Health Insurance Marketplaces:
Geographic Variation in Premiums, Choices, Enrollment across the U.S., 2014-2016 and Impacts on Health System

Rural Hospital Interest Group Meeting
January 2016

Outline

- Marketplace experiences
  - Overview
  - RUPRI Analysis
    - Data and Methods
    - Premiums, 2014-2016
    - Enrollment
  - Impacts on health system?
    - Uninsured
    - Medicaid and Rural
  - Other issues? Discussion
    - Narrow networks
    - Other measures of affordability (e.g. deductibles)
    - Uncompensated care
  - Conclusions, Policy Implications, Future Work
Key Questions

- What is the variation in marketplaces, especially in rural areas?
  - In particular, how do premiums, plan choices, and other aspects of marketplace plans vary across the U.S.? And how has this changed over time: 2014, 2015, 2016?
  - Is there evidence that rural marketplaces are robust, that is, are plans affordable, is enrollment strong, and are there improvements in firm participation?
  - What policies are associated with robust performance in rural areas? What geographic/demographic characteristics are associated with weak marketplace performance?
Enrollment in Marketplaces, 2014-16

SOURCE: ASPE and CMS reports on Marketplaces.

Data

- RUPRI has compiled a large database on Marketplaces
  - Nearly all rating areas in the U.S. (n=500)
    - both Federally-facilitated Marketplaces (FFMs) and State-Based Marketplaces (SBMs)
  - Data for all plans, all metal types and for 2014, 2015, 2016
  - Linked to other data at the geographic level
  - Data available on ALL types of marketplace plans, and adjusted for type of plan and cost of living (COL).

- Received access to a county-level, uncensored 2015 enrollment data for all FFM and partnership marketplaces
Displayed are adjusted average premiums for ALL plans in FFMs and SBMs, also adjusted for cost of living (on right).

Findings:
- FFMs lower than SBMs but after cost of living adjustment no pattern in 2014 & 2015
- HOWEVER, in 2016 we are seeing rural premiums growing in both FFMs and SBMs that we have not seen in 2014 and 2015

No consistent pattern of premium increases with respect to rating area population density.
- In fact, lowest increases in second-lowest silver premiums occur in the medium-density rating areas of 51 to 300 persons per square mile.
- However, highest increases in areas with lowest population density.
Premium increases have taken off in 2016, relative to 2015.

- A distinct pattern, where highest increases in areas with lowest population density.

### Change in premiums, by population density, 2015-16

- **Average Adjusted Premium Increases, by Population Density of Rating Area**

  - **50 or fewer**: 13.1% increase, 2014-15; 14.1% increase, 2015-16
  - **51-100**: 9.8% increase, 2014-15; 10.7% increase, 2015-16
  - **101-300**: 8.4% increase, 2014-15; 9.5% increase, 2015-16
  - **301-500**: 8.9% increase, 2014-15; 9.0% increase, 2015-16
  - **501-1000**: 5.6% increase, 2014-15; 4.1% increase, 2015-16
  - **1001 or more**: 1.3% increase, 2014-15; 2.8% increase, 2015-16
Premiums tend to be higher in rural, also in non-expansion states, and growth higher in non-expansion states.

- Analysis based only on FFM states so far (our work is in progress).
### Premiums growth by region and geographic status, 2015-2016

<table>
<thead>
<tr>
<th>Census Region</th>
<th>URBAN</th>
<th>RURAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Northeast</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average adjusted premium, 2016</td>
<td>$292.06</td>
<td>$350.40</td>
</tr>
<tr>
<td>Average % increase, 2015-16</td>
<td>4.6%</td>
<td>4.4%</td>
</tr>
<tr>
<td>2nd-lowest silver adjusted premium, 2016</td>
<td>$211.33</td>
<td>$217.19</td>
</tr>
<tr>
<td>Average % increase, 2015-16</td>
<td>11.7%</td>
<td>12.4%</td>
</tr>
<tr>
<td><strong>Midwest</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average adjusted premium, 2016</td>
<td>$286.07</td>
<td>$304.37</td>
</tr>
<tr>
<td>Average % increase, 2015-16</td>
<td>7.0%</td>
<td>11.9%</td>
</tr>
<tr>
<td>2nd-lowest silver adjusted premium, 2016</td>
<td>$246.53</td>
<td>$249.32</td>
</tr>
<tr>
<td>Average % increase, 2015-16</td>
<td>4.6%</td>
<td>12.1%</td>
</tr>
<tr>
<td><strong>South</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average adjusted premium, 2016</td>
<td>$295.02</td>
<td>$303.79</td>
</tr>
<tr>
<td>Average % increase, 2015-16</td>
<td>11.2%</td>
<td>12.7%</td>
</tr>
<tr>
<td>2nd-lowest silver adjusted premium, 2016</td>
<td>$242.03</td>
<td>$274.02</td>
</tr>
<tr>
<td>Average % increase, 2015-16</td>
<td>12.8%</td>
<td>14.7%</td>
</tr>
<tr>
<td><strong>West</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average adjusted premium, 2016</td>
<td>$249.16</td>
<td>$317.20</td>
</tr>
<tr>
<td>Average % increase, 2015-16</td>
<td>16.6%</td>
<td>19.3%</td>
</tr>
<tr>
<td>2nd-lowest silver adjusted premium, 2016</td>
<td>$241.40</td>
<td>$293.37</td>
</tr>
<tr>
<td>Average % increase, 2015-16</td>
<td>21.8%</td>
<td>25.8%</td>
</tr>
</tbody>
</table>

- Premiums tend to be higher in rural and growth rates higher
- Premium growth rates highest in West, South
- Analysis based only on FFM states so far (our work is in progress).

### Relationship between Number of Firms per County and Percent Change in Average Premium Price, 2015-2016, Federally Facilitated Marketplaces Only

<table>
<thead>
<tr>
<th>2015 number of firms</th>
<th>Change in number of firms, 2015-2016</th>
<th>Gain of firms</th>
<th>No change</th>
<th>Loss of firms</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 or 2 firms</td>
<td>Average percent change in average adjusted premium</td>
<td>13.0%</td>
<td>16.2%</td>
<td>2.7%</td>
<td>716</td>
</tr>
<tr>
<td></td>
<td>Average percent change in 2nd-lowest silver adjusted premium</td>
<td>11.1%</td>
<td>19.9%</td>
<td>13.8%</td>
<td>716</td>
</tr>
<tr>
<td></td>
<td>Number of counties (%)</td>
<td>239 (34%)</td>
<td>384</td>
<td>89 (12%)</td>
<td>716</td>
</tr>
<tr>
<td>3 or 4 firms</td>
<td>Average percent change in average adjusted premium</td>
<td>11.3%</td>
<td>12.5%</td>
<td>14.3%</td>
<td>1176</td>
</tr>
<tr>
<td></td>
<td>Average percent change in 2nd-lowest silver adjusted premium</td>
<td>8.9%</td>
<td>11.1%</td>
<td>20.0%</td>
<td>1176</td>
</tr>
<tr>
<td></td>
<td>Number of counties (%)</td>
<td>178 (15%)</td>
<td>519 (41%)</td>
<td>479 (41%)</td>
<td>1176</td>
</tr>
<tr>
<td>5+ firms</td>
<td>Average percent change in average adjusted premium</td>
<td>3.7%</td>
<td>5.9%</td>
<td>8.1%</td>
<td>710</td>
</tr>
<tr>
<td></td>
<td>Average percent change in 2nd-lowest silver adjusted premium</td>
<td>1.9%</td>
<td>7.7%</td>
<td>12.7%</td>
<td>710</td>
</tr>
<tr>
<td></td>
<td>Number of counties (%)</td>
<td>128 (18%)</td>
<td>196 (28%)</td>
<td>366 (54%)</td>
<td>710</td>
</tr>
<tr>
<td></td>
<td>Total Numbers of Counties</td>
<td>549</td>
<td>1099</td>
<td>954</td>
<td>2602</td>
</tr>
</tbody>
</table>

- Premiums growth tends to be higher where counties experienced a loss of firms, and where the number of firms is lower or was to begin with, as well
- Analysis based only on FFM states so far (our work is in progress).
Marketplace Enrollment

By Metropolitan and Non-Metropolitan Status
- Federally-Facilitated Marketplaces Only
- As a Percentage of Potential Eligible Uninsured Persons in the area

Sources: Numerators come from ASPR's report on 2015 plan selections by county. Denominators are based upon Kaiser potential HIM market estimates, June 2015, assigned in proportion to 2012 SAHIE the county-level uninsured estimates and aggregated according to metro/non-metro status of county.
Enrollment in Marketplaces, 2015

- By Metropolitan and Non-Metropolitan Status, and by Region
- Federally-Facilitated Marketplaces Only
- As a Percentage of Potential Eligible Uninsured Persons in the area

**Figure 3. Estimated Enrollment Rates by Rating Area Population Density**

- By Metropolitan and Non-Metropolitan Status, and by Region
- Federally-Facilitated Marketplaces Only
- As a Percentage of Potential Eligible Uninsured Persons in the area
Fewer than four firms and enrollment seems to fall?

<table>
<thead>
<tr>
<th>Number of Firms Participating, 2015</th>
<th>Number (%) of FFM Rating Areas</th>
<th>Average Enrollment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>15 (4%)</td>
<td>34.4%</td>
</tr>
<tr>
<td>2</td>
<td>39 (9%)</td>
<td>43.8%</td>
</tr>
<tr>
<td>3</td>
<td>83 (20%)</td>
<td>46.4%</td>
</tr>
<tr>
<td>4</td>
<td>90 (22%)</td>
<td>49.8%</td>
</tr>
<tr>
<td>5</td>
<td>62 (15%)</td>
<td>49.8%</td>
</tr>
<tr>
<td>6</td>
<td>40 (10%)</td>
<td>49.8%</td>
</tr>
<tr>
<td>7</td>
<td>31 (8%)</td>
<td>47.1%</td>
</tr>
<tr>
<td>8+</td>
<td>51 (12%)</td>
<td>46.4%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>411 (100%)</td>
<td>47.3%</td>
</tr>
</tbody>
</table>
Timothy D. McBride, Abigail R. Barker, Leah Kemper, Keith Mueller
RUPRI Center for Rural Health Policy Analysis
Brown School, Washington University in St. Louis
tmcbride@wustl.edu

Huge drop in uninsured rates since 3rd quarter 2013...
from 17.6% to 10.4% (7.2 percentage points)
40% drop in uninsured in just two quarters.
Larger drop in states that expanded Medicaid (51%) as compared to states not expanding Medicaid (30% drop)

Figure 1. Trends in Uninsurance for Adults Ages 18 to 64 from Quarter 1 2013 to Quarter 3 2015

Source: Health Reform Monitoring Survey, quarter 1 2013 through quarter 3 2015.

Note: Estimates are regression adjusted. States expanding Medicaid before September 2013 are AK, AR, CA, CO, CT, DE, DC, HI, IL, IN, IA, KY, ME, MA, MI, MN, MS, MO, MT, NE, NH, NJ, NM, NY, OH, OK, OR, PA, RI, SC, VT, WA, and WV. Estimates are not available for quarter 2 2015 because the Health Reform Monitoring Survey defined from a quarterly funding schedule to a semiannual schedule in March 2013.

*** Estimate differs significantly from quarter 3 2013 at the .05 level, using two-tailed tests. Statistical significance is only reported for estimates after quarter 1 2013.

Source: Urban Institute, Health Reform Monitoring Survey.
Uninsured rate changes: 2013 to 2014

**All Ages, Metro and Nonmetro, 2013 and 2014**

- Nonmetro uninsured rate lower in 2013, but higher in 2014.

Uninsured rate changes: 2013 to 2014

**Nonelderly only, Metro and Nonmetro, 2013 and 2014**

- Change in uninsured larger in metro (-3.3%) than in nonmetro (-3%)
An alternative source... the Urban Institute’s survey also show similar drops in uninsured rates in metro and nonmetro areas from 2013 to end of 2014

This is for age 18-64 age group

from 21.1% to 13.5% in nonmetro; 17.1 to 12.2% in metro

CPS numbers:
- Nonmetro: 18.3% → 15%
- Metro: 18.3% → 14.1%

Source: Urban Institute, Health Reform Monitoring Survey.
**Uninsured rate changes: 2013 to 2014**

By Medicaid Expansion Status and Region, for Nonmetro Areas

- Declines larger in Medicaid expansion states across U.S., and uninsured rates higher before & after ACA (except in West)
- South & Midwest important for rural: 73% of nonmetro population resides in South & Midwest

### Other Issues?

- **Rising issues:**
  - Plans setting “Narrow Networks”
    - Evidence there are “narrow” networks in plans offered in the Marketplaces
    - From anecdotal and other evidence that plan organizations have adjusted or varied the “networks” of their plans
    - Is there a rural/urban differential here? Unclear
  - Who are the remaining uninsured, and what are their characteristics?
  - Affordability of health care in marketplaces
    - Many silver, bronze plans have high deductibles
    - Vast majority of people are choosing silver and bronze plans
  - What is the impact of all this on the health care system?
    - Access, Utilization, Uncompensated care?
    - Variations in this?
### Preliminary Analysis of Deductibles in FFM Marketplace Plans, 2016

<table>
<thead>
<tr>
<th>Metal type</th>
<th>Bronze</th>
<th>Silver</th>
<th>Gold</th>
<th>Platinum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deductible amount</td>
<td>Urban</td>
<td>Rural</td>
<td>Urban</td>
<td>Rural</td>
</tr>
<tr>
<td>$0-$3,000</td>
<td>0.3%</td>
<td>0.0%</td>
<td>44.4%</td>
<td>45.8%</td>
</tr>
<tr>
<td>$3000-$3,999</td>
<td>4.5%</td>
<td>5.1%</td>
<td>30.4%</td>
<td>33.5%</td>
</tr>
<tr>
<td>$4000-$4,999</td>
<td>15.1%</td>
<td>14.2%</td>
<td>11.8%</td>
<td>11.8%</td>
</tr>
<tr>
<td>$5000-$6,850</td>
<td>80.1%</td>
<td>80.7%</td>
<td>13.5%</td>
<td>8.9%</td>
</tr>
<tr>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

### Conclusion

- The marketplaces has been a bit of wild ride
  - First few years a path to "equilibrium"
  - Are we there yet?
  - First year: turmoil; second year, entry; third year, adjustment
- The rural story
  - First two years; uneven: much good news on enrollment and premiums; but pockets of concern
  - 2016: rising premiums in rural years
- Moving forward
  - Concerns: affordability, Co-Ops, exit of some plans, narrow networks