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# **Alliance for Health Reform Open Enrollment Preview: Checking the Vitals of the Marketplaces**

September 26, 2016  
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## Plan Participation

### Forecast for 2017

- Insurer participation lower than 2016
- Aetna, United Healthcare, and Humana to reduce participation
- CO-OP failures; other smaller, regional plans are withdrawing
- An estimated 19% of enrollees will have just one choice of insurer



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## Stated Reasons for Withdrawing

- Sicker-than-expected enrollees
  - Lower-than-expected enrollment
  - SEP & grace period gaming?
- Inadequate compensation through 3Rs



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## Premium Changes

### Forecast for 2017

- Average increases for silver-level plans: ~ 11.2%
- Net premium change for subsidy eligible relatively modest
  - -\$.09 for 100-200% FPL
  - \$1.75 for 200-300% FPL
  - \$5.99 for 300-400% FPL
- Averages mask wide variability

Source: McKinsey on Health Care, August 24, 2016



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## Some Carriers are Making it Work

- **Keys to success:**
  - Marketing strategy – target lowest income enrollees
  - Network design – narrow networks
  - Utilization management

**Bottom line: Some carriers doing well but many misjudged post-ACA non-group market**



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## Policy Changes Needed

1. Boost Enrollment
2. Improve Affordability
3. Return to the Public Option?
4. Revisit the 3Rs
5. Address rural area challenges



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# Thank you!

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