

## **Study Methodology**

This blog post presents state- and national-level data on premiums and benefit designs for 3,700 plans sold through the Affordable Care Act's individual marketplaces nationwide. The Affordable Care Act permits carriers to price plans by [geographic rating areas](#),<sup>1</sup> as well as by other approved demographic factors like age and smoking status. Each state determines how to set its rating areas, with most building them from contiguous counties. Generally, smaller states have fewer rating areas (several have elected to operate as a single rating areas) and larger states have more; nationwide, there are 499 rating areas across the 50 states and District of Columbia. The average number of rating areas per state is 9.8, and the median number of areas is seven. Results are weighted (described in more detail below) to represent an average premium across all plans offered for sale in each state.

### **Stage 1 – Geographic Sampling within States**

The NORC analysis differs from other analyses in that we collected premiums and benefit data on a sample of plans across all metal tiers,<sup>2</sup> within selected rating areas. All of the rating areas in each state were stratified according to urbanicity into three rating region types: urban, suburban/small city, and rural. Up to six rating areas within each state—two each from the urban region, suburban/small city, and rural<sup>3</sup>—were selected for analysis, to reflect geographic diversity in premium rates. Nationwide, our selected geographic rating areas constitute 67.1% of the total population, including federally facilitated marketplace (FFM) states.

### **Stage 2 – Sampling Plans within PSUs**

Once we selected geographic rating areas, a second stage of sampling was conducted within state-based marketplace (SBM) states. All plans sold in FFM states within our sampled geographic rating areas were collected as part of the study. Within each Primary Sampling Unit (PSU), a sampled rating area within a state, we selected a sample of the plans offered. Plans are offered in five metal tiers: platinum, gold, silver, bronze, and catastrophic, with the latter available to only a subset of enrollees. For each carrier offering plans in a given PSU, one plan is sampled from each of the first four tiers (if the plan sells at least one in each tier). The sampling for each PSU in a state is conducted independently. Although many plans are sold in multiple rating areas, and many are sold statewide, pricing is set at the region level, so independently sampling the same plan in multiple rating areas is not duplicative (and does not bias the results).

## **Data Sources**

NORC collected data from a variety of sources. For premiums and benefits in SBM states, we collected data from publicly available rate filings from state departments of insurance, marketplace sites, and/or carrier websites. For states using the FFM, we downloaded data from the annual [Qualified Health Plan Landscape File](#) released by the Center for Consumer Information and Insurance Oversight (CCIIO). SBMs posted 2015 rates on a rolling basis beginning in June 2015 and concluding in November. Rates for FFM states became available at the beginning of open enrollment, on November 2, 2015. NORC collected data for plan years 2014 and 2015 as part of a previous study for The Commonwealth Fund in Fall 2014.

## **Weighting and Presentation of Results**

For this post, we present results by rating region type (urban, suburban, or rural) within states, as well as construct weighted estimates representing the entire state. We derived estimates using data obtained from observed plans in the selected rating regions, weighted to represent the full population for the corresponding estimation level. As a result, data presented at the level of the rating region type involved weighting each PSU figure by its corresponding population,<sup>4</sup> and data presented at the state level involves weighting each rating region type figure by its corresponding population.<sup>5</sup> National and cross-state level results involve weighting state estimates by the relative population size of each state.<sup>6</sup> Premium estimates are intended to represent the average premium<sup>7</sup> 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, as 2016 enrollment data are not available).

Idaho and New York were not included in last year's results because the data was not available at the time of our analysis. NORC received Idaho data in early 2016 and was able to retroactively calculate new national estimates for 2014 and 2015. New York data was not made available for 2014 and 2015, so it is presented for the first time in plan year 2016. All 2016 cross-sectional results include data from New York, but because NORC does not have the state's data for previous years, all year-over-year changes exclude New York.

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<sup>1</sup> 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.

<sup>2</sup> Excluding catastrophic plans, which are only available to a subset of younger enrollees. Many other analyses focus only on silver or bronze plans.

<sup>3</sup> Every state, including those with a single rating region (DC, DE, HI, NH, RI, VT), has at least one sampled region placed in the “urban” stratum. Otherwise, regions are placed in a stratum based on the rurality of their component counties. Some states may have fewer than six sampled rating regions even though they have six or more total rating regions, because, for example, only one region in that state is “rural.”

<sup>4</sup> The weight for a selected rating region was defined as  $(\text{Total Stratum Population})/(\text{Selected Rating Region Population})$ .

<sup>5</sup> The weight for a rating region type was defined as  $(\text{Total State Population})/(\text{Total Stratum Population})$ .

<sup>6</sup> The weight for a state was defined as  $(\text{Total U.S. Population})/(\text{State Population})$ .

<sup>7</sup> Premiums are for a 40-year-old non-smoking single adult who is not receiving a premium subsidy.