

ACA Implementation—Monitoring and Tracking

What Explains the 21 Percent Increase in 2017 Marketplace Premiums, and Why Do Increases Vary Across the Country?

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With support from the Robert Wood Johnson Foundation (RWJF), the Urban Institute is undertaking a comprehensive monitoring and tracking project to examine the implementation and effects of the Patient Protection and Affordable Care Act of 2010 (ACA). The project began in May 2011 and will take place over several years. The Urban Institute will document changes to the implementation of national health reform to help states, researchers and policymakers learn from the process as it unfolds. Reports that have been prepared as part of this ongoing project can be found at www.rwjf.org and www.healthpolicycenter.org.

INTRODUCTION

Reports of high premium increases in the Affordable Care Act's (ACA) nongroup Marketplaces have received considerable attention in recent months.^{1,2} In October 2016, the Department of Health and Human Services released a report showing an average 25 percent increase in the premiums of second-lowest-cost silver plans in the federally facilitated Marketplaces; the average increase was 22 percent when data from five state-based Marketplaces (the only ones available at that time) were included.¹ The report contributed to widespread concerns that many nongroup markets were in danger of collapsing and that ACA reforms were unsustainable. High premium increases have been cited as a strong rationale for ACA repeal.³

In this report, we analyze data on premium increases from all rating regions in the 50 states and the District of Columbia. We show that the 2017 weighted average increase in the lowest-cost silver plan premium in each rating region was 21.2 percent (Table 1). The corresponding increase in the second-lowest-cost silver plan premium was also 21.3 percent (Table 2). These increases mask extraordinary variation across states: Between 2016 and 2017, the statewide average change in lowest-cost silver premiums was –6.4 percent in Rhode Island, –4.0 percent in Arkansas, –2.2 percent in Massachusetts, –1.0 percent in Washington, and –0.5 percent in Indiana. At the other extreme, increases were 50.5 percent in Kansas, 51.3 percent in Alabama and 125.0 percent in Arizona. State-by-state variation in second-lowest-cost plan premiums was similar.

Between 2014 and 2017, the national average annual increase in lowest-cost silver plan premiums was 10.3 percent. This reflects an increase of 3.4 percent in 2015, 8.1 percent in 2016, and 21.2 percent in 2017 (2015 and 2016 increases not shown). Premium increases have been on the rise in general, but this

has not been true everywhere. The average annual change between 2014 and 2017 was –5.7 percent in Indiana, –4.0 percent in Rhode Island, –2.7 percent in New Hampshire, –2.0 percent in Washington, and –0.6 percent in Massachusetts. On the other hand, average annual increases between 2014 and 2017 reached 31.9 percent in Tennessee, 33.4 percent in Alaska, 34.1 percent in Oklahoma, 34.5 percent in Minnesota, and 35.6 percent in Arizona.

Nationally, 9.7 percent of Americans live in rating areas where the lowest-cost silver premium decreased in 2017, but large shares of people in some states live in rating areas with these decreases (Table 3). These include 100 percent of Rhode Island's population, 62.4 percent of Massachusetts' population, 62.5 percent of Indiana's population, 64.0 percent of Ohio's population, and 55.9 percent of Washington's population. Over 28 percent of the U.S. population lives in rating areas where the lowest-cost silver premium increased by less than 10 percent in 2017. But at the other extreme, large shares of certain states' populations live in rating regions that experienced increases of over 20 percent in their lowest-cost silver premiums. These include Pennsylvania, Illinois, Minnesota, Alabama, Arkansas, Oklahoma, Tennessee, and Arizona. About 40 percent of the U.S. population resides in these rating areas with the largest premium increases in their lowest-cost silver premiums.

These variations suggest that Marketplaces have had very different experiences, with some markets working well and others experiencing catch-up from previous underpricing or struggling with insurer or provider concentration. Some of the 2017 premium increases could stem from the end of the ACA's reinsurance program, but this shouldn't have different effects in different states. The ACA's incentives were geared

Table 1. Change in Average Premiums for Lowest-Cost Silver Plans, By State, 2016-2017 and 2014-2017

State	Average premium, 2016	Average premium, 2017	Percentage change, 2016-2017	Average annual change, 2014-2017
National average	\$283	\$342	21.2%	10.3%
Northeast				
Regional average	\$306	\$362	18.5%	8.6%
Connecticut	\$351	\$433	23.3%	7.7%
Delaware	\$354	\$414	17.1%	13.2%
District of Columbia	\$229	\$275	20.3%	4.9%
Maine	\$309	\$371	19.5%	5.9%
Maryland	\$243	\$296	21.8%	10.6%
Massachusetts	\$247	\$241	-2.2%	-0.6%
New Hampshire	\$260	\$266	2.2%	-2.7%
New Jersey	\$324	\$338	4.2%	3.2%
New York	\$370	\$439	18.6%	8.8%
Pennsylvania	\$245	\$347	40.6%	18.8%
Rhode Island	\$259	\$243	-6.4%	-4.0%
Vermont	\$465	\$470	1.1%	6.0%
Midwest				
Regional average	\$261	\$322	23.5%	10.7%
Illinois	\$247	\$350	42.2%	16.3%
Indiana	\$264	\$261	-0.5%	-5.7%
Iowa	\$273	\$320	17.3%	13.8%
Kansas	\$241	\$362	50.5%	20.4%
Michigan	\$237	\$260	10.4%	6.2%
Minnesota	\$249	\$429	70.0%	34.5%
Missouri	\$303	\$365	19.8%	12.3%
Nebraska	\$320	\$464	45.1%	25.0%
North Dakota	\$313	\$325	3.9%	5.0%
Ohio	\$249	\$251	0.7%	1.0%
South Dakota	\$318	\$430	36.0%	16.6%
Wisconsin	\$290	\$350	20.9%	8.1%

Table 1. Continued

State	Average premium, 2016	Average premium, 2017	Percentage change, 2016-2017	Average annual change, 2014-2017
National average	\$283	\$342	21.2%	10.3%
South				
Regional average	\$284	\$350	22.0%	12.0%
Alabama	\$288	\$435	51.4%	21.4%
Arkansas	\$293	\$281	-4.0%	-0.1%
Florida	\$283	\$323	14.1%	9.9%
Georgia	\$279	\$312	10.6%	7.1%
Kentucky	\$235	\$253	8.2%	7.7%
Louisiana	\$327	\$403	23.4%	11.3%
Mississippi	\$264	\$327	23.7%	0.8%
North Carolina	\$371	\$517	40.0%	22.2%
Oklahoma	\$285	\$495	73.6%	34.1%
South Carolina	\$300	\$389	29.7%	13.6%
Tennessee	\$275	\$433	56.9%	31.9%
Texas	\$251	\$279	10.6%	6.5%
Virginia	\$280	\$309	10.2%	6.0%
West Virginia	\$349	\$440	26.3%	18.4%
West				
Regional average	\$280	\$332	20.5%	8.7%
Alaska	\$684	\$901	31.8%	33.4%
Arizona	\$221	\$497	125.0%	35.6%
California	\$297	\$317	6.6%	4.0%
Colorado	\$287	\$317	11.2%	7.6%
Hawaii	\$260	\$325	25.0%	22.6%
Idaho	\$272	\$344	26.8%	15.9%
Montana	\$320	\$418	30.7%	19.0%
Nevada	\$284	\$306	7.8%	3.9%
New Mexico	\$195	\$239	23.1%	2.6%
Oregon	\$254	\$311	22.7%	15.3%
Utah	\$231	\$308	33.9%	16.6%
Washington	\$241	\$238	-1.0%	-2.0%
Wyoming	\$454	\$494	8.9%	7.7%

Notes: Premium prices are calculated for a 40-year-old nonsmoker and weighted by rating area population.
 Data on Colorado's average annual change do not include rating areas 8 and 9 because there were created after the first open enrollment period.

Table 2. Change in Average Premiums for Second-Lowest-Cost Silver Plans, By State, 2016-2017 and 2014-2017

State	Average premium, 2016	Average premium, 2017	Percentage change, 2016-2017
National average	\$294	\$356	21.3%
Northeast			
Regional average	\$315	\$374	19.4%
Connecticut	\$353	\$436	23.5%
Delaware	\$356	\$423	19.0%
District of Columbia	\$245	\$298	21.6%
Maine	\$314	\$378	20.0%
Maryland	\$253	\$309	22.4%
Massachusetts	\$259	\$252	-2.9%
New Hampshire	\$261	\$267	2.4%
New Jersey	\$325	\$339	4.2%
New York	\$386	\$454	17.7%
Pennsylvania	\$250	\$367	45.6%
Rhode Island	\$263	\$261	-0.7%
Vermont	\$468	\$492	5.1%
Midwest			
Regional average	\$272	\$331	22.1%
Illinois	\$254	\$360	42.2%
Indiana	\$275	\$273	0.0%
Iowa	\$287	\$333	15.8%
Kansas	\$249	\$363	45.7%
Michigan	\$251	\$266	6.0%
Minnesota	\$257	\$442	70.0%
Missouri	\$315	\$369	16.7%
Nebraska	\$332	\$476	42.9%
North Dakota	\$320	\$334	4.3%
Ohio	\$258	\$262	1.6%
South Dakota	\$340	\$457	34.9%
Wisconsin	\$309	\$360	16.5%

Table 2. Continued

State	Average premium, 2016	Average premium, 2017	Percentage change, 2016-2017
National average	\$294	\$356	21.3%
South			
Regional Average	\$296	\$364	22.0%
Alabama	\$299	\$468	56.5%
Arkansas	\$298	\$303	1.5%
Florida	\$293	\$337	14.6%
Georgia	\$312	\$325	3.4%
Kentucky	\$253	\$267	6.4%
Louisiana	\$355	\$421	18.5%
Mississippi	\$268	\$332	23.7%
North Carolina	\$386	\$540	40.7%
Oklahoma	\$297	\$503	69.3%
South Carolina	\$302	\$390	29.3%
Tennessee	\$288	\$471	63.3%
Texas	\$256	\$287	11.7%
Virginia	\$291	\$319	9.4%
West Virginia	\$356	\$461	29.7%
West			
Regional average	\$294	\$350	21.3%
Alaska	\$719	\$927	28.9%
Arizona	\$230	\$540	138.4%
California	\$313	\$335	6.6%
Colorado	\$298	\$341	14.8%
Hawaii	\$262	\$347	32.4%
Idaho	\$283	\$353	24.8%
Montana	\$322	\$450	39.8%
Nevada	\$295	\$314	6.5%
New Mexico	\$225	\$254	13.6%
Oregon	\$268	\$321	19.9%
Utah	\$257	\$311	20.8%
Washington	\$247	\$247	0.5%
Wyoming	\$461	\$502	8.8%

Notes: Premium prices are calculated for a 40-year-old nonsmoker and weighted by rating area population.

Table 3. Distribution of Changes in Lowest-Cost Silver Premiums, 2016-2017

State	Number of rating regions	Share of population with decrease	Share of population with 0-10% increase	Share of population with 10-20% increase	Share of population with > 20% increase
National average	499	9.7%	28.3%	22.1%	39.9%
Northeast					
Regional average	46	8.2%	25.2%	20.5%	46.1%
Connecticut	8	0.0%	0.0%	24.0%	76.0%
Delaware	1	0.0%	0.0%	100.0%	0.0%
District of Columbia	1	0.0%	0.0%	0.0%	100.0%
Maine	4	0.0%	0.0%	88.2%	11.8%
Maryland	4	0.0%	0.0%	32.2%	67.8%
Massachusetts	7	62.4%	37.6%	0.0%	0.0%
New Hampshire	1	0.0%	100.0%	0.0%	0.0%
New Jersey	1	0.0%	100.0%	0.0%	0.0%
New York	8	0.0%	13.2%	32.0%	54.8%
Pennsylvania	9	0.0%	0.0%	14.8%	85.2%
Rhode Island	1	100.0%	0.0%	0.0%	0.0%
Vermont	1	0.0%	100.0%	0.0%	0.0%
Midwest					
Regional average	124	18.4%	12.7%	25.3%	43.7%
Illinois	13	0.0%	0.0%	0.0%	100.0%
Indiana	17	62.5%	0.0%	24.6%	12.9%
Iowa	7	0.0%	31.0%	40.6%	28.4%
Kansas	7	0.0%	0.0%	0.0%	100.0%
Michigan	16	6.4%	26.2%	67.3%	0.0%
Minnesota	9	0.0%	0.0%	0.0%	100.0%
Missouri	10	4.5%	0.0%	62.8%	32.8%
Nebraska	4	0.0%	0.0%	42.7%	57.3%
North Dakota	4	0.0%	100.0%	0.0%	0.0%
Ohio	17	64.0%	31.8%	4.2%	0.0%
South Dakota	4	0.0%	0.0%	0.0%	100.0%
Wisconsin	16	0.0%	10.8%	42.6%	46.6%

Table 3. Continued

State	Number of rating regions	Share of population with decrease	Share of population with 0-10% increase	Share of population with 10-20% increase	Share of population with > 20% increase
National average	499	9.7%	28.3%	22.1%	39.9%
South					
Regional average	249	5.0%	24.6%	26.1%	44.4%
Alabama	13	0.0%	0.0%	0.0%	100.0%
Arkansas	7	0.0%	0.0%	0.0%	100.0%
Florida	67	1.7%	19.6%	60.8%	17.8%
Georgia	16	7.9%	61.1%	14.0%	17.0%
Kentucky	8	22.0%	28.6%	34.5%	15.0%
Louisiana	8	0.0%	0.0%	34.2%	65.8%
Mississippi	6	0.0%	0.0%	14.8%	85.2%
North Carolina	16	0.0%	0.0%	13.5%	86.5%
Oklahoma	5	0.0%	0.0%	0.0%	100.0%
South Carolina	46	0.0%	0.0%	0.0%	100.0%
Tennessee	8	0.0%	0.0%	0.0%	100.0%
Texas	26	12.6%	40.5%	28.5%	18.5%
Virginia	12	0.0%	65.5%	34.5%	0.0%
West Virginia	11	8.3%	8.0%	17.3%	66.4%
West					
Regional average	80	9.9%	50.7%	14.6%	24.7%
Alaska	3	0.0%	0.0%	0.0%	100.0%
Arizona	7	0.0%	0.0%	0.0%	100.0%
California	19	8.1%	73.4%	18.5%	0.0%
Colorado	9	7.9%	54.3%	23.9%	13.9%
Hawaii	1	0.0%	0.0%	0.0%	100.0%
Idaho	7	0.0%	0.0%	10.1%	89.9%
Montana	4	0.0%	0.0%	0.0%	100.0%
Nevada	4	0.0%	100.0%	0.0%	0.0%
New Mexico	5	0.0%	0.0%	45.1%	54.9%
Oregon	7	0.0%	0.0%	38.2%	61.8%
Utah	6	0.0%	0.0%	0.0%	100.0%
Washington	5	55.9%	44.1%	0.0%	0.0%
Wyoming	3	0.0%	100.0%	0.0%	0.0%

Notes: Premium prices are calculated for a 40-year-old nonsmoker and weighted by rating area population.

toward developing highly competitive insurance markets as one of several policies to contain health care cost growth. The act was designed to force insurers to compete on premiums, provider networks, and customer service, and to prohibit them from selecting enrollees based on health status. With premium tax credits tied to the second-lowest-cost silver plan in each market, a consumer seeking a more expensive silver plan (or a gold or platinum plan) would pay the full marginal cost of the premium difference. Those choosing a less expensive option would keep the savings. Since most of the potential nongroup insurance enrollees are quite price-sensitive, insurers have strong incentives to price aggressively to compete for covered lives. The ACA experience illustrates how this managed competition model has played out in practice.

In this paper, we explore premium data in depth to better understand why some markets have functioned well, fostering low premiums and low premium growth, and others have not. We estimate regression models to identify what factors are associated with high or low increases in lowest-cost and second-lowest-cost silver premiums. Then, we analyze one or two rating regions in each of 15 states. Our main findings from the regression analysis, confirmed by the 15 state analyses, are as follows:

- Silver premiums tend to be lower in rating regions with more competing insurers and those with competition from Medicaid insurers (insurers that previously only participated in the Medicaid market), Blue Cross Blue Shield-affiliated insurers, and provider-sponsored insurers. These types of insurers often offer limited network plans.
- Reductions in the number of insurers in 2017 tend to be associated with higher premiums, and vice versa.

Increases in premiums between 2016 and 2017 and between 2015 and 2017 reflect the following:

- The more insurers competing in a rating region, the lower the increase in silver premiums.
- The higher the premiums in the base year (either 2015 or 2016 depending on the regression), the slower the growth in premiums, and vice versa; this reflects regression to the mean. In other words, there is a great deal of catch-up: Where base-year premiums are low, rates of increase are higher.
- In a given market, insurer exit is associated with faster premium growth and insurer entrance with slower premium growth.
- Participation by Medicaid insurers, Blue Cross HMO insurers, and provider-sponsored insurers is associated

with slower growth rates in a rating region's silver premiums. Markets without these types of plans tend to have higher growth rates in their lowest-cost options.

In the final section of this paper, we examine one or two rating regions in each of 15 states. These examples show how the regression findings manifest in particular areas, and they reflect the variety of Marketplace experiences across the country.

Based on evidence from the regressions and the 15 state analyses, we conclude that underpricing was substantial in the early years of the Affordable Care Act. The 21.2 percent increase in 2017 largely reflects the efforts of insurers to price in line with the costs of enrollees. This has contributed to large premium increases in many markets but is likely to be a short-term phenomenon in most markets. Premium increases should be more stable in the future, once catch-up is fully priced in. Large percentage increases in premiums do not always translate into high premium levels; they often reflect premiums reaching reasonable levels.

Premium levels and premium growth vary considerably across states, indicating very different experiences. Markets that had lower premiums and lower premium growth are characterized by a large number of insurers and intense competition among them for market share. They are also characterized by competition among limited network plans offered by Medicaid insurers, Blue Cross Blue Shield HMO insurers, or provider-sponsored insurers. In most markets, the broad network offerings of national insurers have not been priced competitively, leading those insurers to exit markets in many states.

Markets that have seen large premium increases typically have fewer insurers, and sometimes the effects of insurer concentration in these markets are exacerbated by provider concentration. Insurers with limited competition are freer to set higher premiums; they do not need to create efficiencies in care delivery or attempt to negotiate lower provider payment rates. In addition, they face less pressure to develop limited provider network options to be price competitive. In general, high-premium-increase markets tend to have one or two insurers and do not have limited network options, either from provider-sponsored, Blue Cross Blue Shield, or Medicaid insurers.

Thus, the results from the managed competition structure of the ACA are somewhat mixed. Where it has resulted in low premiums, that success generally derived from the availability of limited network options, which may limit access to some desirable providers. Where competition has been weaker because of the market dominance of insurers and/or providers, premium levels and premium increases are higher.

DATA AND METHODS

We analyze nongroup Marketplace premium and insurer participation data taken from HealthCare.gov and websites for the state-based Marketplaces. Our analyses use the premium for the lowest- and second-lowest-cost silver plan offered in each rating area for a 40-year-old nonsmoker. However, much of our analysis focuses on the lowest-cost silver plan as a premium measure because it represents the least expensive entry point for the most popular tier of coverage. There is a strong relationship between the lowest- and second-lowest-cost silver plan premiums. The median difference across rating regions between the lowest- and second-lowest-cost silver plans is 3.3 percent. All averages presented are weighted by population at the rating region level. In addition to state-level average changes in premiums between 2016 and 2017, we calculate state-level changes in average premiums between 2016 and 2017 and the average annual change between 2014 and 2017 to provide a broader context for the premium changes seen thus far.

To summarize the market-level characteristics associated with higher or lower premiums and higher or lower growth in premiums, we estimate linear probability models. We estimate four regressions, each with premium rating region as the unit of observation. The first and second dependent variables are equal to the lowest- and second-lowest-cost monthly silver premium in the given rating region in 2017, respectively. The remaining two dependent variables are equal to the percentage difference between the lowest-cost silver premium in the rating region in 2016 and 2017, as well as the percentage difference in the lowest-cost silver premium from 2015 to 2017.

Explanatory variables in the lowest- and second-lowest-cost monthly silver premium regressions include rating region population, Medicaid expansion status, number of insurers participating in the Marketplace in that rating region in 2016 (or 2015, in the 2015 to 2017 premium change regression), change in the number of insurers participating in the Marketplace in that region between 2016 and 2017 (or between 2015 and 2017, in the 2015 to 2017 premium change regression),

and indicators for 2017 participation in the rating region for previously Medicaid-only insurers (hereafter called Medicaid insurers), co-ops, national insurers, regional or local insurers, provider-sponsored insurers, and Blue Cross Blue Shield-affiliated insurers (including Anthem and Blue Cross Blue Shield subsidiaries such as BridgeSpan).

In the premium level regressions, we include indicators for two states with pure community rating (New York and Vermont) because their premiums for a 40-year-old enrollee are significantly higher than those in other states since the states' insurers are prohibited from varying premiums by age. Pure community rating increases premiums for younger enrollees and reduces them for older enrollees, relative to the case where age variation is permitted. In the premium change regressions, we add average lowest-cost silver premiums in the state relative to the 2016 national average to the 2017 model, and relative to the 2015 national average in the 2015 to 2017 model, to test for regression to the mean as an explanation for variation in premium increases or decreases.

We define Blue Cross Blue Shield insurers as members of the Blue Cross Blue Shield Association. Co-ops, established under the Affordable Care Act, are enumerated on the National Alliance of State Health Co-ops website. Medicaid insurers are those that only offered public insurance plans (Medicaid with or without Medicare) before the 2014 nongroup open enrollment period. Provider-sponsored insurers are those directly affiliated with a provider group (usually a hospital system).

A limitation of our analysis is that some insurers participating in a given rating area do not serve the full population of that rating area but only a part of it. Thus, in some portions of some rating areas, people likely do not have access to the lowest-cost silver premium we identify. We are unable to analyze sub-rating service areas at this time. Also, we may not have identified the lowest-cost offering in a small number of areas because data for some insurers were unavailable.

FINDINGS

Characteristics of Markets Associated with 2017 Premium Levels and 2015–2017 and 2016–2017 Premium Growth Rates

The means of each variable in the regressions are shown in Table 4. The regression results that summarize the association

of market characteristics with premium levels and premium growth rates are shown in Table 5. In Table 5, the dependent variables are the monthly premium (in dollars) of the lowest-cost silver plan in each rating region in 2017, the monthly premium (in dollars) of the second-lowest-cost silver plan in each rating region in 2017, the percentage change in the rating

Table 4. Table of Means for Premium Level and Premium Change Regression Models, at the Rating Regional Level

Variable	Weighted mean
Dependent variables	
Percentage change in lowest-cost silver premium, 2016-2017	0.21
Percentage change in lowest-cost silver premium, 2015-2017	0.32
2017 lowest-cost silver monthly premium	341.90
2017 second-lowest-cost silver monthly premium	355.84
Independent variables	
State population	10,288,224
Number of participating insurers, 2015	5.69
Number of participating insurers, 2016	5.31
Change in number of insurers, 2015-2017	-1.95
Change in number of insurers, 2016-2017	-1.57
Lowest-cost silver premium relative to the national average, 2015	1.00
Lowest-cost silver premium relative to the national average, 2016 ²	1.00
Medicaid insurer participation in 2017	0.58
Co-op participation in 2017	0.07
National insurer participation in 2017	0.31
Regional or local insurer participation in 2017	0.33
Provider-sponsored insurer participation in 2017	0.47
Blue Cross Blue Shield insurer participation in 2017	0.93
Pure community rating ¹	0.06
Medicaid expansion status	0.60
State average monthly employer sponsored insurance premium	515.60

¹ “Yes” value for rating regions in New York and Vermont

Table 5. Lowest - and Second – Lowest-Cost Silver Plan Premium Level and 2016-2017 and 2015-2017 Percentage Change in Lowest-Cost-Silver Premium Regression Model Coefficients.

	2017 lowest-cost silver premium level	2017 second-lowest-cost silver premium level	2016-2017 percentage change in lowest cost silver premium	2015-2017 percentage change in lowest cost silver premium
State population	2.65E-07	6.80E-07	1.64E-09	-1.06E-10
Number of participating insurers, 2015	N/A	N/A	N/A	-0.03***
Number of participating insurers, 2016	-24.03***	-25.28***	-0.05***	N/A
Change in number of insurers, 2015-2017	N/A	N/A	N/A	-0.08***
Change in number of insurers, 2016-2017	-16.14***	-16.82***	-0.05***	N/A
Lowest-cost silver premium in 2015 relative to national average	N/A	N/A	N/A	-0.87***
Lowest-cost silver premium in 2016 relative to national average	N/A	N/A	-0.19***	N/A
Medicaid insurer participation in 2017	-55.60***	-57.69***	-0.16***	-0.31***
Co-op insurer participation in 2017	-4.42	1.76	0.09**	-0.04
National insurer participation in 2017	-4.23	-4.68	-0.01	-0.05
Regional or local insurer participation in 2017	9.01	7.35	-0.01	-0.02
Provider-sponsored insurer participation in 2017	-19.38*	-22.15**	-0.07**	-0.17***
Blue Cross Blue Shield insurer participation in 2017	-30.36*	-30.77*	-0.16***	-0.25***
Nongroup market pure community rating	79.12***	98.51***	N/A	N/A
Medicaid expansion status	0.94	5.37	0.08***	0.12***
State average employer sponsored insurance premium	0.93***	0.85***	0.00	0.001*
Intercept	21.70	77.38	0.88	1.23
R ²	0.45	0.44	0.30	0.46
n	499	499	499	499

*P<.10. **P<.05. ***P<.01.

NA: Variable not included in this regression

region's lowest-cost silver plan premium in 2016 and 2017, and the percentage change in the lowest-cost silver plan in the rating region between 2015 and 2017.

REGRESSIONS ANALYZING CHARACTERISTICS ASSOCIATED WITH LOWEST- AND SECOND-LOWEST-COST PREMIUM LEVELS

The regressions that identify factors associated with the premium levels of the lowest- and second-lowest-cost silver plans are highly consistent with each other. First, premium levels tend to be lower where there are more insurers. Presumably, this reflects more intense market competition. Second, an increase in the number of insurers is associated with lower monthly premiums; reductions in the number of insurers are associated with the opposite effect. As mentioned above, the ACA ties tax credits to the premium of the area's second-lowest-cost silver plan, also known as the benchmark premium. People must pay 100 percent of the difference between the premium of the plan they choose and the benchmark. Thus, insurers' incentives to price aggressively to obtain market share increase with the number of competitors.

Third, the type of insurers that participate in a given Marketplace is strongly associated with premium levels. Markets that include at least one Medicaid insurer tend to have lower premiums. Medicaid insurers tend to have narrower provider networks and experience with serving low-income populations. Their narrow network products often reflect aggressive negotiation of provider payment rates, which allow them to offer low-cost Marketplace products. Fourth, Marketplace participation by Blue Cross insurers tends to be associated with lower premiums (significant at the 0.10 level in both models). In some markets, Blue Cross-affiliated insurers have very high premiums, but in many other areas, these insurers have developed fairly competitive HMO products with lower premiums. Fifth, the presence of provider-sponsored insurers is associated with significantly lower premiums. These large provider systems offer insurance products, sometimes in association with a previously established insurer. As a result, provider payment rates are likely lower than would be the case between independent entities.

Participation by national insurers such as Aetna, UnitedHealthcare, Cigna, and Humana is not significantly associated with differences in monthly premiums, but under certain circumstances, these insurers have priced very competitively. Competition from a local or regional insurer is not significantly associated with lower premium levels in these models. The presence of a co-op (increasingly rare nationwide) is not significantly associated with premium levels either.

The statewide average premium for employer-sponsored insurance (ESI) is a proxy for underlying costs in the insurance market; we find that the higher the ESI premium, the higher the nongroup premiums. Finally, state population size is not significantly related to premium levels; neither is state expansion of Medicaid. This contradicts some reports that Medicaid expansion resulted in higher Marketplace premiums because the expansion pulled a low-cost population out of the nongroup market.

Our regressions of percentage change in lowest-cost silver premiums yielded similar findings for 2016 to 2017 and 2015 to 2017. The main difference between the two sets of regressions (the first a one-year change, the second a two-year change) is that the coefficients tend to be larger in the 2015 to 2017 regression, consistent with two-year effects being larger than one-year effects. Regressions of changes between 2016 and 2017 show that more insurers are associated with lower premium increases, reflecting greater competition in the market. Markets with fewer insurers tend to have higher premium growth rates, all else being equal. Increases in the number of insurers are also correlated with lower relative premium growth, and exits of insurers are correlated with higher relative premium growth.

In both regressions, low premiums in the base year (either 2015 or 2016, depending upon the regression) are associated with higher relative premium growth. In many markets, base-year premiums seem to have been set too low to cover the costs of the enrollees, and later premium growth reflects insurers' attempts to "catch up."

Competition from a Medicaid insurer is associated with lower rates of premium growth. These narrow network insurers have been able to be price competitively, and their participation appears to drive competition over time in many rating areas. The participation of Blue Cross insurers is statistically associated with lower rates of increase in premiums. While some Blue Cross plans have experienced large premium increases, many others have developed highly price competitive HMO products and are likely driving competition in some rating areas. The presence of provider-sponsored insurers in an area's Marketplace is associated with lower premium growth rates as well. These types of insurers may have a stronger ability to control premium growth rates and influence area competition because of the tight association between their provider systems and the insurer. The presence of large national insurers, or regional insurers are not associated with growth rates. States with Medicaid expansion had higher premium growth rates, although expansion status is not significantly associated with premium levels. Finally, ESI premiums and state population size are not associated with lower growth rates for a given rating region, all else being equal.

EXAMPLES OF MARKET EXPERIENCES IN 15 STATES

In this section, we ground the findings of our regression analysis by looking in detail at 2016 to 2017 changes in the lowest-cost silver plan premiums in 15 states. These states and their weighted average lowest-cost silver premium increases are shown in Table 6. Specific data on lowest-cost silver premium increases for one or two metropolitan areas are also provided. Appendix Tables A1 through A15 provide detailed premium data for each insurer’s lowest-cost silver premium plan for selected rating regions in each state. The key patterns are discussed in each of the state descriptions below. We show example states with 2016 to 2017 increases in average lowest-cost silver premiums of 10 percent or less as well as examples where increases were 20 percent or more. Premium increases

of 20 percent or more seem to stem from significant catch-up from initial underpricing or from the effects of insurer and/or provider concentration.

Our state-specific findings reflect the regression results showing that areas with Medicaid insurers in the Marketplace tend to have the lowest premiums and premium increases, and that Blue Cross Blue Shield HMO plans and provider-sponsored insurers are associated with lower premiums as well. The relationship between insurer exit and premium increases is also shown in these examples. Finally, we provide examples of rating areas with low premiums in the initial years of reform and high 2017 growth rates.

Table 6. Summary Table of Selected States and Rating Areas with High and Low Premium Increases in Lowest-Cost Silver Premiums, 2015-2017

State	Rating area	Percentage change, 2016-2017	Average annual percentage change, 2015-2017
Washington	State average	-1.0%	0.4%
	Seattle	4.9%	0.1%
	Rest of state	-3.5%	0.6%
Rhode Island	State average	-0.2%	-0.6%
Ohio	State average	0.7%	-0.2%
	Columbus	5.2%	16.4%
	Cleveland	-2.6%	-7.1%
	Rest of state	0.3%	-2.7%
California	State average	6.6%	7.8%
	East Los Angeles	3.2%	8.9%
	West Los Angeles	8.7%	3.9%
	San Diego	3.9%	0.4%
	Rest of state	6.8%	9.3%
Virginia	State average	10.2%	13.3%
	Richmond	9.7%	19.8%
	DC suburbs	9.3%	8.2%
	Rest of state	10.9%	14.6%
Michigan	State average	10.4%	7.7%
	Detroit	11.4%	6.3%
	Rest of state	10.2%	8.0%

Table 6. Continued

State	Rating area	Percentage change, 2016-2017	Average annual percentage change, 2015-2017
Texas	State average	10.6%	12.8%
	Dallas	6.4%	-0.7%
	Houston	11.8%	14.0%
	Rest of state	12.1%	19.1%
Florida	State average	14.1%	17.2%
	Miami	14.6%	8.2%
	Tampa	23.5%	10.7%
	Rest of state	13.2%	19.3%
New York	State average	18.6%	26.8%
	New York City	23.9%	22.0%
	Long Island	18.4%	17.5%
	Rest of state	12.1%	37.1%
West Virginia	State average	26.3%	51.9%
	Charleston	32.8%	60.8%
	Rest of state	25.6%	50.1%
North Carolina	State average	40.0%	70.8%
	Charlotte	50.2%	78.4%
	Rest of state	38.0%	69.3%
Alabama	State average	51.4%	70.3%
	Birmingham	59.1%	74.4%
	Rest of state	49.0%	69.1%
Tennessee	State average	56.9%	118.4%
	Nashville	47.5%	106.2%
	Memphis	46.7%	115.6%
	Rest of state	62.0%	125.0%
Oklahoma	State average	73.6%	146.2%
	Oklahoma City	71.5%	141.7%
	Rest of state	74.6%	148.4%
Arizona	State average	125.0%	178.6%
	Phoenix	129.6%	186.6%
	Tucson	71.2%	105.7%
	Rest of state	141.1%	206.6%

Notes: Premium prices are calculated for a 40 year-old nonsmoker and weighted by rating region population

Washington (Table A.1)

Average lowest-cost silver premiums fell by 1.0 percent statewide in Washington in 2017, following a 7.6 percent increase in 2016. In the Seattle, Bellevue market, the lowest-cost silver premium increased by 4.9 percent, following a 4.5 percent reduction in 2016. The Seattle market is characterized by strong competition between two Medicaid insurers: Coordinated Care, a product of the Centene Corporation, and Molina, another large national insurer. The Group Health Cooperative, a regional insurer, also has relatively low premiums. Washington has several Blue Cross Blue Shield–affiliated insurers in the Marketplace, but all of them have substantially higher premiums. Thus, Washington benefits from its variety of insurers and particularly from the limited network offerings of the national Medicaid chains.

Rhode Island (Table A.2)

Rhode Island has seen very low increases in its lowest-cost silver premiums since the ACA was implemented. The state has a single rating region, and in 2017, its lowest-cost silver premium decreased by 4.6 percent, following a 6.0 percent increase in 2016. Rhode Island has only two insurers participating in its Marketplace this year, but there seems to be intense price competition between them. Neighborhood Health Plan, a regional Medicaid plan, now has the lowest premiums in the state, but Blue Cross Blue Shield premiums remain relatively low as well. In addition, premiums may be lower because of the state's strong rate review process and its "affordability standards," which include limits on hospital rate increases.

Ohio (Table A.3)

Ohio experienced a mere 0.7 percent statewide average increase in the premiums for its lowest-cost silver plans in 2017; this followed a 1.1 percent reduction in 2016. In 2017, Columbus' lowest-cost silver premium increased by 5.2 percent and Cleveland's decreased by 2.6 percent. Both markets have a relatively large number of competitors and participation by two Medicaid plans: Molina and CareSource, a Medicaid insurer with a significant presence throughout the Midwest. In Cleveland, Ambetter, a product of the Centene Corporation, also participates. Anthem Blue Cross Blue Shield and Medical Mutual participate in both markets but have relatively high premiums.

In 2017, the Columbus market lost seven insurers and the Cleveland market lost five; Assurant Health also exited both markets in 2016. The departing insurers had lowest-cost silver premium options that were considerably higher than those of CareSource and Molina. In principle, these exits could have resulted in faster premium growth in these areas; several of the insurers that left were local or provider-sponsored. The

Ohio market is likely to remain low-cost to the extent that the Medicaid insurers continue to offer narrow network plans that are acceptable to consumers there. Whether Blue Cross Blue Shield can offer a limited network option that can be priced more competitively with the national Medicaid insurers likely will determine its continued participation.

California (Table A.4)

California's statewide average lowest-cost silver premium increased 6.6 percent in 2017, following a 1.4 percent increase in 2016. In East Los Angeles the increase was 3.2 percent (5.4 percent in 2016), in West Los Angeles 8.7 percent (–4.5 percent in 2016), and in San Diego 3.9 percent (–3.3 percent in 2016). The Los Angeles and San Diego markets have a large number of competitors and have not experienced insurer exits; this is generally true throughout the state. Both Anthem and Blue Shield compete in the market and are priced much more competitively in Los Angeles than in San Diego. Large Medicaid insurers—LA Care, Molina, and Health Net (part of the Centene Corporation)—offer the lowest premiums in all the markets. Molina offered the plan with the lowest premium in each of the three markets. In the Los Angeles markets, LA Care and Health Net have the second and third lowest premiums, respectively. In San Diego, Health Net is a close second to Molina. The larger insurers, Anthem, Blue Shield, and Kaiser Permanente, have significant enrollment despite higher premiums, likely because of some combination of brand name and attractive networks.⁴ California's active purchasing initiatives have also contributed to low premiums and small premium increases each year.

Virginia (Table A.5)

Virginia's statewide average increase in lowest-cost silver premiums was 10.2 percent in 2017, following an increase of 2.7 percent in 2016. The 2017 increase was 9.7 percent in the Richmond region and 9.3 percent in the Washington, D.C., suburbs. Virginia is an outlier because the state still has a number of national insurers participating in its Marketplace. In Richmond, national insurers Aetna, Cigna, and UnitedHealthcare continue to offer plans, as does Anthem, a large Blue Cross Blue Shield–affiliated insurer. Cigna and UnitedHealthcare also offer plans in the Washington, D.C., suburbs, as do Anthem and CareFirst, both Blue Cross Blue Shield affiliates, and Kaiser Permanente, a provider-sponsored insurer. Both of these Virginia markets have numerous competitors, which has helped hold premiums down. In Richmond, large insurers are able to remain competitive because of partnerships with local hospital systems. For example, Anthem has a close relationship with the Hospital Corporation of America and Aetna with Bon Secours. In the Washington, D.C., suburbs, Innovation Health, a partnership between Inova Health System and Aetna, has the lowest-cost

silver option. Kaiser Permanente is also competitive in the Richmond and Washington, D.C., markets.

Michigan (Table A.6)

Michigan's statewide average lowest-cost silver premium increased 10.4 percent in 2017, following a decrease of 1.9 percent in 2016. In Detroit, the premium for the lowest-cost silver plan increased by 11.4 percent in 2017, following a reduction of 4.4 percent in 2016. Detroit still has a large number of Marketplace insurers (nine), despite the loss of four plans in 2016 and 2017 (two national insurers, the state's co-op, and a provider-sponsored insurer).

The lowest premiums in Detroit come from two Medicaid insurers: Meridian, a local insurer, and Molina, a national Medicaid chain. Total Health Care, a regional insurer, and Blue Care Network of Michigan, a Blue Cross HMO insurer, also have reasonably low silver premium options. Humana remains in the market, but its lowest-cost silver premium increased 50 percent in 2017. No other national insurers participate in Michigan, presumably because of the difficulty of competing on price with narrow network offerings. The remaining participants include provider-sponsored insurers with premiums that are not price competitive with the lowest-cost plans in Detroit (though not high by national standards) and a Blue Cross Blue Shield multistate option that is priced much higher than other plans.⁵

Texas (Table A.7)

Texas' statewide average lowest-cost silver premium increased 10.6 percent in 2017, following a 1.2 percent increase in 2016. The 2017 increase was 6.4 percent in Dallas/Fort Worth (-6.7 percent in 2016) and 11.8 percent in Houston (1.9 percent in 2016). The state lost several insurers in the last two years, including Oscar (a New York-based startup created in 2012), Scott & White (a Texas-based provider-sponsored insurer), Aetna, Cigna, Assurant, and UnitedHealthcare (all four national plans). A Medicaid insurer, Ambetter, entered the Dallas market in 2017.

The larger 2017 premium increase (compared with the 2016 increase) likely reflects Texas' low 2016 premium levels relative to the national average. Low-cost premium options in Texas still remain fairly affordable because of the presence of Medicaid plans (particularly Molina). Blue Cross Blue Shield of Texas offers a much higher-cost option, presumably with a broader provider network. Blue Cross Blue Shield's lowest premium option increased 34.5 percent in Dallas/Fort Worth and 47.5 percent in Houston in 2017. The exit of several insurers from the Texas markets likely contributed to the higher rates of premium growth this year. Going forward, premium increases will

depend on whether beneficiaries find the Medicaid insurers' offerings acceptable and whether Blue Cross Blue Shield of Texas can offer a more price competitive option.

Florida (Table A.8)

Florida's statewide average lowest-cost silver premium increased 14.1 percent in 2017, following a 2.6 percent increase in 2016. In Miami, the lowest-cost silver premium increased by 14.6 percent in 2017, following a reduction of 5.6 percent in 2016. In Tampa, the lowest-cost silver premium increased by 23.5 percent in 2017, following a decrease of 10.4 percent in 2016. The larger 2017 premium increases reflect some catch-up from apparent underpricing by at least some insurers in the earlier years of ACA implementation. In Miami and Tampa, Ambetter (a national Medicaid insurer) offered the lowest-cost silver plan in 2016 and in 2017. Molina, another national Medicaid chain, is also reasonably price competitive with Ambetter. Florida Blue HMO offers a limited network product rebranded in 2017 as Health Options, with a lowest-cost premium option priced modestly higher than Ambetter's in both markets. Florida Blue's PPO product is more expensive.

Several large national insurers, including Coventry, UnitedHealthcare, Assurant, and Cigna, left the Florida Marketplace. Humana remains but is the highest-priced insurer by far in both markets. National insurers seem to have a difficult time competing with the narrower network Medicaid insurers. Thus, Florida benefits from having multiple competitors in the Marketplace (including national Medicaid insurers), but recent premium increases appear to stem from some degree of earlier underpricing.

New York (Table A.9)

The New York premium levels shown in Table 6 cannot be compared with those of other states because New York nongroup insurance premiums are community-rated. This means that premiums in the New York market do not vary with age, unlike those of the other states in the table, which are set using a 3-to-1 age rating band. New York's statewide average lowest-cost silver premium increased 18.6 percent, following an 8.1 percent increase in 2016. In New York City, the lowest-cost silver plan premium increased 23.9 percent in 2017, following a reduction of 1.5 percent in 2016.

The large increase in 2017 came after the lowest-cost silver insurer in 2016, CareConnect (formerly North Shore-LIJ), increased its lowest-priced option by 33.1 percent; this made Healthfirst, a Medicaid insurer, the lowest-cost silver insurer in New York City in 2017. In fact, New York City's lowest-cost silver insurers in 2017 are all Medicaid insurers: MetroPlus, Fidelis, Healthfirst, and Affinity. Emblem and Empire Blue Cross Blue

Shield have significantly higher premiums than the Medicaid insurers. UnitedHealthcare remains in the state Marketplace but with even higher premiums (more than \$120 higher per month than the next highest-priced insurer). The New York City experience seems to reflect fairly low premiums in the initial years of the ACA, some of which were unsustainable even for narrow-network Medicaid plans.

The Long Island market has a similar story. The lowest-cost insurers are Medicaid options, Fidelis and Healthfirst. CareConnect is a close runner-up, followed by Oscar and Affinity, another Medicaid insurer. On Long Island, as in New York City, Emblem, Empire, and UnitedHealthcare have significantly higher premium options.

Additionally, 2017 is the second year in which New York has fully implemented a Basic Health Program (BHP) option. In New York, people otherwise eligible for Marketplace financial assistance, with incomes below 200 percent of the federal poverty level, are eligible to participate in the BHP instead. This program pulls these heavily subsidized but generally healthy people out of the nongroup market risk pool. Thus, the program may be raising the average health care risk in the remaining nongroup market, causing insurers to raise premiums in response, but if so, the bigger effect would have been expected to occur in 2016.

West Virginia (Table A.10)

Unlike many of the states with large 2017 increases in their lowest-cost silver premiums, West Virginia had relatively high premiums in 2015 and 2016. The statewide average lowest-cost silver plan premium increased by 26.3 percent in 2017 and by 20.5 percent in 2016. Only one insurer, Highmark Blue Cross Blue Shield, participated in West Virginia's Marketplace in 2014 and 2015. In 2016, CareSource, a regional Medicaid insurer, entered a few of the state's rating regions with competitive premiums; CareSource offered the lowest-cost silver plan option in Charleston. In 2017, CareSource increased the premium of its lowest-cost option by 32.8 percent, but because of an even larger increase by Highmark, CareSource remains the lowest-priced insurer in Charleston; we do not know how much market share CareSource has attained. Highmark's dominance makes it difficult for other insurers to enter the state. However, Highmark has reportedly had trouble negotiating lower provider payment rates in most of the state because of the limited number of providers. As a result, West Virginia remains relatively high-priced; the state's average lowest-cost silver premium is nearly 30 percent higher than the national average (Table 1).

North Carolina (Table A.11)

North Carolina's average increase in lowest-cost silver premiums was 40.0 percent in 2017. North Carolina's Marketplace had three participating insurers before 2017, but the average lowest-cost silver premiums increased considerably (20.6 percent) in 2016. In 2017, UnitedHealthcare and Aetna exited the state's Marketplace, leaving only Blue Cross Blue Shield of North Carolina. North Carolina has no Medicaid insurers, co-ops, or provider-sponsored insurers in its Marketplace. Blue Cross Blue Shield of North Carolina had relatively high premiums in both 2015 and 2016 relative to the national average, and with no competition in 2017, the insurer has little incentive to innovate to reduce costs.

Alabama (Table A.12)

Alabama's average lowest-cost silver premium increased 51.3 percent in 2017, following a 12.7 percent increase in 2016. Unlike many of the states with high premium increases, Alabama had lowest-cost silver premiums near the national average in 2015 and 2016. Blue Cross Blue Shield historically has been the dominant insurer in the state. Both Humana and United HealthCare participated in both 2015 and 2016 along with Blue Cross Blue Shield of Alabama. Both Humana and UnitedHealthcare left the state's Marketplace in 2017, leaving Blue Cross Blue Shield of Alabama as the only participating insurer. Blue Cross Blue Shield increased the premium of its lowest-cost option in the Birmingham market by 38.3 percent in 2017. The lowest premium in 2017 (Blue Cross Blue Shield) was 59.1 percent larger than the lowest premium in 2016 (UnitedHealthcare).

Tennessee (Table A.13)

Tennessee is another high-premium-increase state with little competition and low initial premiums. The state's average lowest-cost silver premiums increased 38.6 percent in 2016 and 56.9 percent in 2017. In 2015, Tennessee saw more robust Marketplace competition, with two national insurers (Humana and Cigna), BlueCross BlueShield of Tennessee, and a co-op (Community Health Alliance); premium options were priced low relative to the national average. In 2016, UnitedHealthcare entered the state Marketplace, but Community Health Alliance ceased operations following significant losses. In 2017, UnitedHealthcare left the Tennessee Marketplace (along with most Marketplaces nationwide). Blue Cross Blue Shield also left some markets, including Nashville/Clarksville and Memphis, in 2017.

Humana and Cigna both participate in Tennessee's Marketplace, but both raised premiums for their lowest-cost silver

offerings substantially between 2016 and 2017. Both are national insurers that tend to have high premiums elsewhere, presumably because they offer relatively broad provider networks. Cigna, the lowest-priced silver insurer in Nashville/Clarksville, increased its lowest-cost offering by 52.3 percent in 2017, after a reduction of 12.9 percent in 2016. Cigna increased the premium of its lowest-cost silver option in Memphis by 22.8 percent in 2017. Humana increased the premiums of its lowest-cost silver options by over 40 percent in both Nashville and Memphis. Reduced competition and catch-up from low initial premiums likely drove the recent large increases.

Oklahoma (Table A.14)

Oklahoma's average lowest-cost silver premium rose 73.6 percent in 2017, following a 41.8 percent increase in 2016. In 2015, four insurers sold Marketplace coverage in Oklahoma City and Tulsa, and three sold coverage in the rest of the state (data beyond Oklahoma City not shown). For 2016, all insurers exited the Marketplace except UnitedHealthcare and Blue Cross Blue Shield of Oklahoma, and in 2017, UnitedHealthcare left the Marketplace as well, leaving only Blue Cross Blue Shield. It appears that the low premiums set by Blue Cross Blue Shield in the first years of reform made it impossible for other insurers in Oklahoma to compete. Thus, Blue Cross Blue Shield has had

little to no competition for the last two years. Oklahoma had low average premiums by national standards in both 2014 and 2015. Blue Cross Blue Shield's large increase in 2016 may be attributable to catch-up, but the absence of competition opened the door to extremely large premium increases in 2017.

Arizona (Table A.15)

Arizona's average lowest-cost silver premium increased 125.0 percent in 2017, following a 24.4 percent increase in 2016. The state's lowest cost silver premiums were among the lowest in the country in 2015 and 2016. The state saw several Marketplace insurer exits in both 2016 and 2017, leaving only two participating insurers and, in all but one county, only one insurer option in 2017. Arizona is unique among the high-increase states in that it had the largest number of insurers participating in the Marketplace in 2015, but the state has since lost nearly every participating insurer, including Medicaid and provider-sponsored insurers. Some rating areas lost three or four Marketplace insurers in 2016; four to seven more insurers left the Marketplace in 2017. Arizona was a low-cost Marketplace state for the first three years of reform but is now one of the most expensive states in the country. Given the lack of insurer competition, this situation is likely to persist at least in the near term.

CONCLUSION

In 2017, low-cost Marketplace silver premiums increased by over 20 percent on average nationwide. In many states, insurers had initially underpriced their offerings, and recent premium increases reflect adjustments as the risk profile of enrollees became clearer to insurers. These upward adjustments tended to be greatest in markets with less insurer competition (either fewer insurers to start with or exits of multiple initial insurers); in a market with fewer competitors, large premium increases would not necessarily lead to significant loss of market share. Insurers in more competitive markets, even with low initial premiums, seem to have been more cautious about increasing premiums because of uncertainty about competitors' pricing.

The 21 percent average increase in 2017 lowest-cost silver premiums masks small statewide average premium reductions in Washington (-1.0 percent), Rhode Island (-6.4 percent), Massachusetts (-2.2 percent), Indiana (-0.5 percent), and Arkansas (-4.0 percent), and high premium increases in Alabama (51.3 percent), Arizona (125.0 percent), Oklahoma (73.6 percent), and Tennessee (56.9 percent). The reasons for these differences are important to understand. In general, markets with more competing insurers tend to have lower

premiums and lower premium growth than rating regions with fewer insurers. Markets with low premiums and low premium growth typically have insurers with narrow provider networks—that is, networks consisting largely of providers willing to accept lower payment rates. Often these are Medicaid insurers, HMO products offered by a Blue Cross Blue Shield-affiliated insurer, or provider-sponsored insurers. The competition among insurers with narrow networks keeps premiums low but potentially limits access only to providers that would accept these more limited arrangements. In Rhode Island, state review of hospital rate increases helped restrain premium growth.

Insurers offering broader network plans were sometimes available in the same low-premium regions but at significantly higher premiums. In other cases, national insurers and others with broader network plans left the market, presumably because their market share was too small to support the administrative costs of participation.

In markets with high premiums and/or high premium growth, the lack of competition among insurers is likely a major contributor to high costs. Typically these markets do not have Medicaid insurers or other insurers offering limited network

plans. Most of these markets have one insurer or a large insurer with a few smaller competitors. A dominant insurer is generally free to increase premiums because no viable competitors can challenge it for market share. Provider consolidation can also affect premium prices. In some markets (e.g., West Virginia), even dominant insurers have little leverage over providers; this often occurs in less populated states or rural areas of larger states. Lack of negotiating leverage over providers also contributed to higher premiums and faster growth in some areas.

In 2017, a significant number of insurers—particularly the large national insurers—left state Marketplaces. These exits reduced competition and adversely affected premiums in some areas. Many insurers could not price as low as the more limited network plans and were not willing or able to develop narrow network plans in order to compete. In other cases, insurers could not compete with a dominant Blue Cross Blue Shield–affiliated insurer that had a large presence in the state, had developed more favorable provider contracts, and may have underpriced in the early years of reform.

We conclude that the ACA’s model of managed competition has had mixed results. Competition has been intense in many areas, but this has led to both successes and problems. In many markets, the first years of reform were characterized by serious underpricing of premiums as insurers either misunderstood the market or priced overly aggressively in pursuit of market share. Underpricing has leveled in the last year or two, but at the cost of some substantial premium increases.

In many markets, low premiums and growth rates have resulted from the emergence of limited network models; the effects of these plans on consumer access to particular types of care are not yet well understood. Other markets have a single or dominant insurer, provider systems, or both. Such concentration has led to higher premiums and growth rates, and though these circumstances largely predated the ACA, the law was not designed to address this problem.

Some Marketplaces need more enrollees to be successful. Incentives for insurers to participate would increase with greater enrollment. In order to increase enrollment, continued outreach and enrollment assistance is necessary, in addition to increases in premium tax credits and cost-sharing assistance to improve affordability.⁶ Fairly high premiums for what are essentially high-deductible plans form a barrier to higher levels of enrollment among modest-income people. Many plans are simply not affordable for those with incomes above 200 percent of the federal poverty level, for whom cost-sharing reductions are very small or unavailable.⁷

Other strategies, such as fixing the family glitch, allowing states to expand Medicaid up to 100 percent of the federal poverty level (instead of 138 percent), and regulation or limitation of plans noncompliant with the ACA’s nongroup rules, could add many healthy covered lives to the Marketplaces as well.⁸ Modifying and re-implementing the ACA’s nongroup market reinsurance program would provide increased stability in premiums from year to year and address the possibility that enrollees in that market may be higher-risk, on average, than the broader population in the long run. Higher premium tax credits would also allow consumers to make decisions on factors other than price, which in turn would allow more insurers to successfully offer broader network products, increasing insurer participation in the Marketplaces.

The problem of insurer and provider concentration affects underlying costs in nongroup markets as well as employer-sponsored insurance markets. One solution is to follow the precedent of Medicare Advantage and limit provider payment rates (at least for ACA-compliant nongroup insurers and their enrollees) to Medicare levels or to Medicare rates plus a specified percentage.⁸ This approach would offset the power of dominant provider systems to essentially set their own payment rates. Such a policy would allow more insurers to enter markets and compete effectively with reasonably priced premiums, without having to establish provider networks at payment rates competitive with dominant insurers.

APPENDIX

Table A.1. Change in Lowest-Cost Silver Plan Premiums for a 40-Year Old Nonsmoker, by Insurer, Selected Rating Areas, 2015-2017, Washington

Issuer name	Insurer type	2015 lowest-cost silver plan premium	2016 lowest-cost silver plan premium	Percentage change, 2015-2016	2017 lowest-cost silver plan premium	Percentage change, 2016-2017
Rating Area 1: Seattle, Bellevue						
Coordinated Care	Medicaid	\$235	\$224	-4.5%	\$235	4.9%
Group Health	Regional	\$281	\$241	-14.3%	\$280	16.4%
Premera	Blue	\$291	\$315	8.3%	\$404	28.3%
LifeWise	Blue	\$291	\$298	2.5%	\$324	8.8%
BridgeSpan	Blue	\$254	\$282	11.1%	\$315	12.0%
Molina HealthCare	Medicaid	\$277	\$234	-15.3%	\$257	9.9%
Community Health Plan	Regional	\$343	NA	NA	NA	NA
Moda	Regional	\$284	NA	NA	NA	NA
Regence	Blue	NA	\$279	NA	\$326	17.0%
UnitedHealthcare	National	NA	\$302	NA	NA	NA
Average percentage change across insurers				-2.0%		13.9%
Percentage change in region's lowest premium option				-4.5%		4.9%
Percentage change in lowest-cost premium, rest-of-state average ¹				12.6%		-3.5%
Percentage change in lowest-cost premium, state average ¹				7.6%		-1.0%

¹ State and rest-of-state averages are weighted by rating region population. These averages are only for the lowest-cost silver plan available in the region.

Table A.2. Change in Lowest-Cost Silver Plan Premiums for a 40-Year Old Nonsmoker, by Insurer, Selected Rating Areas, 2015-2017, Rhode Island

Issuer name	Insurer type	2015 lowest-cost silver plan premium	2016 lowest-cost silver plan premium	Percentage change, 2015-2016	2017 lowest-cost silver plan premium	Percentage change, 2016-2017
Rating Area 1: All Rhode Island						
Blue Cross & Blue Shield of Rhode Island	Blue	\$302	\$259	-14.3%	\$270	4.1%
Neighborhood Health Plan	Medicaid	\$244	\$259	6.0%	\$247	-4.6%
UnitedHealthcare	National	\$284	\$273	-4.0%	NA	NA
Percentage change in lowest-cost option				6.0%		-4.6%
Average change across all insurers				-4.1%		-0.2%

¹ Rating area average is not weighted by enrollment because the relevant enrollment data is not currently available.

Table A.3. Change in Lowest-Cost Silver Plan Premiums for a 40-Year Old Nonsmoker, by Insurer, Selected Rating Areas, 2015-2017, Ohio

Insurer name	Insurer type	2015 lowest-cost silver plan premium	2016 lowest-cost silver plan premium	Percentage change, 2015-2016	2017 lowest-cost silver plan premium	Percentage change, 2016-2017
Rural Area 9: Columbus						
CareSource	Medicaid	\$244	\$270	10.7%	\$284	5.2%
Molina Marketplace	Medicaid	\$281	\$274	-2.3%	\$301	9.6%
Paramount	Medicaid	\$282	\$312	10.7%	NA	NA
Aetna	National	\$303	\$337	11.0%	NA	NA
InHealth Mutual	Co-op	\$307	\$351	14.4%	NA	NA
Anthem Blue Cross Blue Shield	Blue	\$342	\$317	-7.3%	\$342	7.8%
MedMutual	Regional	\$352	\$396	12.6%	\$326	-17.8%
UnitedHealthcare	National	\$366	\$304	-17.1%	NA	NA
Assurant Health	National	\$435	NA	NA	NA	NA
HealthSpan	Regional	NA	\$421	NA	NA	NA
Average percentage change across insurers				4.1%		1.2%
Percentage change in region's lowest premium option				10.7%		5.2%
Rating Area 11: Cleveland						
Ambetter from Buckeye Health Plan	Medicaid	\$242	\$230	-4.7%	\$224	-2.6%
CareSource	Medicaid	\$252	\$252	-0.2%	\$253	0.4%
HealthSpan Integrated Care	Regional	\$268	\$319	19.4%	NA	NA
Molina Marketplace	Medicaid	\$278	\$265	-4.7%	\$252	-4.7%
Aetna	National	\$283	\$333	17.9%	NA	NA
MedMutual	Regional	\$301	\$339	12.6%	\$376	11.0%
Paramount	Medicaid	\$302	\$334	10.7%	NA	NA
UnitedHealthcare	National	\$322	\$314	-2.5%	NA	NA
InHealth Mutual	Co-op	\$326	\$372	14.3%	NA	NA
Anthem Blue Cross Blue Shield	Blue	\$346	\$317	-8.2%	\$363	14.4%
SummaCare	Provider	\$373	\$372	-0.3%	NA	NA
Assurant Health	National	\$488	NA	NA	NA	NA
Humana	National	NA	\$315	NA	NA	NA
Average percentage change across insurers				5.0%		3.7%
Percentage change in region's lowest premium option				-4.7%		-2.6%
Percentage change in lowest-cost premium, rest-of-state average ¹				-2.9%		0.3%
Percentage change in lowest-cost premium state average ¹				-1.1%		0.7%

¹ State and rest-of-state averages are weighted by rating region population. These averages are only for the lowest-cost silver plan available in the region.

Table A.4. Change in Lowest-Cost Silver Plan Premiums for a 40-Year Old Nonsmoker, by Insurer, Selected Rating Areas, 2015-2017, California

Insurer name	Insurer type	2015 lowest-cost silver plan premium	2016 lowest-cost silver plan premium	Percentage change, 2015-2016	2017 lowest-cost silver plan premium	Percentage change, 2016-2017
Rating Area 15: East Los Angeles						
Anthem	Blue	\$257	\$274	6.5%	\$287	4.6%
Blue Shield	Blue	\$270	\$245	-9.3%	\$284	15.9%
Health Net	Regional	\$230	\$243	5.4%	\$269	10.8%
Kaiser Permanente	Provider	\$287	\$298	3.9%	\$320	7.5%
LA Care	Regional	\$265	\$254	-4.3%	\$258	1.7%
Molina Healthcare	Medicaid	\$259	\$253	-2.3%	\$251	-0.9%
Average percentage change across insurers				0.0%		6.6%
Percentage change in region's lowest premium option				5.4%		3.2%
Rating Area 16: West Los Angeles						
Anthem	Blue	\$270	\$278	2.9%	\$302	8.6%
Blue Shield	Blue	\$308	\$318	3.4%	\$358	12.7%
Health Net	Regional	\$247	\$255	3.4%	\$289	13.4%
Kaiser Permanente	Provider	\$300	\$312	3.9%	\$335	7.5%
LA Care	Regional	\$278	\$266	-4.3%	\$270	1.7%
Molina Healthcare	Medicaid	\$259	\$236	-9.2%	\$256	8.7%
Oscar	Regional	NA	\$298	NA	\$332	11.6%
Average percentage change across insurers				0.0%		9.2%
Percentage change in region's lowest premium option				-4.5%		8.7%
Rating Area 19: San Diego						
Anthem	Blue	\$333	\$361	8.5%	\$444	23.0%
Blue Shield	Blue	\$343	\$342	-0.2%	\$406	18.7%
Health Net	Regional	\$295	\$296	0.2%	\$307	3.7%
Kaiser Permanente	Provider	\$314	\$329	4.8%	\$354	7.6%
Sharp	Provider	\$329	\$344	4.7%	\$356	3.4%
Molina Healthcare	Medicaid	\$314	\$286	-9.1%	\$297	3.9%
Average percentage change across insurers				1.5%		10.0%
Percentage change in region's lowest premium option				-3.3%		3.9%
Percentage change in lowest-cost premium, rest-of-state average ¹				0.8%		6.8%
Percentage change in lowest-cost premium, state average ¹				1.4%		6.6%

¹ State and rest-of-state averages are weighted by rating region population. These averages are only for the lowest-cost silver plan available in the region.

Table A.5. Change in Lowest-Cost Silver Plan Premiums for a 40-Year Old Nonsmoker, by Insurer, Selected Rating Areas, 2015-2017, Virginia

Insurer name	Insurer type	2015 lowest-cost silver plan premium	2016 lowest-cost silver plan premium	Percentage change, 2015-2016	2017 lowest-cost silver plan premium	Percentage change, 2016-2017
Rating Area 7: Richmond						
Aetna	National	\$312	\$335	7.4%	\$289	-13.7%
Anthem (MSP)	Blue	\$280	\$295	5.4%	\$341	15.6%
Anthem HealthKeepers	Blue	\$264	\$276	4.7%	\$303	9.6%
CoventryOne	National	\$241	\$264	9.2%	NA	NA
Kaiser Permanente	Provider	\$273	\$284	3.9%	\$329	16.0%
Optima Health	Provider	\$372	\$382	2.5%	NA	NA
UnitedHealthcare	National	NA	\$280	NA	\$333	18.7%
Cigna	National	NA	NA	NA	\$296	NA
Piedmont Community Health Plan	Provider	\$324	\$305	-5.6%	\$357	17.0%
Average percentage change across insurers				3.9%		10.5%
Percentage change in region's lowest premium option				9.2%		9.7%
Rating Area 10: Washington, DC, suburbs						
Anthem (MSP)	Blue	\$309	\$323	4.4%	\$378	16.9%
Anthem HealthKeepers	Blue	\$292	\$303	3.8%	\$336	10.9%
CareFirst BlueChoice	Blue	\$323	\$356	10.1%	\$432	21.4%
CareFirst (MSP)	Blue	NA	\$413	NA	NA	NA
Innovation Health	Provider	\$282	\$270	-4.1%	\$296	9.3%
Kaiser Permanente	Provider	\$273	\$284	3.9%	\$329	16.0%
UnitedHealthcare	National	NA	\$288	NA	\$319	10.6%
Cigna	National	NA	NA	NA	\$313	NA
Optima Health	Provider	\$355	\$389	9.4%	NA	NA
Average percentage change across insurers				4.6%		14.2%
Percentage change in region's lowest premium option				-0.9%		9.3%
Percentage change in lowest-cost premium, rest-of-state average ¹				3.3%		10.9%
Percentage change in lowest-cost premium, state average ¹				2.7%		10.2%

¹ State and rest of state average are weighted by rating region population. These averages are only for the lowest cost silver plan available in the region. MSP = multistate plan.

Table A.6. Change in Lowest-Cost Silver Plan Premiums for a 40-Year Old Nonsmoker, by Insurer, Selected Rating Areas, 2015-2017, Michigan

Insurer name	Insurer type	2015 lowest-cost silver plan premium	2016 lowest-cost silver plan premium	Percentage change, 2015-2016	2017 lowest-cost silver plan premium	Percentage change, 2016-2017
Rating Area 1: Detroit						
Humana Medical Plan of Michigan	National	\$219	\$209	-4.4%	\$315	50.3%
Total Health Care	Regional	\$243	\$250	2.8%	\$244	-2.3%
Blue Care Network of Michigan	Blue	\$234	\$236	0.6%	\$261	10.7%
McLaren Health Care	Provider	\$309	\$324	4.9%	\$308	-4.7%
HAP (Health Alliance Plan)	Provider	\$266	\$260	-2.3%	\$299	15.0%
Blue Cross Blue Shield of Michigan (MSP)	Blue	\$301	\$332	10.2%	\$371	11.8%
Priority Health	Provider	\$285	\$246	-13.8%	\$312	27.2%
Molina	Medicaid	\$252	\$229	-8.8%	\$237	3.1%
Alliance Health	Provider	\$338	\$335	-0.9%	NA	NA
Consumers Mutual	Co-op	\$348	NA	NA	NA	NA
Assurant Health	National	\$334	NA	NA	NA	NA
Meridian Health Plan	Medicaid	NA	NA	NA	\$233	NA
UnitedHealthcare	National	\$230	\$262	14.1%	NA	NA
Average percentage change across insurers				0.2%		13.9%
Percentage change in region's lowest premium option				-4.4%		11.4%
Percentage change in lowest-cost premium, rest-of-state average ¹				-1.8%		10.2%
Percentage change in lowest-cost premium, state average ¹				-1.9%		10.4%

¹ State and rest-of-state averages are weighted by rating region population. These averages are only for the lowest-cost silver plan available in the region. MSP = multistate plan.

Table A.7. Change in Lowest-Cost Silver Plan Premiums for a 40-Year Old Nonsmoker, by Insurer, Selected Rating Areas, 2015-2017, Texas

Insurer name	Insurer type	2015 lowest-cost silver plan premium	2016 lowest-cost silver plan premium	Percentage change, 2015-2016	2017 lowest-cost silver plan premium	Percentage change, 2016-2017
Rating Area 8: Dallas/Fort Worth						
Molina Healthcare of Texas	Medicaid	\$280	\$260	-7.1%	\$277	6.4%
Oscar	Regional	NA	\$320	NA	NA	NA
Blue Cross Blue Shield of Texas	Blue	\$279	\$334	19.6%	\$449	34.5%
Scott & White Health Plan	Provider	\$292	\$340	16.4%	NA	NA
Aetna	National	\$361	\$362	0.1%	NA	NA
Cigna	National	\$364	\$368	1.1%	NA	NA
Assurant Health	National	\$475	NA	NA	NA	NA
Ambetter	Medicaid	NA	NA	NA	\$322	NA
UnitedHealthcare	National	\$290	NA	NA	NA	NA
Average percentage change across insurers				6.0%		20.5%
Percentage change in region's lowest premium option				-6.7%		6.4%
Rating Area 10: Houston						
Molina Healthcare of Texas	Medicaid	\$268	\$253	-5.6%	\$283	11.8%
Community Health Choice	Medicaid	\$248	\$261	5.1%	\$311	19.1%
Scott & White Health Plan	Provider	\$250	\$290	16.1%	NA	NA
Blue Cross Blue Shield of Texas	Blue	\$250	\$292	16.8%	\$431	47.5%
Cigna	National	\$339	\$311	-8.3%	NA	NA
Aetna	National	\$327	\$328	0.1%	NA	NA
Assurant Health	National	\$432	NA	NA	NA	NA
UnitedHealthcare	National	\$264	NA	NA	NA	NA
Humana	National	\$294	\$375	27.6%	NA	NA
Average percentage change across insurers				7.4%		26.1%
Percentage change in region's lowest premium option				1.9%		11.8%
Percentage change in lowest-cost premium, rest-of-state average ¹				5.7%		12.1%
Percentage change in lowest-cost premium, state average ¹				1.2%		10.6%

¹ State and rest-of-state averages are weighted by rating region population. These averages are only for the lowest-cost silver plan available in the region.

Table A.8. Change in Lowest-Cost Silver Plan Premiums for a 40-Year Old Nonsmoker, by Insurer, Selected Rating Areas, 2015-2017, Florida

Insurer name	Insurer type	2015 lowest-cost silver plan premium	2016 lowest-cost silver plan premium	Percentage change, 2015-2016	2017 lowest-cost silver plan premium	Percentage change, 2016-2017
Rating Area 43: Miami						
Ambetter	Medicaid	\$274	\$258	-5.6%	\$296	14.6%
Coventry	National	\$309	\$301	-2.6%	NA	NA
Florida Blue	Blue	\$362	\$347	-4.1%	\$422	21.7%
Florida Blue HMO	Blue	\$430	\$307	-28.6%	NA	NA
Highmark Health Options	Blue	NA	NA	NA	\$318	NA
Humana	National	\$301	\$362	20.3%	\$477	31.8%
Molina	Medicaid	\$274	\$274	0.0%	\$320	16.6%
UnitedHealthcare	National	NA	\$366	NA	NA	NA
Assurant Health	National	\$397	NA	NA	NA	NA
Cigna	National	\$419	NA	NA	NA	NA
Average percentage change across insurers				-3.4%		21.2%
Percentage change in region's lowest premium option				-5.6%		14.6%
Rating Area 28: Tampa						
Ambetter	Medicaid	NA	\$247	NA	\$305	23.5%
Florida Blue	Blue	\$275	\$275	0.0%	\$341	23.9%
Florida Blue HMO	Blue	\$345	\$287	-16.8%	NA	NA
Highmark Health Options	Blue	NA	NA	NA	\$325	NA
Humana	National	\$275	\$306	11.1%	\$428	40.0%
Assurant Health	National	\$327	NA	NA	NA	NA
UnitedHealthcare	National	\$292	\$348	19.2%	NA	NA
Molina	Medicaid	NA	NA	NA	\$339	NA
Cigna	National	\$369	NA	NA	NA	NA
Average percentage change across insurers				3.4%		29.1%
Percentage change in region's lowest premium option				-10.4%		23.5%
Percentage change in lowest-cost premium, rest-of-state average ¹				5.5%		13.2%
Percentage change in lowest-cost premium, state average ¹				2.6%		14.1%

¹ State and rest-of-state averages are weighted by rating region population. These averages are only for the lowest-cost silver plan available in the region.

Table A.9. Change in Lowest-Cost Silver Plan Premiums for a 40-Year Old Nonsmoker, by Insurer, Selected Rating Areas, 2015-2017, New York

Insurer name	Insurer type	2015 lowest-cost silver plan premium	2016 lowest-cost silver plan premium	Percentage change, 2015-2016	2017 lowest-cost silver plan premium	Percentage change, 2016-2017
Rating Area 4: New York City						
MetroPlus	Medicaid	\$383	\$422	10.3%	\$468	10.9%
Health Republic	Co-op	\$380	NA	NA	NA	
Oscar	Regional	\$394	\$430	9.0%	\$483	12.4%
Emblem	Regional	\$407	\$463	13.7%	\$518	12.0%
Fidelis Care	Medicaid	\$384	\$408	6.4%	\$456	11.9%
Empire BCBS	Blue	\$448	\$513	14.5%	\$575	12.1%
North Shore-LIJ	Provider	\$394	\$366	-7.1%	\$487	33.1%
Healthfirst	Medicaid	\$387	\$435	12.3%	\$454	4.3%
Affinity (all standard benefits)	Medicaid	\$372	\$395	6.3%	\$483	22.3%
UnitedHealthcare	National	\$545	\$667	22.4%	\$714	7.1%
WellCare HMO	Medicaid	\$472	\$486	3.0%	NA	NA
Average percentage change across insurers				9.1%		14.0%
Percentage change in region's lowest premium option				-1.5%		23.9%
Rating Area 8: Long Island						
Health Republic	Co-op	\$380	NA	NA	NA	NA
Affinity	Medicaid	\$380	\$403	6.1%	\$494	22.5%
Emblem	Regional	\$407	\$527	29.4%	\$590	11.9%
Empire HMO	Blue	\$448	\$472	5.3%	\$510	8.1%
Fidelis Care	Medicaid	\$384	\$395	3.0%	\$446	12.9%
Healthfirst	Medicaid	\$387	\$435	12.3%	\$454	4.3%
North Shore-LIJ	Provider	\$394	\$383	-2.8%	\$487	27.2%
Oscar	Regional	\$394	\$430	9.0%	\$483	12.4%
United Healthcare	National	\$545	\$667	22.4%	\$714	7.1%
Average percentage change across insurers				10.6%		13.3%
Percentage change in region's lowest premium option				0.8%		18.4%
Percentage change in lowest-cost premium, rest-of-state average ¹				24.0%		12.1%
Percentage change in lowest-cost premium, state average ¹				8.1%		18.6%

¹ State and rest-of-state averages are weighted by rating region population. These averages are only for the lowest-cost silver plan available in the region.

Table A.10. Change in Lowest-Cost Silver Plan Premiums for a 40-Year Old Nonsmoker, by Insurer, Selected Rating Areas, 2015-2017, West Virginia

Insurer name	Insurer type	2015 lowest-cost silver plan premium	2016 lowest-cost silver plan premium	Percentage change, 2015-2016	2017 lowest-cost silver plan premium	Percentage change, 2016-2017
Rating Area 2: Charleston						
Highmark Blue Cross Blue Shield (MSP)	Blue	\$314	NA	NA	NA	NA
Highmark Blue Cross Blue Shield West Virginia	Blue	\$314	\$388	23.5%	\$541	39.4%
CareSource	Medicaid	NA	\$381	NA	\$505	32.8%
Average percentage change across insurers				23.5%		36.1%
Percentage change in region's lowest premium option				21.1%		32.8%
Percentage change in lowest-cost premium, rest-of-state average ¹				20.5%		25.6%
Percentage change in lowest-cost premium, state average ¹				20.5%		26.3%

¹ State and rest-of-state averages are weighted by rating region population. These averages are only for the lowest-cost silver plan available in the region.

Table A.11. Change in Lowest-Cost Silver Plan Premiums for a 40-Year Old Nonsmoker, by Insurer, Selected Rating Areas, 2015-2017, North Carolina

Insurer name	Insurer type	2015 lowest-cost silver plan premium	2016 lowest-cost silver plan premium	Percentage change, 2015-2016	2017 lowest-cost silver plan premium	Percentage change, 2016-2017
Rating Area 4: Charlotte						
Aetna	National	\$317	\$376	18.7%	NA	NA
Blue Cross and Blue Shield of North Carolina	Blue	\$328	\$452	37.7%	\$565	24.9%
UnitedHealthcare	National	\$340	\$409	20.3%	NA	NA
Average percentage change across insurers				25.6%		24.9%
Percentage change in region's lowest premium option				18.7%		50.2%
Percentage change in lowest-cost premium, rest-of-state average ¹				23.1%		38.0%
Percentage change in lowest-cost premium, state average ¹				20.6%		40.0%

¹ State and rest-of-state averages are weighted by rating region population. These averages are only for the lowest-cost silver plan available in the region.

Table A.12. Change in Lowest-Cost Silver Plan Premiums for a 40-Year Old Nonsmoker, by Insurer, Selected Rating Areas, 2015-2017, Alabama

Insurer name	Insurer type	2015 lowest-cost silver plan premium	2016 lowest-cost silver plan premium	Percentage change, 2015-2016	2017 lowest-cost silver plan premium	Percentage change, 2016-2017
Rating Area 3: Birmingham						
Blue Cross and Blue Shield of Alabama	Blue	\$280	\$331	18.3%	\$457	38.3%
UnitedHealthcare	National	\$264	\$288	8.8%	NA	NA
Humana	National	\$262	\$288	9.9%	NA	NA
Average percentage change across insurers				12.3%		38.3%
Percentage change in region's lowest premium option				9.7%		59.1%
Percentage change in lowest-cost premium, rest-of-state average ¹				13.6%		49.0%
Percentage change in lowest-cost premium, state average ¹				12.7%		51.4%

¹ State and rest-of-state averages are weighted by rating region population. These averages are only for the lowest-cost silver plan available in the region.

Table A.13. Change in Lowest-Cost Silver Plan Premiums for a 40-Year Old Nonsmoker, by Insurer, Selected Rating Areas, 2015-2017, Tennessee

Insurer name	Insurer type	2015 lowest-cost silver plan premium	2016 lowest-cost silver plan premium	Percentage change, 2015-2016	2017 lowest-cost silver plan premium	Percentage change, 2016-2017
Rating Area 4: Nashville, Clarksville						
BlueCross BlueShield of Tennessee	Blue	\$220	\$288	30.7%	NA	NA
Humana	National	\$292	\$350	20.2%	\$500	42.7%
Cigna	National	\$301	\$262	-12.9%	\$400	52.3%
Community Health Alliance	Co-op	\$194	NA	NA	NA	NA
UnitedHealthcare	National	NA	\$303	NA	NA	NA
Average percentage change across insurers				12.7%		47.5%
Percentage change in region's lowest premium option				35.4%		52.3%
Rating Area 6: Memphis						
BlueCross BlueShield of Tennessee	Blue	\$214	\$271	26.8%	NA	NA
Humana	National	\$240	\$288	20.2%	\$426	47.9%
Cigna	National	\$298	\$324	8.8%	\$398	22.8%
Community Health Alliance	Co-op	\$184	NA	NA	NA	NA
UnitedHealthcare	National	NA	\$291	NA	NA	NA
Average percentage change across insurers				18.6%		35.3%
Percentage change in region's lowest premium option				47.0%		46.7%
Percentage change in lowest-cost premium, rest-of-state average ¹				38.6%		62.0%
Percentage change in lowest-cost premium, state average ¹				38.6%		56.9%

¹ State and rest-of-state averages are weighted by rating region population. These averages are only for the lowest-cost silver plan available in the region.

Table A.14. Change in Lowest-Cost Silver Plan Premiums for a 40-Year Old Nonsmoker, by Insurer, Selected Rating Areas, 2015-2017, Oklahoma

Insurer name	Insurer type	2015 lowest-cost silver plan premium	2016 lowest-cost silver plan premium	Percentage change, 2015-2016	2017 lowest-cost silver plan premium	Percentage change, 2016-2017
Rating Area 3: Oklahoma City						
Blue Cross Blue Shield of Oklahoma	Blue	\$201	\$283	40.9%	\$485	71.5%
UnitedHealthcare	National	NA	\$334	NA	NA	NA
GlobalHealth	Regional	\$270	NA	NA	NA	NA
Assurant Health	National	\$276	NA	NA	NA	NA
ComunityCare	Regional	\$269	NA	NA	NA	NA
Average percentage change across insurers				40.9%		71.5%
Percentage change in region's lowest premium option				40.9%		71.5%
Percentage change in lowest-cost premium, rest-of-state average ¹				42.3%		74.6%
Percentage change in lowest-cost premium, state average ¹				41.8%		73.6%

¹ State and rest-of-state averages are weighted by rating region population. These averages are only for the lowest-cost silver plan available in the region.

Table A.15. Change in Lowest-Cost Silver Plan Premiums for a 40-Year Old Nonsmoker, by Insurer, Selected Rating Areas, 2015-2017, Arizona

Insurer name	Insurer type	2015 lowest-cost silver plan premium	2016 lowest-cost silver plan premium	Percentage change, 2015-2016	2017 lowest-cost silver plan premium	Percentage change, 2016-2017
Rating Area 4: Phoenix						
Aetna	National	\$257	\$277	7.6%	NA	NA
All Savers	National	\$262	\$249	-5.0%	NA	NA
Blue Cross Blue Shield of Arizona	Blue	\$240	\$269	11.8%	NA	NA
Health Choice	Medicaid	\$195	\$207	6.2%	NA	NA
Health Net	Regional	\$222	\$276	24.3%	\$475	71.8%
Humana	National	\$265	\$269	1.4%	NA	NA
Cigna	National	\$350	\$259	-25.9%	NA	NA
Meritus	Co-op	\$166	NA	NA	NA	NA
University of Arizona	Provider	\$202	NA	NA	NA	NA
Assurant Health	National	\$314	NA	NA	NA	NA
Phoenix Health Plans	Medicaid	\$252	\$204	-19.0%	NA	NA
Average percentage change across insurers				0.2%		71.8%
Percentage change in region's lowest premium option				23.1%		129.6%
Rating Area 6: Tucson						
All Savers	National	\$217	\$208	-4.1%	NA	NA
Blue Cross Blue Shield of Arizona	Blue	\$200	\$229	14.6%	\$502	119.4%
Meritus	Co-op	\$170	\$204	20.2%	NA	NA
University of Arizona	Provider	\$189	NA	NA	NA	NA
Aetna	National	\$221	NA	NA	NA	NA
Health Choice	Medicaid	\$232	\$256	10.5%	NA	NA
Health Net	Regional	\$191	\$237	24.3%	\$349	47.5%
Cigna	National	\$290	NA	NA	NA	NA
Assurant Health	National	\$313	NA	NA	NA	NA
Humana	National	\$238	\$247	3.7%	NA	NA
Average percentage change across insurers				11.5%		83.4%
Percentage change in region's lowest premium option				20.2%		71.2%
Percentage change in lowest-cost premium, rest-of-state average ¹				29.2%		141.1%
Percentage change in lowest-cost premium, state average ¹				24.4%		125.0%

¹ State and rest-of-state averages are weighted by rating region population. These averages are only for the lowest-cost silver plan available in the region.

ENDNOTES

1. U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation. Health plan choice and premiums in the 2017 health insurance Marketplace. aspe.hhs.gov/sites/default/files/pdf/212721/2017MarketplaceLandscapeBrief.pdf. Published October 24, 2016.
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3. Pramuk J. Paul Ryan says Obamacare is 'entering a death spiral'. *CNBC*. December 7, 2016. www.cnn.com/2016/12/07/paul-ryan-says-obamacare-is-entering-a-death-spiral.html.
4. 2016 open enrollment plan selection profile. Covered California. hbex.coveredca.com/data-research/library/CC_Open_Enrollment_Profile_2016_Mar.xlsx. Published February 6, 2016. Updated May 18, 2016.
5. HealthCare.gov defines a multistate plan as follows: "A type of plan offered in the Health Insurance Marketplace. Despite the name, "multi-state plans" don't necessarily have network providers or cover services in multiple states. If you want a plan that does, carefully read any Marketplace plan's documents and provider directory.
6. The Affordable Care Act created the Multi-State Plan program to increase choice and competition in insurance markets nationwide. The plans are sold through the Marketplace under a contract between the U.S. Office of Personnel Management (OPM) and insurance companies. The name 'Multi-State Plan' means only that OPM operates the program in multiple states. Some Multi-State Plans offer in-network coverage nationally or in multiple states. Many don't." See Multi-state plan, U.S. Centers for Medicare & Medicaid Services, www.healthcare.gov/glossary/multi-state-plan/, accessed January 5, 2017.
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