

Georgetown University Health Policy Institute
**CENTER ON HEALTH
INSURANCE REFORMS**

Alliance for Health Policy


The Evolving Individual Health Insurance Market: Factors Driving Premiums & State Responses

July 20, 2018
Sabrina Corlette, J.D.

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



Georgetown University Health Policy Institute
**CENTER ON HEALTH
INSURANCE REFORMS**

Factors and Trends Driving Premium Rates & Insurer Participation

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



Georgetown University Health Policy Institute

**CENTER ON HEALTH
INSURANCE REFORMS**

Factors and Trends Driving Premium Rates & Insurer Participation

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



Georgetown University Health Policy Institute

**CENTER ON HEALTH
INSURANCE REFORMS**

Factors and Trends Driving Premium Rates & Insurer Participation

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?



Georgetown University Health Policy Institute

**CENTER ON HEALTH
INSURANCE REFORMS**

Thank you!

Sabrina Corlette, J.D.
Research Professor
Georgetown University Center on
Health Insurance Reforms
Sabrina.Corlette@georgetown.edu
@SabrinaCorlette
202-687-3003



Georgetown University Health Policy Institute

**CENTER ON HEALTH
INSURANCE REFORMS**