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Insurers are expanding their Affordable Care Act plan offerings for next year, with [the once-troubled business](#) now generating profits, even as the overall individual-insurance market has shrunk.

Oscar Insurance Corp. is the latest to announce its expected growth for 2020, adding six new states, including Pennsylvania and Georgia, [to its current roster](#) of nine. Insurers including [Cigna Corp.](#), Bright Health Inc., [Molina Healthcare Inc.](#) and [Centene Corp.](#), [the biggest seller of ACA plans](#), also plan larger footprints next year. [Anthem Inc.](#) is expanding in at least two of its states, California and Virginia.

The insurers' moves reflect [the business' improved finances](#) after sharp rate hikes in previous years helped revenues catch up to claims costs. Premium increases for 2020 so far appear likely to be moderate in many markets, after rates were [relatively flat or even down this year](#), analysts and insurers said. "The market is now clearly stabilizing," said Mario Schlosser, chief executive of Oscar. Oscar has proposed premium decreases in three states for next year.

Enrollment in plans sold through the ACA's marketplaces, or exchanges, was around 10.6 million in the first quarter, roughly the same as the year-earlier total, according to the Kaiser Family Foundation. But the overall number of people with individual insurance has dropped—to 13.7 million in the first quarter of this year, according to the Kaiser analysis, down from 14.4 million a year earlier and 18.8 million in the first quarter of 2015.

"It's a good news/bad news situation," with the ACA marketplaces steady and drawing increased competition among insurers, said Geoff Bartsh, a vice president at nonprofit insurer Medica, which sells ACA plans in several states. "The broader

individual market continues to have a lot of problems, and that's shown by the number of people who are leaving."

This year, the ACA's financial penalty for people without health coverage went away, a fact that was likely a factor in the individual-plan enrollment decrease from 2018, said Cynthia Cox, a vice president at the Kaiser foundation.

But the sharper fall in individual-market enrollment since 2015 is largely tied to the cost of insurance, according to insurers and analysts. The attrition has occurred largely in plans sold outside the ACA's marketplaces. These plans draw people who don't qualify for federal subsidies that help defray the costs of their coverage. Those consumers have borne the full brunt of rate increases, which hit heavily in years before 2019.

"Affordability is what's driving that," said Paul Rooney, a vice president at eHealth Inc.

Teri Goodrich, 61 years old, an engineer in Raleigh, N.C., says she was forced to drop her ACA coverage in 2017, when the premiums became unaffordable and she made too much to get a federal subsidy. Ms. Goodrich, whose income fluctuates as she takes on consulting work, got a subsidy the following year that made ACA insurance affordable, and has stayed covered even without a subsidy this year.

But, she said, her current consulting contract will end later this fall, and she may drop her ACA coverage again then. Without the federal tax credit, "the insurance premiums are superhigh," she said.

The lack of overall growth in the ACA market is likely one reason large national insurers [that pulled out in past years](#) are remaining on the sidelines for 2020, said Deep Banerjee, an analyst with S&P Global Ratings. Also, they are likely able to get stronger results from other lines of business, he said.

[UnitedHealth Group](#) Inc. said it expects next year to be in the same three ACA markets as this year. [CVS Health](#) Corp. 's Aetna and [Humana](#) Inc. both said they had [no plans to offer ACA products](#) in 2020.

But companies that are currently in the ACA marketplaces say they want to expand, despite lingering risks like a [court challenge to the law filed by a group of Republican-led states](#). Many ACA plans keep costs down with smaller selections of health-care providers, with some insurers, including Bright and Oscar, often building plans around a single major hospital system. Both Bright and Oscar said they are seeing increased interest from health-care providers in offering such plans.