



# **Washington Health Benefit Exchange**

## **Individual Insurance Market Landscape**

**Exchange Board Meeting**

**August 23, 2018**

**Molly Voris, Chief Policy Officer**

**Christine Gibert, Associate Policy Director**

# Overview of 2019 Exchange Health Plan Filings

- 7 issuers offering 40 QHPs in Exchange for 2019
  - 7 issuers offering 41 QHPs in 2018
- 14 counties with one issuer
  - 9 counties with one issuer in 2018
  - Single-issuer counties include Coordinated Care, Kaiser WA, LifeWise, Molina, and Premera coverage
  - Premera expanding into Skamania and Stevens counties
  - Premera and LifeWise products will not be offered in the same county
- 34 counties will have bronze plans in 2019
  - 32 counties offered bronze plans in 2018
- Proposed rate increases range from 6% for Premera to 29% for Kaiser Washington



# Proposed 2019 Lowest Silver Plan Rates<sup>^</sup>

## (40 y/o Individual)

Carrier	2017 Approved Rate	2018 Approved Rate	2019 Proposed Rate	Percent Increase of 2019 Rate over 2018 Rate
BridgeSpan*	\$327	\$492	\$477	-3.04%
Coordinated Care Corp.	\$230	\$328	\$368	12.20%
Kaiser Foundation Health Plan of WA	\$276	\$404	\$480	18.91%
Kaiser Foundation Health Plan of the NW*	\$324	\$435	\$481	10.55%
LifeWise Health Plan of WA*	\$333	\$451	\$483	7.10%
Molina Healthcare of WA	\$253	\$385	\$418	8.50%
Premera Blue Cross	\$406	\$517	\$537	3.95%

<sup>^</sup> Lowest rate for a household of one 40-year-old non-smoker in King Co. (if available)

\* Indicates carrier that is not offering plans in King County; plan rates reflect lowest silver premium in other rating area

Note: Exchange consumers under 400% FPL are eligible for federal premium tax credits, which help shield them from premium increases



# Proposed Deductibles for 2019

	Gold	
	2018	2019
<b>Deductible Range</b>	\$0 - \$3,800	\$0 - \$2,925
<b>Median Deductible</b>	\$1,250	\$1,175

	Silver	
	2018	2019
<b>Deductible Range</b>	\$1,750 - \$7,150	\$2,500- \$7,150
<b>Median Deductible</b>	\$4,500	\$4,500

	Bronze	
	2018	2019
<b>Deductible Range</b>	\$5,000 - \$7,150	\$4,750 - \$6,500
<b>Median Deductible</b>	\$6,350	\$5,700



# New Federal Rules Affecting Individual Market: Short-Term Limited Duration Plans (STLDPs)

- New federal rule
  - Extends length of plan to one year (from 3 months); renewable for up to 3 years
  - Allows states to further regulate STLDPs
- State action on STLDPs
  - WA has authority to regulate
  - OIC released draft of proposed state regulation limiting STLDPs to 3 months; non-renewable
- 17 states have regulated STLDPs
  - 3 states have prohibited STLDPs; CA on its way to prohibiting
  - Some states restricting broker action on the Exchange if also sell STLDPs



# New Federal Rules Affecting Individual Market: Association Health Plans (AHPs)

- New federal rule
  - Allows for easier access to AHPs – both for setting up AHPs and for individuals buying into them (allows sole proprietors to buy in)
  - Allows states to further regulate AHPs
- Recent Developments on AHPs
  - Multi-state lawsuit against federal government on new AHP rule (WA participating)
  - WA currently reviewing state law to understand effects of new rule
  - Some national groups have decided not to pursue (e.g., NFIB)
  - Grandfathers existing AHPs, so don't expect changes to existing WA AHP market
  - New AHPs will likely be created; may segment risk in individual market



# Other Factors Impacting Stability of Individual Market

- Individual mandate penalty no longer in effect in 2019
- New federal rules – expecting other federal rules to come out soon
- Rumored that CMS will prohibit loading the cost of cost-sharing reductions onto silver plans for 2020 and beyond; will have to spread costs across all plans



# Customer Challenges

- Premiums and deductibles have continued to rise year over year
- Consumers have difficulty understanding cost-sharing and comparing value of plans
- Need to address affordability and value proposition
- Individual market options being discussed by various stakeholders:
  - Public option
  - State individual mandate
  - Premium wraps
  - Standardized plans
  - Surprise billing
  - Reinsurance





# Next Steps

- OIC reviewing individual market plan filings
- September 13: Board certifies OIC-approved 2019 Exchange plans
- Continued analysis of existing data and potential options to address affordability and value



# Appendix



# 2019 Exchange QHPs - Metal Level Overview

7 QHP Issuers | 40 QHPs

## Gold

Federal Range: 76%-82% AV  
WAHBE: 77.10%-81.97% AV

- 7 Issuers
- 10 Plans

## Silver

Federal Range: 66%-72% AV  
WAHBE: 67.13%-71.91% AV  
CSRs available

- 7 Issuers
- 17 Plans

## Bronze

Federal Range: 56%-65% AV  
WAHBE: 60.75%-63.25% AV

- 5 Issuers
- 11 Plans

## Catastrophic

Only through the Exchange  
Under age 30 or hardship  
No tax credits

- 2 Issuers
- 2 Plans



# Proposed Average Rate Changes for Washington's 2019 Individual Health Insurance Market

Health Carrier	Proposed Average* Rate Change	Sold Inside/Outside Exchange	Number of Counties
Asuris Northwest Health	5.73%	Outside	11
BridgeSpan Health Company	0.89%	Both	5
Coordinated Care Corporation	14.23%	Inside	19
Health Alliance	7.00%	Outside	3
Kaiser Foundation Health Plan of the Northwest	14.44%	Both	2
Kaiser Foundation Health Plan of Washington	29.78%	Both	19
LifeWise Health Plan of Washington	6.84%	Inside	12
Molina Healthcare of Washington	10.73%	Inside	12
Premera Blue Cross	6.00%	Inside	14
Regence BlueCross BlueShield of Oregon	7.52%	Outside	1
Regence BlueShield	2.57%	Outside	3
<b>Total proposed average change</b>	<b>19.08%</b>		

\* Premium will depend on where you live, your age, whether you smoke, and which health plan you select.

Source: Office of the Insurance Commissioner, Washington State



# Rates for a Household of Two (35, 36 y/o)

Carrier	Lowest Gold - 2018	Lowest Gold - 2019
BridgeSpan*	\$994	\$1,037
Coordinated Care Corp.	\$789	\$835
Kaiser Foundation Health Plan of WA	\$779	\$997
Kaiser Foundation Health Plan of the NW*	\$780	\$906
LifeWise Health Plan of WA*	\$1,014	\$1,050
Molina Healthcare of WA	\$896	\$1,155
Premera Blue Cross	\$1,163	\$1,214

Rates reflect the rate for a 2-person family consisting of a 35 year-old and 36 year-old in King County.

\*Indicates carrier that is not offering plans in King County; plan rates in rating area 3.



# Rates for a Household of Two (60, 62 y/o)

Carrier	Lowest Silver - 2018	Lowest Silver - 2019
BridgeSpan*	\$2,152	\$2,087
Coordinated Care Corp.	\$1,433	\$1,608
Kaiser Foundation Health Plan of WA	\$1,765	\$2,100
Kaiser Foundation Health Plan of the NW*	\$1,811	\$2,002
LifeWise Health Plan of WA*	\$2,029	\$2,177
Molina Healthcare of WA	\$1,684	\$1,827
Premera Blue Cross	\$2,258	\$2,347

Rates reflect the rate for a 3-person family consisting of a 60 year-old and 62 year-old living in King County.

\*Indicates carrier that is not offering plans in King County; plan rates in rating area 3.



# Clark County: Two-Person Household (32, 33 y/o)

Carrier	Metal Level	Proposed Rate
Kaiser Foundation Health Plan of the Northwest	Bronze	\$582
Lifewise Health Plan of Washington	Bronze	\$702
Molina Healthcare of Washington, Inc.	Silver	\$841
Lifewise Health Plan of Washington	Silver	\$952
Molina Healthcare of Washington, Inc.	Gold	\$1,211

The offerings above are a sample of coverage offerings available in Clark County.

Note: Exchange consumers under 400% FPL may be eligible for federal premium tax credits, which can help shield them from premium increases



# King County: Two-Person Household (61, 62 y/o)

Carrier	Metal Level	Proposed Rate
Kaiser Foundation Health Plan of Washington	Bronze	\$1,551
Coordinated Care Corporation	Silver	\$1,635
Molina Healthcare of Washington, Inc.	Silver	\$1,858
Premera Blue Cross	Bronze	\$1,919
Coordinated Care Corporation	Gold	\$1,936
Kaiser Foundation Health Plan of Washington	Gold	\$2,310



The offerings above are a sample of coverage offerings available in King County.

Note: Exchange consumers under 400% FPL may be eligible for federal premium tax credits, which can help shield them from premium increases



# Rates for a Household of Three (40, 14, 12 y/o)

Carrier	Lowest Bronze - 2018	Lowest Bronze - 2019
BridgeSpan*	\$716	\$732
Kaiser Foundation Health Plan of WA	\$581	\$766
Kaiser Foundation Health Plan of the NW*	\$589	\$686
LifeWise Health Plan of WA*	\$763	\$828
Premera Blue Cross	\$904	\$948

Rates reflect the rate for a 3-person family consisting of a 40 year-old, 14-year-old, and 12-year-old living in King County.

\*Indicates carrier that is not offering plans in King County; plan rates in rating area 3.



# Rates for a Household of 3 (40, 14, 12 y/o)

Carrier	Lowest Silver - 2018	Lowest Silver - 2019
BridgeSpan*	\$1,082	\$1,049
Coordinated Care Corp.	\$720	\$808
Kaiser Foundation Health Plan of WA	\$887	\$1,056
Kaiser Foundation Health Plan of the NW*	\$910	\$1,006
LifeWise Health Plan of WA*	\$991	\$1,094
Molina Healthcare of WA	\$846	\$918
Premera Blue Cross	\$1,135	\$1,180

Rates reflect the rate for a 3-person family consisting of a 40 year-old, 14-year-old, and 12-year-old living in King County.

\*Indicates carrier that is not offering plans in King County; plan rates in rating area 3.



# Thurston County: Three-Person Household (45, 14, 12 y/o)

Carrier	Metal Level	Proposed Rate
Kaiser Foundation Health Plan of Washington	Bronze	\$925
Premera Blue Cross	Bronze	\$1,032
Molina Healthcare of Washington, Inc.	Silver	\$1,050
Kaiser Foundation Health Plan of Washington	Gold	\$1,373
Molina Healthcare of Washington, Inc.	Gold	\$1,513

The offerings above are a sample of coverage offerings available in Thurston County.

Note: Exchange consumers under 400% FPL may be eligible for federal premium tax credits, which can help shield them from premium increases





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