

Health Insurer Drops Out of Utah's Small Business Exchange

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Link: <http://kuer.org/post/health-insurer-drops-out-utah-s-small-business-exchange>

Audio: http://cpa.ds.npr.org/kuer/audio/2016/04/UnitedHealthcare_WEB.mp3

The CEO of UnitedHealthcare, the nation's largest health insurer, said this week that the company is planning a widespread exodus from the Obamacare market due to financial losses.

In Utah, UnitedHealthcare does not take part in the federal marketplace for individuals, but a branch in Utah has been offering plans on the state-run small business exchange known as Avenue H. The Director for Avenue H Patty Conner says she received word last week that UnitedHealthcare of Utah will no longer be offering plans on the exchange as of 2017. Conner says the HMO had some of the lower priced plans in the market, so it's unfortunate for consumers.

"I do think it will for the short-term impact the competition, but we don't know who's going to be participating in 2017 and what that might do for the rates," Conner says.

There are more than 15,000 Utahns insured through the small business exchange. Only 200 of those have plans from United Healthcare of Utah. The other companies currently offering plans are SelectHealth and HSA Health Plan. The nonprofit Arches Health Plan dropped out of the market this year. The Utah Insurance Department put Arches in receivership after it determined that the cooperative didn't have the funding to pay claims. Conner says we can expect this kind of volatility to continue as insurance companies adjust to changes in the market and requirements of federal healthcare policy.

"The message to the consumers is – have faith. This will definitely right itself before too long," Conner says. "They're going to get the risk adjustment and all of the costs and premiums sorted out, but it does take some time and some experience when you put a new program together to figure out what are the right levers to push and pull."

Connor says she'll have a better picture of how the market is shaping up come September when insurance companies submit their proposed rates.