Making Waves in the Individual Market: How Did We Get Here?

NASHP, Shifting Tides in State Health Policy
August 16, 2018
Dania Palanker, M.P.P., 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 status
- Risk adjustment
- Changes in benefits, service areas, networks
- Administration, taxes, fees
- Profit/contribution to surplus
What is Driving Rate Increases for 2019?

- Elimination of the Individual Mandate Penalty
- Expansion of Association Health Plans
- Longer Short-Term Health Plans
- Other Federal Uncertainty
Making Waves for 2019

Market Segmentation

- Healthy unsubsidized expected to shift out of ACA compliant individual market into alternative coverage
- Association Health Plans
- Short-Term Plans
- Health Care Sharing Ministries
- Transitional policies
- Other products and arrangements

See:
## Making Waves for 2019

### Litigation

- Texas v. United States
- Future of ACA?
- Guaranteed issue + community rating?
- Risk Adjustment lawsuits
- Cost-Sharing Payment lawsuits, including class-action
- Religious and moral exemption for contraceptive coverage
Making Waves for 2019

Factors Moderating Rate Increases

• Moratorium on health insurance tax
• Federal income tax cuts
• Benefit design changes
• State efforts to mitigate other factors:
  • State reinsurance program
  • State-level individual mandate
  • Restricting short-term plans
  • Regulation of Association Health Plans
Watching the States

What Is Your State Doing to Affect Access to Adequate Health Insurance?

Commonwealth Fund dashboard, available at:
https://www.commonwealthfund.org/blog/2018/understand-how-consumers-are-faring-individual-health-insurance-markets-watch-states

Dania Palanker
State Policy Decisions Calm the Water

State options to moderate individual market

- Individual mandate
- Limiting short-term and association plans
- Reinsurance
- Shifting to state-based marketplace
- Health coverage subsidies
- Open enrollment period extensions
- Strong regulatory oversight of rates and filings
- Proactive consumer protections
**Resources on Alternative Coverage**

- **State Regulation of Coverage Options Outside of the Affordable Care Act: Limiting the Risk to the Individual Market**
  

- **Do States Know the Status of Their Short-Term Health Plan Markets?**
  

- **Impact of Association Health Plans on Consumers and Markets Will Depend on State Approaches**
  

- **Health Care Sharing Ministries: What Are the Risks to Consumers and Insurance Markets?**
  
Resources on State Options & Responses

• To Understand How Consumers Are Faring in the Individual Health Insurance Markets, Watch the States
  https://www.commonwealthfund.org/blog/2018/understand-how-consumers-are-faring-individual-health-insurance-markets-watch-states

• State Efforts to Pass Individual Mandate Requirements Aim to Stabilize Markets and Protect Consumers

• Short-Term, Limited Duration Insurance Final Rule: Summary and State Options

• What’s in the Association Health Plan Final Rule? Implications for States
Thank you!

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