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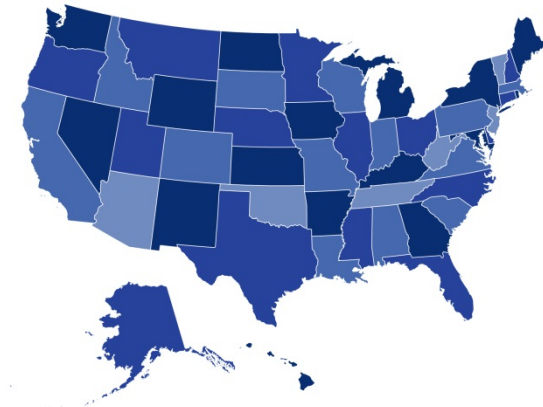
CENTER ON HEALTH INSURANCE REFORMS

California Assembly Select Committee on Health Care Delivery Systems and Universal Coverage

**Hearing: Achieving Better Access and Greater Value in
California's Health Care System**

January 17, 2018

Sabrina Corlette, J.D.



About CHIR

- **A team of experts on private health insurance and health reform**
- **Conduct research on issues related to health policy and health services**
- **Based at Georgetown University's McCourt School of Public Policy**



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The Individual Insurance Market in California: Key Characteristics

- **Market size**
 - 2.3 million
 - 1.3M on Covered CA
 - 1.1M receiving premium subsidies
 - Compare to:
 - Medi-Cal & other public: 10.5M
 - Medicare Advantage: 2.4M
 - Employer-based: 11.8M
 - Uninsured: <3M
- **A transitional market**



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The Individual Insurance Market Under the ACA

- **New Protections**
 - Guaranteed issue
 - Rating restrictions
 - Benefit standards
- **An individual mandate**
- **Premium, cost-sharing subsidies**
- **New insurance marketplaces (exchanges)**

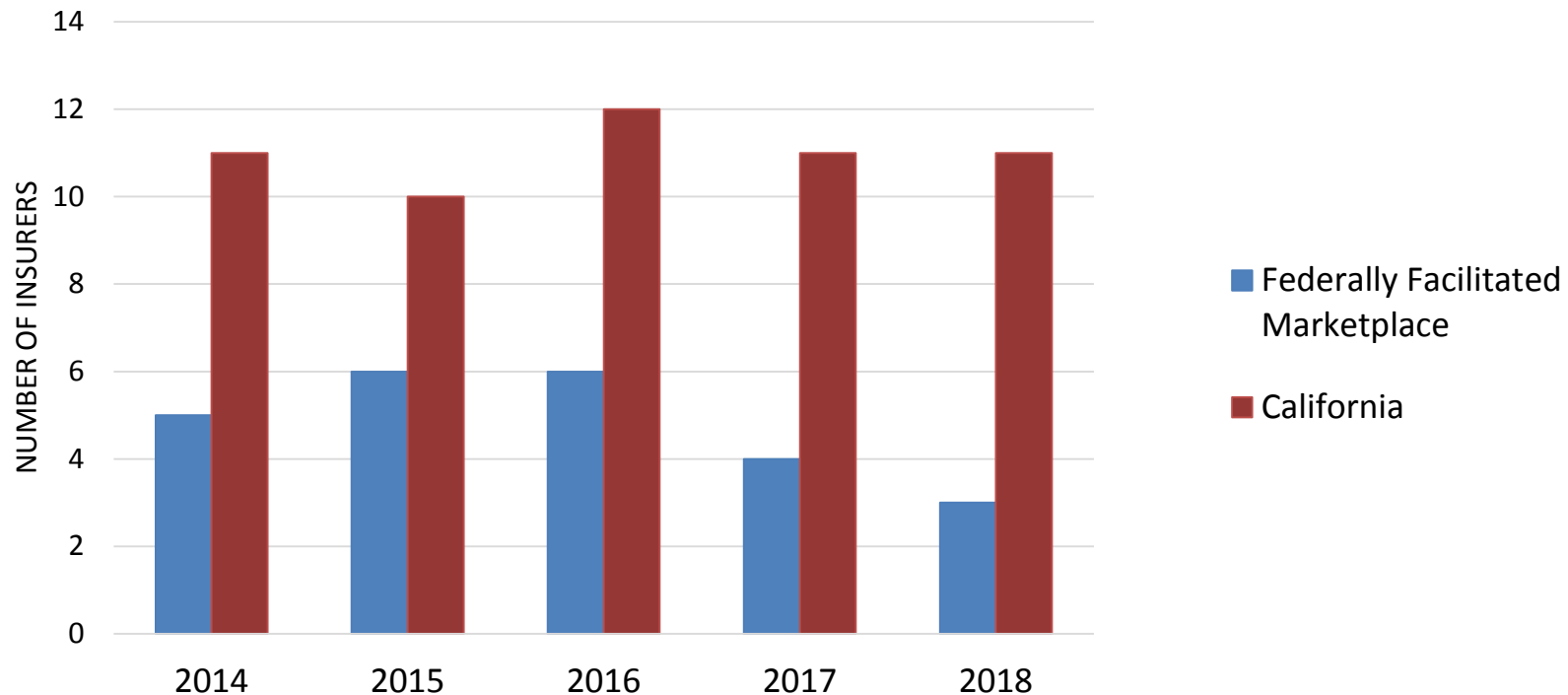


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Plan Participation

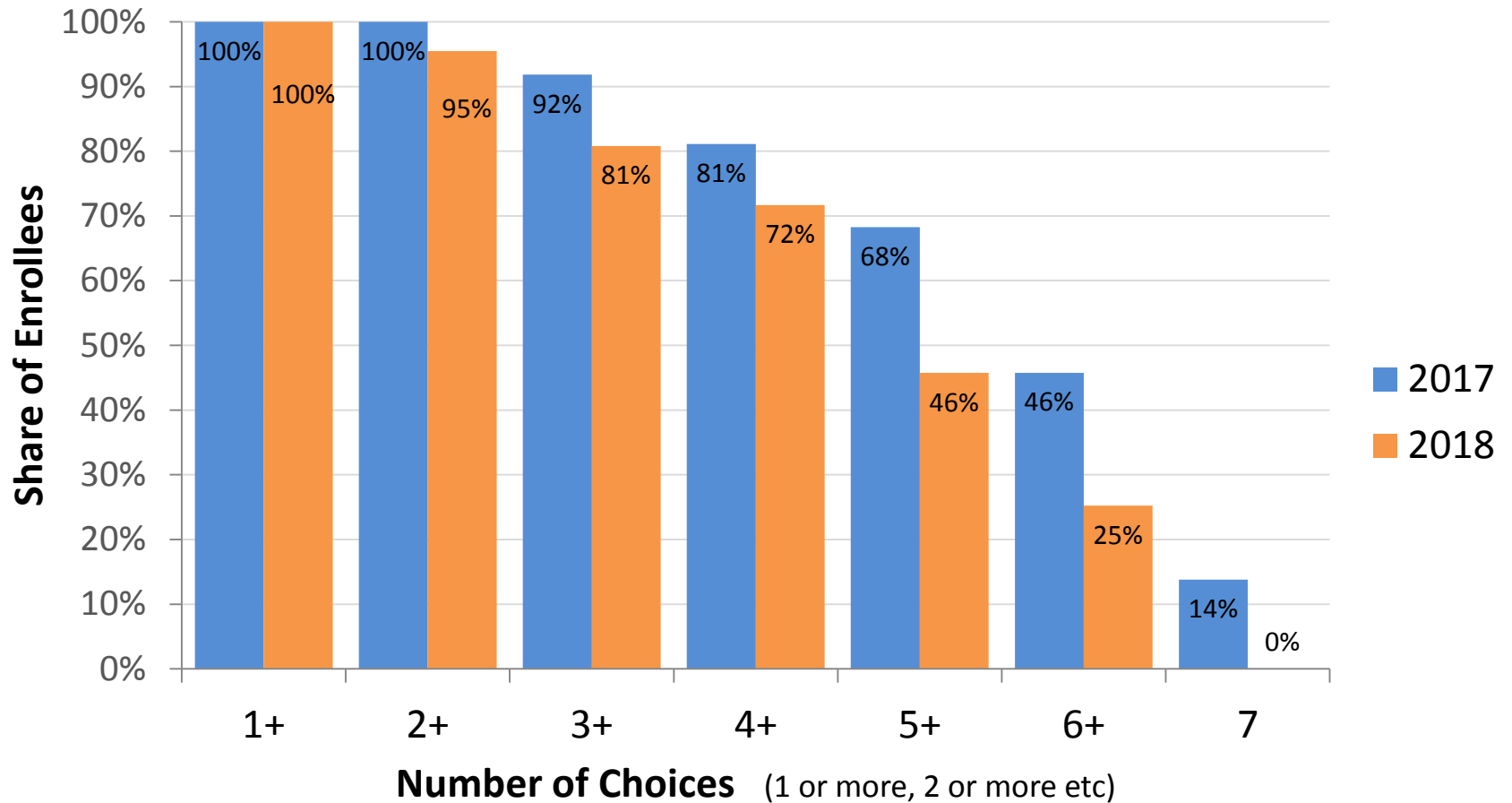
Number of Insurers in FFM vs. CoveredCA, 2014-2018



Source: ASPE, Health Plan Choice and Premiums,
https://aspe.hhs.gov/system/files/pdf/258456/Landscape_Master2018_1.pdf;
California's state-reported data

Plan Choice for Covered CA Enrollees

Percent of Enrollees with 1+, 2+ etc Plan Choices



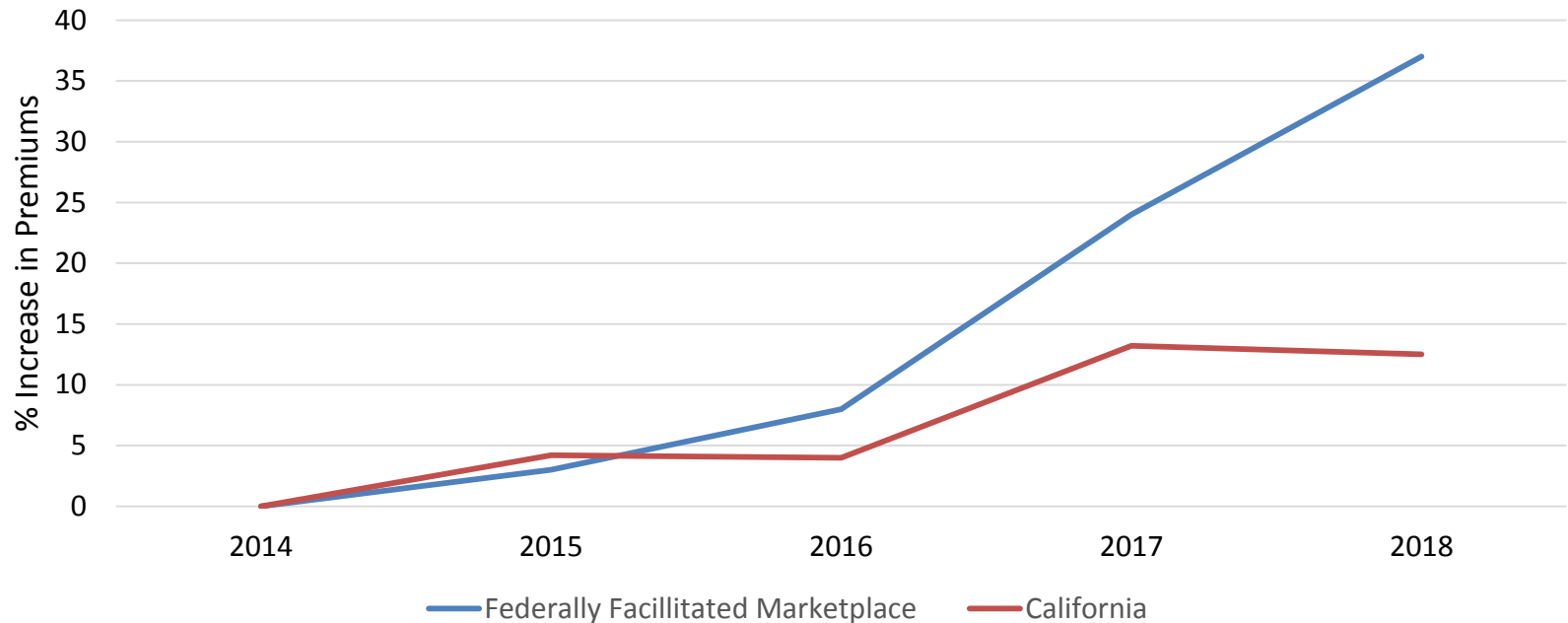
Enrollment by Number of Insurance Company Choices in Covered California, 2017 vs 2018

	Number of Choices							
	1	2	3	4	5	6	7	Total
Thousands of Enrollees								
2017	0	120	158	189	332	470	203	1,473
2018	66	216	135	382	302	371	0	1473
Distribution of Enrollment	<p>Monterey, Santa Barbara, San Luis Obispo counties account for ¾'s of all single choice enrollment. San Benito, Mono, Inyo counties are also universally single choice .</p>			<p>Los Angeles county (Regions 15 & 16)</p>				
2017	0%	8%	11%	13%	23%	32%	14%	100%
2018	5%	15%	9%	26%	21%	25%	0%	100%

Source: Analysis of Covered California data for California Health Care Foundation, by Katy Wilson, Wilson Analytics, LLC.

Premium Trends

Average Premium Growth in FFM vs. CoveredCA, 2014-2018



Source: Federally facilitated marketplace average reflects the average premium increases for a 27-year-old purchasing the second-lowest cost silver plan
California's average reflects the marketplace's weighted average increase: Health Insurance Companies and Plan Rates for 2018, https://www.coveredca.com/news/PDFs/CoveredCA_2018_Plans_and_Rates_8-1-2017.pdf

What's Driving Insurer Decisions?

- **Network, Network, Network**
- **Overall mission/market focus**
- **Ability to price for risk**
 - **Population density**
 - **Regulatory timelines**
 - **Policy uncertainty**



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What Does More Insurer Choice Mean for Consumers?

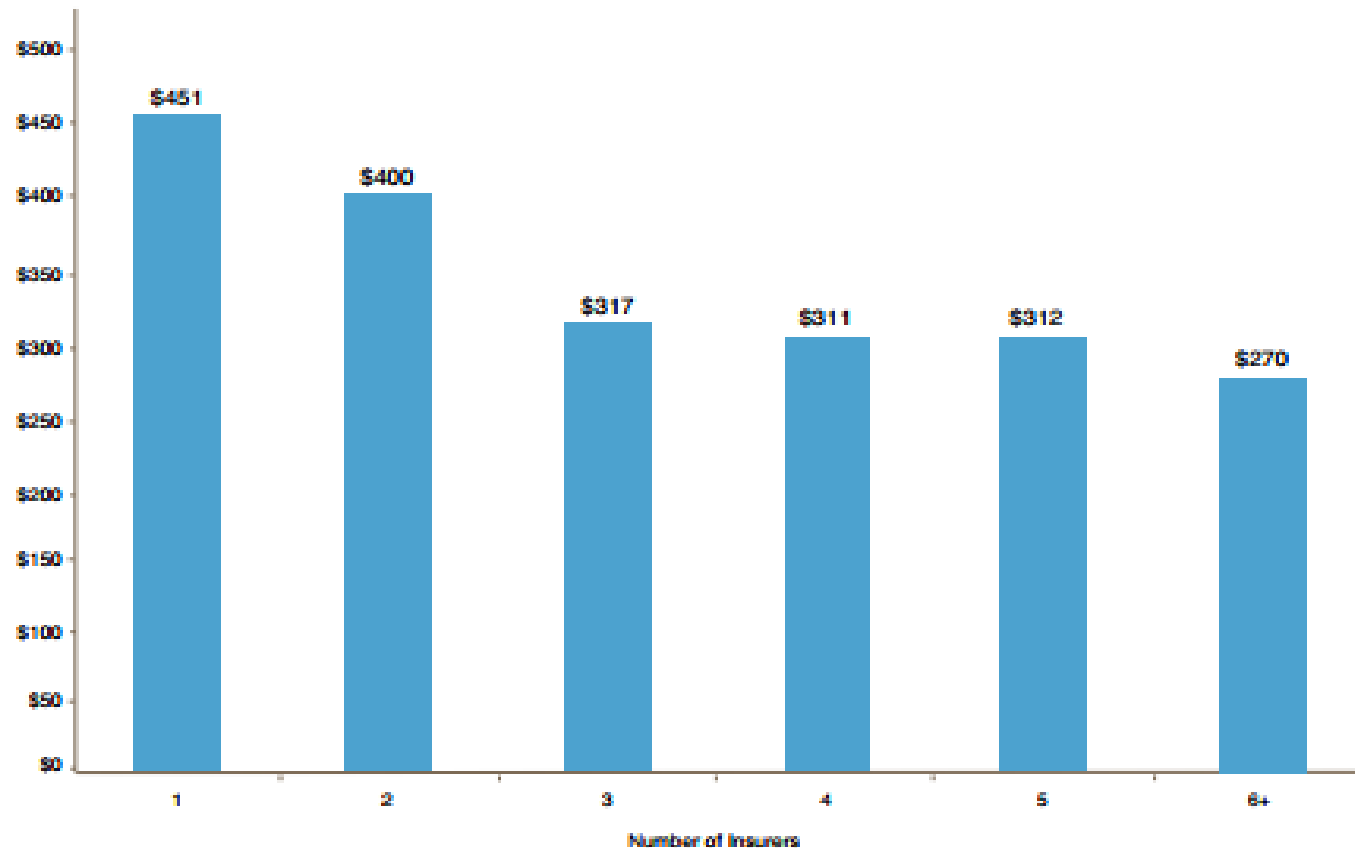
- **Benefits:**
 - Affordability
 - Quality
- **Risks:**
 - More plan switching
 - Network changes
 - Benefit design changes
 - Greater need for consumer assistance



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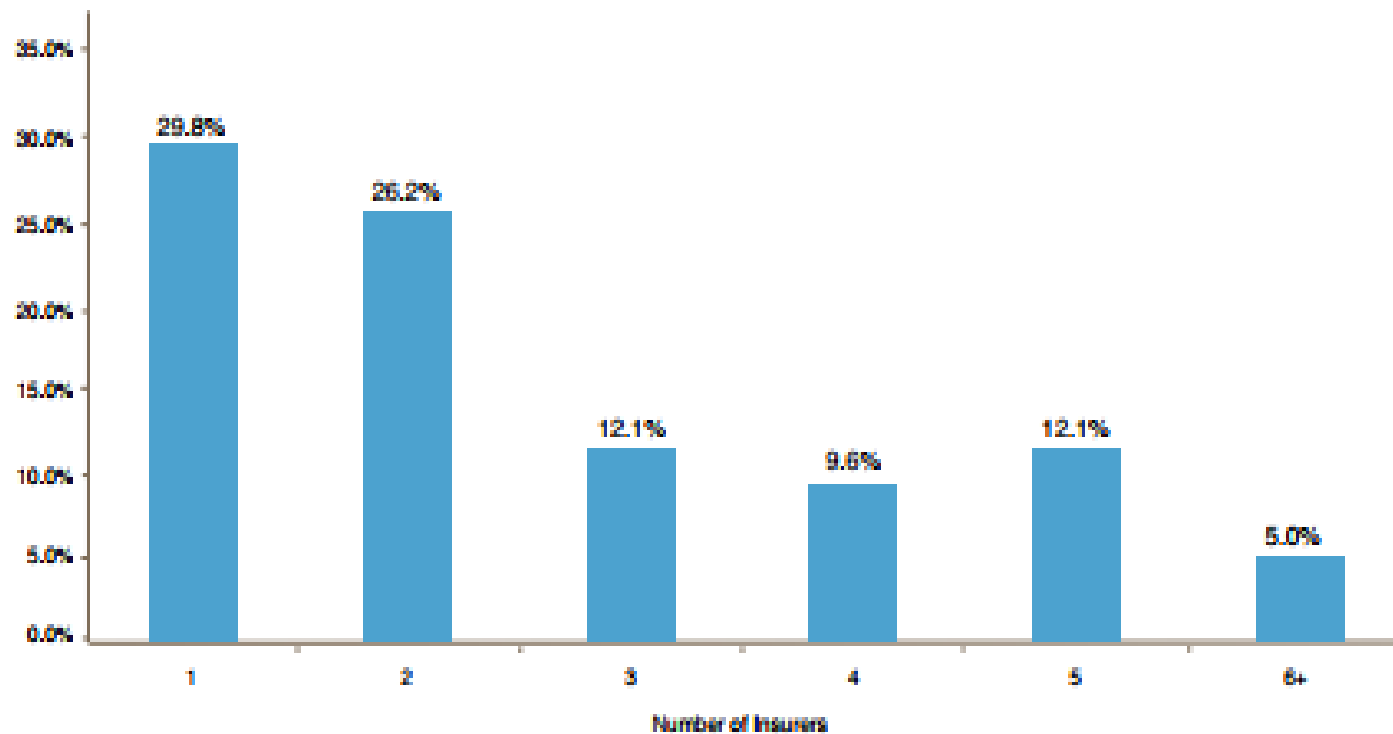
Figure 1. 2017 Median Benchmark Monthly Premium Levels by Rating Region Insurer Participation



Note: The benchmark premium is the second-lowest-cost silver premium in the rating region's marketplace.

Source: Urban Institute analysis of premium and insurer participation data taken from Healthcare.gov public use files and relevant state marketplace websites

Figure 2. Median Percent Change in Benchmark Premium by Number of Insurers Participating in Rating Region, 2016–2017



Note: The benchmark premium is the second-lowest-cost silver premium in the rating region's marketplace.

Source: Urban Institute analysis of premium and insurer participation data taken from Healthcare.gov public use files and relevant state marketplace websites.

Promoting Consumer Choice: A Continuum of State Options

- **Public option, Medicaid buy-in**
 - Nevada, Minnesota?
- **Tie marketplace participation to other state programs**
 - New York, Nevada
- **Mitigate risk concerns**
 - Washington, Ohio, Iowa, California, Oregon, Alaska
- **Regulatory flexibility**
 - Ohio
- **Political, moral pressure**
 - Tennessee, Virginia



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Questions?

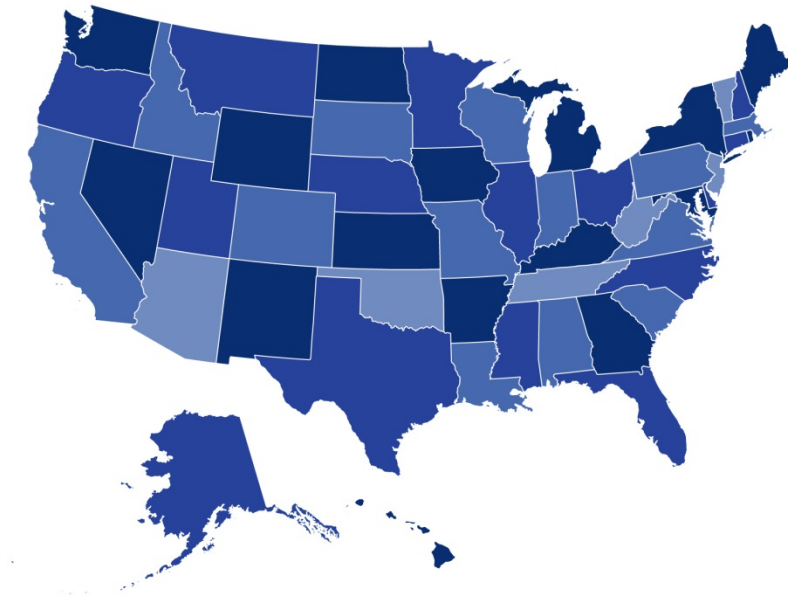
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