

Individual exchange health plans to go up average of 30 percent

Small-scale Medicaid extension plan remains under review, may not make deadline

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SALT LAKE CITY — Rates for health insurance plans on the individual marketplace are likely to rise by an average of 30 percent next year, the Utah Department of Insurance said Thursday.

The second-lowest silver plan — the benchmark plan used to calculate tax subsidies for enrollees on the marketplace — is a SelectHealth plan with premiums of a little over \$200 a month, according to insurance department officials.

Nov. 1 marks the beginning of the fourth open enrollment period for the Affordable Care Act, which has struggled to win over skeptics as states face another year of rising premiums and insurers pulling out of the individual marketplace.

Jaakob Sundberg, a health actuary with the Utah Department of Insurance, acknowledged the increases are substantial but said it was the first year he has seen rates appropriately priced.

"Yes, the individual rate increase is significant," Sundberg told lawmakers on the health reform task force at the state Capitol. "But when you consider the rate level relative to the benefits, it was definitely underpriced prior to this."

He said the individual marketplace should see more stability in future years, despite some lawmakers expressing skepticism.

Health reform advocates reminded people to shop around if they want to avoid price hikes.

Jason Stevenson of the Utah Health Policy Project pointed out that 87 percent of Utahns on the marketplace get subsidies that lower the cost of their monthly premium by an average of 69 percent. Those who shop around can expect their premiums go up slightly by about 8 to 10 percent, he estimated.

"Most people are not going to see a 30 percent increase," Stevenson said.

Utahns who do not qualify for subsidies are likely to bear more of the brunt from the rate increases. Small group plans will also see rate hikes of about 10 percent on average, according to insurance officials.

Stevenson said he believes rate hikes will continue for the next few years and said the success of the president's health care law depends on factors like Medicaid expansion and competition.

The Utah Legislature has debated Medicaid expansion for years.

A small-scale Medicaid extension proposal passed last year is still under review by the federal government.

State Medicaid officials said on Thursday that the proposal — which is aimed at helping the poorest of the poor — will likely miss its hoped-for January deadline.

Nate Checketts, who oversees the state's Medicaid and CHIP programs, said Utah officials were "hoping to get a sign" from federal officials by September that they were likely to approve Utah's proposal. That "sign" hasn't come.

"I think Jan. 1 would be a really hard thing to hit right now," he said.

Lawmakers also heard updates on the cost of full Medicaid expansion based on a new report from the Legislature's fiscal analysts.

Previous estimates put the cost of expanding Medicaid through the governor's Healthy Utah plan at \$78 million in return for hundreds of millions in federal funds.

The new analysis predicts that higher-than-expected enrollment and premium costs may push that figure closer to \$92 million.

Utah would save \$10 million in payments to the federal government if it expanded Medicaid and would receive roughly \$100 million in return, according to the report.

Rep. Jim Dunnigan, R-Taylorsville, said the new analysis was "very helpful," although he later clarified that he "is not saying (Medicaid expansion) will be brought up this session."

But he pointed out that the state is already receiving more funds from the federal government — mostly due to individuals on the exchange receiving premium subsidies and cost-sharing benefits — than the state is sending back in taxes, fees and penalties.

"For people to say we need to expand to get our dollars back — we already have our dollars back," Dunnigan said. "There might be other reasons to expand, but we're not leaving other money to the feds."

The analysis, which relied on rough estimates of how many Utahns would enroll in health insurance if the state were to fully expand Medicaid, will be updated further.

Utahns shopping for health insurance on the individual exchange next year can also expect to see fewer options, with the total number of plans dropping from 120 to 52 next year.

The marketplace in Utah lost one insurer after Humana pulled out earlier this year.

However, two other carriers are expanding their territory. Molina is expanding into Box Elder County, and University of Utah Health Plans will offer plans in Cache, Duchesne, Grand, Iron, Rich, Uinta and Washington counties, according to the insurance department.

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