

Humana exits Utah individual marketplace

By Daphne Chen

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Link: <http://www.deseretnews.com/article/865660943/Another-blow-to-health-care-as-Humana-exits-Utah-individual-marketplace.html?pg=all>

SALT LAKE CITY — And then there were three.

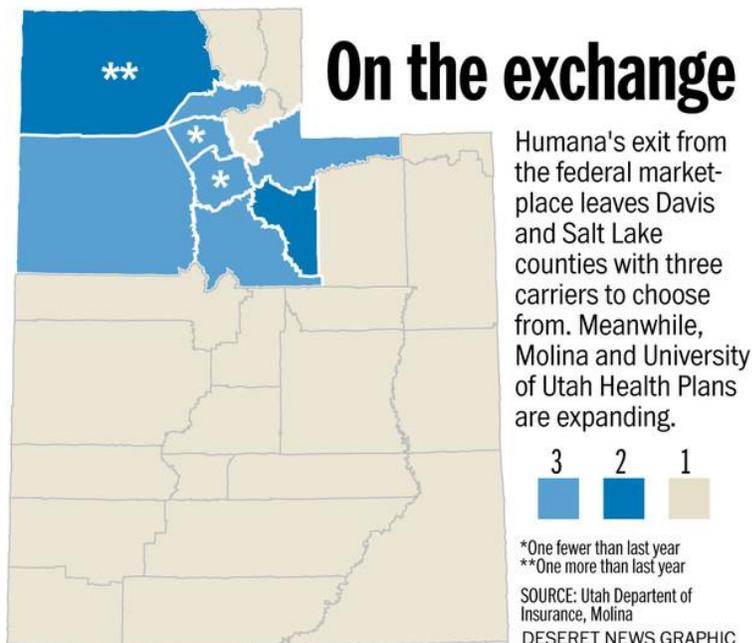
Humana is pulling out of the individual insurance marketplace in Utah, according to the Utah Department of Insurance.

With the closure of Arches Health Plan last year, that leaves Utah with three carriers on the exchange for 2017: Molina, SelectHealth and University of Utah Health Plans.

A representative from Humana declined to comment, noting that it is "long-standing practice" not to disclose details of its plan offerings "while still under review by regulatory agencies."

But Utah Department of Insurance spokesman Steve Gooch confirmed Humana's withdrawal, saying in a statement that Utah has a "robust market that will not be adversely affected by Humana's decision to cease offering individual health insurance plans."

According to the department, Humana currently covers about 9,000 of the 164,400 Utahns on the federal marketplace. Its exit will leave residents in Davis and Salt Lake counties with three carriers to choose from.



Humana will continue to sell in the small group market, according to Gooch.

Meanwhile, 20 out of 29 counties in Utah continue to have just one insurer to choose from on the federal marketplace for individual plans: SelectHealth.

Nationwide, the withdrawal of major carriers like UnitedHealth

Group, Aetna and Humana from the marketplace has dealt a blow to President Barack Obama's health care law.

Critics have pointed to the announcements as growing evidence that the Affordable Care Act is failing.

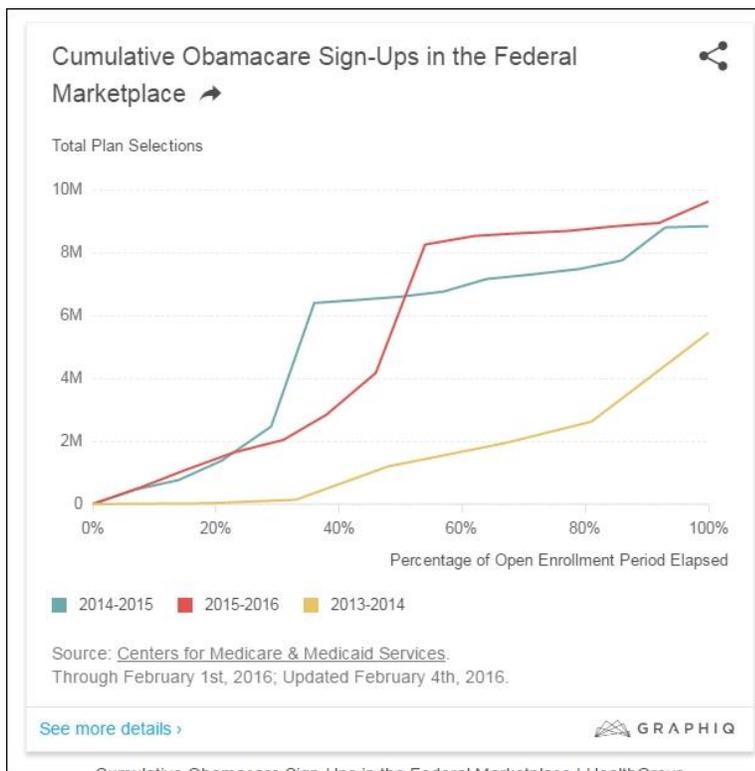
But proponents of the health care law, like Jason Stevenson of the Utah Health Policy Project, say the turmoil could also be a sign of a competitive marketplace.

Utah's individual marketplace opened in 2014 with six carriers. Since then, BridgeSpan and Altius have left, and University of Utah Health Plans has entered.

Stevenson noted that most of the insurers who have quit are large, multistate carriers that specialized in employer-sponsored plans — like Humana. Local players like SelectHealth and University of Utah, on the other hand, are staying.

"There are insurance companies that are succeeding and there are insurance companies that are taking their business elsewhere," Stevenson said.

He added: "The previous way we did health insurance was keeping all the sick people out and letting all the healthy people in. Insurance companies are now paying the price for fixing that legacy."



University of Utah Health Plans, in fact, is planning to expand, according to Stevenson. And Molina is expanding into one county — Box Elder — in 2017.

David Patton, plan president of Molina Healthcare of Utah, said the carrier is hoping to expand further across the state in upcoming years.

He said that Molina's experience in covering low-income families — the very people who are most likely to seek out plans on the healthcare.gov exchange — helped them succeed.

"We didn't take the approach that other insurers did," Patton said. "We started small in Utah and did not seek massive numbers of people. We were just trying to address those individuals in the income range that we're used to dealing with."

Stevenson said Humana likely underpriced its plans in Utah in an attempt to gain market share. Humana offered the cheapest plan on the exchange in 2014 and the second-cheapest plan in 2015, according to Stevenson.

"They went for cheap and efficient, but somehow they still didn't make money," he said.

However, predictions that premiums will rise again next year are already starting.

That's looking likely in Utah: Molina has requested an average rate increase of 34 percent, SelectHealth an average rate increase of 30 percent and University of Utah Health an average rate increase of 5 percent.

The Utah Department of Insurance reviews and approves those hikes, usually in September or October.

In a press call on Wednesday, federal officials reminded people that most individuals who shop around are usually able to find a plan for around the same price as their previous one.

Katie Martin, the U.S. Department of Health and Human Services acting assistant secretary for planning and evaluation, said the average premium increase on healthcare.gov last year was \$4 per month — after subsidies — despite headlines warning about soaring health insurance premiums.

About 88 percent of Utah's marketplace enrollees are receiving subsidies that will likely offset much of the premium increase for 2017, according to the department. However, those who don't qualify for subsidies are likely to face higher rates.

Stevenson predicted premiums will stabilize in 2017, although he acknowledged that the Affordable Care Act hasn't created as much competition as people hoped.

"We like to see more competition," Stevenson said. "We like to see plans stay in Utah. But we understand there's competitive forces at work and companies have to decide where they're best suited to compete and make money."

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