



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/>

²Sexton, C., & . Florida Health Insurance Will Cost More Next Year, But It's Not All Bad News. Retrieved from <https://www.wlrn.org/post/florida-health-insurance-will-cost-more-next-year-its-not-all-bad-news>

Rating Areas

Definition

- new standardized geographical units of area divided within states³

How were premiums determined before the ACA?

- gender profile, demographics, smoking history, age, pre-existing conditions³

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 2019⁴
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

⁴Norris, L. (2018, December 27). Florida health insurance: find affordable coverage. Retrieved from <https://www.healthinsurance.org/florida/>

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

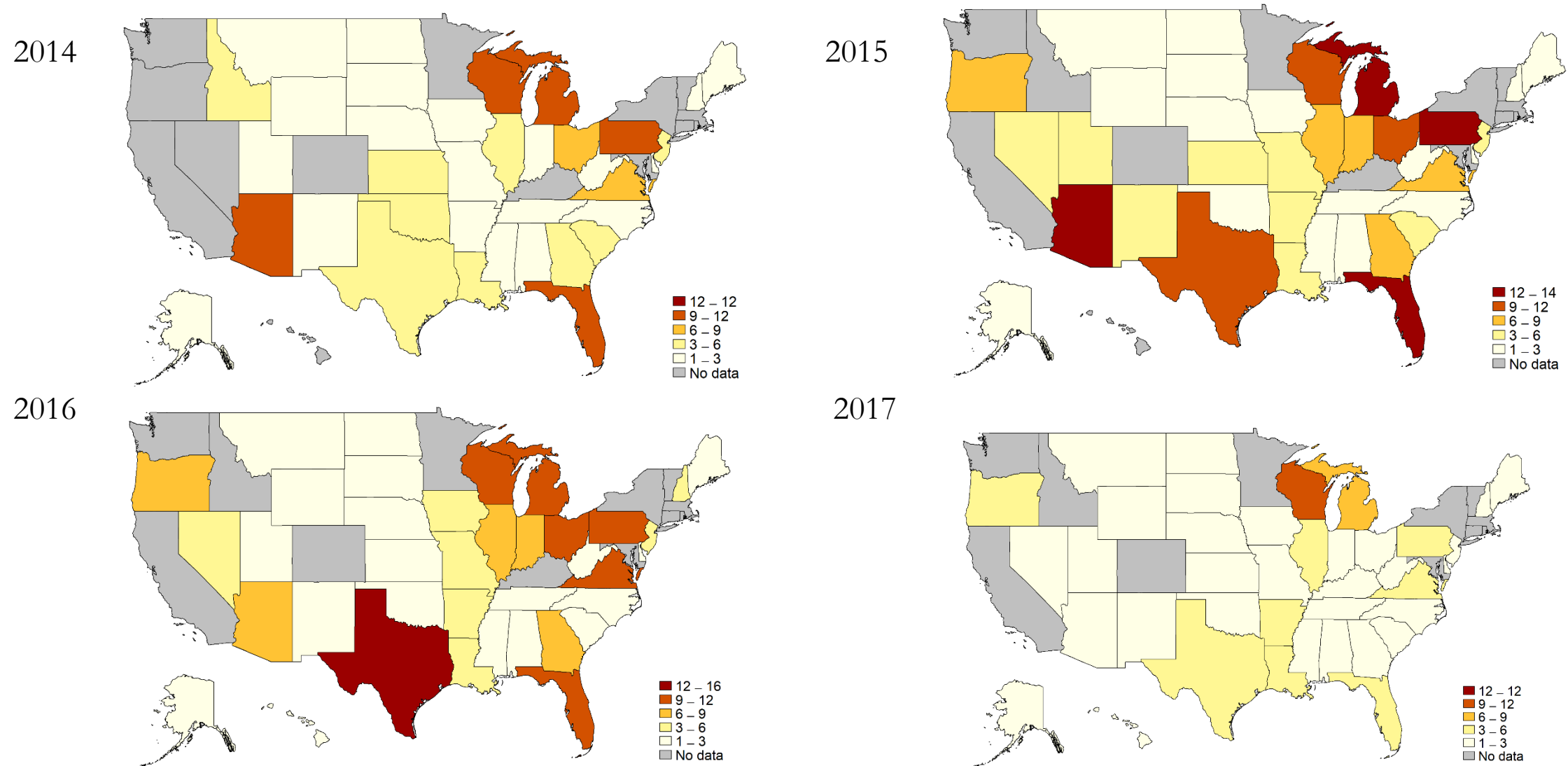
Aim 2: Summarize the trend of entry and exit of plans in Florida and for 2 selected cohorts

Aim 3: Determine the market share of the largest insurer in Florida⁵

Methods

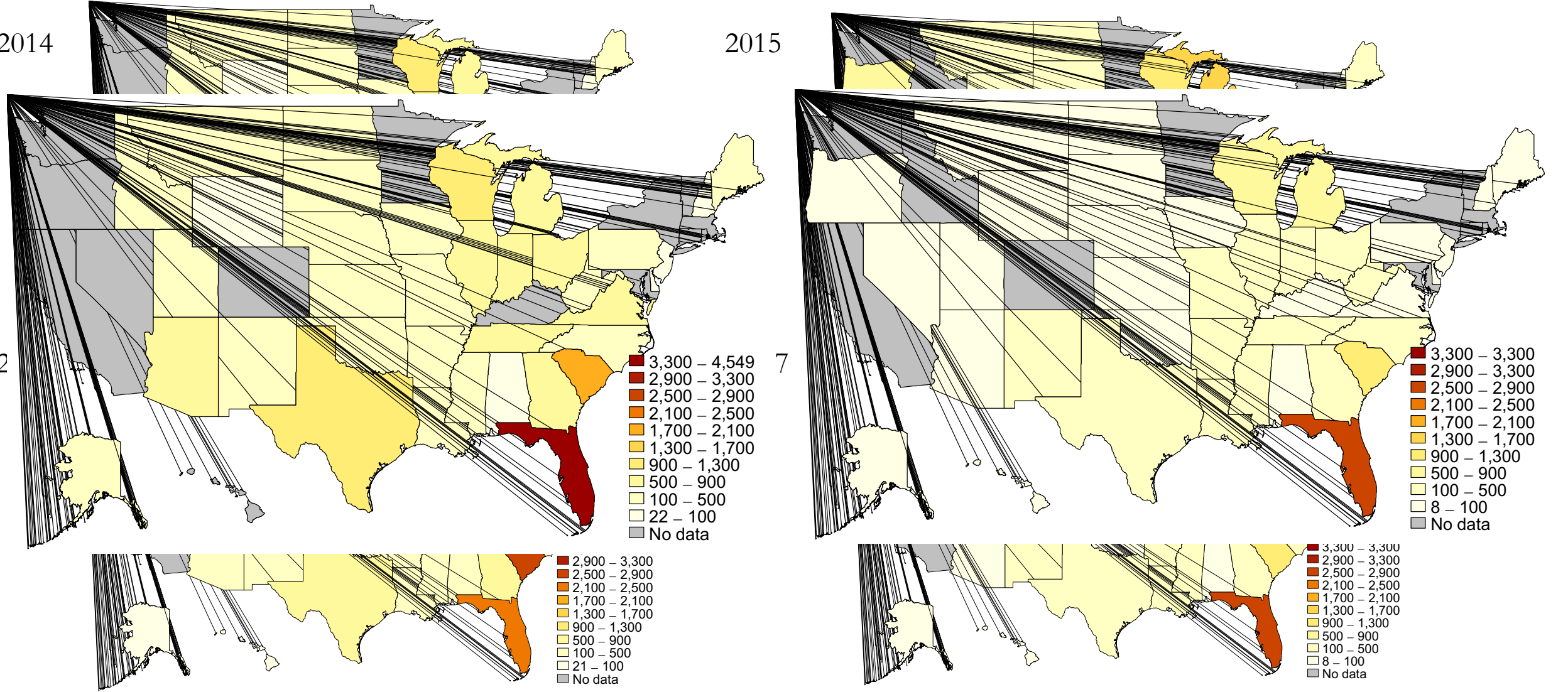
1. Compiled and cleaned CMS Health Insurance Exchange Public Use Files using Stata 15
2. Merged multiple sets of data to create a cross walk for 2014-2017 that contained plans with their various attributes and their respective FIPS code
3. Create graphs and maps that summarize plan characteristics for US, Florida, and Florida rating areas

Aim 1: *Geographical Variation in Insurer Coverage of the Aca Exchanges in the U.S from 2014-2017



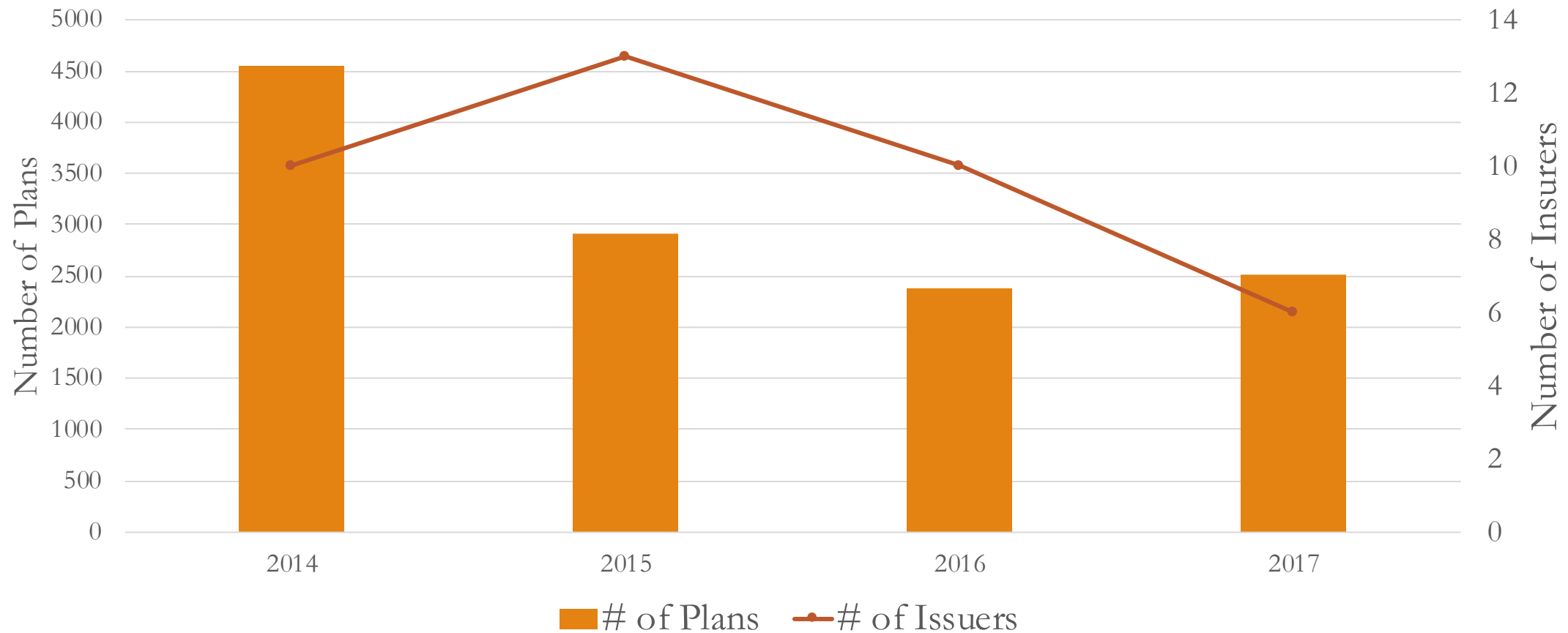
*The number of plans is inflated due to the incorporation of the total number of plans offered by statewide insurers

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

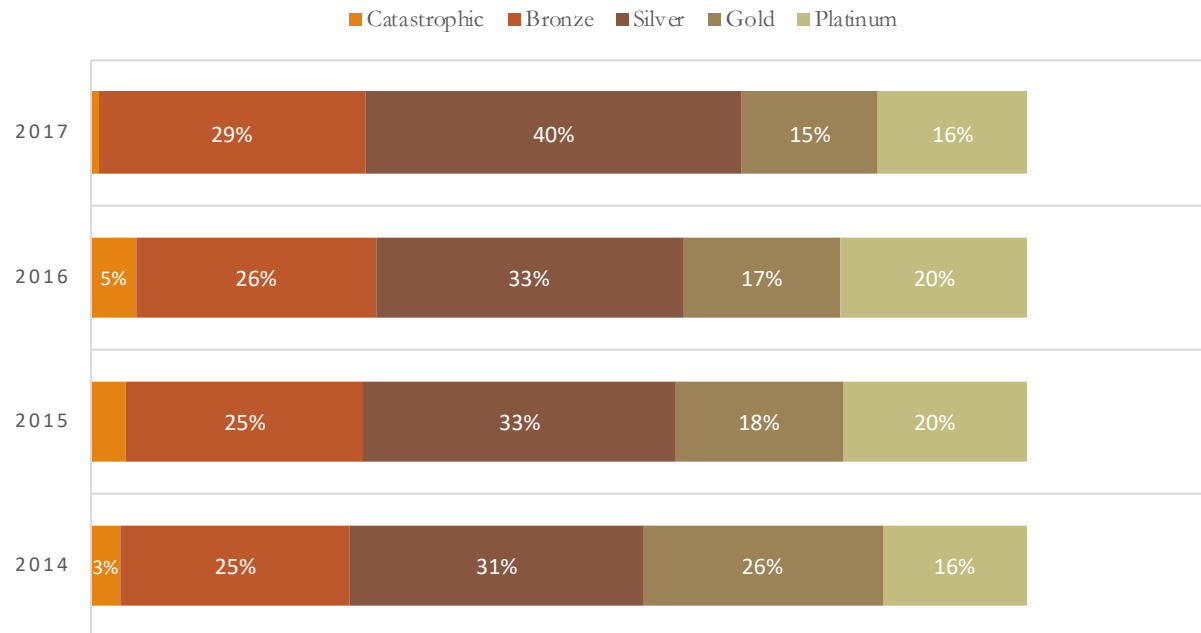
Aim 1: *Number of Plans and Issuers in Florida's ACA Exchanges from 2014-2017



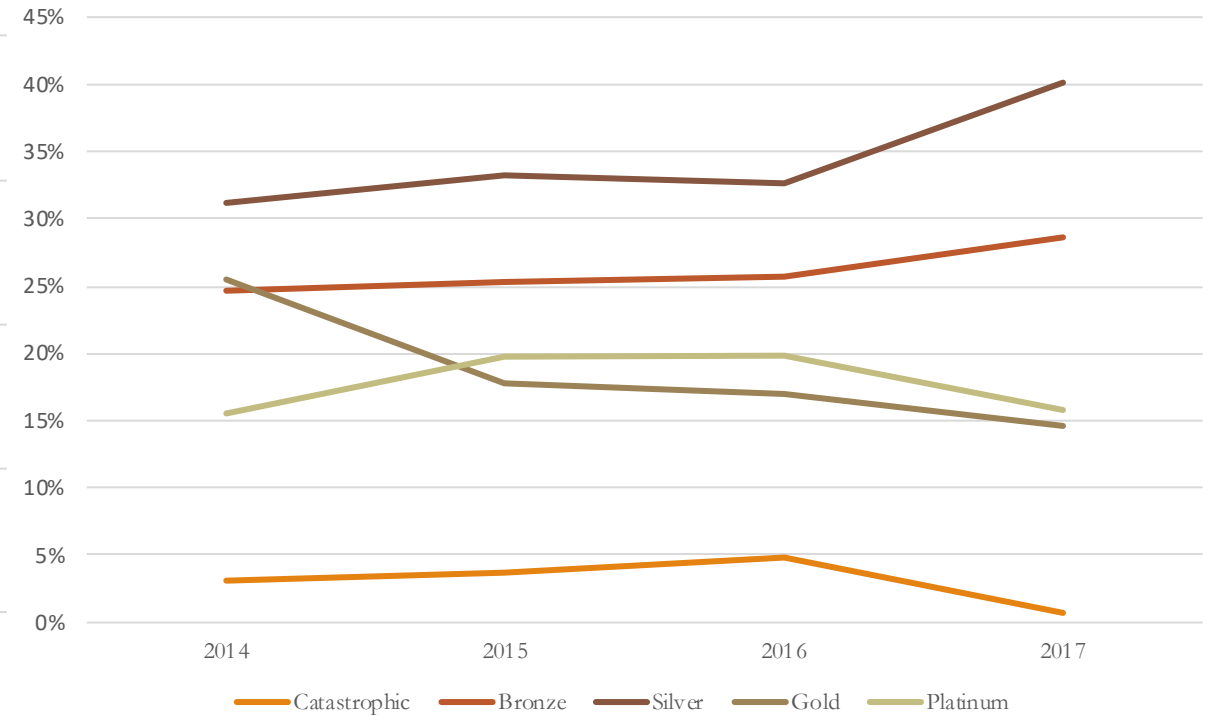
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Metal Level Distribution in Florida from 2014-2017

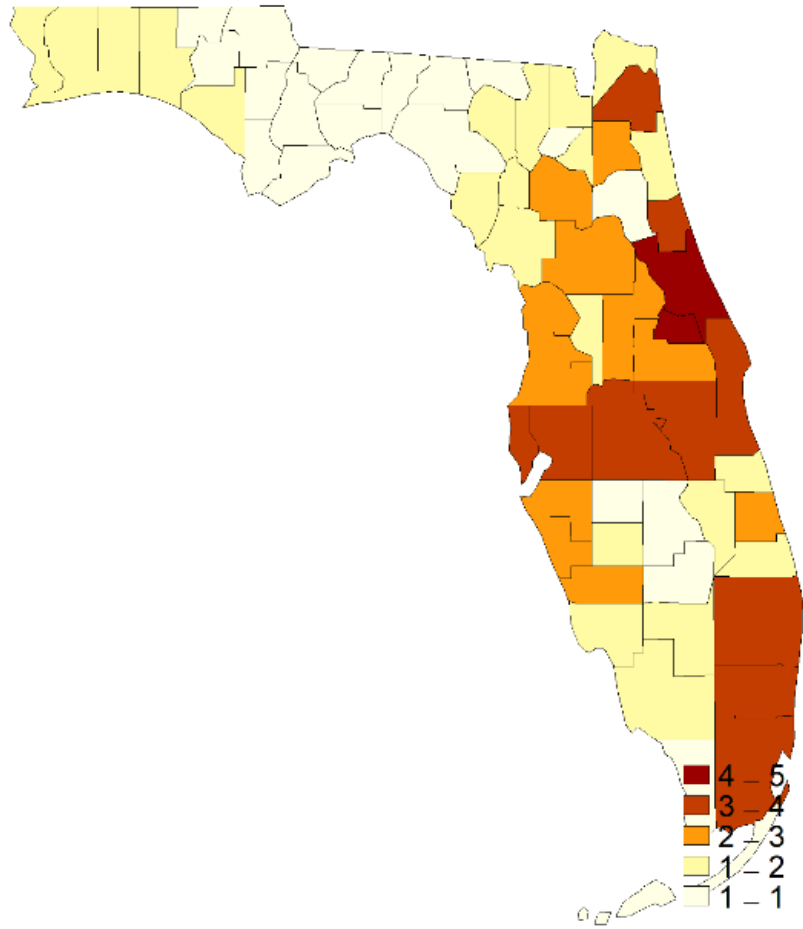
Metal Level Distribution Of Plans In The ACA Exchanges Of Florida From 2014-2017



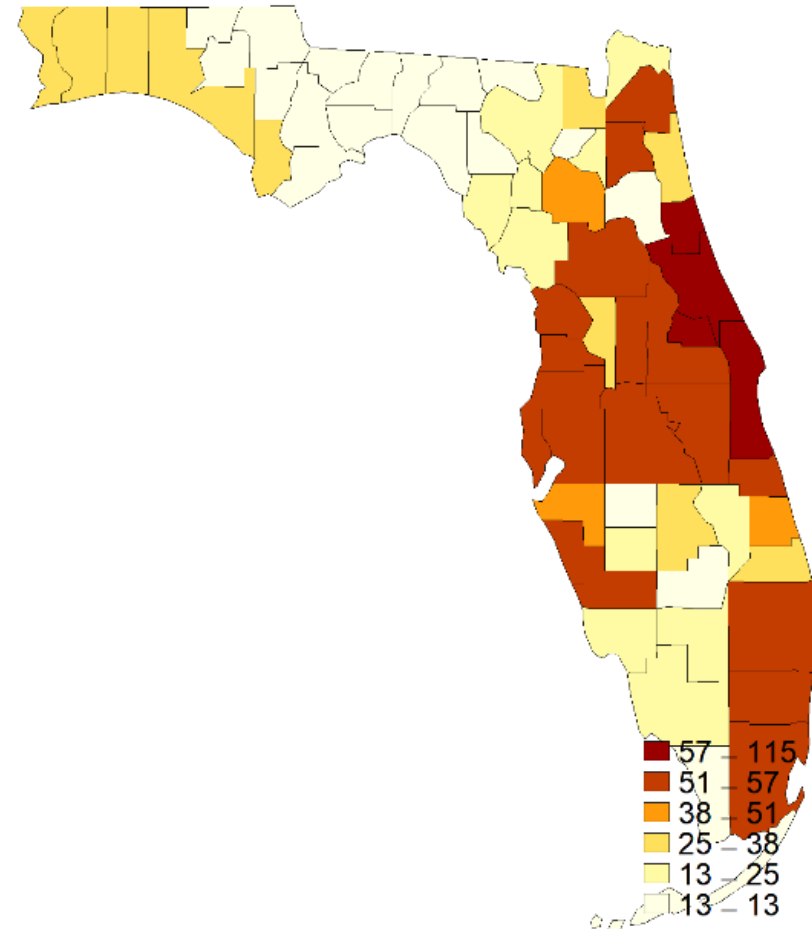
Metal Level Distribution of Plans in the ACA Exchanges of Florida from 2014-2017



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

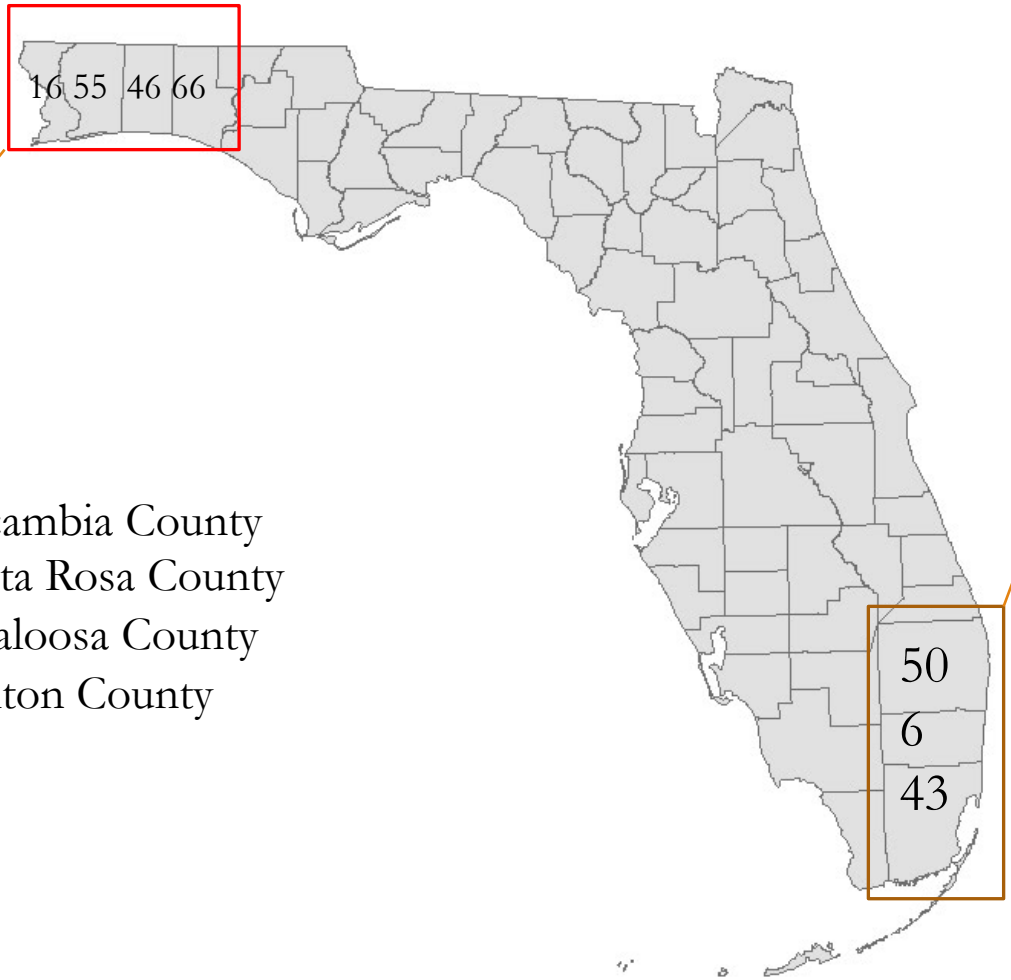


*Rating Area Variation in Plan Coverage Options of the Aca Exchanges in Florida 2017



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

FLORIDA BY COUNTIES

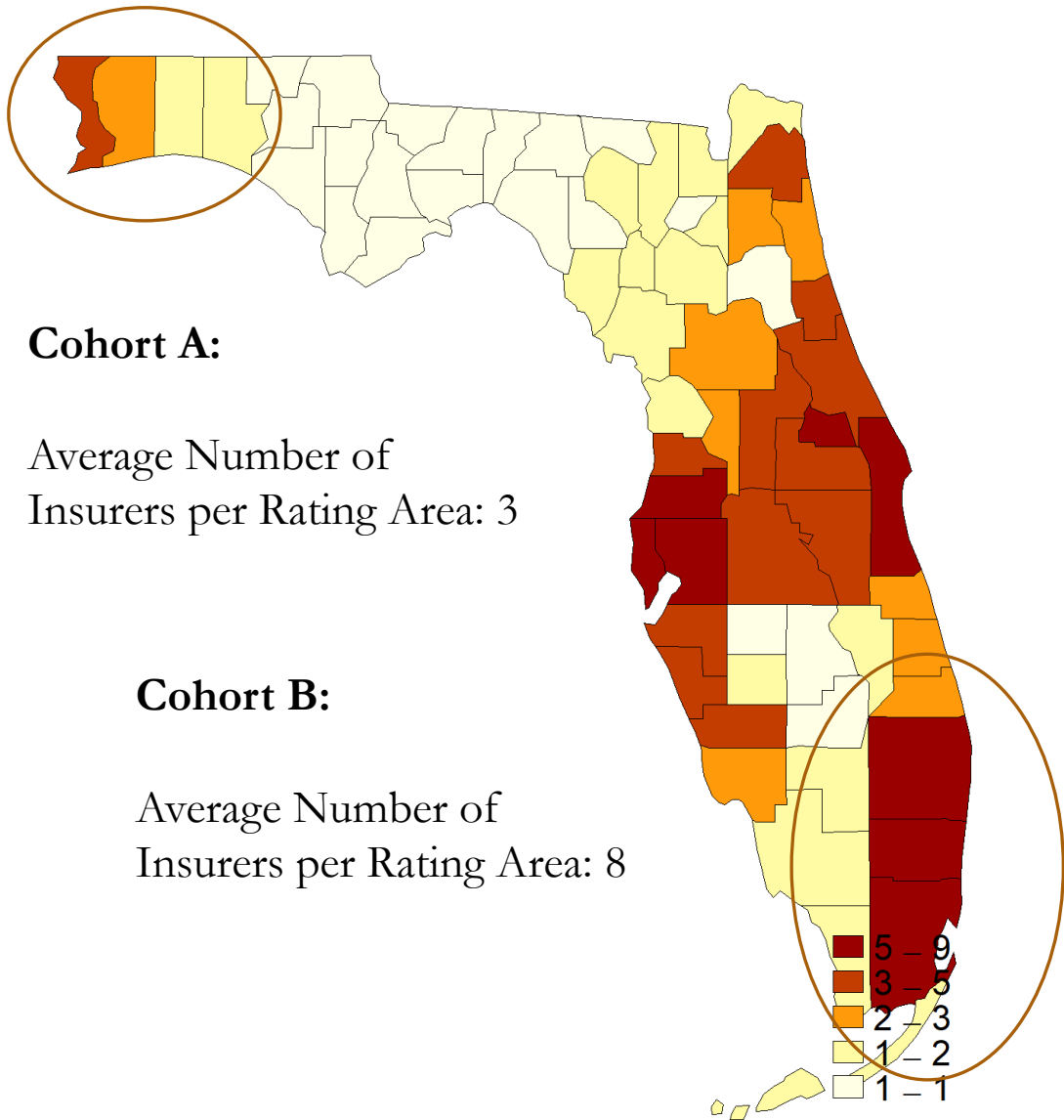


Cohort A:

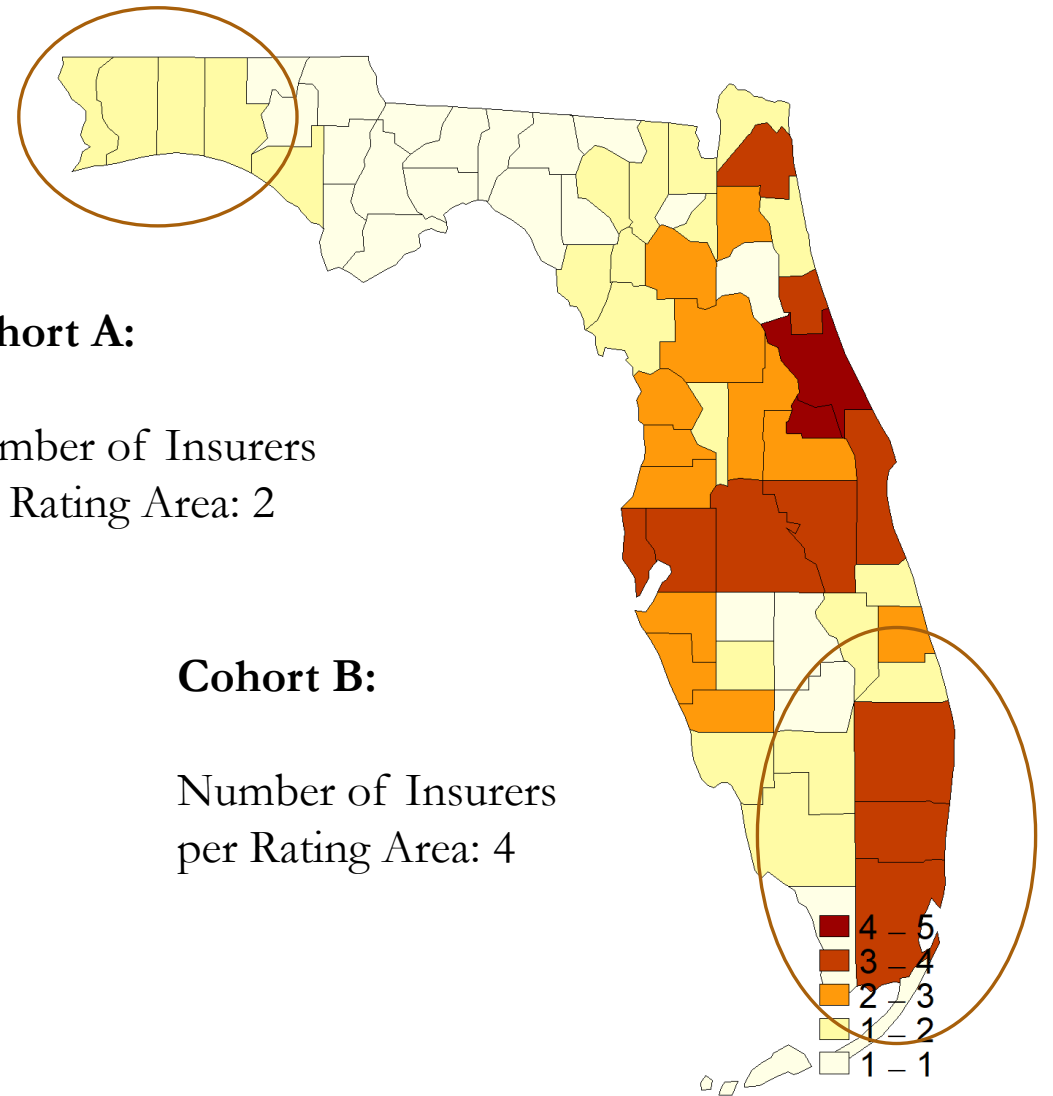
- Rating Area 16: Escambia County
- Rating Area 55: Santa Rosa County
- Rating Area 46: Okaloosa County
- Rating Area 66: Walton County

Cohort B:

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

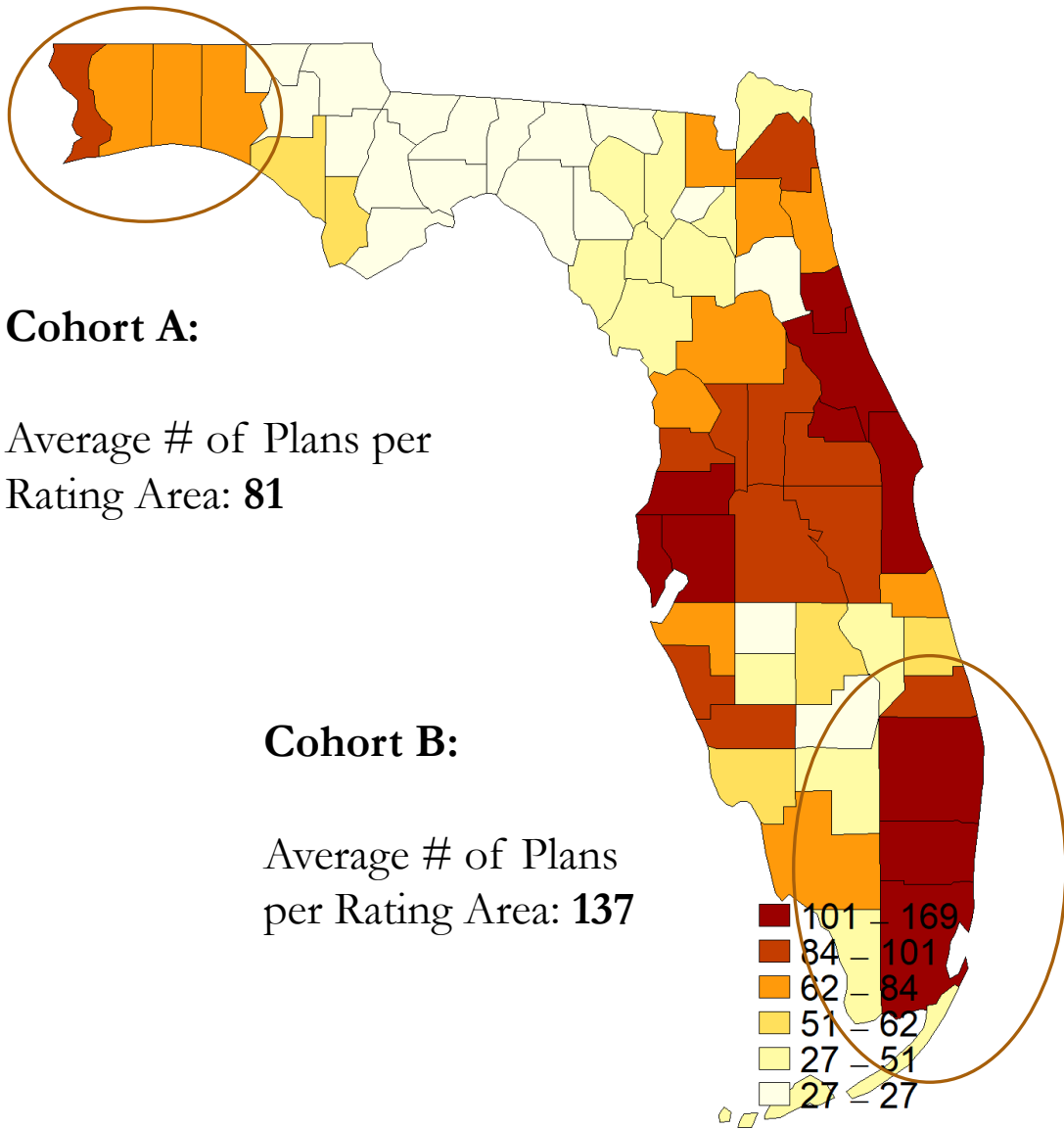


*Rating Area Variation in Insurer Coverage of the Aca Exchanges in Florida 2014

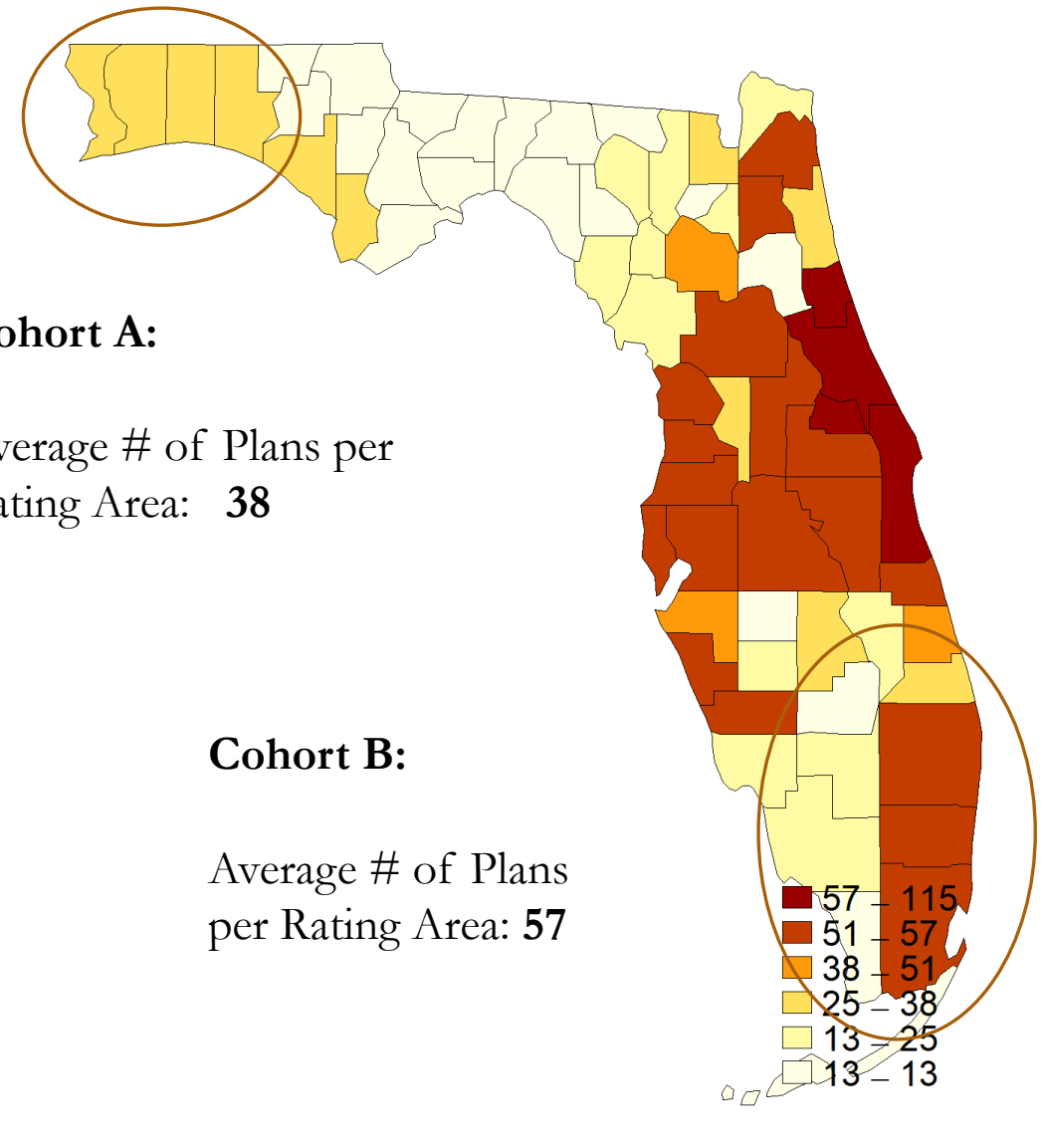


*Rating Area Variation in Insurer Coverage of the Aca Exchanges in Florida 2014

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

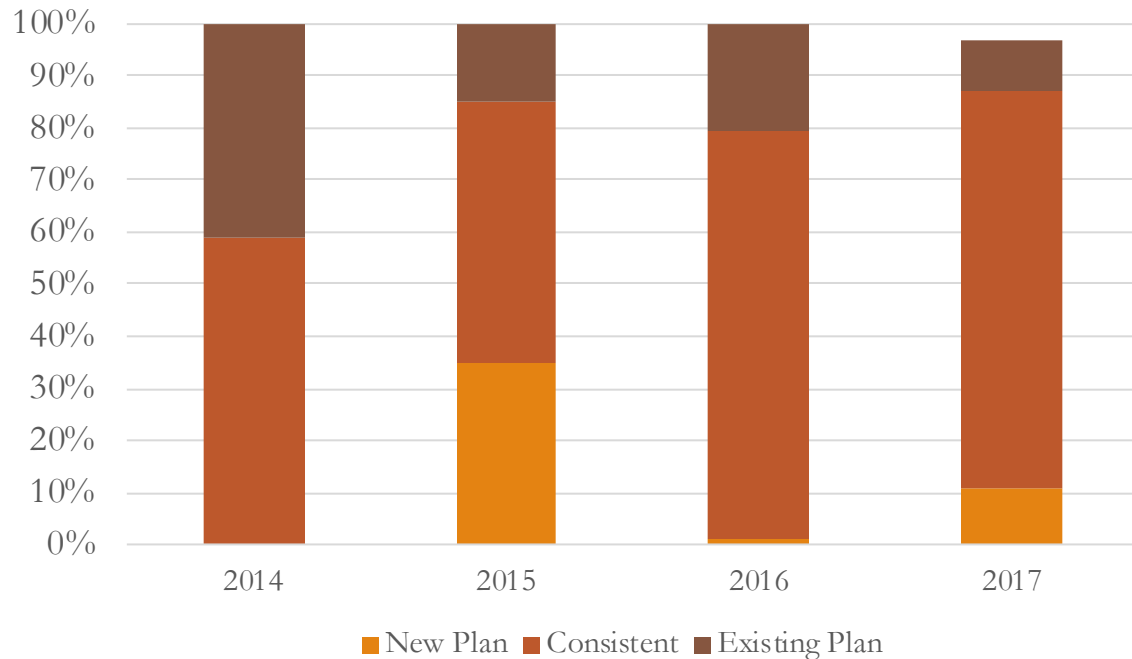


*Rating Area Variation in Plan Coverage Options of the Aca Exchanges in Florida 2017

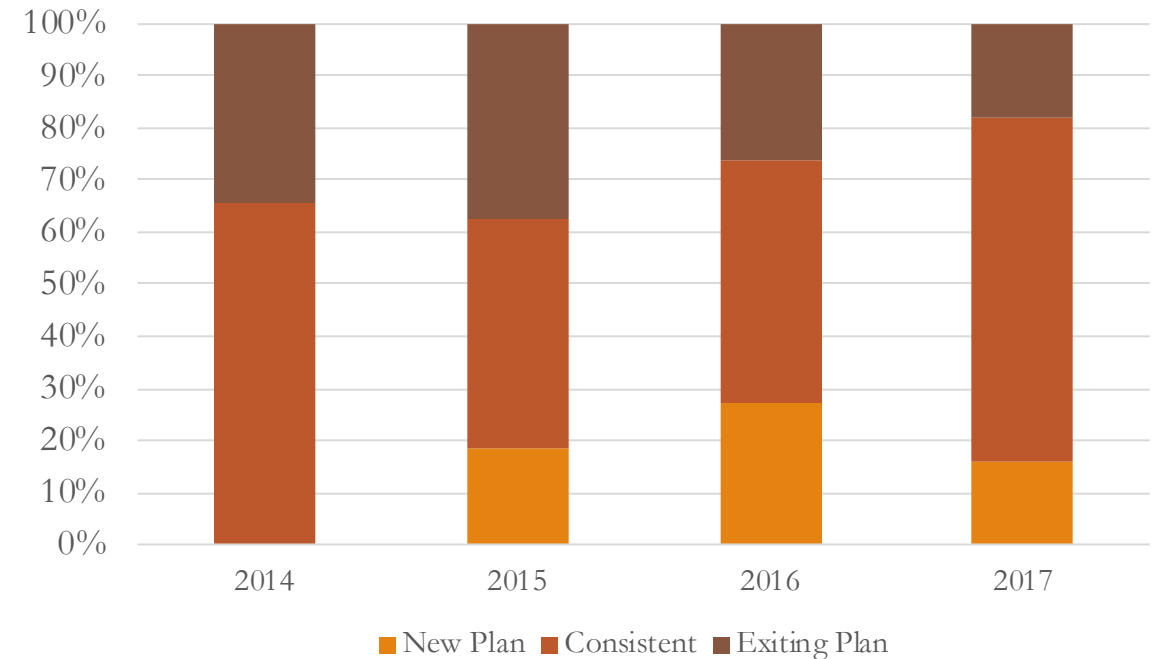
*The number of plans is inflated due to the incorporation of the total number of plans offered by statewide insurers

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



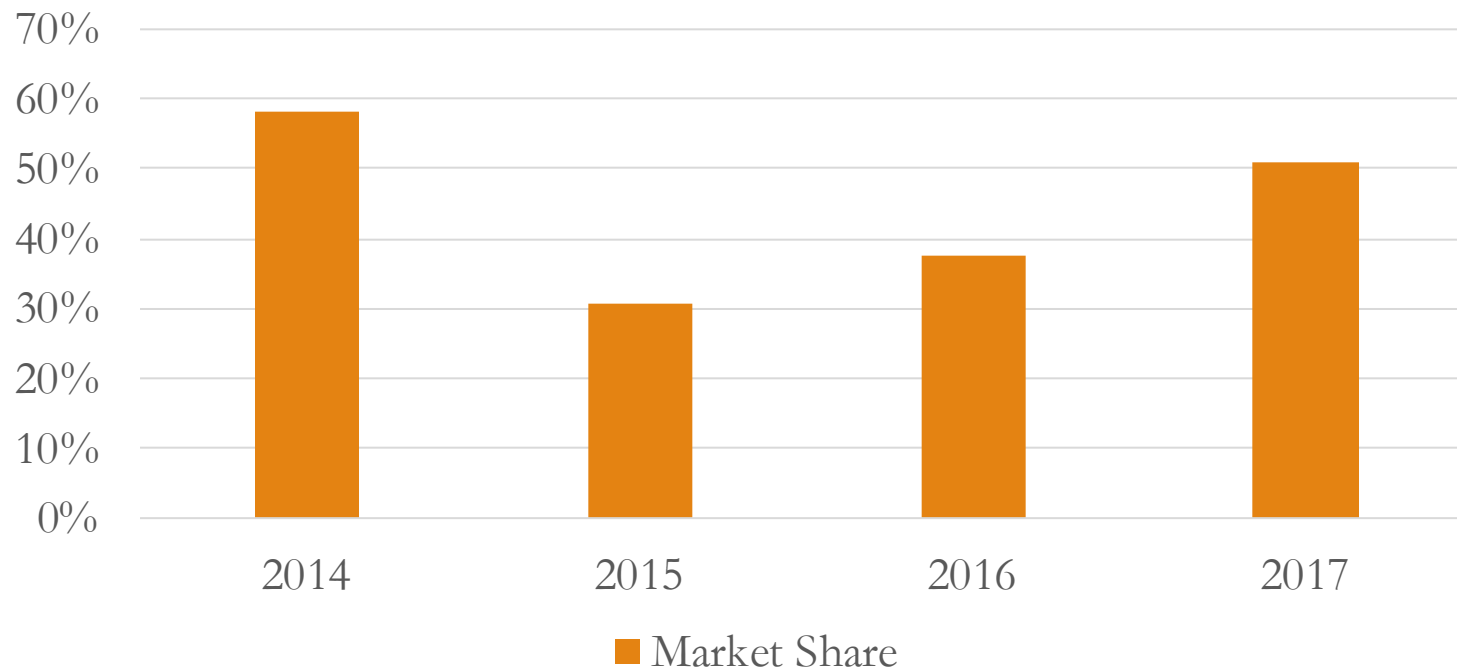
Cohort B Average % Entry, Consistent, Exiting Plans from 2014-2017



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 distribution⁷
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

⁷Van Parys, J. (2018). ACA marketplace premiums grew more rapidly in areas with monopoly insurers than in areas with more competition. *Health Affairs*, 37(8), 1243–1251. doi:10.1377/hlthaff.2018.0054

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

Acknowledgements

- Karen Zhang
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