



Toward 2020: A Survey of ACA Market Insurers

May 2019

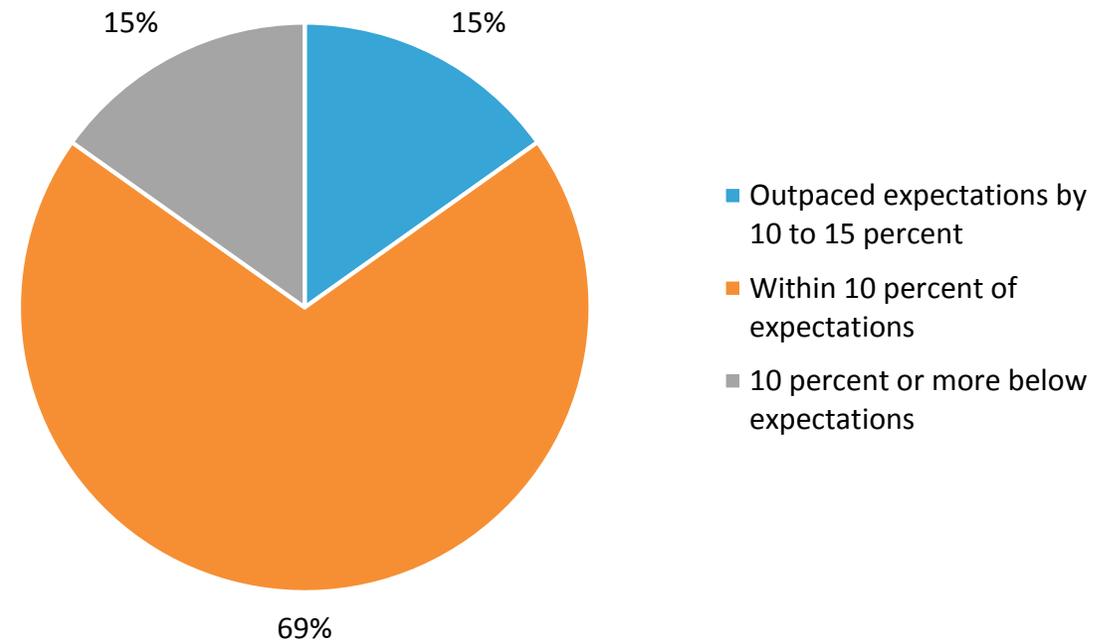
Study Overview

This study is based on a survey of health insurance companies who have participated in the Affordable Care Act (ACA) market and with whom eHealth has a relationship. Their thoughts were solicited on a number of subjects, including their intentions for 2020 product offerings, recent and proposed regulatory changes, legal challenges to the ACA, and political discussions around the future of health insurance. A total 17 responses were received from insurers collectively insuring approximately 80 million Americans and offering ACA plans in all 50 states.

Sales during the last open enrollment period (November 1 through December 15, 2018) closely matched most insurers' projections

- 69 percent said that sales figures were within 10 percent of expectations.
- 15 percent said sales outpaced expectations by 10 to 15 percent.
- 15 percent said that sales fell 10 percent or more below expectations.

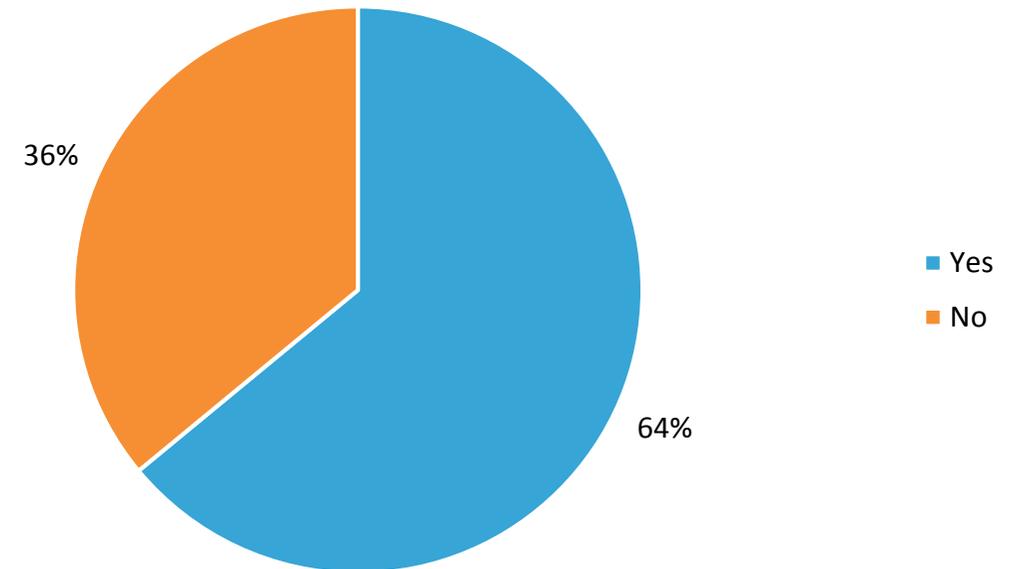
How did sales during open enrollment compare to your expectations?



Nearly two thirds of insurers said the lack of a tax penalty for 2019 led to reduced ACA plan sales

- 64 percent said they have seen a decline in their ACA plan sales as a result of the roll-back of the tax penalty, despite the fact that in an eHealth survey from 2018* 54 percent of insurers said they did not expect the repeal of the tax penalty to result in reduced enrollment.
- 36 percent said they saw no impact on sales.

Did the elimination of the ACA tax penalty impact ACA sales during open enrollment?

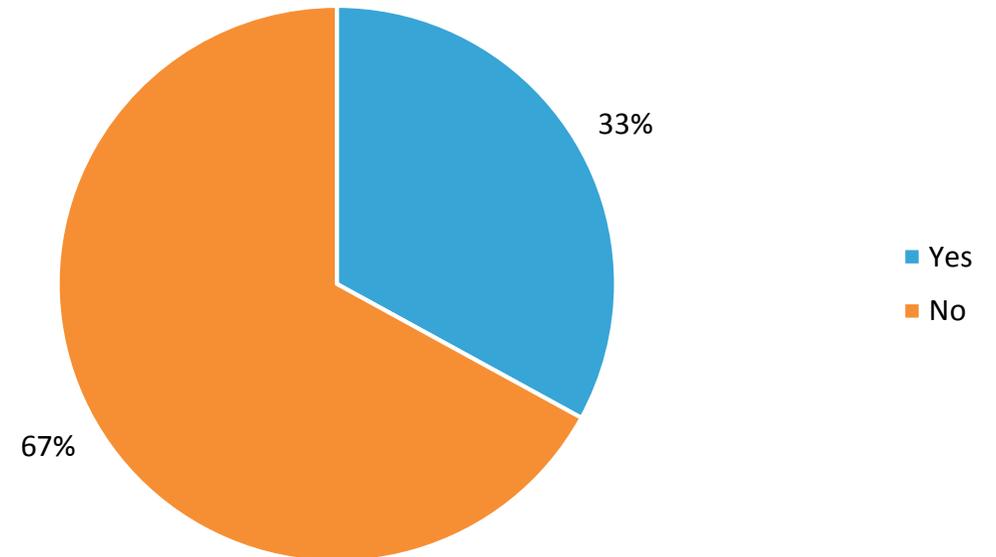


* Results from prior eHealth survey published in [September 2018](#).

Two thirds of insurers say elimination of the ACA tax penalty has had no impact on member retention to date

- 67 percent said they did not lose membership as a result of the roll-back of the tax penalty.
- 33 percent said they did lose membership as a result of the roll-back of the tax penalty.

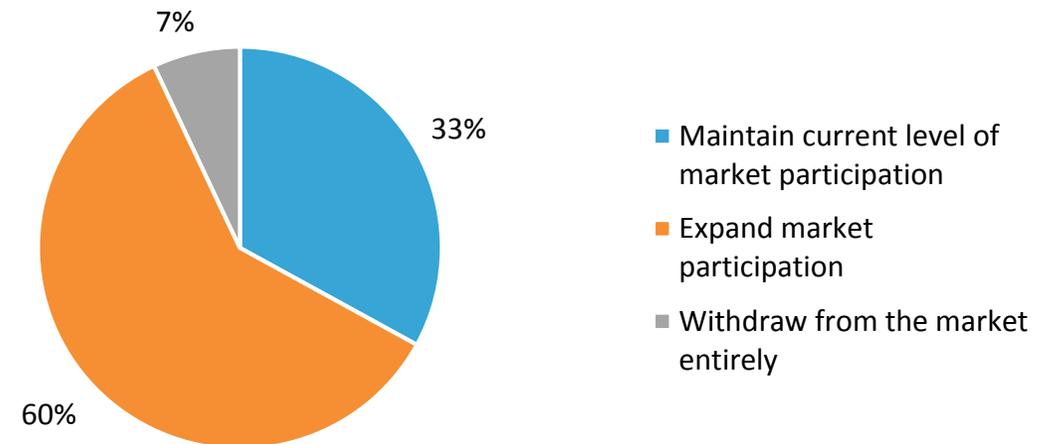
Did the elimination of the ACA tax penalty impact retention of your current ACA membership?



Most ACA market insurers intend to expand their business in 2020

- 60 percent said they intend to broaden their market participation next year, compared to 53 percent the year before*.
- 33 percent said they intend to maintain their current level of market participation, compared to 40 percent the year before*.
- 7 percent intend to withdraw from the ACA market in 2020.

What is your strategy for ACA market participation in 2020?



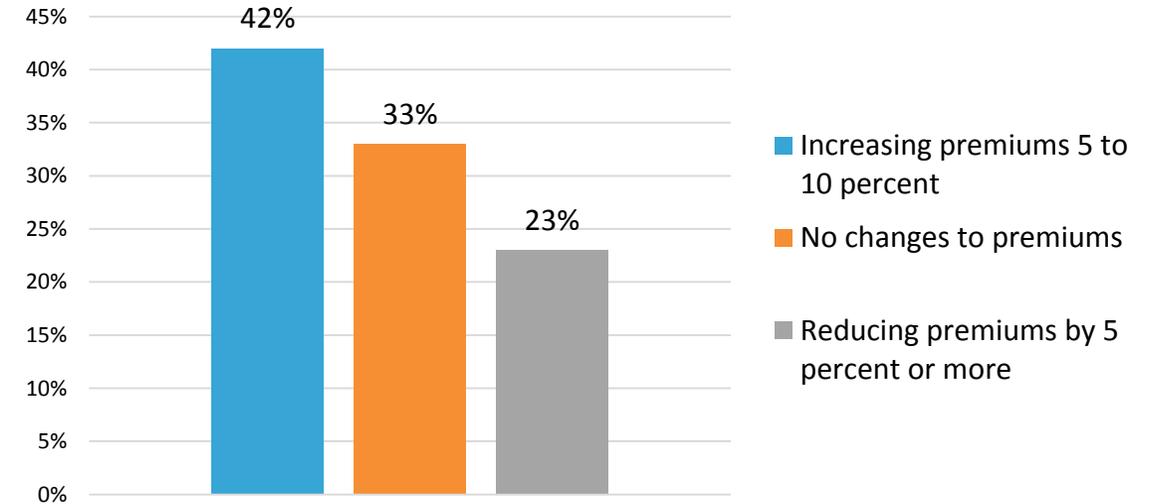
Among those who plan to expand their presence in the ACA market: 78 percent said they plan to expand their participation in the market because it aligns with their overall company mission; 44 percent said they believe the market has stabilized; 33 percent intend to expand market participation because the ACA market has become profitable for their company.

* Comparison based on survey results published in [September 2018](#).

Only modest changes to ACA plan premiums are expected for 2020

- 42 percent of respondents said they expect to raise premiums between 5 and 10 percent over 2019 rates.
- 33 percent do not expect to make any noteworthy changes to premiums.
- 23 percent expect to reduce monthly premiums by 5 percent or more.

What are your plans for ACA plan health insurance premiums in 2020?



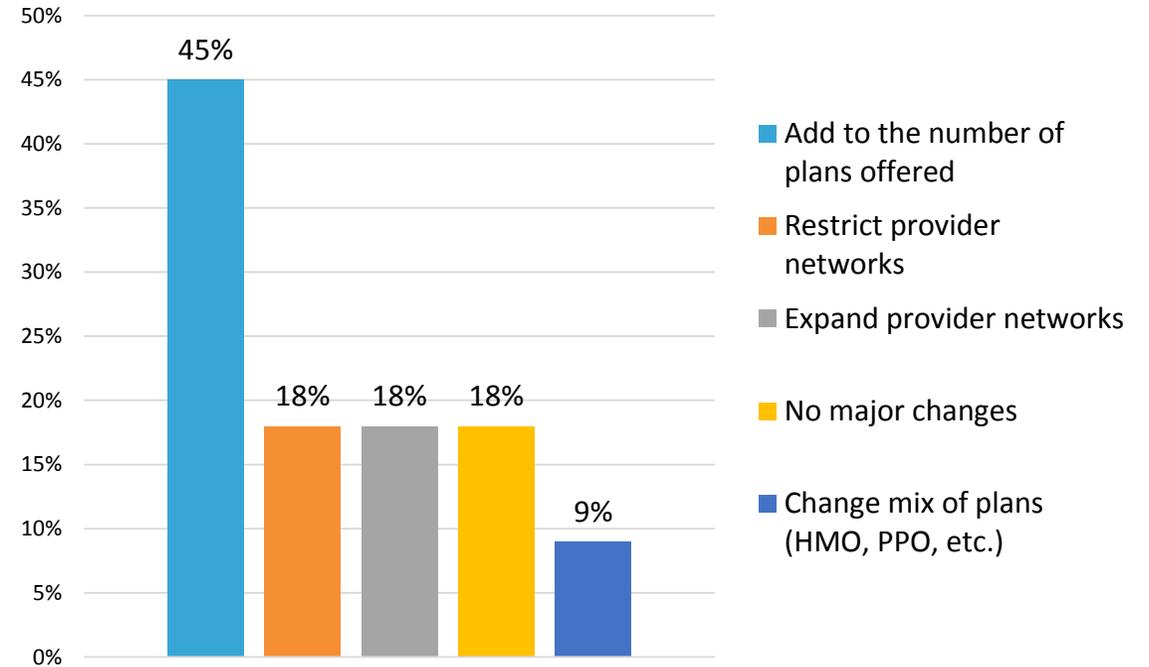
Most will not make major changes to out-of-pocket costs for 2020: 58 percent of respondents said they do not intend to make significant changes to out-of-pocket expenses on their 2020 ACA plans; 17 percent said deductibles will increase 10 percent or less; another 17 percent said that deductibles will increase by more than 10 percent.

Reduction of exchange fees are expected to have little affect on premiums: 64 percent of respondents believed that the proposed reduction of exchange fees charged to insurers would lead to reduced premiums of 1 percent or less; 36 percent expected no affect on premiums at all.

More than twice as many insurers intend to increase plan offerings for 2020 as compared with 2019

- 45 percent intend to add to the number of ACA plans they'll offer in 2020, compared to 21 percent who intended to do so for the 2019 plan year*.
- 18 percent intend to further restrict provider networks in 2020, compared to 36% for 2019*.
- 18 percent intend to expand provider networks.
- 18 percent do not intend to make any notable changes to their plan offerings.
- 9 percent intend to change their mix of plan types (e.g. HMO vs PPO vs EPO plans)

What changes are you likely to make to ACA plan offerings in 2020?

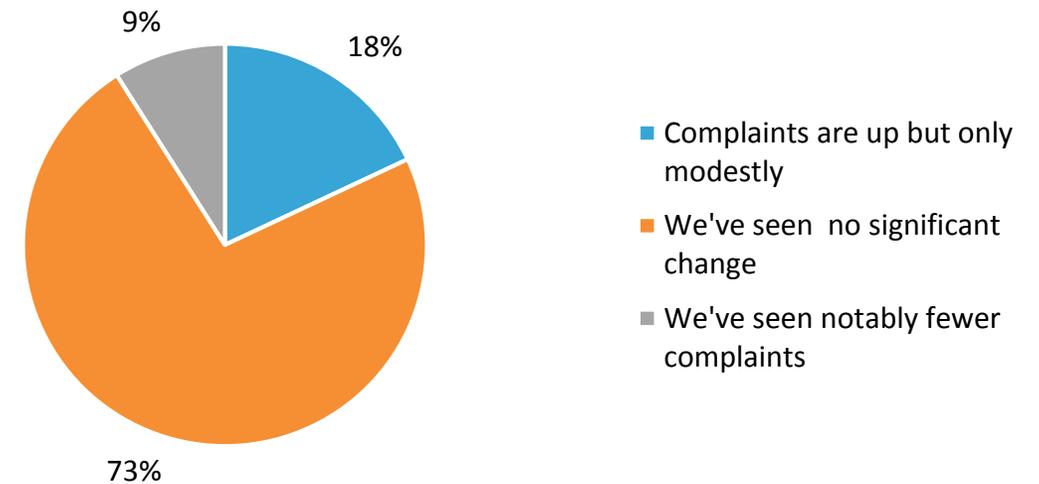


* Comparison based on survey results published in [September 2018](#).

Most insurers have seen no notable increase in reports of surprise medical bills from members

- 73 percent said they have seen no significant increase in reports of surprise medical bills in recent years.
- 18 percent said that complaints had increased, but only modestly.
- 9 percent said they have seen a reduction in the number of complaints.
- No survey respondents reported a significant increase in reports of surprise medical bills.

Have you seen an increase in reports of surprise medical bills from your members?

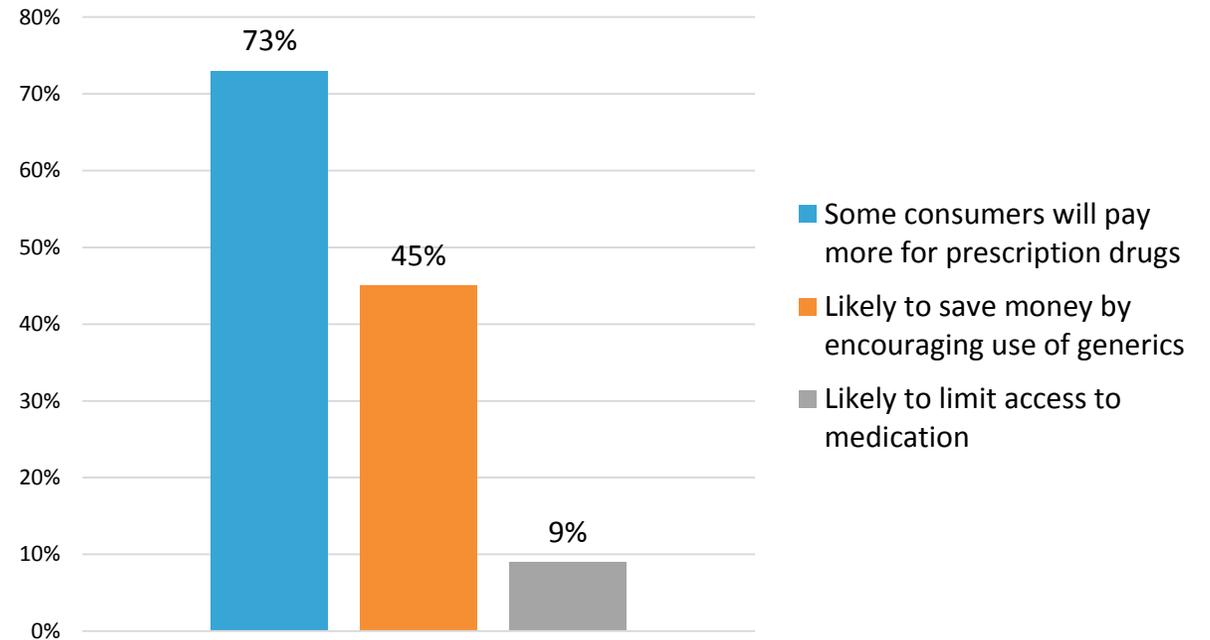


Insurers' suggestions to help reduce surprise medical bills: 58 percent of respondents said hospitals should inform patients up front about their anticipated out-of-pocket costs; 33 percent said that ER charges should be capped at in-network rates; 25 percent suggested arbitration for ER charges when service is rendered out of network.

Without the ability to apply drug manufacturer coupons to annual out-of-pocket limits, insurers say consumers may pay more for drug coverage

- 73 percent said the proposed policy change would result in consumers paying more for prescription drugs.
- 45 percent said the new proposals may save money by encouraging the use of generics.
- 9 percent said these proposals would likely limit consumers' access to medication.

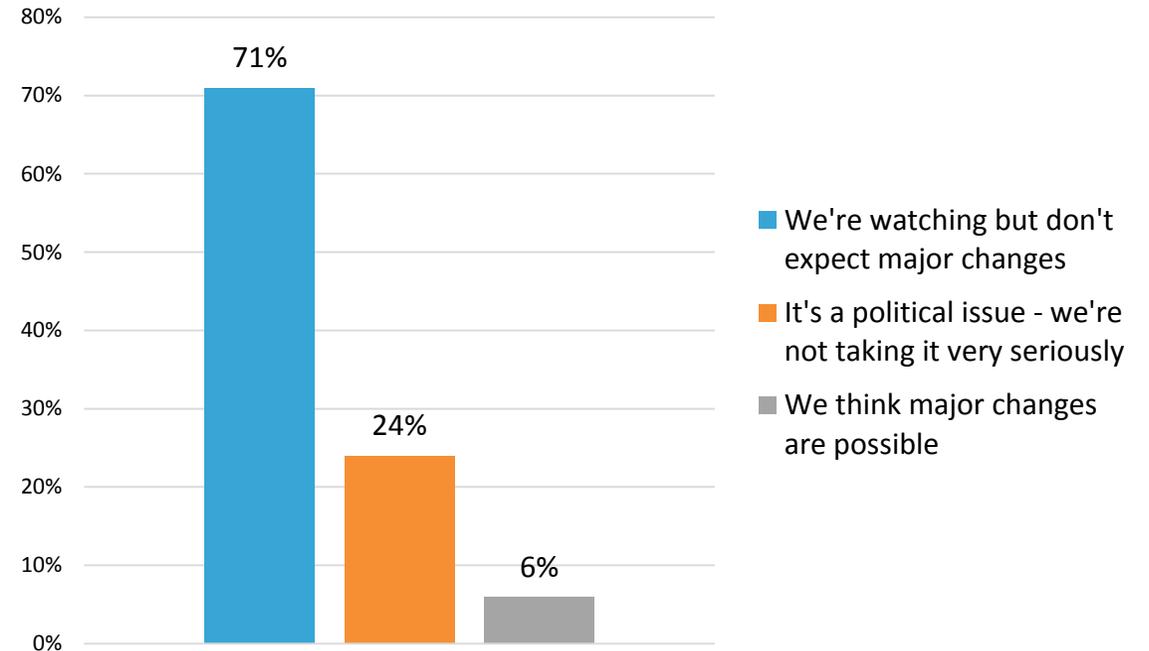
How do you think consumers will be affected by no longer allowing drug manufacturer coupons from counting toward out-of-pocket costs?



Somewhat fewer insurers foresee big changes on the question of “Medicare for all” than they did last year

- Seven-in-ten (71 percent) are paying attention to the “Medicare for all” discussion but don’t expect major changes, compared to 67 percent in 2018*.
- Nearly a quarter (24 percent) say that this is a political issue and they’re not taking it seriously at this time, compared to 7 percent in 2018*.
- 6 percent think big changes to Medicare are possible in the future, compared to 27 percent in 2018*.

What are your current feelings about political discussions about the potential expansion of the Medicare program or Medicare-like coverage?

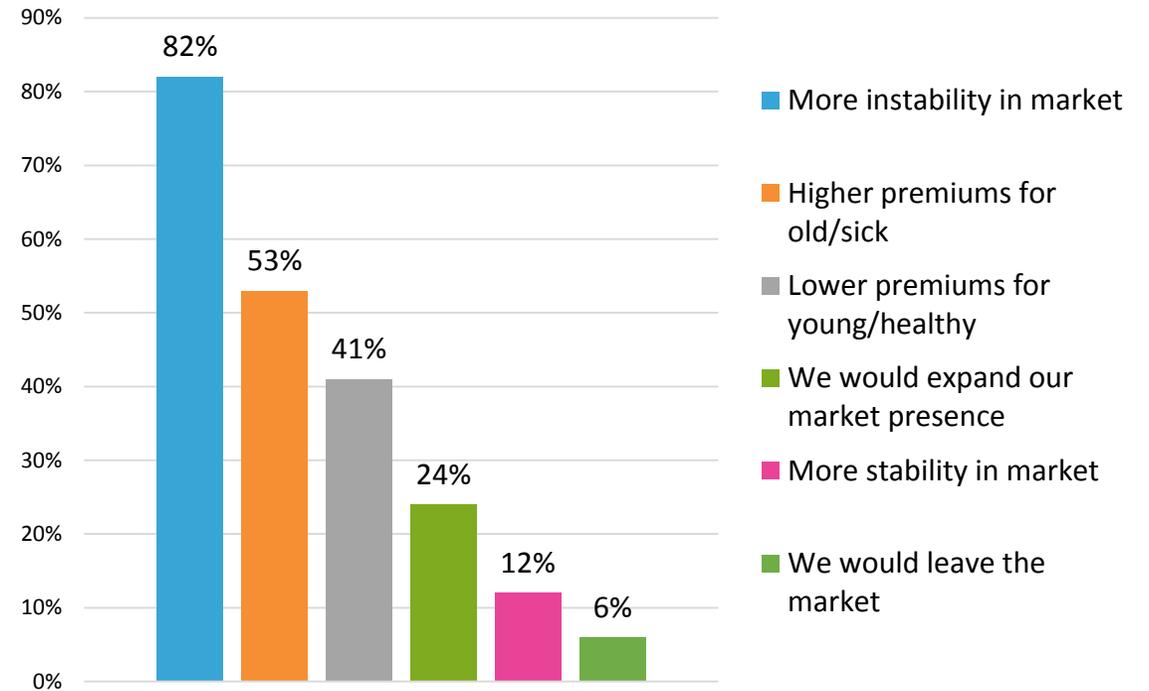


* Comparison stats from eHealth 2018 survey were not previously published.

Most insurers predict instability and higher premiums for older, sicker consumers if *Texas v. Azar* is upheld

- 82 percent would expect to see more instability in the individual and family health insurance market; 12 percent would expect increased market stability.
- 53 percent would expect higher premiums for the older and sick, while 41 percent would expect lower premiums for the young and healthy.
- A quarter (24 percent) say they would expand their presence in the market as a result; 6 percent would leave the individual and family market entirely.

What do you predict if ACA is struck down in full?



Most insurers say their 2020 plans are already set: 82 percent of respondents said that the pending appeal in the case of *Texas v. Azar* (which, if upheld, would invalidate the entire ACA) is not going to affect their 2020 plans in the individual and family market.

Methodology Note

This survey is based on a voluntary survey of health insurance companies with which eHealth has a business relationship. Results are published anonymously. A total 17 responses were received from insurers collectively insuring approximately 80 million Americans and offering ACA plans in all 50 states. Figures in this report may add to slightly more or less than 100 percent due to rounding. In some cases, respondents were invited to select more than one option when answering a question.

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