



## **Average 39% increase in marketplace insurance rates does not mean similar premium increases for most Utah consumers**

*Subsidies protect 86% of marketplace consumers from rate hikes—while continued uncertainty from Washington, DC over Cost-Sharing Reductions (CSRs) is likely adding 20 percentage points to Utah's rates.*

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Today the Utah Insurance Department released preliminary information showing a 39% average increase in the rates for individual insurance on Utah's marketplace in 2018.

While a significant increase, today's announcement is not unexpected for several key reasons and does not mean that Utah consumer can expect to see similar increases in their actual health insurance premiums.

"As in previous years, the monthly subsidies that 86% of Utahns with marketplace coverage receive will reduce to eliminate these rate increases," said Jason Stevenson, education and communications director at the Utah Health Policy Project. "But it is important to note that over half of this rate increase is due to the continued political games that lawmakers are playing in Washington, DC, instead of sitting down to work together to stabilize the marketplace and protect Utah families."

Please review the following bullet points for a summary of these issues, and the [PDF linked below](#) for more detailed information about changes to Utah's 2018 marketplace.

- Today's rate announcement only affects the approximately 6% Utahns who purchase health insurance on Utah's individual market. It does not affect Utahns insured through their employer, or those covered by Medicare, Medicaid, or Tricare. As of April 1, 176,889 Utahns had purchased individual market insurance on [healthcare.gov](http://healthcare.gov)—a 7.5% increase over the previous year. Approximately 40,000 Utahns purchase individual market plans off the marketplace.
- The Trump administration's threats to withhold cost-sharing reductions (CSRs) continues to spread uncertainty among Utah insurers—resulting in a 20 percentage-point jump in overall rates according to the American Academy of Actuaries [1]. These cost-sharing payments reduce the deductibles and co-pays for 109,000 middle-class Utahns with marketplace insurance, saving the average family of four \$3,700 a year and contributing \$100 million to the Utah healthcare economy. [2]

[1] "Drivers Of 2018 Health Insurance Premium Changes," American Academy of Actuaries; July 2017; <http://www.actuary.org/content/drivers-2018-health-insurance-premium-changes>

[2] 2017 Marketplace Open Enrollment Period Public Use Files, [https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/Marketplace-Products/Plan\\_Selection\\_ZIP.html](https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/Marketplace-Products/Plan_Selection_ZIP.html)

- Eliminating the 20 percent spike in rates due to CSR uncertainty, then Utah's average rate increase for 2018 would be 19%—on par with previous years. In addition, the American Academy of Actuaries predicts that 5 to 8 percent of this year's rate increases are due to more expensive prescription drugs and medical services.

>>See Utah data and examples in "**Preview of Utah's 2018 Insurance Marketplace**" ([pdf](#))

- Insurance rates are not the same as monthly premiums. For health insurance, premiums are adjusted from rates in multiple ways based on age, location, and tobacco use, as well as family size—but not health status. In addition, thanks to the Affordable Care Act (ACA), 86% of Utahns (151,000) with marketplace coverage receive subsidies each month to reduce their premiums by an average of 72%. These subsidies mimic the pre-tax benefits that people with employer-based insurance have received for decades. In addition, 62% of Utahns with marketplace coverage (109,000) receive cost-sharing assistance to reduce their deductibles and co-pays.
- 86% of Utah consumers enrolled in marketplace coverage are protected by premium subsidies that automatically adjust to compensate for rate increases. For example, although the Shumway family in Lehi, [ages 24, 23, 1; \$42,000 a year in earnings], has seen the premiums for their benchmark Silver plan increase 35% since 2014, their monthly premium has only increased \$1 since 2014 because their subsidy has kept pace [see slide 25]. Individuals and families earning between 100% and 400% of the federal poverty level (\$24,000 and \$97,000 for a family of four) are eligible for these subsidies.
- Double-digit rate increases are not uncommon. Last year (Utah's 2017 marketplace) average rates for Silver plans increased 16% in Utah, while Gold plans increased 47%. The year before (the 2016 marketplace) rates for both Silver and Gold plans both increased an average of 19% across the state.

- Utah is enrolling ‘young invincibles,’ the normally healthy cohort of 18 to 34 year-olds, at an impressive rate. According to UHPP analysis of U.S. Census and marketplace enrollment data, Utah achieved the second-highest capture rate of ‘young invincibles’ in marketplace insurance among the 39 states that use healthcare gov. Utah enrolls these young people in ACA insurance at a rate 8.5% above their presence in the general population, behind only Alabama in this focused measure of attracting young people to sign up for marketplace insurance. [see slide 13].
- Despite a 61% cut in federal funding, Take Care Utah’s statewide network of 75+ navigators, brokers, and in-person assistors is working harder than ever to help Utahns learn about and sign up for health insurance. Take Care Utah is led by the Association for Utah Community Health (AUCH), the Utah Health Policy Project (UHPP), and the United Way 2-1-1.
- See Utah data and examples in "Preview of Utah's 2018 Insurance Marketplace" ([pdf](#))
- **Utah's Open Enrollment begins November 1, 2017 and ends December 15, 2017.** Free help is available from the trained experts at Take Care Utah. Find your nearest assistor by going to [www.takecareutah.org](http://www.takecareutah.org) or calling 2-1-1.

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