



# **Impact of Federal Reform On the Idaho Individual Market**

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# Post-reform premium rates for a healthy person age 26

	Male	Female
<b>Pre-reform October 2009 Rate</b> <b>(\$5,000 deductible PPO Plan)</b>	<b>\$ 83.60</b>	<b>\$ 112.62</b>
Remove Gender Rating	\$ 99.05	\$ 99.05
<u>4:1</u> Age Compression	\$ 101.28	\$ 101.28
Remove Health Status Rating	\$ 125.84	\$ 125.84
Remove High Risk Pool Savings	\$ 135.03	\$ 135.03
Shift from Uninsured and Small Group	\$ 149.74	\$ 149.74
Insurer Fee (estimated @2.7%)	\$ 153.79	\$ 153.79
Benefit Change (@65% minimum benefit)	\$ 201.90	\$ 201.90
<b>Post reform October 2009 Rates*</b>	<b>\$ 201.90</b>	<b>\$ 201.90</b>
Increase (100% means the rates double)	142%	79%
Annualized increase after all changes	\$ 1,419.60	\$ 1,071.36

**The annual cost of insurance would be \$201.90 x 12 = \$2,422.80. Compare this to a penalty for not buying insurance of \$0 in 2013 grading to \$750 in 2017.**



# Current benefit options and premium rates for a healthy 26-year-old male

	Monthly Premium
Essential Blue PPO Basic 1000	\$ 52.78
Essential Blue PPO Basic 2000	\$ 46.37
Essential Blue PPO Basic 3000	\$ 42.31
<b>Essential Blue PPO Basic 5000</b>	<b>\$ 38.26</b>
Essential Blue PPO Plus 1000	\$ 84.08
Essential Blue PPO Plus 2000	\$ 76.95
Essential Blue PPO Plus 3000	\$ 72.37
Essential Blue PPO Plus 5000	\$ 67.87
Lattitude	\$ 142.38
Blue Care PPO 1000 without Supplemental Accident	\$ 172.07
<b>Blue Care PPO 1000 with Supplemental Accident</b>	<b>\$ 176.57</b>
Blue Care PPO 2000 without Supplemental Accident	\$ 128.83
Blue Care PPO 2000 with Supplemental Accident	\$ 133.33
Blue Care PPO 5000 without Supplemental Accident	<b>\$ 83.60</b>
Blue Care PPO 5000 with Supplemental Accident	\$ 88.10
HSA Blue 2000 80%	\$ 101.87
HSA Blue 2000 90%	\$ 112.18
HSA Blue 3000 80%	\$ 77.36
HSA Blue 3000 90%	\$ 82.79
HSA Blue 5000 100%	\$ 68.65
Simply Blue 2500	\$ 90.84
Simply Blue 5000	\$ 60.87
Simply Blue 7500	\$ 56.72
Simply Blue 10000	\$ 55.00
Simply Blue 2500 with buy-up	\$ 99.98
Simply Blue 5000 with buy-up	\$ 71.14
Simply Blue 7500 with buy-up	\$ 67.36
Simply Blue 10000 with buy-up	\$ 65.73



# Post-reform benefit options and premium rates for a healthy 26-year-old male

Post-Reform Option	Monthly Premium
Bronze*	\$202
Silver	\$218
Gold	\$255
Platinum*	\$292
Catastrophic “Young Invincible”	Not Available for those over 25. (Would be around \$168)

Compare to 28 plan designs currently offered ranging from \$38 to \$177 monthly premium

\* Offering Bronze and Platinum level benefits is optional for the insurance company; most insurance companies are likely to offer a Bronze benefit and most will not offer a Platinum benefit



**These numbers assume the young and healthy will continue to buy insurance because of government subsidies and mandated coverage.**

Feature	Senate Finance Reform Bill
<b>Government Subsidies</b>	Solid subsidies up to 200% of Federal Poverty Level; Light subsidies between 200% and 400% of Federal Poverty Level
<b>Government Mandated Coverage</b>	Penalty is very light. None the first year, grading up to \$750 the fifth year (2017)

Under these provisions, many of the young and healthy won't continue to buy insurance at the higher, post-reform premium rates.



# Consequences for the Idaho Individual Market

Based on an Oliver Wyman analysis that takes into account the relevant features of the Senate Finance Committee bill, including the subsidies and the mandates, the cost of insurance in Idaho will go up an additional 47% by 2017.

**The rate for a 26-year-old male will increase from the pre-reform level of \$83.60 per month to \$296.79 (a 255% total increase)**

