

Health Benefit Exchange 2019 Legislative Priority

State-Based Solutions to Improve Affordability and Stability in the Individual Market

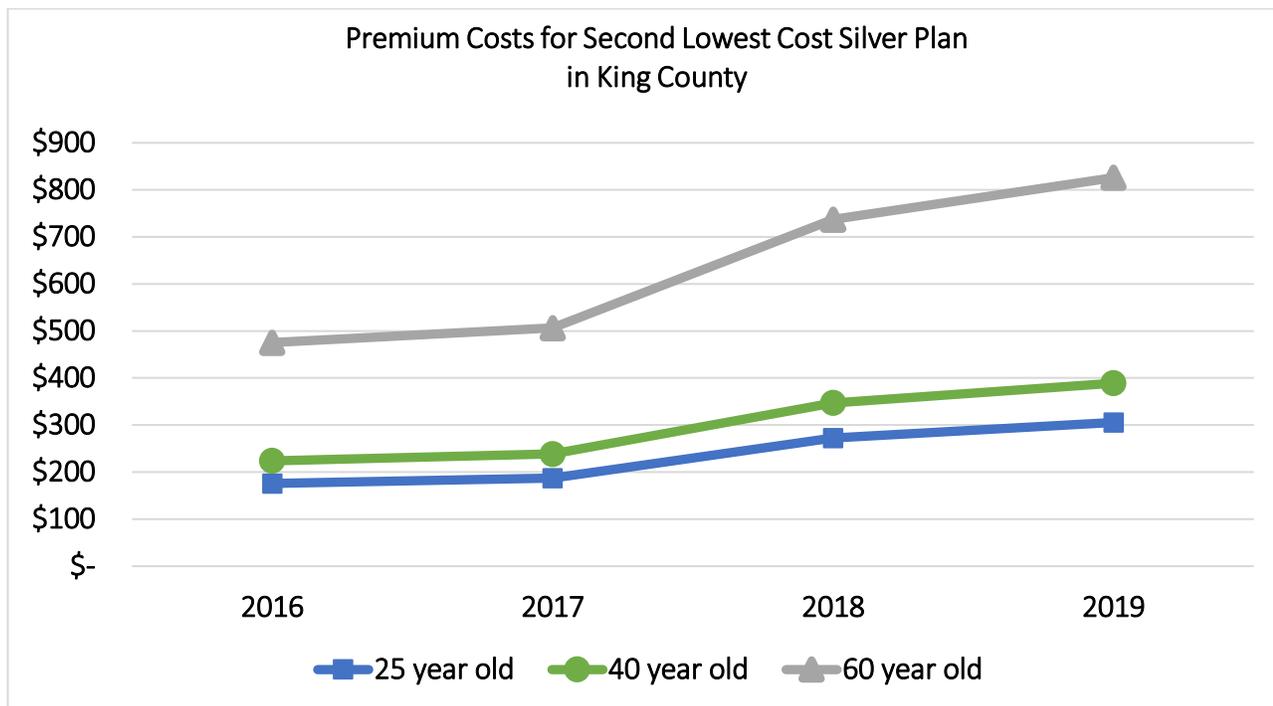
Washington’s Individual Market

While the majority of Washingtonians purchase coverage through their employer or through Medicare or Medicaid, about five percent of Washingtonians – those that are between jobs, waiting to become Medicare eligible, are self-employed, or do not have any other coverage option -- buy qualified health plans in the individual market. About two-thirds of individual market enrollees purchase their coverage through *Washington Healthplanfinder*.

Qualified health plans sold through *Washington Healthplanfinder* provide comprehensive coverage and are subject to ACA protections, such as protecting individuals with preexisting conditions from being denied coverage. While some consumers qualify for cost reductions paid by the federal government, many consumers buy coverage without any subsidization of costs. The burden of health costs that grow more rapidly than income is fully borne by these consumers. Increasingly consumers are having difficulty affording health coverage and are choosing to forego their coverage, because of low perceived value.

Qualified Health Plan Premiums – Individuals

Premiums have continued to rise on the Exchange with premiums steadily increasing since 2016. Consumers who do not qualify for premium tax credits (those whose household income is greater than 400% FPL) pay significant increases each year to maintain coverage. Issuers can vary premiums at a ratio of 3:1 for age. This leaves older, unsubsidized enrollees facing the highest premiums while these enrollees tend to have the most significant health needs. The graph below shows an individual premium in a silver plan in King County (Seattle, Washington) across various age groups since 2016.



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Qualified Health Plan Premiums – Families

Individuals who are buying coverage for themselves and their families on the Exchange face even greater premium costs. The graph below shows a few examples of actual premium costs for families in King County in 2019.

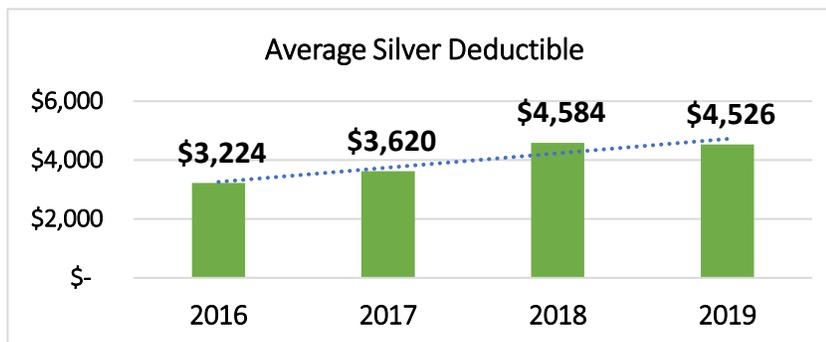
Household size	Level of coverage	Monthly premium	Annualized premium
Household of 3 64 year old, 63 year old, 25 year old	Gold	\$2,778	\$33,336
Household of 2 53 year old, 49 year old	Silver	\$1,524	\$18,288
Household of 3 49 year old, 46 year old, 21 year old	Gold	\$1,561	\$18,732
Household of 4 35 year old, 34 year old, 3 year old, 1 year old	Silver	\$1,279	\$15,348

Qualified Health Plan Deductibles

Out-of-pockets costs like deductibles have become a significant burden for consumers trying to use their coverage. Average deductibles on the Exchange outpace deductibles in employer sponsored insurance which is depicted in the table below for 2018.

Program	Individual deductible
Average Exchange plan	\$4,241
Average employer sponsored plan ¹	\$1,573
State Employee Health Plan PEBB	\$747

Qualified health plan deductibles have increased significantly in recent years. Not being able to access routine medical care, like labs and x-rays, before the deductible is an ongoing challenge for enrollees who already spend a significant portion of their income on premium costs.



¹ Kaiser Family Foundation, 2018 Employer Health Benefits Survey