Competition in the ACA Exchanges: Florida as a Case Study

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Outline

i. Project overview
ii. Motivation
iii. Aims
iv. Methods
v. Findings
vii. Lessons learned
What is the ACA Exchanges?

Simply defined, it is a “health insurance marketplace” that is used to buy individual and family health insurance plans that are compliant with the ACA¹

What are certain things people look for in their plans²

- The 4 “metal” categories: Bronze Silver Gold Platinum
- Total costs: premiums, deductibles, out-of-pocket costs
- Plan and Network Types: HMO, PPO, POS, EPO

¹Things to know before picking a health insurance plan. Retrieved from https://www.healthcare.gov/choose-a-plan/comparing-plans/
Rating Areas

Definition
- new standardized geographical units of area divided within states

How were premiums determined before the ACA?
- gender profile, demographics, smoking history, age, pre-existing conditions

Why do we look at competition at the rating area level?

Research Motivation

Insurers can vary premiums only by consumers age, smoking status, and geographic location (Rating Area)
  • Rating Area is a key variable for insurers to price

Risk of participating in a market (rating area) can be projected by prior year’s claims that approximate the health status which may not be reflected by the premiums
  • 2014 is the initial year the exchange plans are offered

Insurers re-assess their participation and products they offer
  • Decisions are also affected by their competitors’ action
Why Florida?

1. 1.7 million people enrolled through Florida’s exchange in 2019\(^4\)
2. Florida encountered massive insurance plan rate increases statewide from 2014-2017
3. Consistently largest number of insurers among states in the U.S.
4. One of the states that did not expand Medicaid under the ACA

Project Overview

Summarize data that focuses on competition in the ACA Exchanges by looking at entry and exit trends of health insurance plans by rating areas of Florida and their plan attributes from the years 2014 to 2017
Aims

Aim 1: Determine the number of plans and issuers in U.S. and Florida from 2014-2017

Aim 2: Summarize the trend of entry and exit of plans in Florida and for 2 selected cohorts

Aim 3: Determine the market share of the largest insurer in Florida

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Methods

1. Compiled and cleaned CMS Health Insurance Exchange Public Use Files using Stata 15

2. Merged multiple sets of data to create a cross walk for 2014-2017 that contained plans with their various attributes and their respective FIPS code

3. Create graphs and maps that summarize plan characteristics for US, Florida, and Florida rating areas

*Center for Medicare and Medicaid Services: Health Insurance Exchange Public Use Fileshttps://www.cms.gov/CCIIO/Resources/Data-Resources/marketplace-puf.html*
Aim 1: *Geographical Variation in Insurer Coverage of the Aca Exchanges in the U.S from 2014-2017

*The number of plans is inflated due to the incorporation of the total number of plans offered by statewide insurers
**Aim 1:** *Geographical Variation in Plan Coverage Options of the Aca Exchanges in the U.S from 2014-2017*

*The number of plans is inflated due to the incorporation of the total number of plans offered by statewide insurers*
Aim 1: *Number of Plans and Issuers in Florida’s ACA Exchanges from 2014-2017

*The number of plans is inflated due to the incorporation of the total number of plans offered by statewide insurers*
### Metal Level Distribution in Florida from 2014-2017

<table>
<thead>
<tr>
<th>Year</th>
<th>Catastrophic</th>
<th>Bronze</th>
<th>Silver</th>
<th>Gold</th>
<th>Platinum</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>29%</td>
<td>40%</td>
<td>15%</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>5%</td>
<td>26%</td>
<td>33%</td>
<td>17%</td>
<td>20%</td>
</tr>
<tr>
<td>2015</td>
<td>25%</td>
<td>33%</td>
<td>18%</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>3%</td>
<td>25%</td>
<td>31%</td>
<td>26%</td>
<td>16%</td>
</tr>
</tbody>
</table>

### Metal Level Distribution of Plans in the ACA Exchanges of Florida from 2014-2017

- Catastrophic
- Bronze
- Silver
- Gold
- Platinum

![Graph showing metal level distribution](chart.png)
*Rating Area Variation in Insurer Coverage of the Aca Exchanges in Florida 2017

*Rating Area Variation in Plan Coverage Options of the Aca Exchanges in Florida 2017

*The number of plans is inflated due to the incorporation of the total number of plans offered by statewide insurers
**Cohort A:**

Rating Area 16: Escambia County
Rating Area 55: Santa Rosa County
Rating Area 46: Okaloosa County
Rating Area 66: Walton County

**Cohort B:**

Rating Area 6: Broward County
Rating Area 43: Miami-Dade County
Rating Area 50: Palm Beach County
Cohort A:

Average Number of Insurers per Rating Area: 3

Number of Insurers per Rating Area: 2

Cohort B:

Average Number of Insurers per Rating Area: 8

Number of Insurers per Rating Area: 4

*Rating Area Variation in Insurer Coverage of the Aca Exchanges in Florida 2014

*The number of plans is inflated due to the incorporation of the total number of plans offered by statewide insurers
Cohort A:

Average # of Plans per Rating Area: 81

Cohort B:

Average # of Plans per Rating Area: 137

*Rating Area Variation in Plan Coverage Options of the Aca Exchanges in Florida 2014

Cohort A:

Average # of Plans per Rating Area: 38

Cohort B:

Average # of Plans per Rating Area: 57

*Rating Area Variation in Plan Coverage Options of the Aca Exchanges in Florida 2017

*The number of plans is inflated due to the incorporation of the total number of plans offered by statewide insurers
Aim 2: Entry and Exit of Plans in Cohort A and B in Florida from 2014-2017

Cohort A Average % Entry, Consistent, Exiting Plans from 2014-2017

Cohort B Average % Entry, Consistent, Exiting Plans from 2014-2017
Aim 3: Looking at Market Share from largest Insurer

Largest Insurer in Florida: Florida Blue Cross Blue Shield (FCBS)

Market Share of Florida BCBS in ACA Exchanges from 2014-2017
Future Steps

1. Look at change in costs in relation to trends found with plans, issuers, and metal level distribution.

2. Research further into the rating areas chosen of both cohorts and explore policy level explanations for enrollment and plan characteristics changes within the respective rating areas.

Lessons Learned

- Trouble shooting is an acquired skill
- The small victories are in the details
- Stata is fun
- Competition in insurance marketplace drives policy interventions and vice-versa
- Don’t be afraid to ask questions
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