

## Rates on Idaho exchange set to rise amid Obamacare limbo

Health insurers that sell plans on Idaho's exchange want to raise their rates an average of 38 percent next year.

The Idaho Department of Insurance announced the proposed rate increases Monday.

Four companies sell plans on Idaho's exchange — giving Idahoans a larger selection than in other parts of the country but one fewer company than last year.

People who get insurance through the exchange can get income-based subsidies to cover a portion of their premiums. The Affordable Care Act, or Obamacare, also requires those insurers to meet coverage requirements, which makes it easier to compare them. About 100,000 people bought insurance through the exchange this year, and most of those customers receive subsidies.

"I am deeply disappointed and frustrated to share these rates," said Dean Cameron, director of the department. "I understand how difficult it will be for Idahoans to afford reasonable coverage, especially those without a subsidy."

Mountain Health COOP is seeking the lowest overall rate increase for next year, 25 percent.

SelectHealth is seeking the highest overall increase, 48 percent.

Regence BlueShield of Idaho wants to increase rates by 51 percent for its individual insurance plans, but it will not sell subsidized plans on the exchange. Its sister company, BridgeSpan, is not listed among companies that filed rates for 2018 plans.

"BridgeSpan and the Idaho Department of Insurance are continuing discussions about BridgeSpan's 2018 individual market filings," said Bridge-Span parent company spokesman Lou Riepl.

The insurance companies want to raise rates 50 percent on average for "silver" tier plans — the most popular health plans sold on the exchange.

The department says that severe rate hike is partly because the federal government has threatened to defund a mechanism that subsidizes out-of-pocket costs on that tier for people near the poverty line.

### Proposed 2018 increases for exchange plans

	Bronze	Silver	Gold	Average
Statewide average	21%	50%	18%	38%
Blue Cross of Idaho	6%	40%	12%	28%
Mountain Health COOP	8%	29%	25%	25%
PacificSource	8%	81%	44%	44%
SelectHealth	27%	69%	48%	48%

### Premiums vs. paid claims for exchange insurers

Insurance company	Premiums 2016	Paid claims 2016
Blue Cross of Idaho	\$258.1 million	\$254.4 million
Mountain Health COOP	\$50.8 million	\$55.8 million
PacificSource	\$6.3 million	\$5.5 million
SelectHealth	\$145.9 million	\$208.2 million

“I call on Congress to either repeal the [cost-sharing subsidy] requirement or fund the program,” Cameron said. “That action alone would reduce the proposed increase by at least 20 percent on the silver plans.”

There’s one piece of good news about the silver-tier increases, though — at least for people who have subsidized plans. Those subsidies are based on the cost of silver plans. So, if silver-tier premiums rise significantly, that means Idahoans could actually pay less for their health insurance.

And that’s not the only irony, Cameron said.

“Ironically, Congress may spend more of our federal tax dollars” in premium subsidies because of its threat to defund the cost-share subsidies, Cameron said.

Insurance companies have the next couple of months to negotiate with the department, to avoid having their rate increases deemed “unreasonable.” The department can’t reject or set insurance rates, but it can review the insurance companies’ requests and their justifications for double-digit increases.

Final rates will be published in mid-September or early October, the department said.

After the preliminary rate hikes came out Monday, Lt.Gov. Brad Little — a candidate for governor in 2018 — called on “Idaho leaders [to] work on behalf of our citizens to relieve these burdens which continue to be a strain on our household budgets and diminish our state’s economic competitiveness.”

## ***Two of four insurers made profit***

Nationwide, health insurance companies are starting to turn profits on the exchange plans. They had been losing money due to the unexpectedly high medical costs of new customers.

Last year, two of the 2018 Idaho exchange insurers — Blue Cross of Idaho and Pacific-Source — made more money than they spent on plans.

Cameron has called for reforms to the law. Now, he’s asking for consumer feedback. (You can send comments by email to [ratecomments@doi.idaho.gov](mailto:ratecomments@doi.idaho.gov).)

“The individual insurance market is not on a sustainable path,” he wrote in an Idaho Statesman guest opinion earlier this year. “I have seen evidence that with the repeal and replacement of Obamacare, insurance premiums will be significantly lower in Idaho on very good products and Idahoans will have more choices to buy plans that better fit them.”

He offered some ideas for reform Monday:

- Fund or repeal the cost-sharing subsidy
- Fund high-risk pools
- “Allow true consumer choice of plans, similar to the Cruz amendment, either on- or off-exchange.”

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