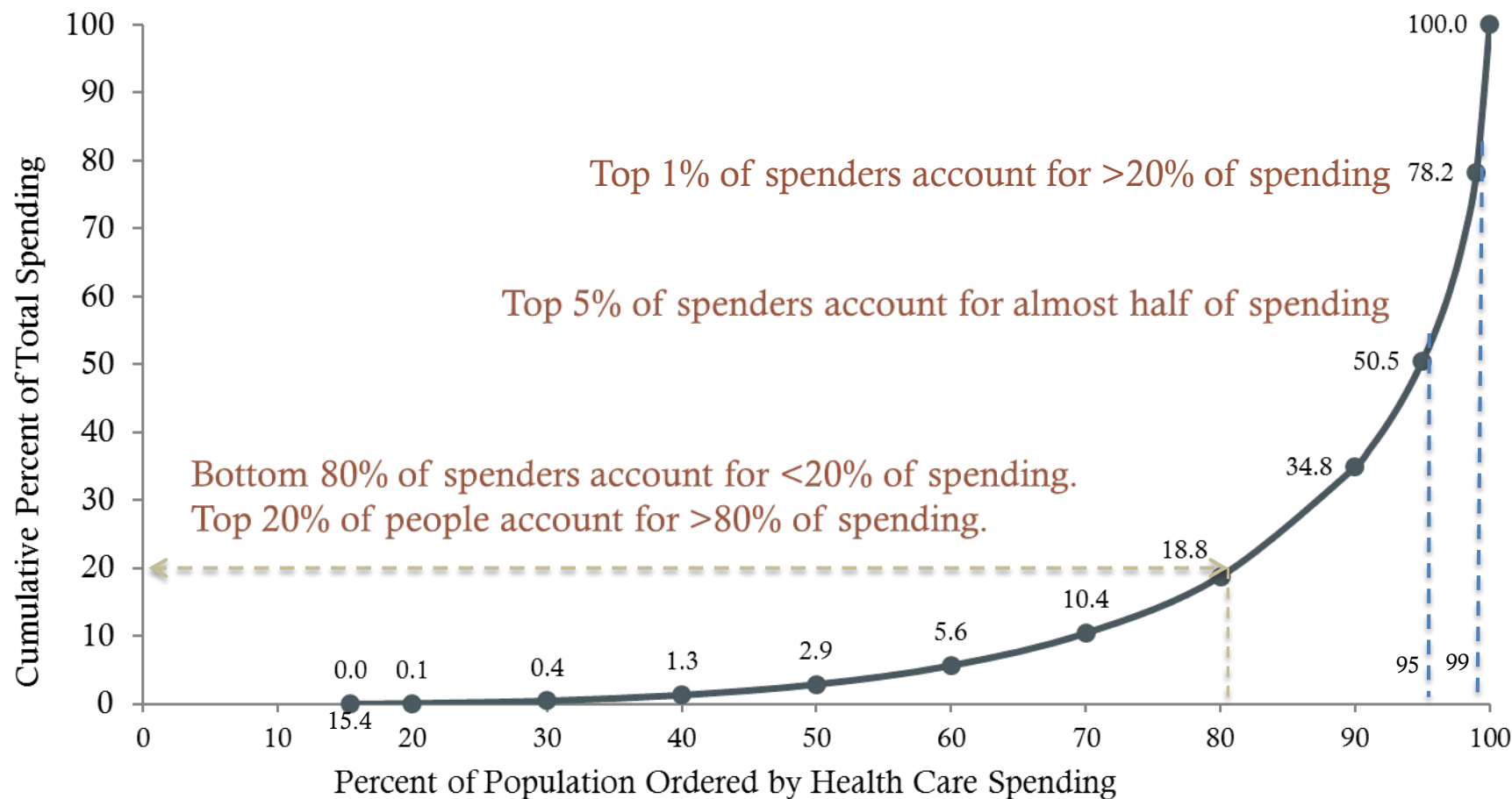


Health Insurance Market Structure and Regulation

Mark A. Hall

Wake Forest University

Single Most Important Fact: The Concentration of Health Care Spending



Source: NIHCM Foundation analysis from the 2009 Medical Expenditure Panel Survey

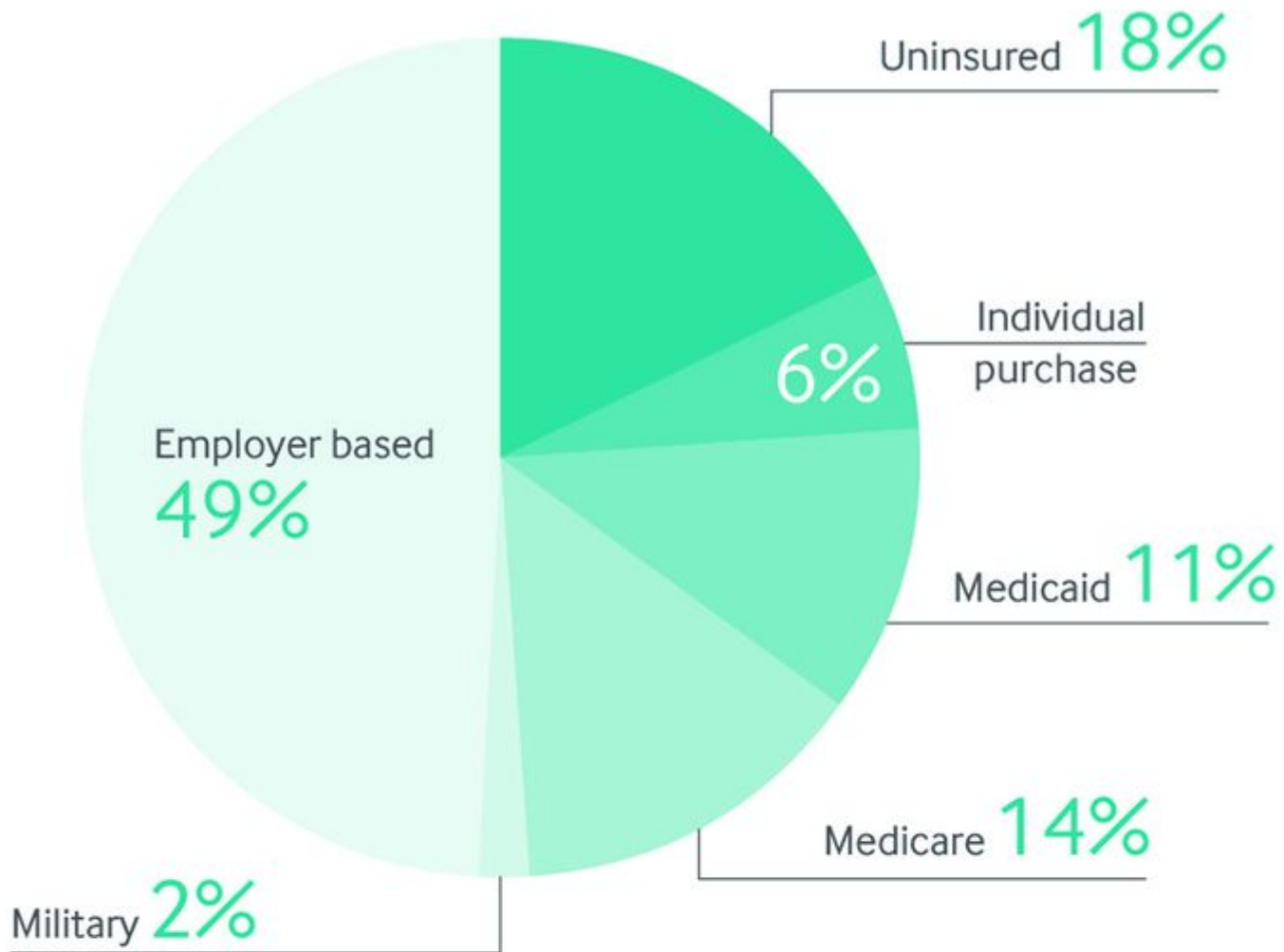
Large Groups

- Economies of scale; purchasing power
- Subsidized: employer and tax
- No adverse selection; No medical underwriting
- Community rated within group
- 85-95% medical loss ratio
- Some plan choice

Individual Insurance

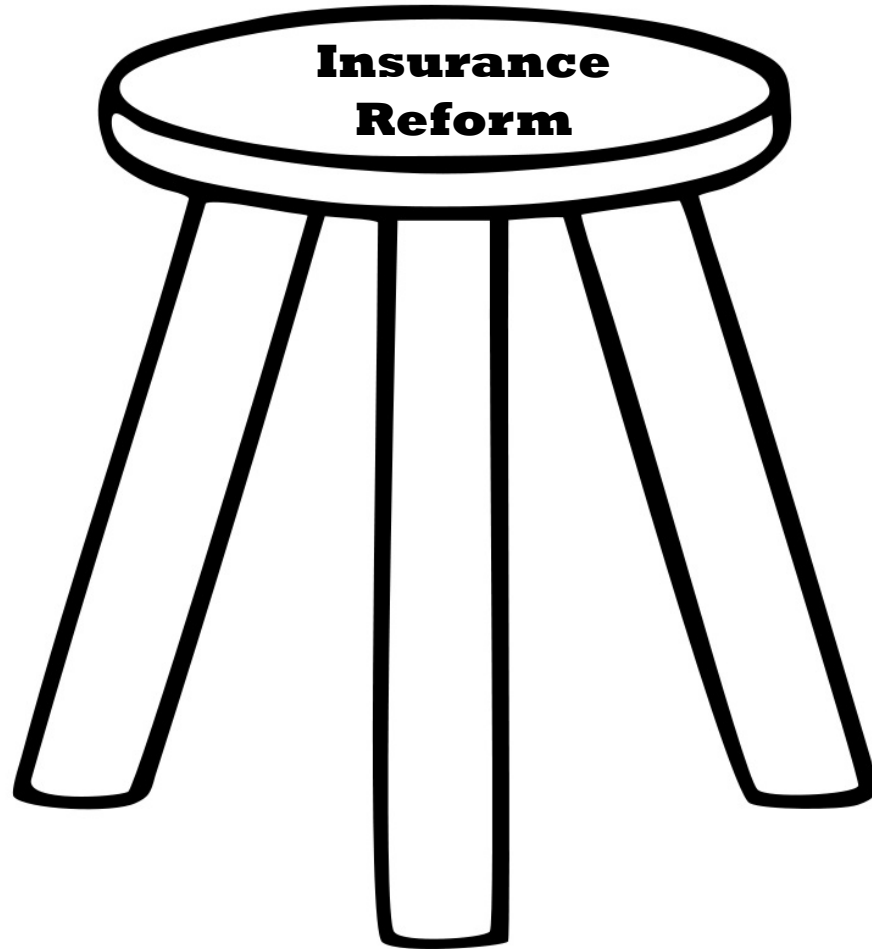
- No economies of scale or purchasing power
- Unsubsidized; no tax break
- Strong adverse selection; Intensive medical underwriting and risk-rating
- 60-75% medical loss ratio
- Full choice

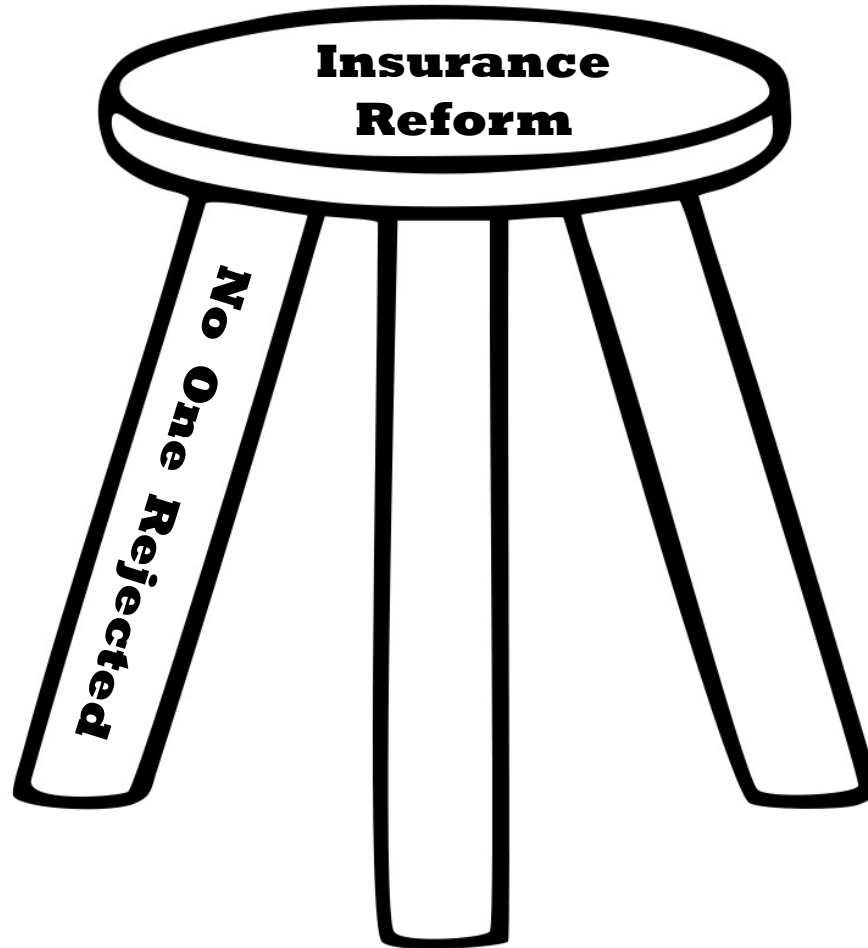
BEFORE THE AFFORDABLE CARE ACT

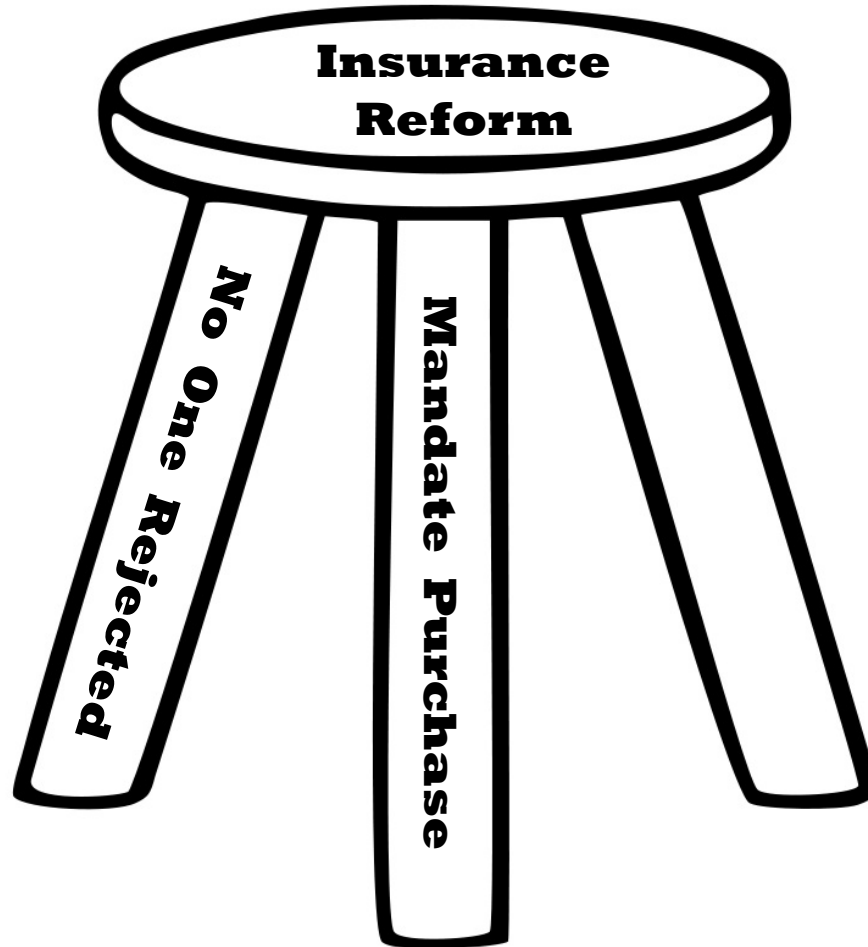


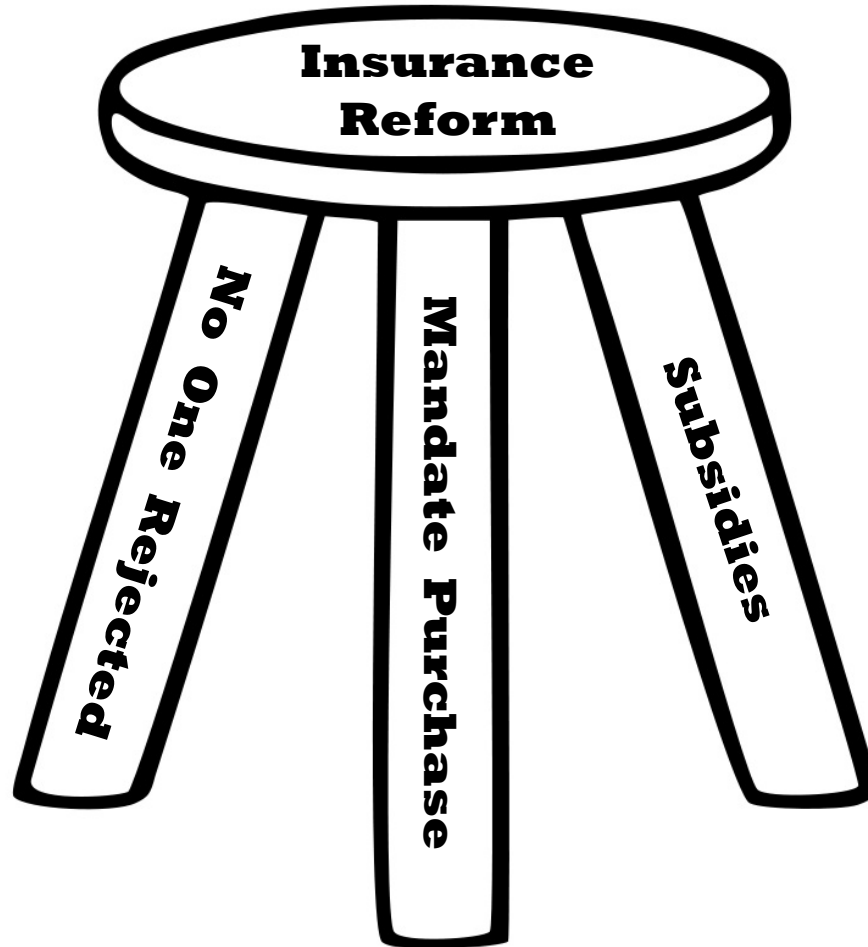
What IS the ACA?

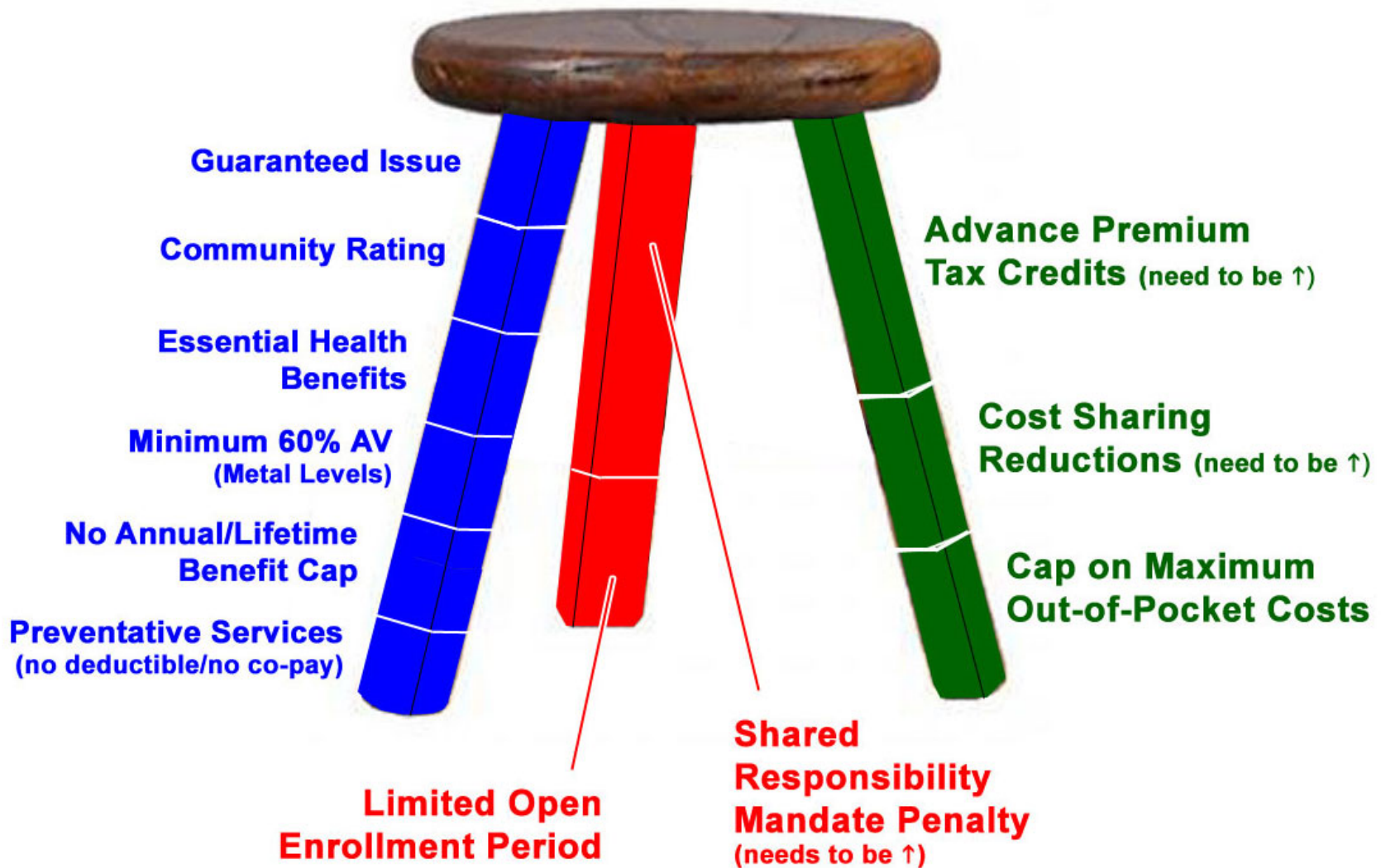




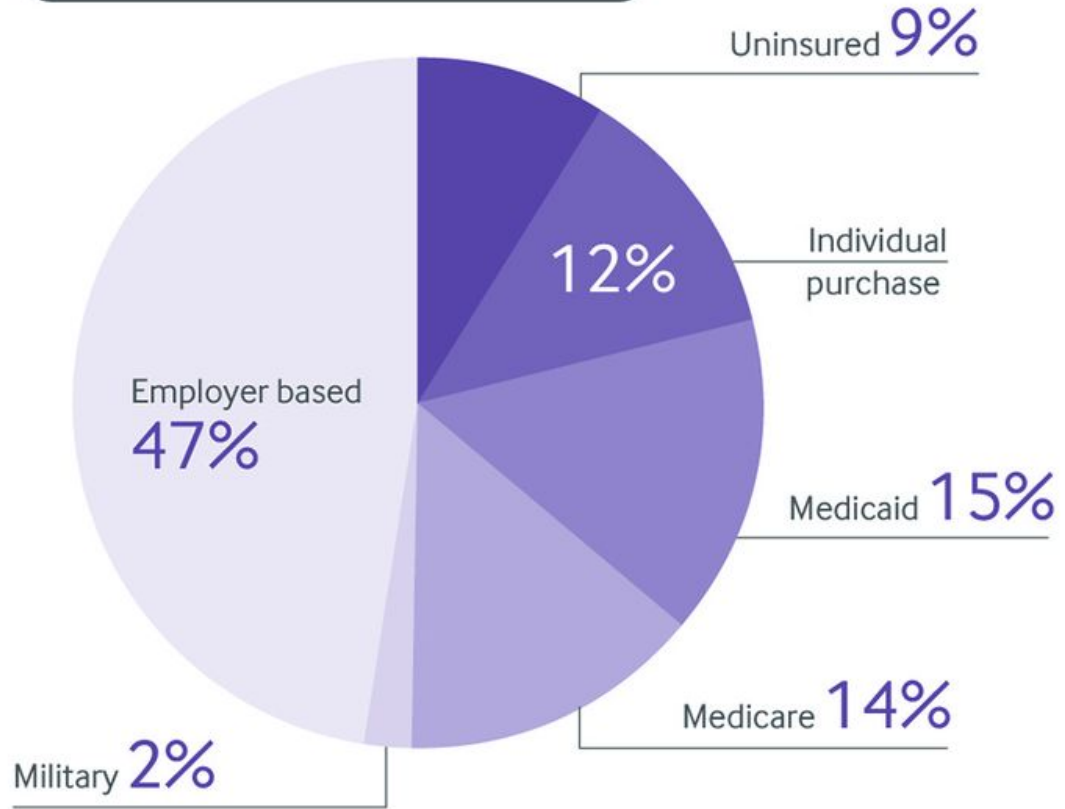




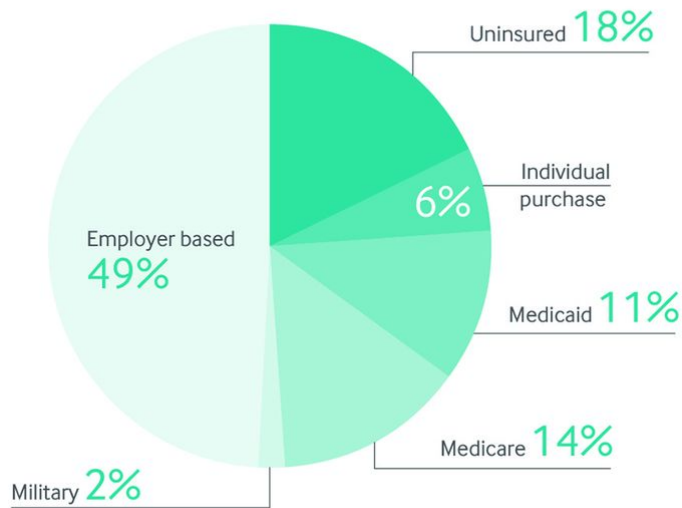




UNDER THE AFFORDABLE CARE ACT



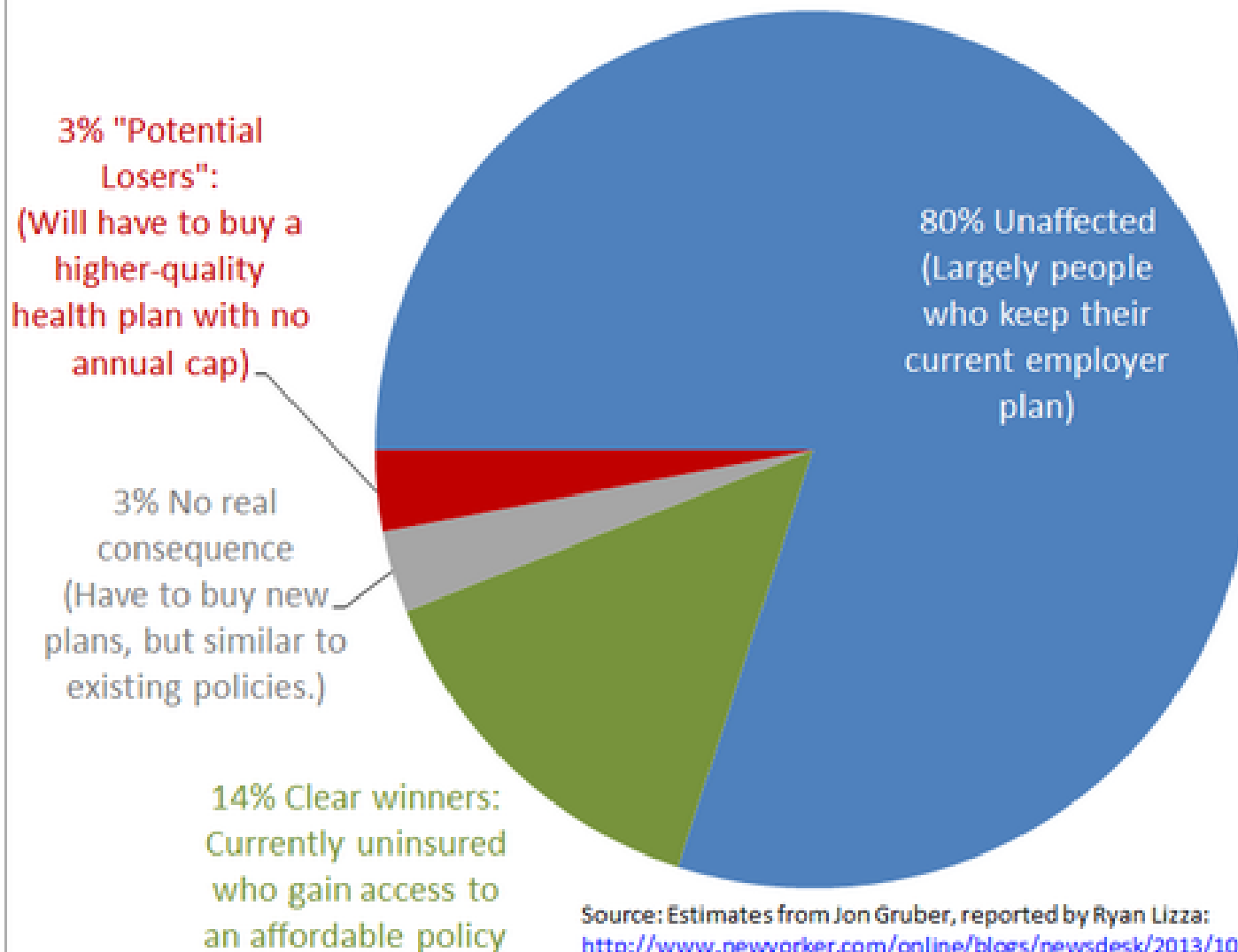
BEFORE THE AFFORDABLE CARE ACT



UNDER THE AFFORDABLE CARE ACT

0%

Winners and Losers from Obamacare



ACA in NC

HALF
FULL



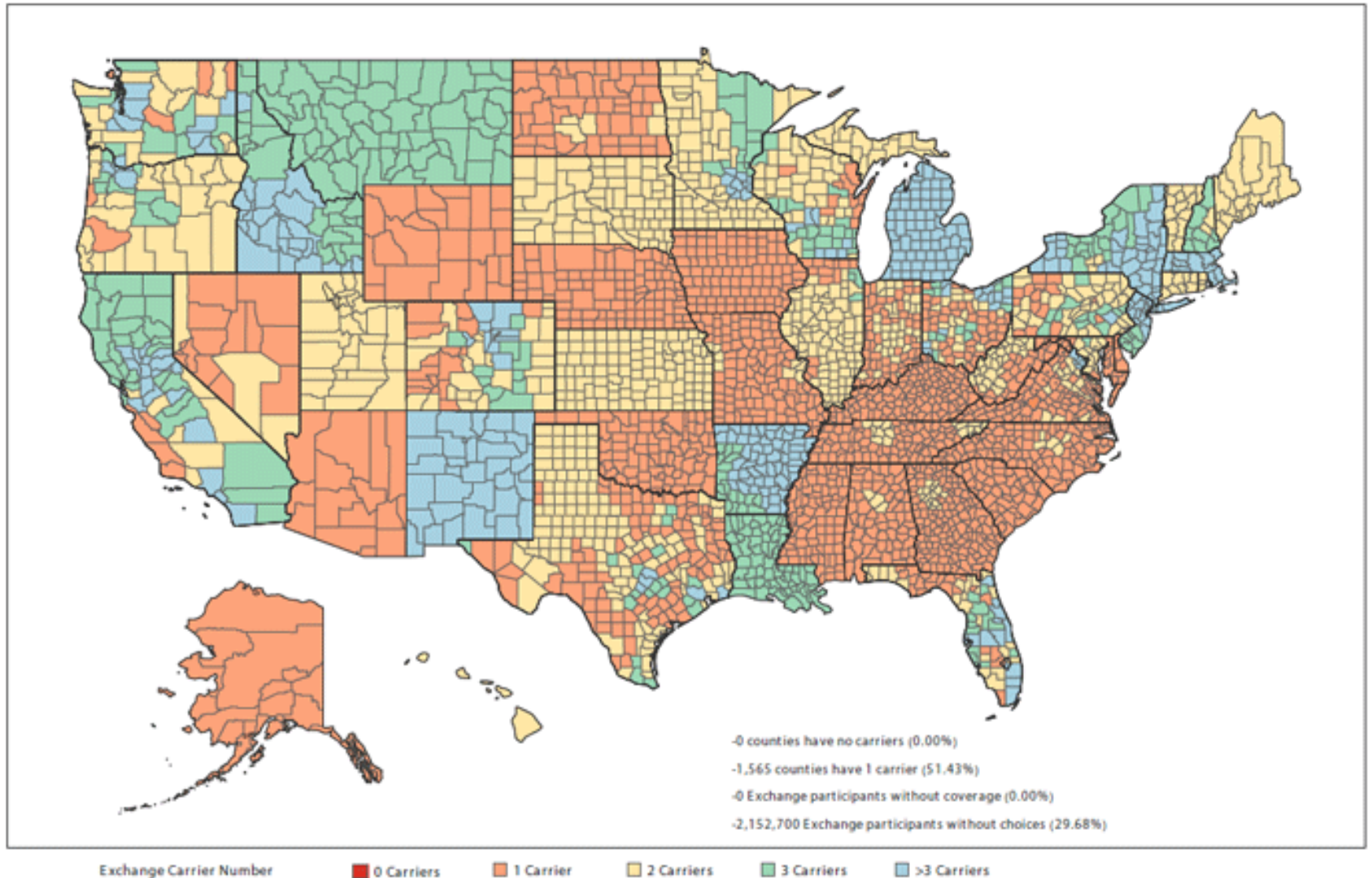
HALF
EMPTY

2018 Exchange Enrollment

Florida	1,715,227
California	1,521,524
Texas	1,126,838
North Carolina	519,803
Georgia	480,912
Virginia	400,015
Pennsylvania	389,081
Illinois	334,979
Michigan	293,940
New Jersey	274,782
Massachusetts	270,688
New York	253,102
Missouri	243,382
Washington	242,850
Ohio	230,127
Tennessee	228,646

Insurers per County

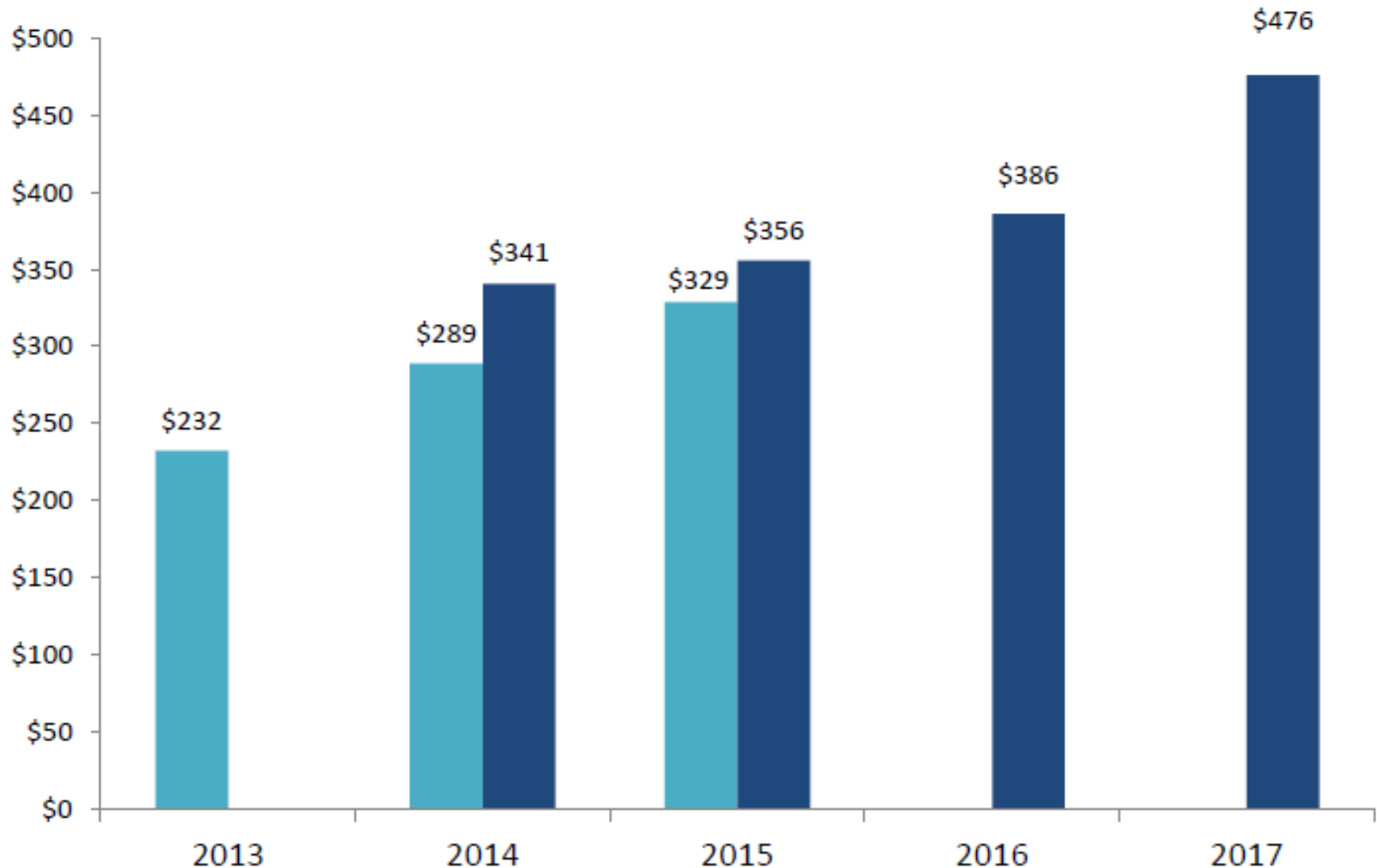
County by County Analysis of Plan Year 2018 Insurer Participation in Health Insurance Exchanges



Premiums in Healthcare.gov States

■ Premiums calculated using MLR data

■ Weighted average premiums calculated using CMS MIDAS Data



		2017 Premiums	2013 Premiums	% Increase
	Alaska	1041	344	203%
1	West Virginia	702	261	169%
2	North Carolina	662	240	176%
3	Oklahoma	620	206	201%
4	Wyoming	614	297	107%
5	Arizona	611	211	190%
6	Nebraska	595	235	153%
7	Tennessee	587	213	176%
	AVERAGE	476	232	105%
33	Michigan	402	212	90%
34	North Dakota	399	278	44%
35	New Hampshire	399	302	32%
36	Nevada	379	204	86%
37	New Mexico	366	186	97%
38	Utah	319	159	101%

Trump Era Options

- Repeal
- Replace
- Wait and See

Death By A Thousand Regulatory Cuts



Issues for States

- Individual mandate replacement?
- Association Health Plans
 - Unlikely to achieve significant economies of scale
 - Vehicle for separating better from worse risks
 - Self-employed “groups of one”
- Short-term Health Insurance
 - Medically underwritten
 - Nonrenewable