

# 'A lot of people are in despair': Utah's individual insurance options now costlier and fewer

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Utahns buying their own health insurance face huge price increases for 2016, and if they haven't already heard the news via email or letter, sticker shock will set in starting Sunday, when open enrollment begins.

Steve Wilson, a broker at Diversity Insurance Inc. in South Jordan, said he's been inundated by calls from clients who received notices that their insurance rates are rising 25 percent or 27 percent.

"They're seeing this huge increase and saying, 'I've got to shop around,'" Wilson said. "The rates are astronomical."

Health insurance plans will cost an average of 22 percent more next year for those buying in the individual market, meaning everybody who doesn't get insurance through their jobs.

Only one insurer's rates are virtually unchanged: Molina Healthcare of Utah, which will sell three plans in Weber, Salt Lake, Davis, Tooele, Summit and Utah counties.

Open enrollment for individual plans runs through Jan. 31, but those who want their insurance to begin Jan. 1 must sign up and pay their first month's premium by Dec. 15. Those who sign up later won't have insurance until February.

Complicating open enrollment this year is the fact that the Utah Insurance Department put Utah's second largest insurer on the federal exchange, Arches Health Plan, into receivership last week. The state was worried that Arches wouldn't have enough money to cover next year's claims, so it's not letting the company write new policies for 2016 and will supervise the wind-down of current policies.

Arches currently insures 66,000 Utahns, including 30,000 on the federal exchange, the highest behind SelectHealth.

It's a member co-op created with federal loans as part of the Affordable Care Act, or Obamacare, and the 10th co-op to fail in the country this year. A change in federal policy means the feds won't cover losses as expected, and Arches is out \$8.7 million it had expected this fall.

Arches' closure means 20 mostly rural counties in Utah will have only one company offering on-exchange plans: SelectHealth, a subsidiary of Intermountain Healthcare. There were more in past years, but other insurers backed out of those counties for 2016.

Arches' loss is a big disappointment in places such as Grand County, where nearly 80 percent of those buying insurance on [healthcare.gov](http://healthcare.gov) — 810 people — chose Arches for 2015.

"We went from a marketplace to a monopoly," Charlie Kulander, a broker in Moab, said Friday. "We're back to square one."

Arches was able to corner the Grand County market because it responded to locals' requests to add Grand Junction, Colo., specialists and a hospital to its network, Kulander said.

That made all the difference to Shannon O'Donoghue and her husband, who live in Castle Valley. If they had needed a specialist, it would've been an 80-minute drive to Grand Junction instead of 4½ hours to Salt Lake City.

"It really makes a huge difference, that drive," O'Donoghue said.

Many in the Moab area are panicked that they're losing their Arches insurance, she said, but others were already panicking because Arches was planning the steepest price hikes in Utah — 43 percent on average.

"That caused as much consternation down here as their going out of business," Kulander said. "A lot of people are in despair."

Todd Kiser, the state insurance commissioner, said earlier in the week that he hoped another company would step in and provide on-exchange plans in the 20 counties.

By Friday, though, it was apparent the feds wouldn't allow it.

Molina was willing to offer on-exchange plans in all 29 counties, President David Patton said Friday evening. Molina is one of the few insurers with a statewide network of providers because it has Medicaid members statewide.

The federal Center for Consumer Information and Insurance Oversight, however, refused to let Molina add on-exchange plans beyond the six counties it signed up for in August.

Patton, the former director of the Utah Department of Health, said Molina had expected higher enrollment for 2016 because its rates are not rising like those of its competitors.

But Arches leaving the market should mean even more significant enrollment for Molina, which this year insures 7,000 Utahns via the federal exchange. It has 102,000 members altogether.

During open enrollment, people can either go to the federal exchange, [www.healthcare.gov](http://www.healthcare.gov), to shop, or let an insurance agent or broker help them pick a plan on or off the exchange at no added cost.

Those with questions also can turn to the Utah Health Policy Project, which has navigators throughout the state who provide free help. Go to [www.takecareutah.org](http://www.takecareutah.org) or call 2-1-1 statewide to connect with them.

The price increases will be offset, somewhat, for those who qualify for federal subsidies. That's people whose income is 100 percent to 400 percent of the federal poverty level, which is \$11,770 to \$47,080 for an individual or \$20,090 to \$80,360 for a family of three.

The subsidies are available only on plans purchased at [healthcare.gov](https://healthcare.gov).

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