with
at least 5% market share



Background on health insurance exchanges

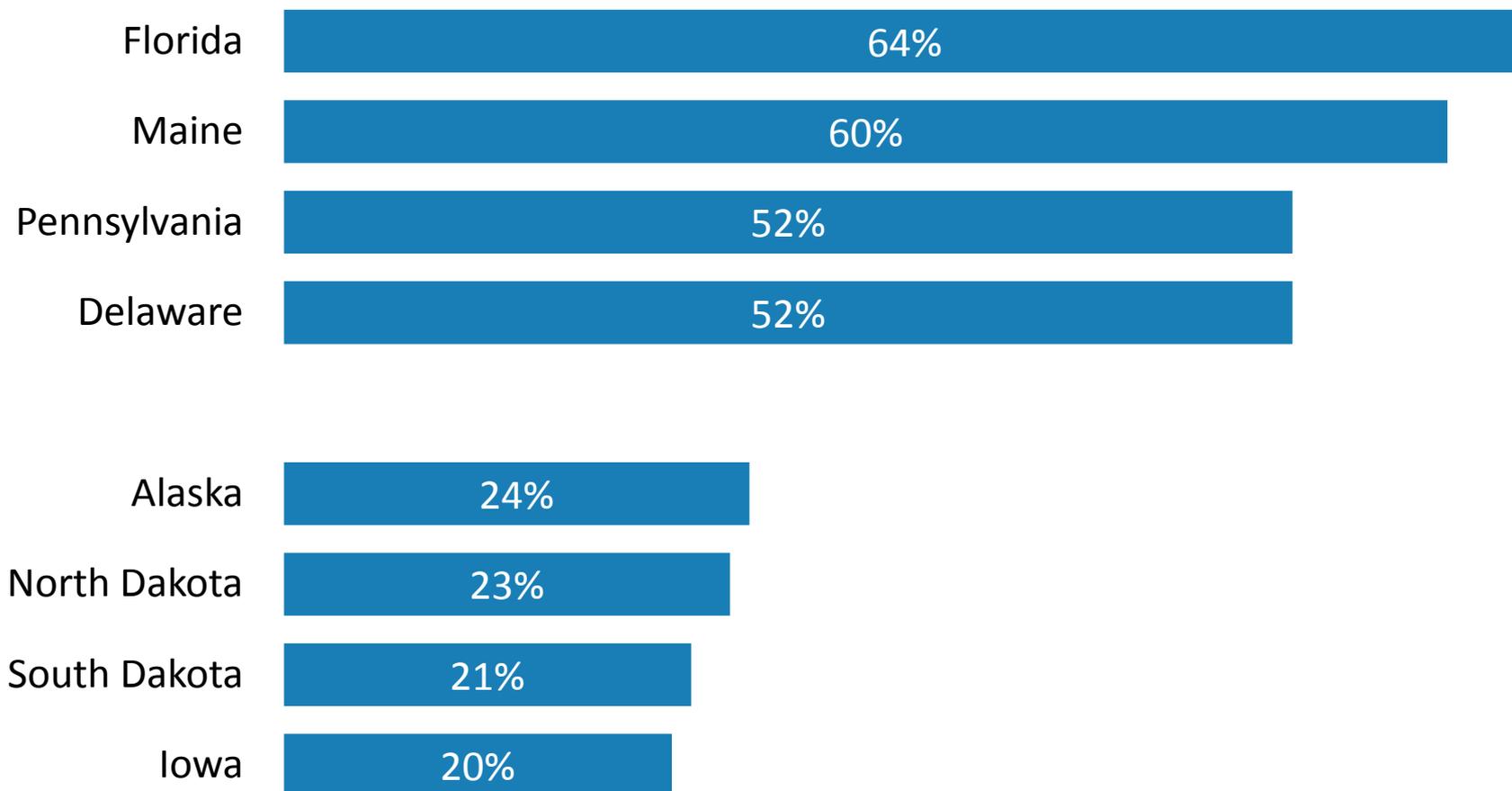
- Pre-ACA individual market
 - Highly concentrated
 - Medical underwriting hampered competition
- Exchanges were created to:
 - Expand access
 - Encourage insurers to participate
 - Promote competition

Who is buying on the exchanges?

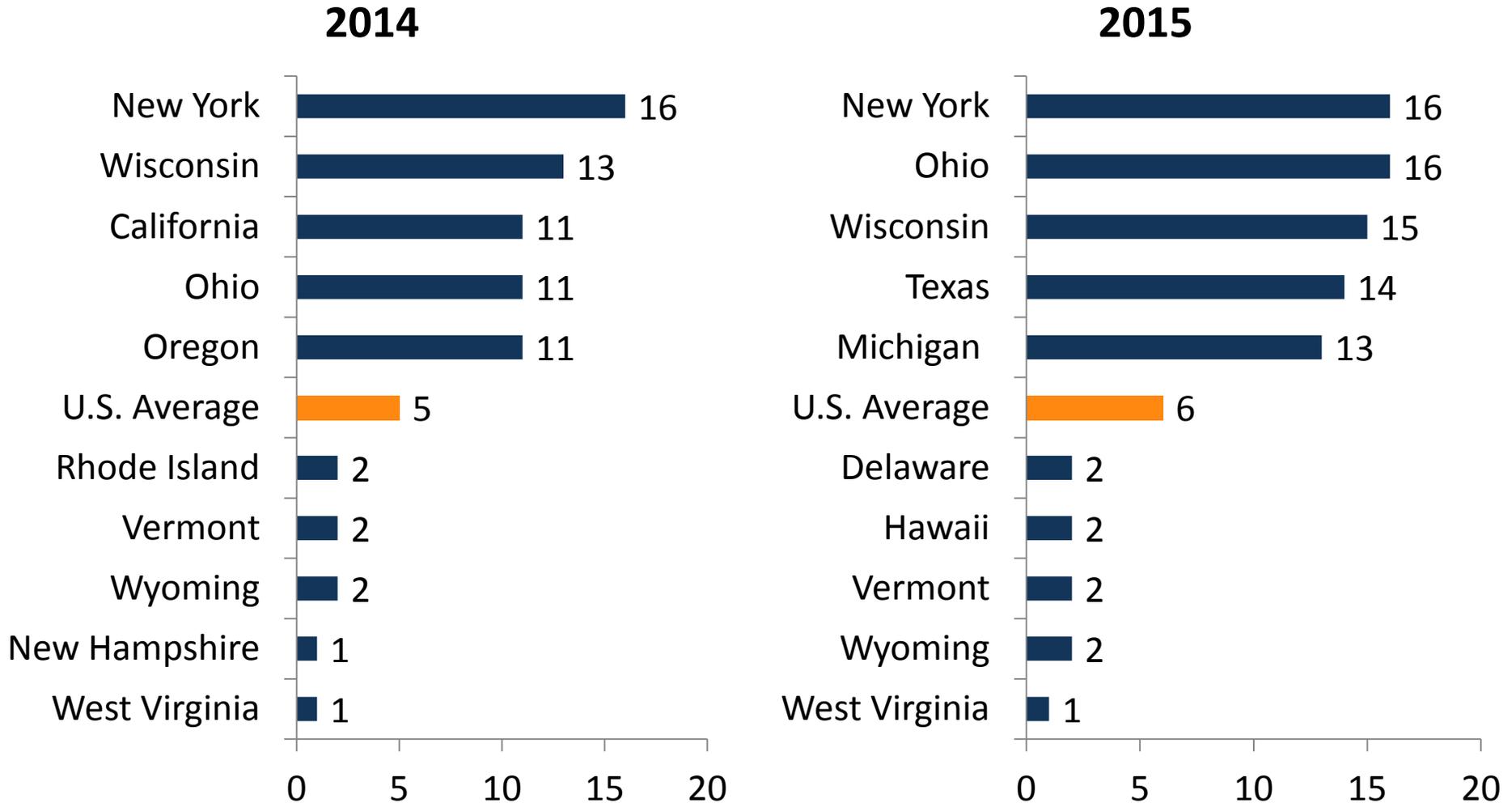
- 2014
 - About 8 million signed up by end of open enrollment
 - 28% of potential market
 - Most received financial assistance (85%)
 - Most picked silver (65%) and bronze (20%)
- 2015
 - 6.7 million still enrolled at beginning of open enrollment
 - Approx. 11.4 million signed up by end of open enrollment
 - Vast majority receive financial assistance

2015 Marketplace signups in states using HealthCare.gov

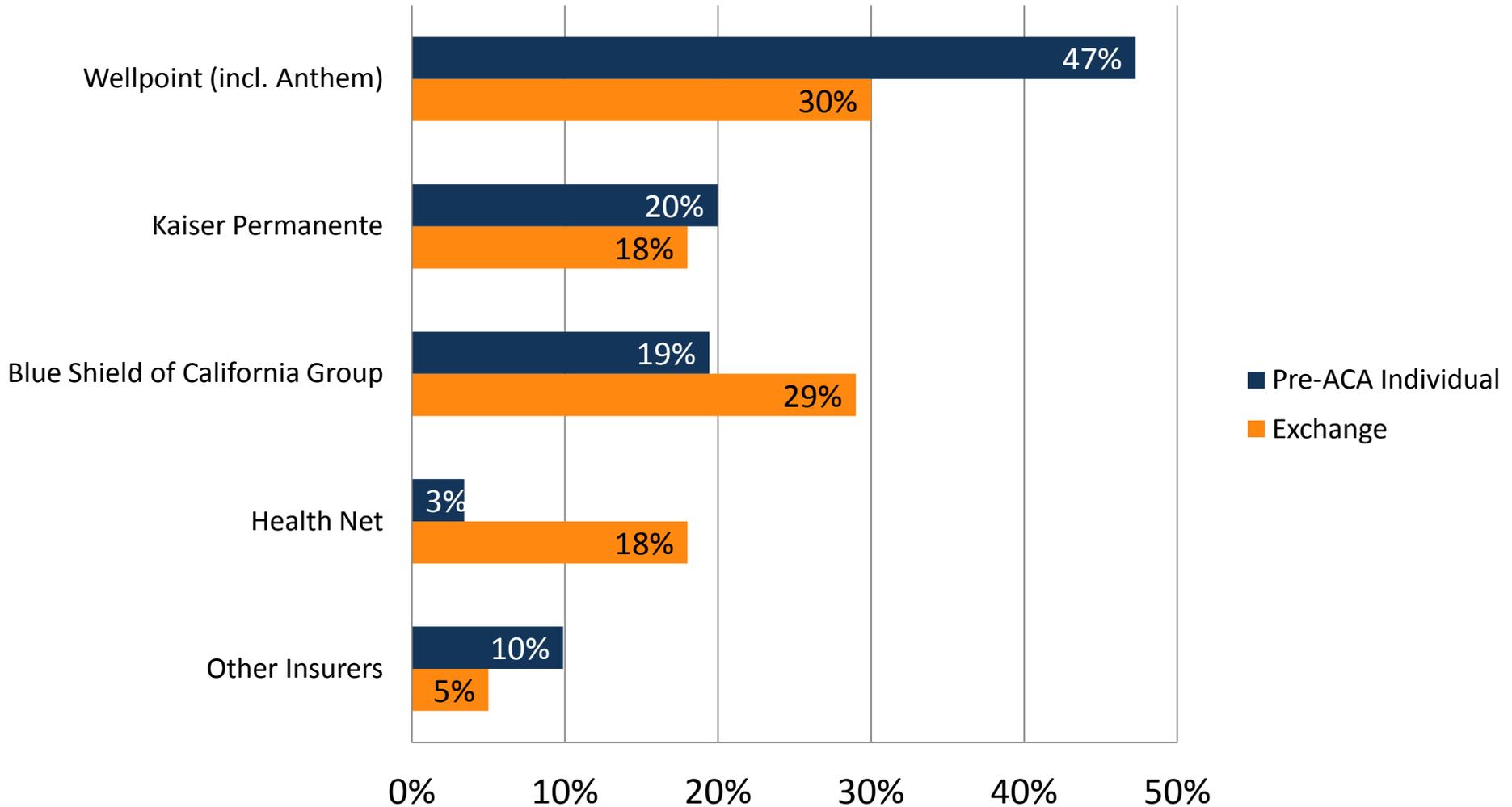
Percentage of potential market signed up varies by state



Insurer participation has increased in most state Marketplaces

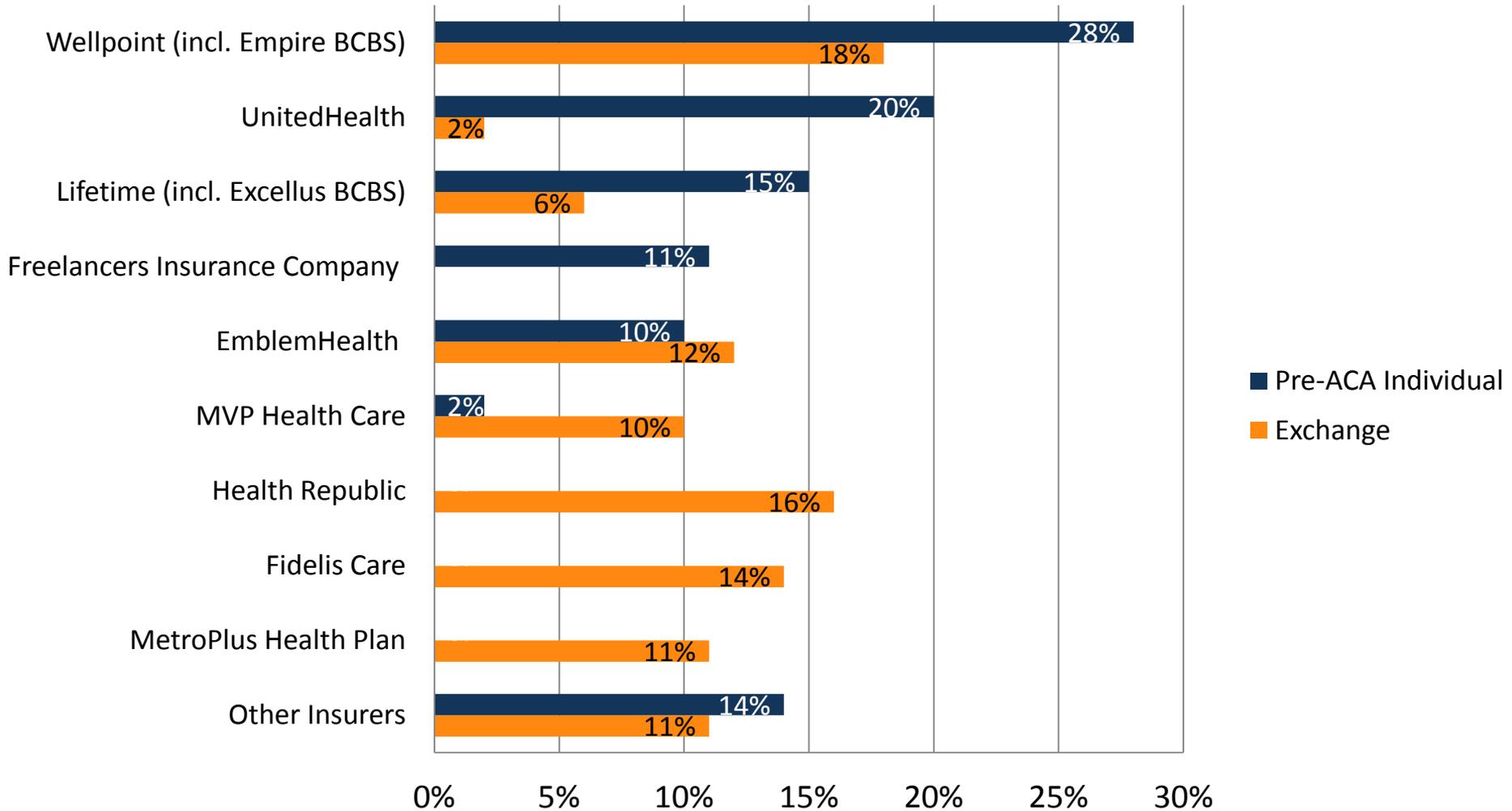


Market Share of Insurers in California's Individual Market (2012) and Exchange (as of Feb. 28, 2014)



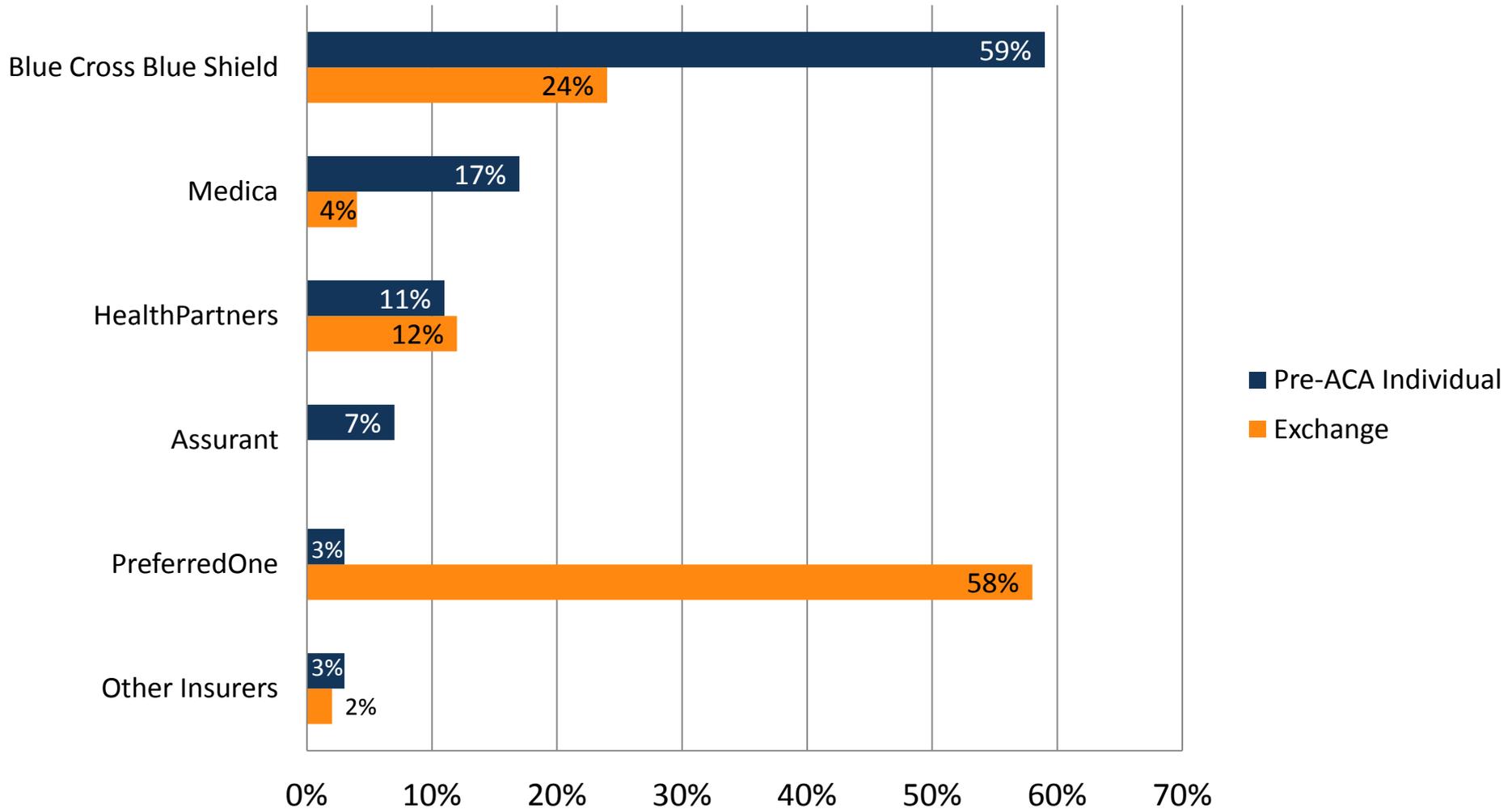
Source: Kaiser Family Foundation, "Sizing Up Exchange Market Competition" March 1, 2014

Market Share of Insurers in New York's Individual Market (2012) and Exchange (as of Dec. 30, 2013)



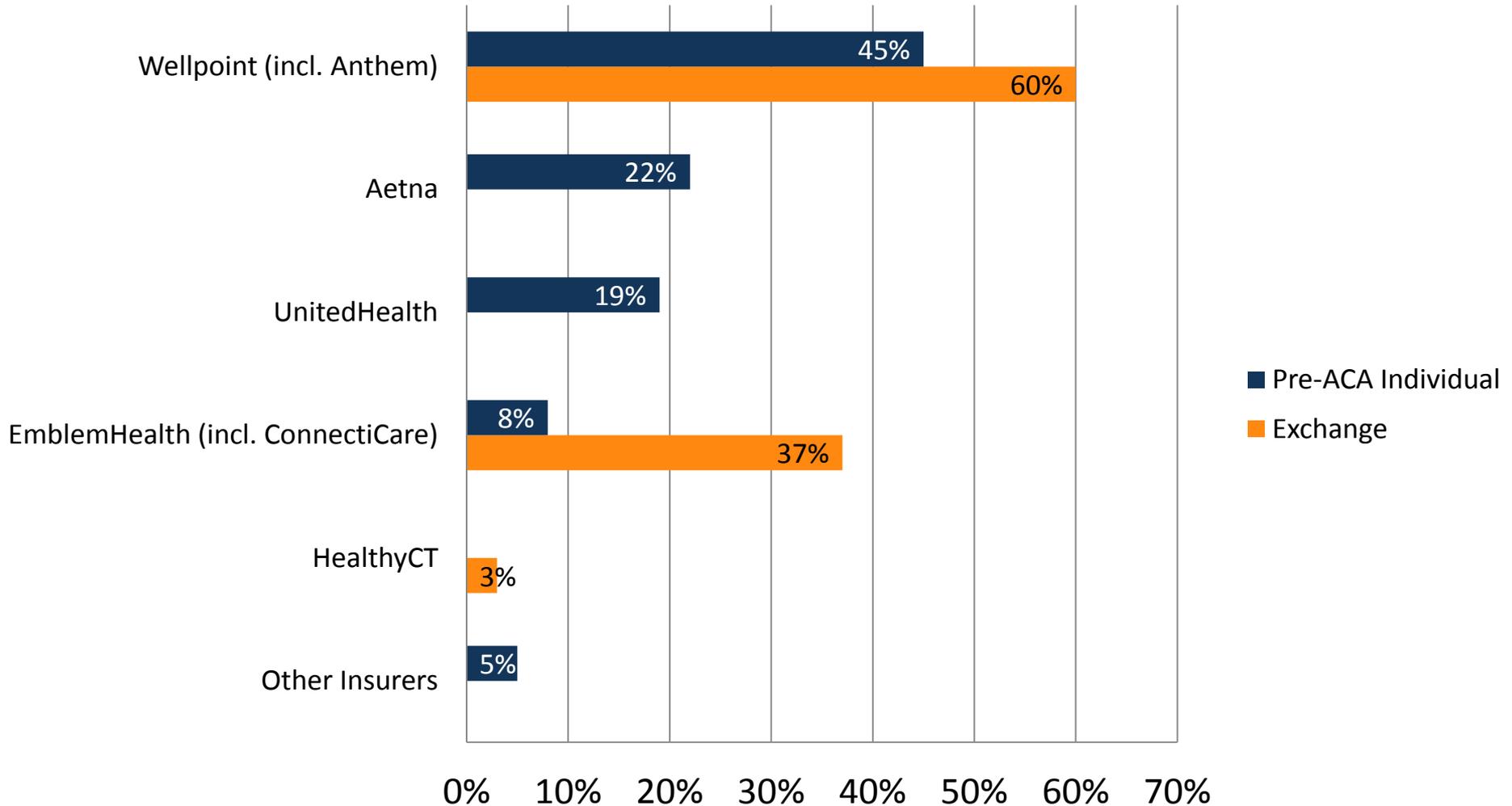
Source: Kaiser Family Foundation, "Sizing Up Exchange Market Competition" March 1, 2014

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

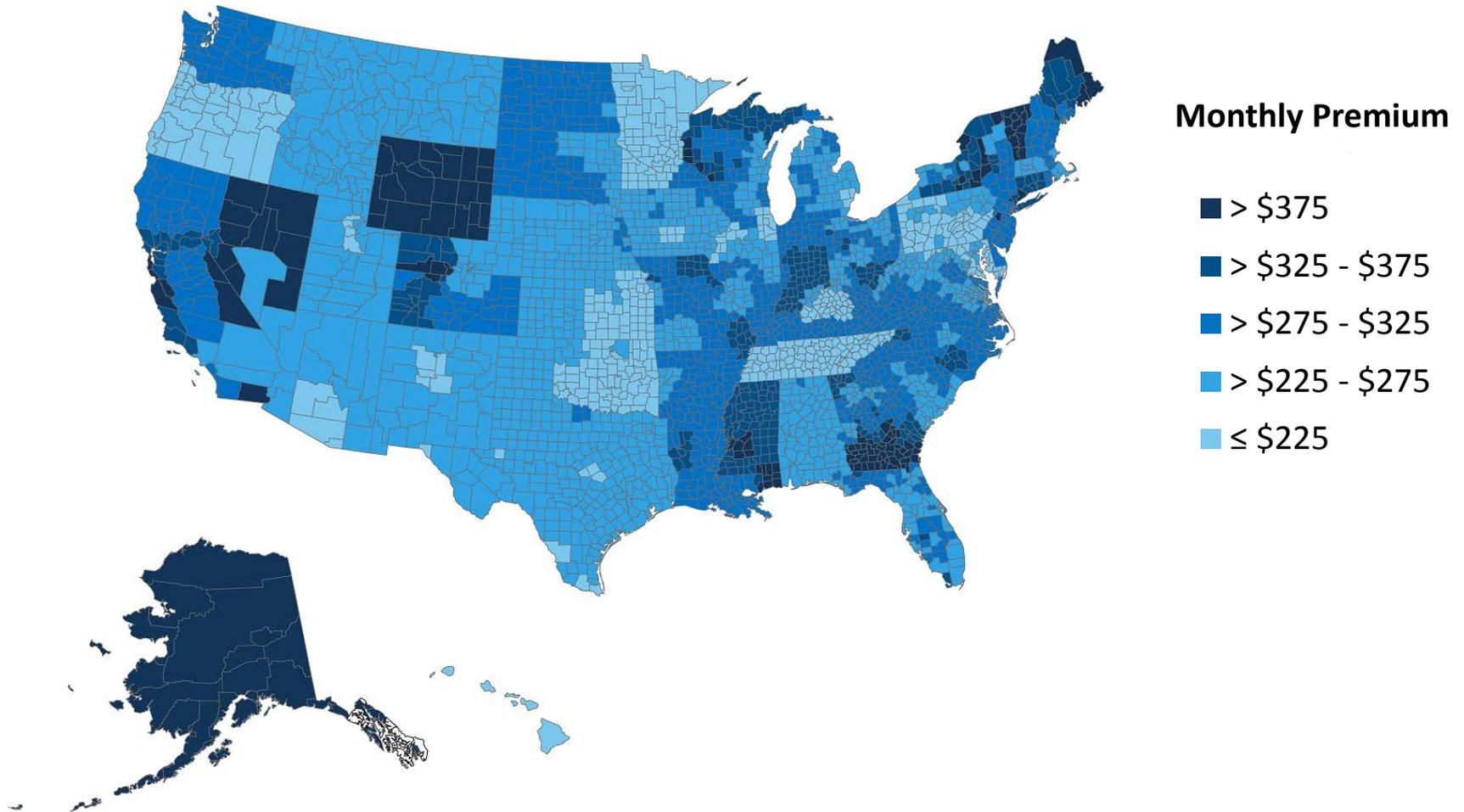


Source: Kaiser Family Foundation, "Sizing Up Exchange Market Competition" March 1, 2014

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

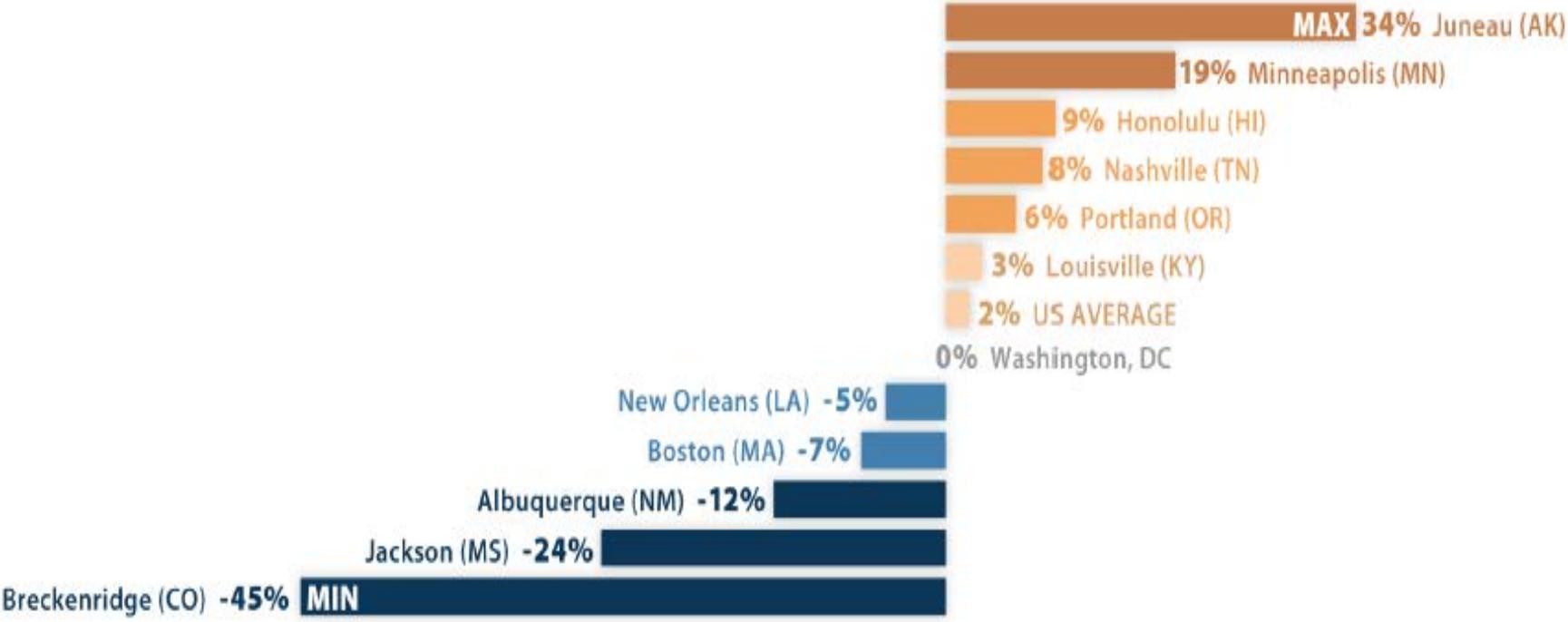


What Americans paid for the second-lowest cost silver plan in 2014, *before tax credits*



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.
Source: Kaiser Family Foundation analysis of insurer rate filings to state regulators and premium data published by HealthCare.gov, available at <https://www.healthcare.gov/health-plan-information-2015/>



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