Factors and Trends Driving Premium Rates & Insurer Participation

What drives premium rate changes?

- Data on enrollees’ use of health services
- Trends in medical/Rx prices and utilization
- Effect of regulatory/policy changes
  - State & federal
  - Cost-sharing reduction (CSR) status
  - Risk adjustment
  - Changes in benefits, service areas, networks
  - Administration, taxes, fees
  - Profit/contribution to surplus
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What do 2019 rate filings tell us?

- **Driving rate increases:**
  - Repeal of individual mandate penalty
  - CSR cut off
  - Expansion of short-term and association health plans
- **Moderating rate increases:**
  - Health insurer tax
  - Federal income tax cuts
  - Benefit design changes

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No bare counties - yet

- **One year ago:**
  - Risk of areas without coverage
  - E.g. IA, NV, OH, OK, TN...
- **Today:**
  - ~1/4 of enrollees only have one insurer
- **2019:**
  - Notable expansions
  - Wild cards: risk adjustment, other federal actions
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State policy decisions matter

- Individual mandate
  - DC, NJ, VT (MA)
- Short-term and association plans
  - CA, IL, HI, MD, VT
- Reinsurance
  - OR, AK, MN (implemented)
  - MD, NJ, WI, ME (pending)
- Shifting to state-based marketplace
  - NV, NM, OR
- Regulatory roll backs
  - IA, ID? ND?

Thank you!

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