Appendix

This blog post presents national and state-level data on premiums and other features of plans sold through the individual marketplaces. Our analysis uses data from 6,574 plans offered in 2014 and 8,203 offered in 2015 in different geographical areas. Subsequent work will highlight changes in the marketplaces for small business, also known as the Small Business Health Insurance Program, or SHOP.

The Affordable Care Act permits carriers to price plans by geographic area.[1] Each state determined how to establish rating regions, with most building them from contiguous counties. Generally, smaller states have fewer rating regions (several have elected to operate as a single rating region) and larger states have more; nationwide, there are 506 rating regions across the 50 states and District of Columbia. The average number of rating regions per state is 9.9, and the median number of regions is 7. Results are weighted (described in more detail below) to represent an average premium across all plans offered for sale in each state.

The NORC analysis differs from other analyses in that we are collecting premiums and benefit data on all plans, for all metal tiers, within selected rating regions. Rating regions were stratified by state and, within state, by rating region types—urban, suburban/small city, and rural. Three rating regions within each state—one urban, one suburban/small city, and one rural—were selected to reflect geographic diversity in premium rates.[2] Selected rating regions constitute 52 percent of the U.S population.

NORC results are generally consistent with findings from other organizations that had more limited samples in terms of tiers, states, and rating areas. These organizations include The Department of Health and Human Services, the Kaiser Family Foundation, and the Urban Institute. NORC results, however, contrast with findings from the McKinsey Center for U.S. Health Reform, which reported that between the 2014 and 2015 open enrollment period premiums, before subsidies, rose by a median of 6 percent among the lowest-price exchange products in all metal tiers. Among the lowest-price 2014 products re-filed for 2015 the median premiums rose by 10 percent.

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[1] The same plans are commonly offered across different rating regions of the state. A few carriers will not offer plans in a selected rating region, which is more likely to occur for a rural region.

[2] Some states have only urban rating regions (DC, DE, HI, NH, RI, VT), and thus had only one rating region selected.

Although McKinsey's database includes all plans offered in 2014 and 2015, their analysis largely pertains to the lowest cost plans offered in both 2014 and 2015, and the lowest cost plans that were renewed. NORC assessed changes in premiums across all plans in a tier. NORC has found that the general pattern of premium increases observed was a regression toward the mean, with the lowest cost plans in 2014 raising their premiums significantly, while higher price plans in 2014 reduced their premiums. New entrants in general attempted to offer very low-priced plans.

NORC collected data from a variety of sources. For premiums and summaries of benefits in states with state-based marketplaces (SMBs), we collected data from publicly available rate filings from state departments of insurance, marketplace sites, and/or carrier websites. For the federally facilitated marketplace (FFM) we downloaded data from the Landscape file released by the Centers for Consumer Information and Insurance Oversight. SBMs posted 2015 rates from August 2014 to November 15, 2014. Rates for FFM states became available November 15, 2014. We obtained data on 2014 plan offerings and premiums over the summer and fall of 2014.

For this post, we present results at three levels: rating region type (within states); state; and national. Estimates were derived using data obtained from the observed plans from the selected rating regions weighted to represent the full population for the corresponding estimation level. We weighted rating region data by the relative size of the selected rating region to represent the full set of rating regions of the same type.[3] Rating region type data were weighted by the relative population size of each rating region type within a given state.[4] We derive national results from the state-level estimates weighted by the relative population size of each state.[5][6] Premium estimates were intended to represent the average premium a consumer within a rating region area type, state, or nationwide would see when electing whether to obtain coverage from the individual marketplace (as opposed to the average premium for consumers who actually *purchased* a plan in the marketplace) [7]

In calculating standard errors, we adjusted for the design and weighting methodology.

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[3] The weight for a selected rating region was defined as (Total Stratum Population)/ (Selected Rating Region Population)

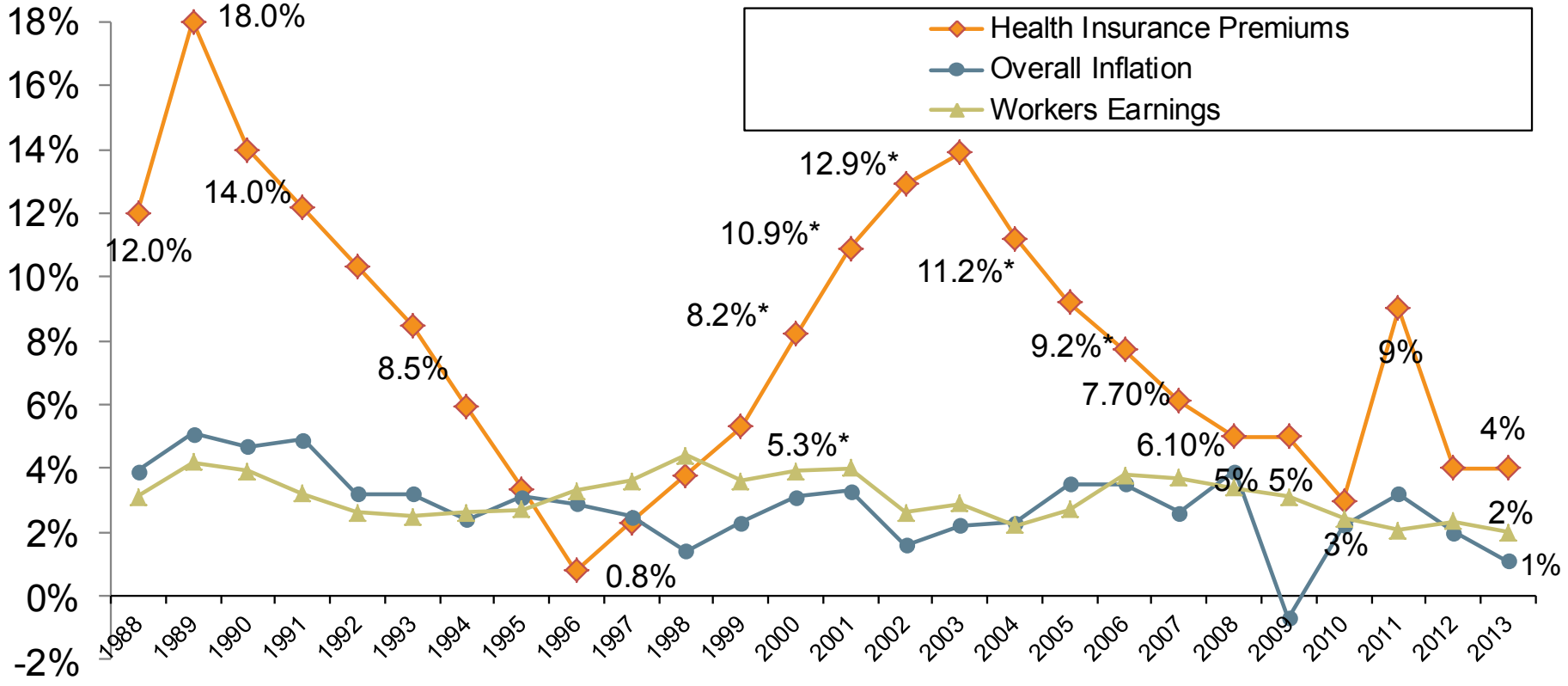
[4] The weight for a rating region type was defined as (Total State Population)/ (Total Stratum Population)

[5] Publicly-released data from Idaho and New York's State-Based Marketplaces were incomplete at press time, and are not included in national analyses.

[6] The weight for a state was defined as (Total U.S. Population – excluding ID and NY)/ (State Population)

[7] Premiums are for a 40-year old non-smoking single person.

Appendix Exhibit 1. Trends in Premiums, 1988–2013



Sources: Kaiser Family Foundation, Employer Health Benefits Survey; U.S. Bureau of Labor Statistics.