

Health Insurance Marketplaces:

Geographic Variation in Premiums, Choices, Enrollment
across the U.S., 2014-2016 and Impacts on Health System

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Outline

- Marketplace experiences
 - Overview
 - RUPRI Analysis
 - Data and Methods
 - Premiums, 2014-2016
 - Enrollment
- Impacts on health system?
 - Uninsured
 - Medicaid and Rural
- Other issues? Discussion
 - Narrow networks
 - Other measures of affordability (e.g. deductibles)
 - Uncompensated care
- Conclusions, Policy Implications, Future Work



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Key Questions

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- What is the variation in marketplaces, especially in rural areas?
 - In particular, how do premiums, plan choices, and other aspects of marketplace plans vary across the U.S.? And how has this changed over time: 2014, 2015, 2016?
 - Is there evidence that rural marketplaces are robust, that is, are plans affordable, is enrollment strong, and are there improvements in firm participation?
 - What policies are associated with robust performance in rural areas? What geographic/demographic characteristics are associated with weak marketplace performance?



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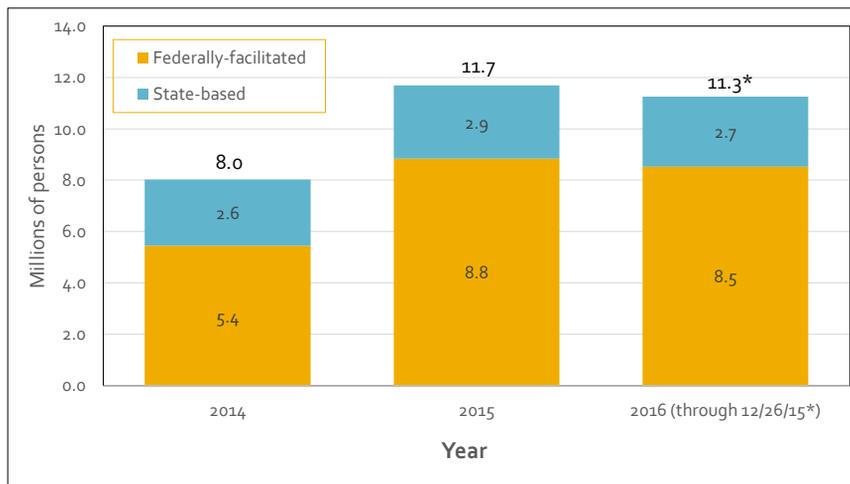
Marketplaces



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Enrollment in Marketplaces, 2014-16

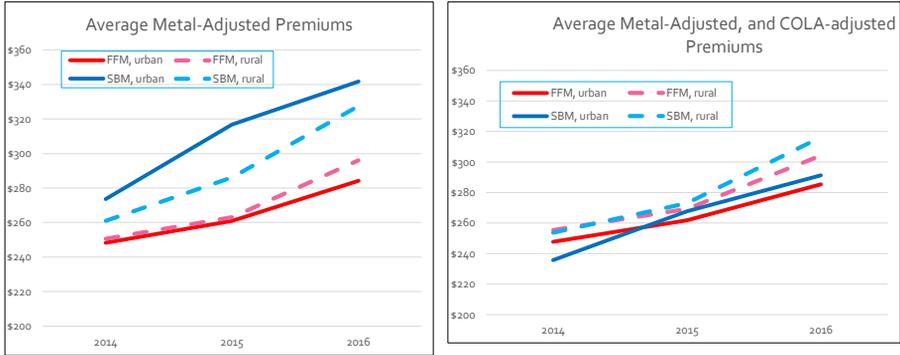


SOURCE: ASPE and CMS reports on Marketplaces.

Data

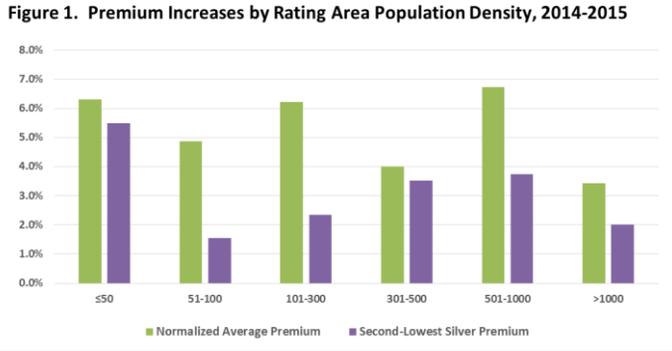
- RUPRI has compiled a large database on Marketplaces
 - Nearly all rating areas in the U.S. (n=500)
 - both Federally-facilitated Marketplaces (FFMs) and State-Based Marketplaces (SBMs)
 - Data for all plans, all metal types and for **2014, 2015, 2016**
 - Linked to other data at the geographic level
 - Data available on ALL types of marketplace plans, and adjusted for type of plan and cost of living (COL).
- Received access to a county-level, uncensored 2015 enrollment data for all FFM and partnership marketplaces

Marketplace Plan premiums, 2014-16



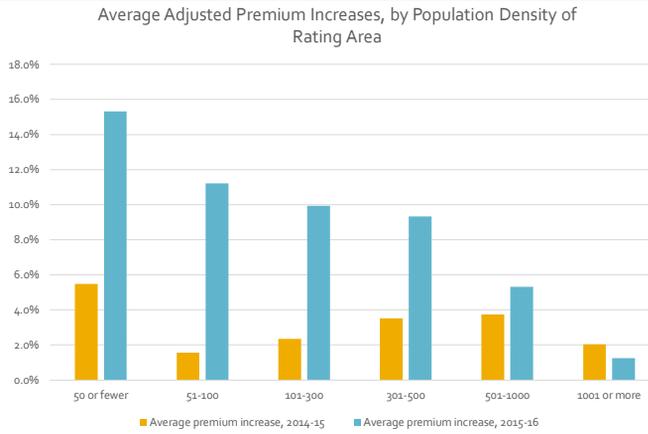
- Displayed are adjusted average premiums for ALL plans in FFMs and SBMs, also adjusted for cost of living (on right)
- Findings:
 - FFMs lower than SBMs but after cost of living adjustment no pattern in 2014 & 2015
 - HOWEVER, in 2016 we are seeing rural premiums growing in both FFMs and SBMs that we have not seen in 2014 and 2015

Premium Changes by Population Density



- No consistent pattern of premium increases with respect to rating area population density.
 - In fact, lowest increases in second-lowest silver premiums occur in the medium-density rating areas of 51 to 300 persons per square mile.
 - However, highest increases in areas with lowest population density.

Premium Changes by Population Density, 2014-16



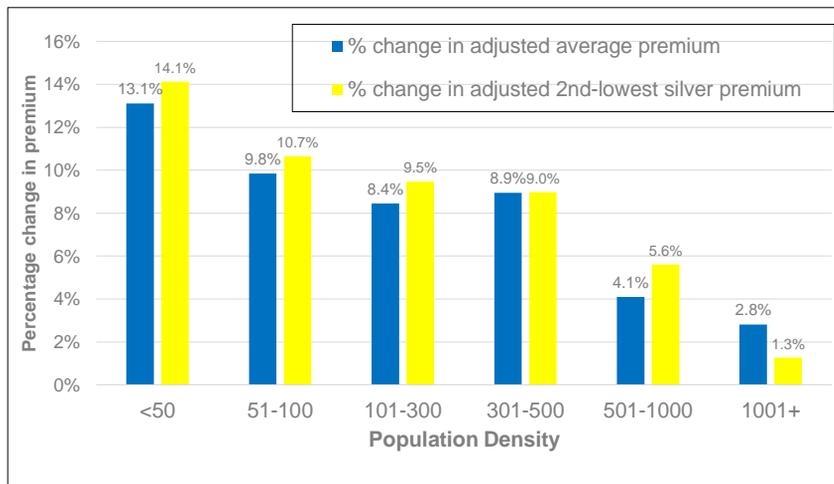
- Premium increases have taken off in 2016, relative to 2015.
 - A distinct pattern, where highest increases in areas with lowest population density.



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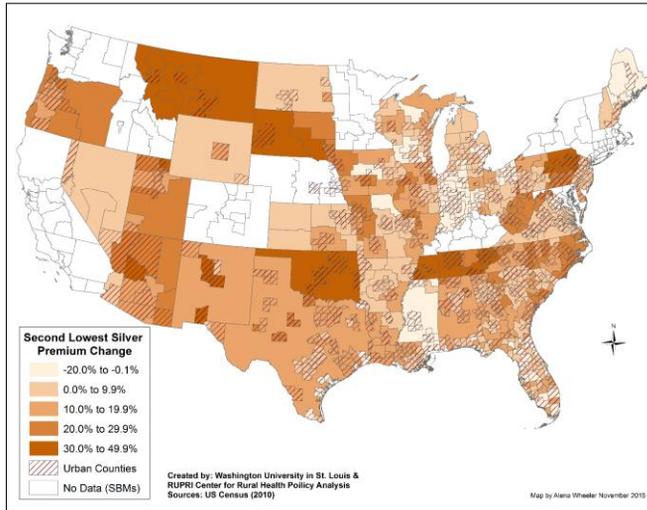
Change in premiums, by population density, 2015-16



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Change in 2nd lowest silver premium, by geographic rating area, FFM, 2015-16



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Premiums by geographic area and association with Medicaid expansion status, 2016

	URBAN	RURAL
Medicaid Expansion States	N=319	N=590
Average adjusted premium, 2016	\$277.45	\$295.03
Average % increase, 2015-16	7.2%	10.8%
2nd-lowest silver adjusted premium, 2016	\$237.77	\$263.06
Average % increase, 2015-16	8.6%	11.9%
Non-Expansion States	N=614	N=1079
Average adjusted premium, 2016	\$294.15	\$308.91
Average % increase, 2015-16	11.3%	14.1%
2nd-lowest silver adjusted premium, 2016	\$260.43	\$279.31
Average % increase, 2015-16	12.9%	16.4%

- Premiums tend to be higher in rural, also in non-expansion states, and growth higher in non-expansion states.
- Analysis based only on FFM states so far (our work is in progress).



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Premiums growth by region and geographic status, 2015-2016

Census Region	URBAN	RURAL
Northeast		
Average adjusted premium, 2016	\$252.08	\$250.40
Average % increase, 2015-16	5.6%	6.4%
2nd-lowest silver adjusted premium, 2016	\$211.33	\$217.19
Average % increase, 2015-16	11.7%	12.4%
Midwest		
Average adjusted premium, 2016	\$288.07	\$304.37
Average % increase, 2015-16	7.0%	11.9%
2nd-lowest silver adjusted premium, 2016	\$246.53	\$269.32
Average % increase, 2015-16	6.6%	12.1%
South		
Average adjusted premium, 2016	\$295.02	\$303.79
Average % increase, 2015-16	11.2%	12.7%
2nd-lowest silver adjusted premium, 2016	\$262.03	\$276.02
Average % increase, 2015-16	12.8%	14.7%
West		
Average adjusted premium, 2016	\$269.16	\$317.20
Average % increase, 2015-16	16.6%	19.3%
2nd-lowest silver adjusted premium, 2016	\$241.40	\$293.97
Average % increase, 2015-16	21.8%	25.8%

- Premiums tend to be higher in rural and growth rates higher
- Premium growth rates highest in West, South
- Analysis based only on FFM states so far (our work is in progress).

Relationship between Number of Firms per County and Percent Change in Average Premium Price, 2015-2016, Federally Facilitated Marketplaces Only

2015 number of firms	Change in number of firms, 2015-2016			Total
	Gain of firms	No change	Loss of firms	
1 or 2 firms				
Average percent change in average adjusted premium	13.0%	16.2%	2.7%	
Average percent change in 2nd-lowest silver adjusted premium	11.1%	19.5%	13.8%	
Number of counties (%)	239 (34%)	384 (54%)	89 (12%)	716
3 or 4 firms				
Average percent change in average adjusted premium	11.3%	12.5%	16.5%	
Average percent change in 2nd-lowest silver adjusted premium	8.9%	11.1%	20.6%	
Number of counties (%)	178 (15%)	519 (44%)	479 (41%)	1176
5+ firms				
Average percent change in average adjusted premium	3.7%	5.9%	8.1%	
Average percent change in 2nd-lowest silver adjusted premium	1.9%	7.7%	12.7%	
Number of counties (%)	128 (18%)	196 (28%)	386 (54%)	710
Total Numbers of Counties	549	1099	954	2602

- Premiums growth tends to be higher where counties experienced a loss of firms, and where the number of firms is lower or was to begin with, as well)
- Analysis based only on FFM states so far (our work is in progress).

Marketplace Enrollment

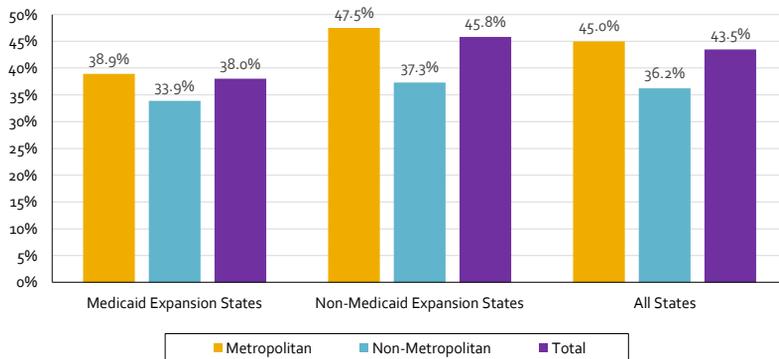


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Enrollment in Marketplaces, 2015

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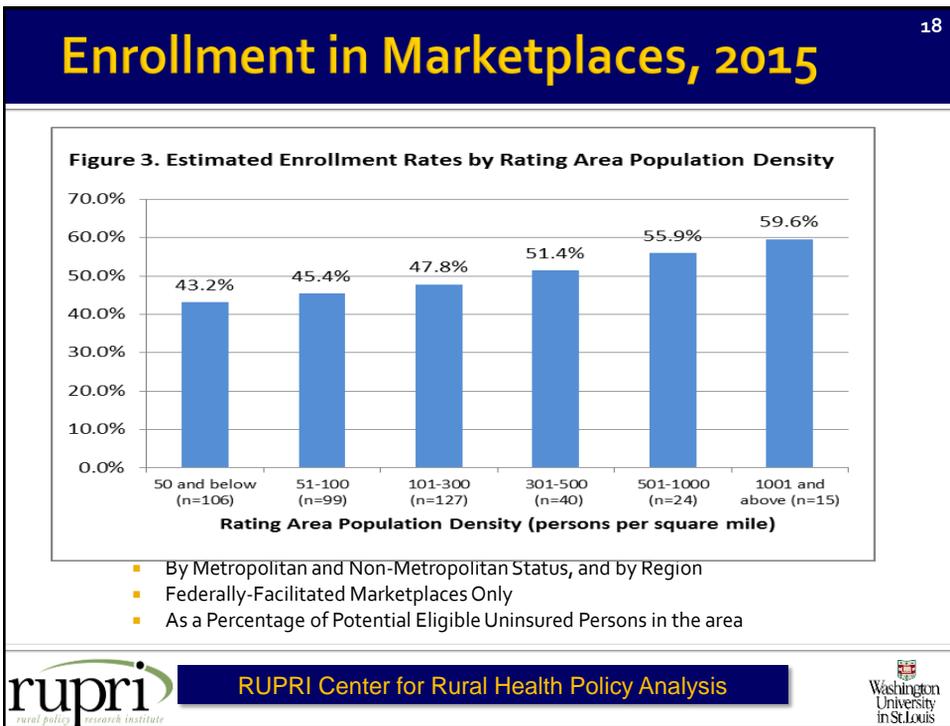
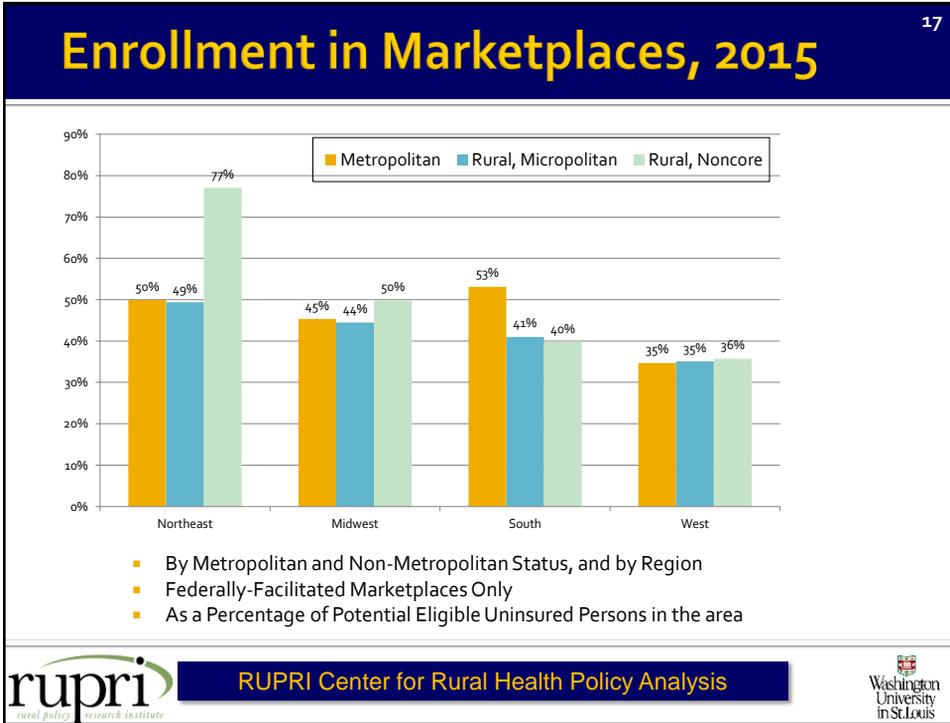
Sources: Numerators come from ASPE's report on 2015 plan selections by county. Denominators are based upon Kaiser potential HIM market estimates, June 2015, assigned in proportion to 2012 SAHIE the county-level uninsured estimates and aggregated according to metro/non-metro status of county.

- By Metropolitan and Non-Metropolitan Status
- Federally-Facilitated Marketplaces Only
- As a Percentage of Potential Eligible Uninsured Persons in the area

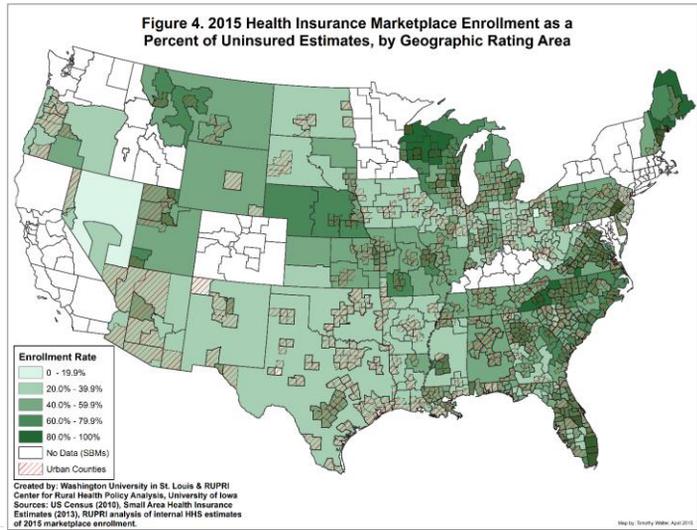


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Enrollment in FFM Marketplaces, 2015



Enrollment in FFM Marketplaces, 2015

Table 1. Estimated Enrollment Rates by Number of Firms

Number of Firms Participating, 2015	Number (%) of FFM Rating Areas	Average Enrollment Rate
1	15 (4%)	34.4%
2	39 (9%)	43.8%
3	83 (20%)	46.4%
4	90 (22%)	49.8%
5	62 (15%)	49.8%
6	40 (10%)	49.1%
7	31 (8%)	47.1%
8+	51 (12%)	46.4%
TOTAL	411 (100%)	47.3%

- Fewer than four firms and enrollment seems to fall?



Uninsured rate

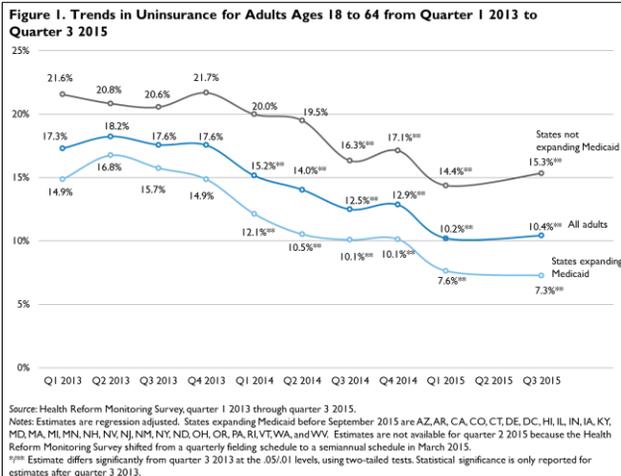


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Effect of ACA on Uninsurance in the U.S

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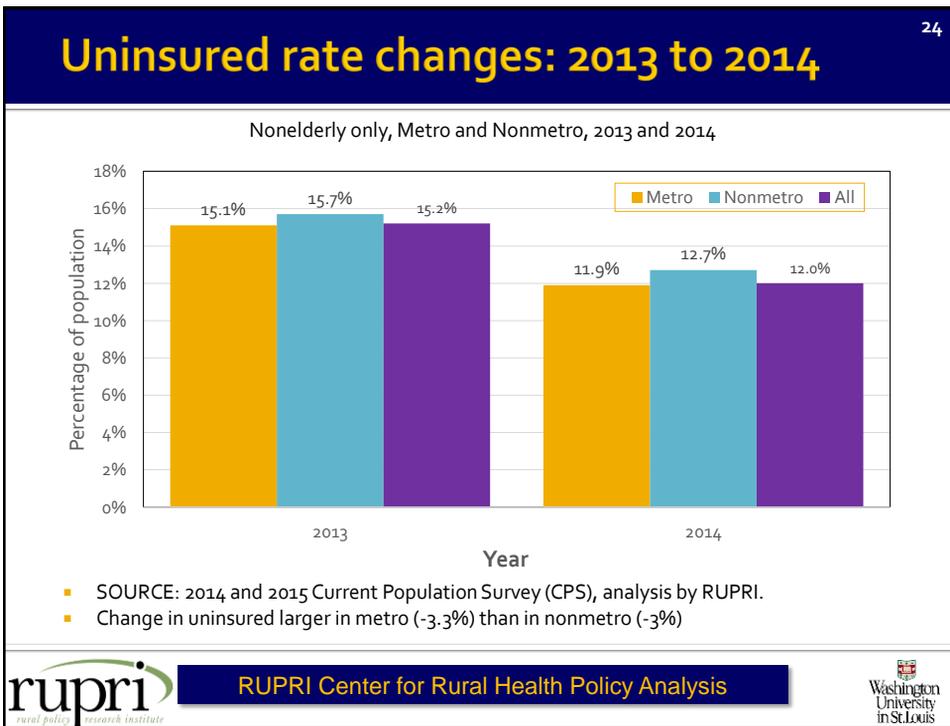
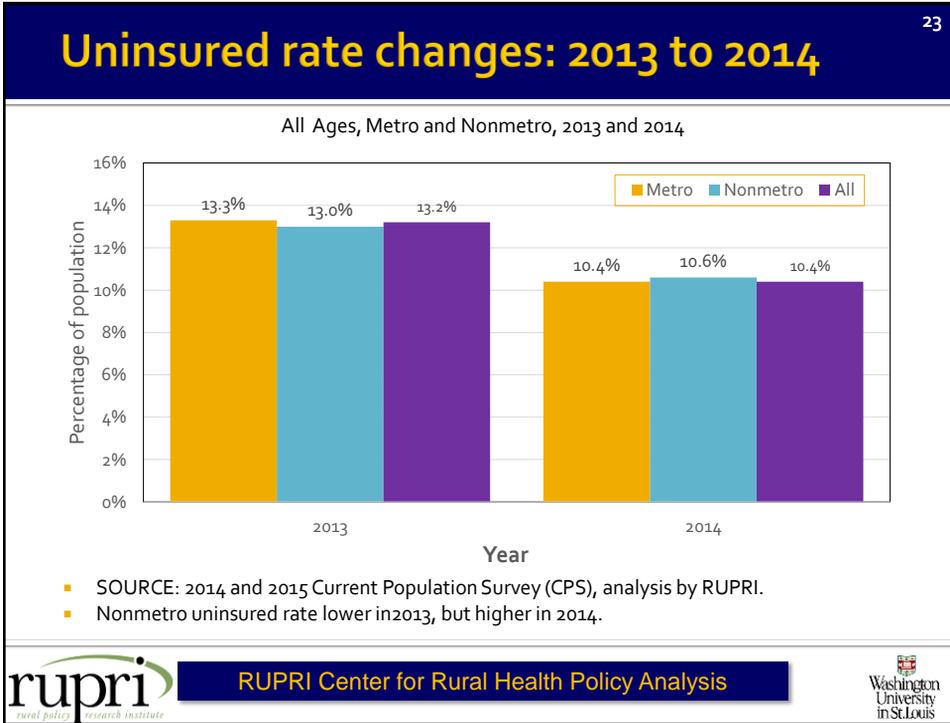
- Huge drop in uninsurance rates since 3rd quarter 2013...
- from 17.6% to 10.4% (7.2 percentage points)
- 40% drop in uninsured in just two quarters.
- Larger drop in states that expanded Medicaid (51%) as compared to states not expanding Medicaid (30% drop)

Source: Urban Institute, Health Reform Monitoring Survey.



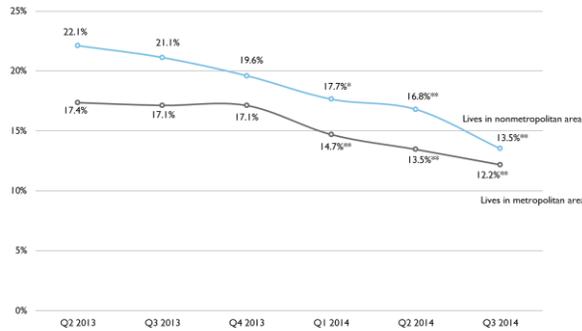
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Effect of ACA on Uninsurance in Metro, Nonmetro (alternative source) 25

Figure 1. Trends in Uninsurance for Adults Ages 18 to 64, by Residence in a Metropolitan Area, from Quarter 2 2013 to Quarter 3 2014



Source: Health Reform Monitoring Survey quarter 2 2013 through quarter 3 2014.
 Note: Estimates are regression adjusted.
 *** Estimate differs significantly from quarter 3 2013 at the 0.05/0.01 levels, using two-tailed tests.

Source: Urban Institute, Health Reform Monitoring Survey.

- An alternative source... the Urban Institute's survey also show similar drops in uninsured rates in metro and nonmetro areas from 2013 to end of 2014
- This is for age 18-64 age group
- from 21.1% to 13.5% in nonmetro; 17.1 to 12.2% in metro
- CPS numbers:
 - Nonmetro 18.3% → 15%;
 - Metro: 18.3% → 14.1%

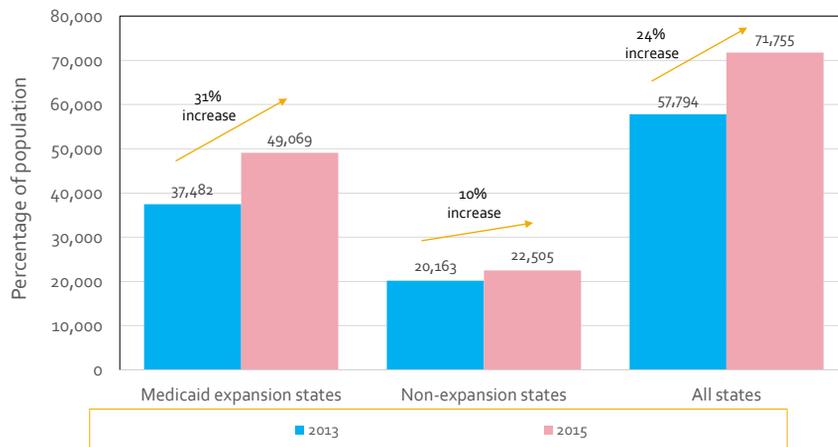


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Increase in Medicaid enrollment, 2013-15 26

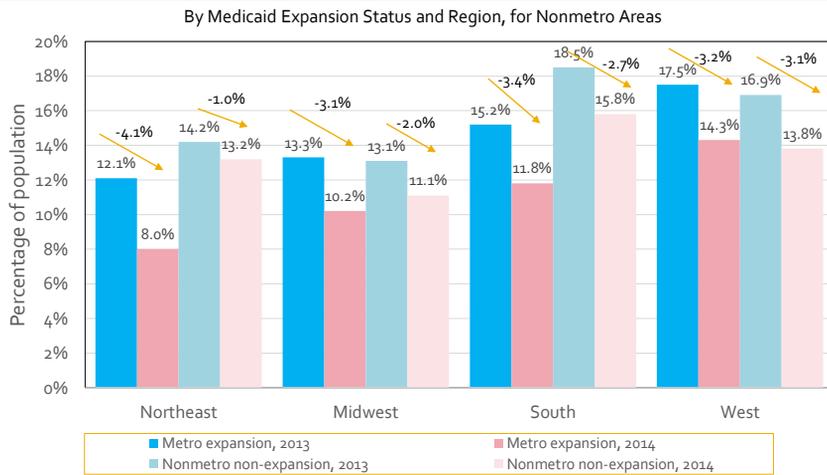
By Medicaid Expansion Status



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Uninsured rate changes: 2013 to 2014



- Declines larger in Medicaid expansion states across U.S., and uninsured rates higher before & after ACA (except in West)
- South & Midwest important for rural: 73% of nonmetro population resides in South & Midwest

Other Issues?

- Rising issues:
 - Plans setting "Narrow Networks"
 - Evidence there are "narrow" networks in plans offered in the Marketplaces
 - From anecdotal and other evidence that plan organizations have adjusted or varied the "networks" of their plans
 - Is there a rural/urban differential here? Unclear
 - Who are the remaining uninsured, and what are their characteristics?
 - Affordability of health care in marketplaces
 - Many silver, bronze plans have high deductibles
 - Vast majority of people are choosing silver and bronze plans
 - What is the impact of all this on the health care system?
 - Access, Utilization, Uncompensated care?
 - Variations in this?

Preliminary Analysis of Deductibles in FFM Marketplace Plans, 2016

Deductible amount	Metal type							
	Bronze		Silver		Gold		Platinum	
	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural
\$0-\$3,000	0.3%	0.0%	44.4%	45.8%	96.4%	97.5%	100%	100%
\$3000-\$3,999	4.5%	5.1%	30.4%	33.5%	3.6%	2.5%	0%	0%
\$4000-\$4,999	15.1%	14.2%	11.8%	11.8%	0%	0%	0%	0%
\$5000-\$6,850	80.1%	80.7%	13.5%	8.9%	0%	0%	0%	0%
	100%	100%	100%	100%	100%	100%	100%	100%

Conclusion

- The marketplaces has been a bit of wild ride
 - First few years a path to ‘equilibrium”
 - Are we there yet?
 - First year: turmoil; second year, entry; third year, adjustment
- The rural story
 - First two years; uneven: much good news on enrollment and premiums; but pockets of concern
 - 2016: rising premiums in rural years
- Moving forward
 - Concerns: affordability, Co-Ops, exit of some plans, narrow networks

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