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Premiums Show Moderate Fluctuation Heading into 2019

With the 2019 Affordable Care Act (ACA) enrollment period just around the corner, premium price hikes across the U.S. show a range of increases -- from 3% in Idaho to 21% in the District of Columbia for the second lowest-cost silver plan before tax credits.¹ One analysis sets the nationwide average increase at 3.6% in 47 states and the District of Columbia.² Open enrollment begins November 1 and ends December 15.

The Henry J. Kaiser Family foundation tracks increases in premiums on the ACA exchanges. Its tracking [tables](#) are periodically updated and show premiums for a major city in each state with currently public data.

As insurers set rates for 2019, they had to take into account several executive orders by the Trump Administration that impacted the ACA markets. One is a rule released on August 1 that would expand the use of short-term health plans. These plans are designed solely to provide temporary health care insurance during unexpected gaps in coverage and are not required to meet most ACA standards, including coverage of essential benefits such as maternity services, prescription drugs and mental health care. Short-term plans often can deny coverage or charge much higher prices to people with pre-existing conditions.



Another White House executive order that impacts ACA markets is the Labor Department rule published in June, which modified the term “employer” to make it easier for small businesses to band together as “associations” to buy health insurance. The new rule is expected to increase enrollment in association health plans (AHPs). Under the new rules, these associations could sell coverage to small businesses and self-employed individuals without meeting key ACA standards. These include requirements to cover essential health benefits, prohibitions against charging higher premiums based on factors such as gender and occupation, and limits on charging higher premiums for older people.

Another key impact on the ACA was the Tax Cuts and Jobs Act of 2017. The bill repealed the enforcement of the penalty associated with the ACA’s individual mandate. Without a penalty associated with the mandate to purchase health coverage, it is expected that fewer healthy people will sign up for coverage. The Congressional Budget Office (CBO) estimated this would cause premiums in the individual market to rise by 10% and would decrease the number of people with health insurance coverage by 13 million.

As for next year’s rate increases, a sampling of states shows that in Connecticut the state insurance department said the average increase for individual plans is 2.72%, down from average request of about 12%. For small group plans, the

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average increase is 3.14%, down from the requested average of about 10%. “Medical trend - the cost of medical services and the demand for those services - continues to be the main cost driver and we need to work with all stakeholders to reduce the cost of health care, which drives increases in health insurance premiums,” said Insurance Commissioner Katharine L. Wade.³

In Washington state, premiums for the state’s health-insurance exchange likely will increase by nearly 14% next year, according to state insurance officials. The Washington Health Benefit Exchange Board is considering a premium hike of 13.8% for 2019. If passed, it will be the fourth year in a row that premiums have risen.⁴ In 2015 the increase was only 1%; it bumped up to 4% in 2016 and 11% in 2017. The increase this year was almost 24%.

In Arizona, after several years of double- and triple-digit increases in health insurance premiums, Arizona could see premiums fall more than 4%. It’s a sharp turnaround for Arizona, where premiums increased 116% in 2017. The average premium is expected to drop from the current rate of about \$630 a month to \$604 - before government subsidies.⁵

In Pennsylvania, the Department of Insurance lowered individual premium increases from 4.9% to 0.7% after reviewing 2018 health plan costs. The department did not grant payers their initial requests after it calculated copayment and coinsurance costs for consumers. Payers sponsoring small group ACA health plans requested premiums increases of 2.4%.⁶

In Maryland, consumers who purchase health insurance through the state's ACA exchange are poised to see an average decrease around 13% in their premium costs. Following federal approval of a state reinsurance plan, Kaiser Permanente and CareFirst BlueCross BlueShield sought price decreases.⁷ Prior to the approval of the reinsurance plan, rates increase requests ranged between 18% to more than 90% .

2019 will see increased participation by insurers on the ACA’s public exchanges. Nineteen states are expected to see new health plan participation or expanded participation from existing health plans.⁸ Among the health insurers expanding into new markets include Centene, Oscar Health, Bright Health and various Blue Cross and Blue Shield plans are expanding into new counties.

Meanwhile, according to a report from the U.S. Census Bureau, it appears the uninsured rate is leveling off as the number of people without coverage for the entirety of the year nationwide grew slightly in 2017. While the national uninsurance rate remained unchanged from 2016 to 2017 at 8.8%, the number of people without coverage ticked up this year by about 400,000, from 28.1 million to 28.5 million. Fourteen states saw increases in their uninsured populations in 2017, compared to just three states — New York, California, and Louisiana, which recently expanded Medicaid — that saw the number of uninsured decline.

1. “Tracking 2019 Premium Increases on ACA Exchanges;” Henry J. Kaiser Family Foundation, September 19, 2018.
2. “Modest Premium Hikes as ‘Obamacare’ Stabilizes;” The Associated Press; September 7, 2018.
3. “State Makes Decisions on Health Insurance Rate Increases;” NBC Connecticut; September 13, 2018.
4. “Get Ready for Higher Premiums on Washington State’s Health-Care Exchange” The Seattle Times, September 13, 2018.
5. “Arizona Health premiums Likely to Drop in 2019 After Years of Increases”; AZ Central, September 11, 2018.
6. “Handful of States Propose Lower ACA Premium Rates for 2019”; Health Payer Intelligence, September 10, 2018.
7. “Some CareFirst Members Poised to See First Premium Decreases in 20 years”; Baltimore Business Journal; September 17, 2018.
8. “Obamacare and Big Employer Premium Rate Hikes Below 5%”; Forbes; September 16, 2018.

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