



Individual Health Insurance Market Checkup:  
How Are Minnesotans Experiencing Individual Health Insurance?  
- A Data Short Take -

Health Economics Program

December 2019

# Patient History: Background on the individual market

Over the last decade, the individual health insurance market has been a source of insurance coverage for 3 to 5 percent of Minnesotans.

- The individual market provides access to health insurance for Minnesotans who do not have insurance through their employer and who earn too much to be eligible for Medical Assistance or MinnesotaCare.
- Minnesotans also have the option to enroll in the individual market through MNsure, an insurance marketplace which also provides access to premium subsidies to reduce health care costs.

The Minnesota Legislature has devoted significant time and resources to support this market. Yet, affording coverage and care in the individual market remains a challenge for some Minnesotans.



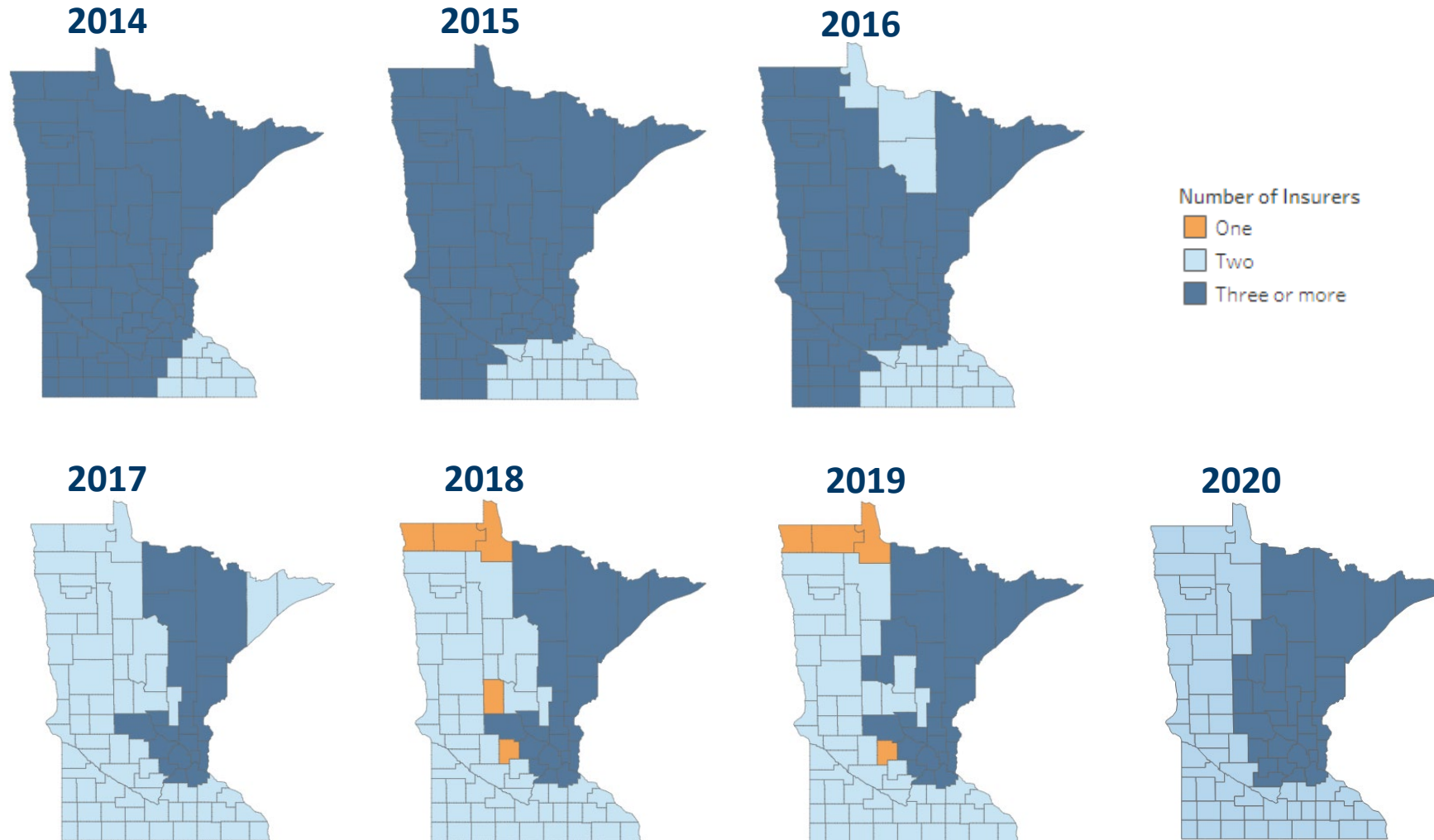
## Checkup Exam: Vital signs examined in this data short take

How do Minnesotans experience the individual health insurance market, and how has it changed?

- **Pulse** → **Competition** among insurers
- **Blood Pressure** → **Enrollment** by exchange status, metal level, and age
- **Temperature** → **Premiums** and health care **claims** costs incurred
- **Respiration** → **Plan benefits** offered



# Pulse: Health insurer competition on MNsure declined in 2017; since then there have been improvements



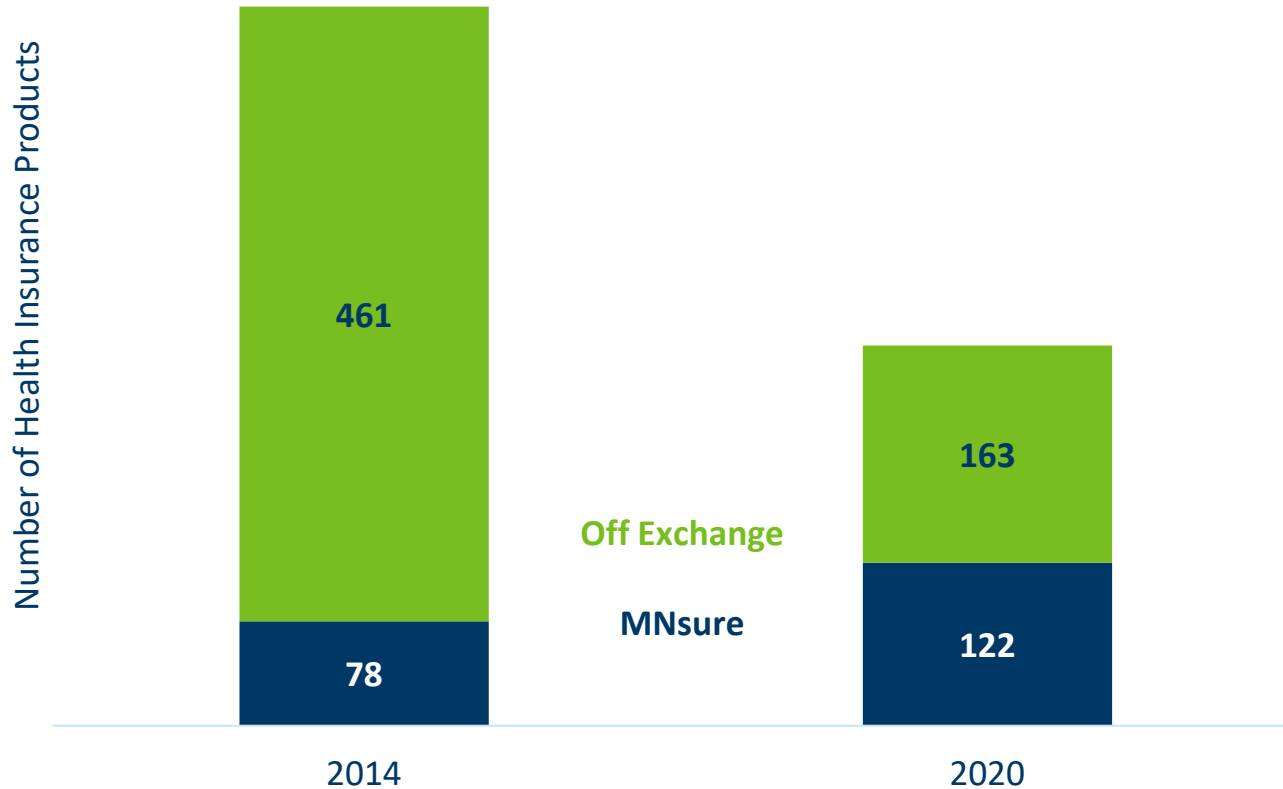
Year	Number of Insurers		
	1	2	3+
2014	0	10	77
2015	0	18	69
2016	0	21	66
2017	0	67	20
2018	5	60	22
2019	4	59	24
2020	0	56	31

Source: Kaiser Family Foundation. Insurer Participation on ACA Marketplaces, 2014-2019. <https://www.kff.org/health-reform/issue-brief/insurer-participation-on-aca-marketplaces-2014-2019/>; Minnesota Department of Commerce's Health Plan Binders 2020.

Note: Companies with related subsidiaries are grouped together as one insurer.



# Pulse: MNsure products and share of individual market offerings are higher in 2020 relative to 2014



When MNsure (Minnesota’s health insurance marketplace) first opened in 2014, 14% of all health plan options were on MNsure.

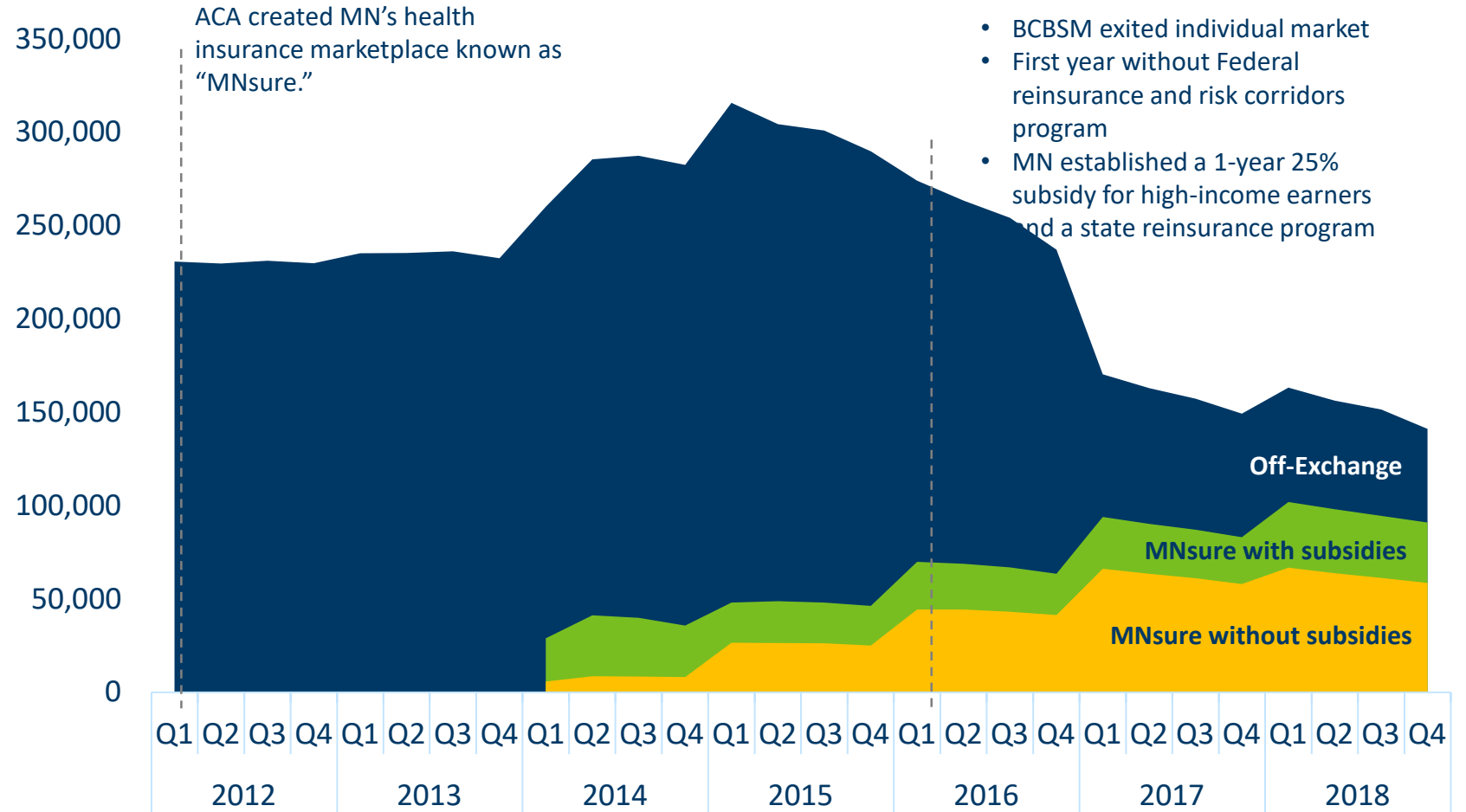
By 2020, that share had grown to 43%.



# Blood Pressure: MNsure enrollment—as a percent of individual market enrollment and in absolute numbers—is growing

Enrollment on MNsure and among Individuals Receiving Premium Subsidies on MNsure has increased since 2014.

By the end of 2018, only about one-third of the total individual market is Off-Exchange enrollment.



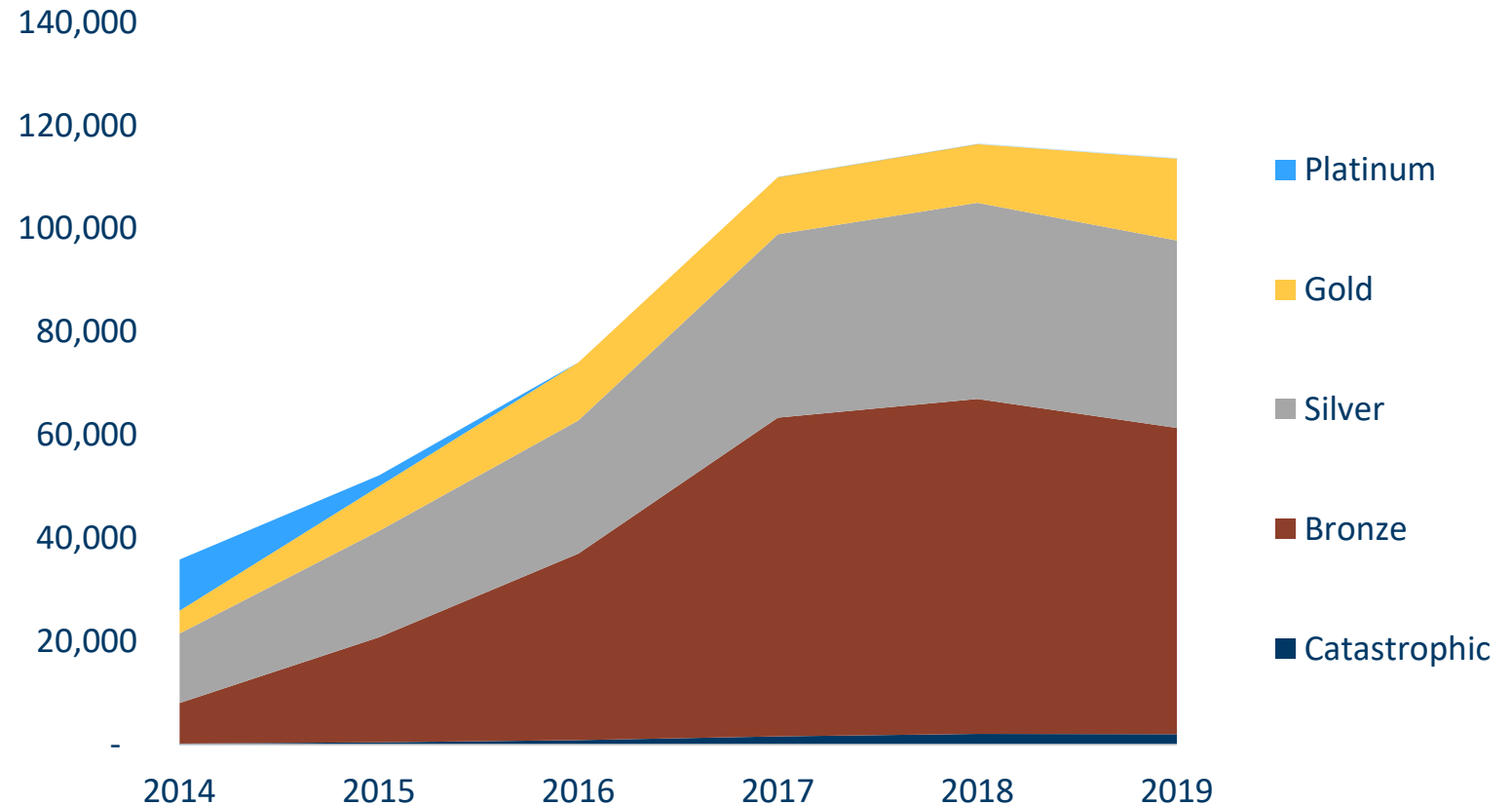
Source: NAIC Health Plan Financial Supplemental Exhibit on Premiums, Enrollment and Utilization 2014 – 2018; MNsure quarterly Marketplace enrollment data 2014-2018.



# Blood Pressure: Greatest share of MNsure enrollment growth has been in bronze and silver plans

On MNsure, the greatest share of enrollment growth between 2014 and 2019 has been in Bronze and Silver plans.

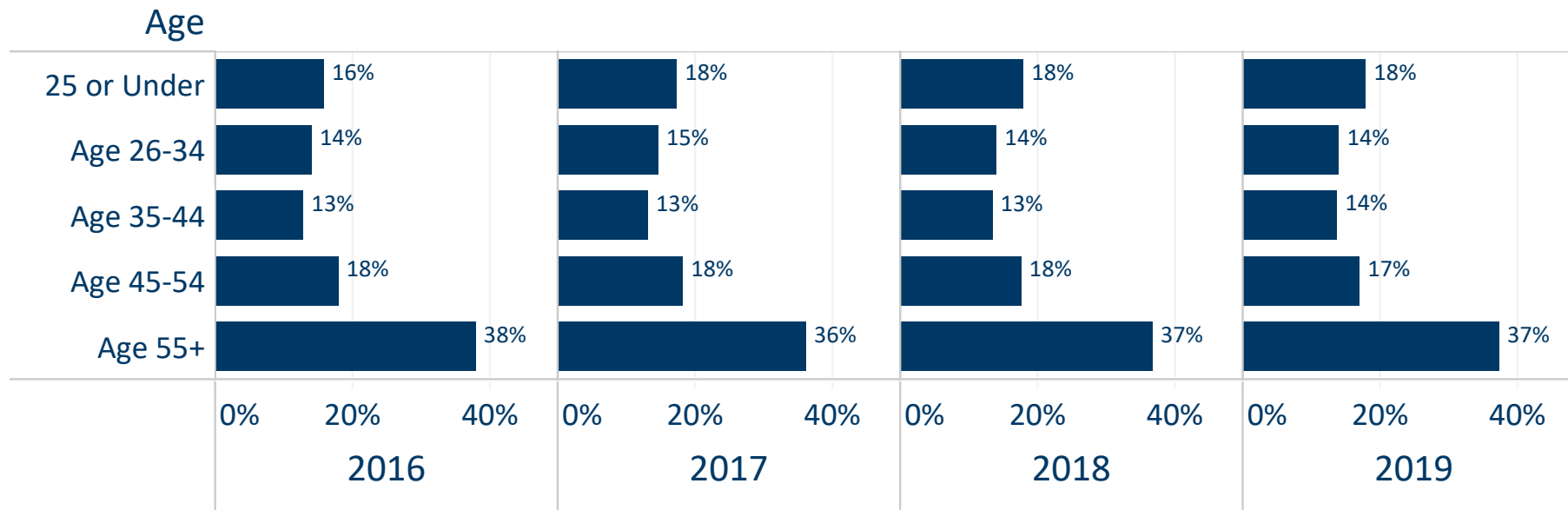
Enrollment in Platinum plans declined from 2014 to 2015, and Platinum plans have not been offered on MNsure since 2016.



Note: Based on enrollment through MNsure only; enrollment in the full individual market may show a different metal level distribution; platinum plans are still available off MNsure. 2014 enrollment was reported as enrollment as of December of that year, 2015 and 2016 as of March, and 2017 through 2019 were as of January. Source: Centers for Medicare and Medicaid Services' Marketplace Open Enrollment Public Use Files (2015-2019); MNsure quarterly Marketplace enrollment data 2014-2019.



# Blood Pressure: Age composition of MNsure enrollment has remained generally unchanged since 2016

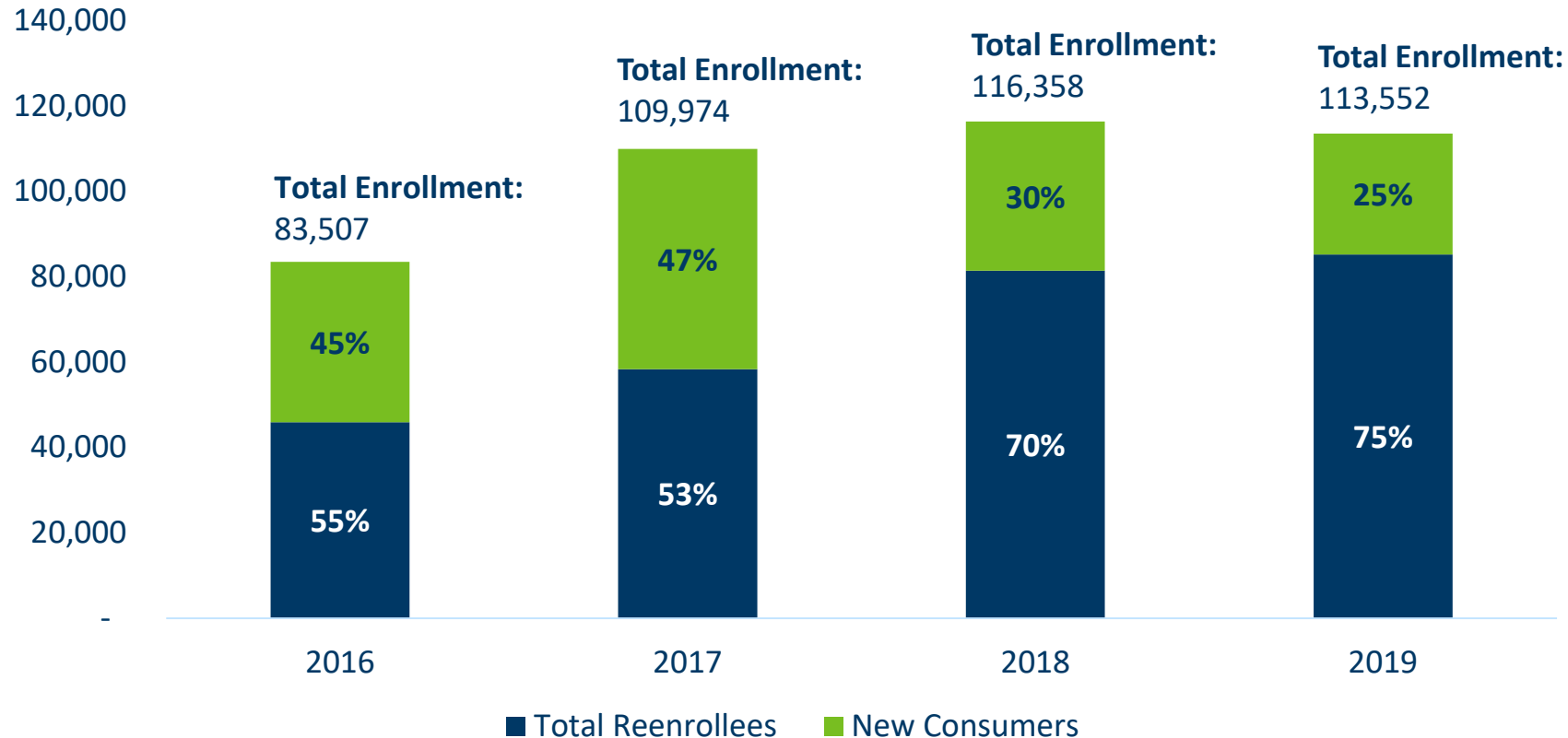


Even as total enrollment on MNsure has grown, the share of total enrollment by age group has remained stable since 2016.





# Blood Pressure: More Minnesotans are maintaining enrollment through MNsure

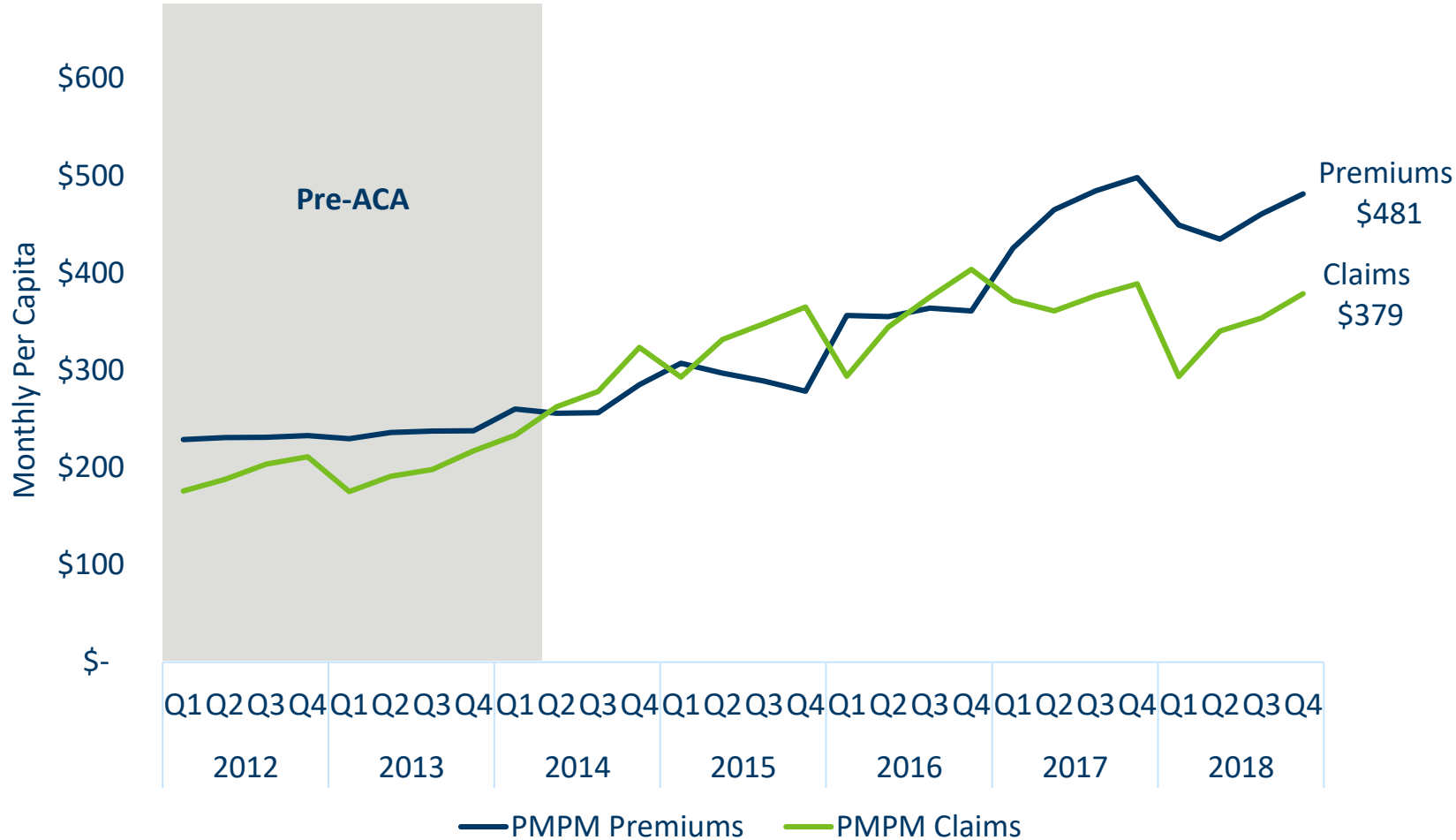


In 2016, a little over half of all MNsure enrollees had had a MNsure health insurance plan in the prior year.

By 2019, three-quarters of all MNsure enrollees had a plan in the prior year.



# Temperature: Average monthly premiums have increased from 2014 to 2018 despite slower claims spending since 2017



Average monthly premiums increased from 2014 to 2018.

Average monthly claims increased from 2014 through 2016 but leveled off beginning in 2017.

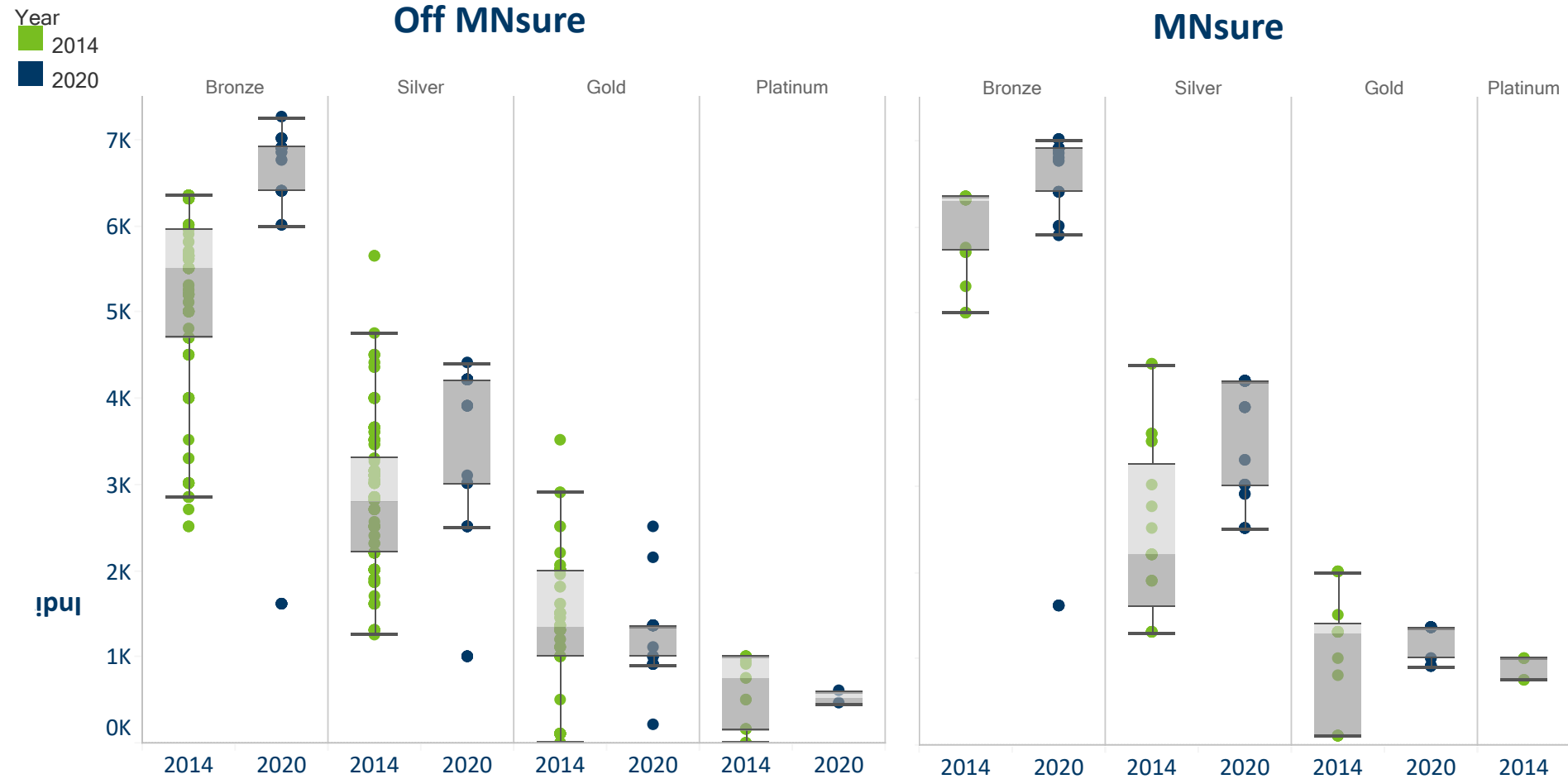


# Respiration Rate: Average silver-plan deductibles on- and off-exchange increased from 2014 to 2020

Between 2014 and 2020, the average silver individual in-network deductible (offered on- or off- MNsure) increased 29%.

The average silver deductible was \$3,720 and \$3,463 on- and off-MNsure in 2020, respectively.

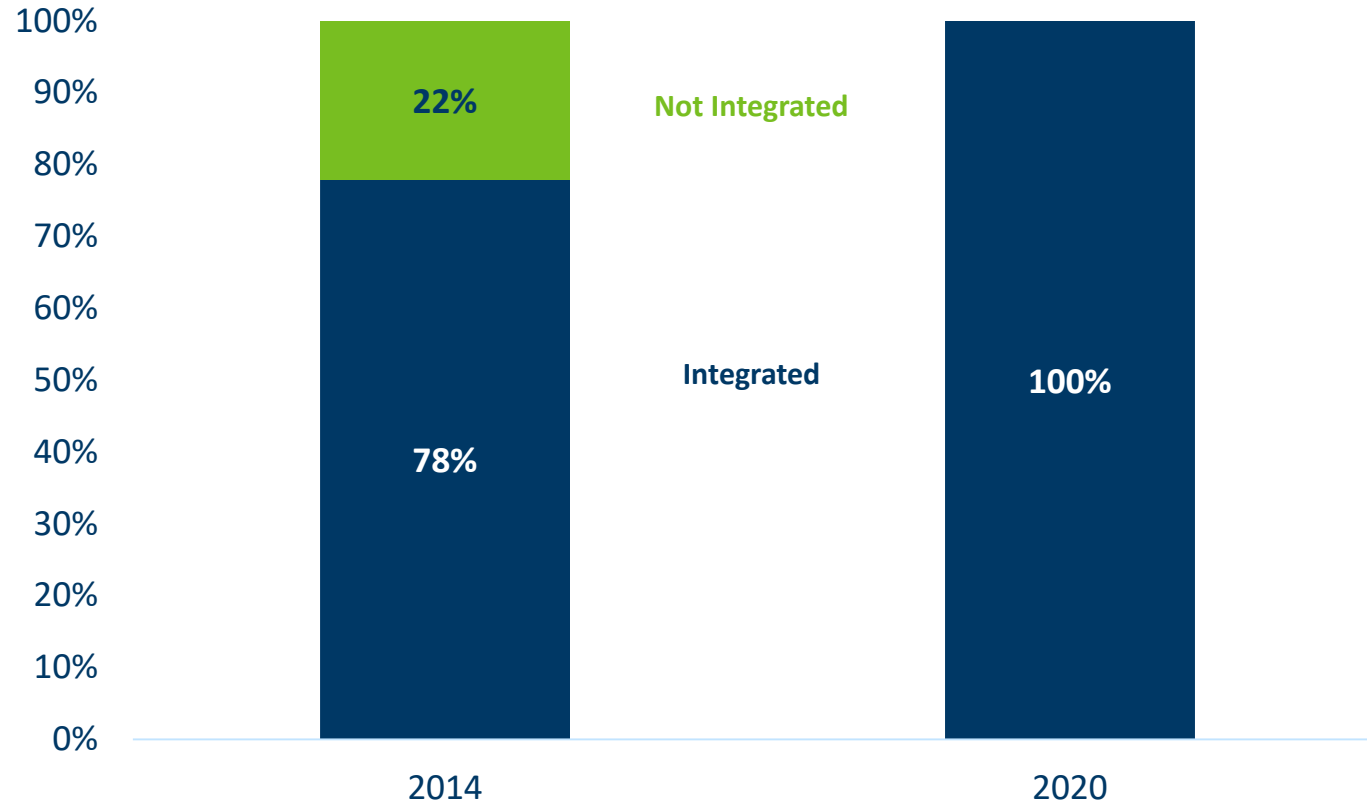
On MNsure, platinum plans were not offered in 2020.



Source: Minnesota Department of Commerce’s Health Plan Binders 2014 and 2020. Note: only in-network deductibles for individual plans were used for analysis; plans that only had a combined deductible for in- and out-of-network services were excluded. In 2018, Expanded Bronze plans became available, allowing greater actuarial value variation; Bronze and Expanded Bronze plans are include in the Bronze category.



# Respiration Rate: All health plans had integrated medical and drug deductibles in 2020



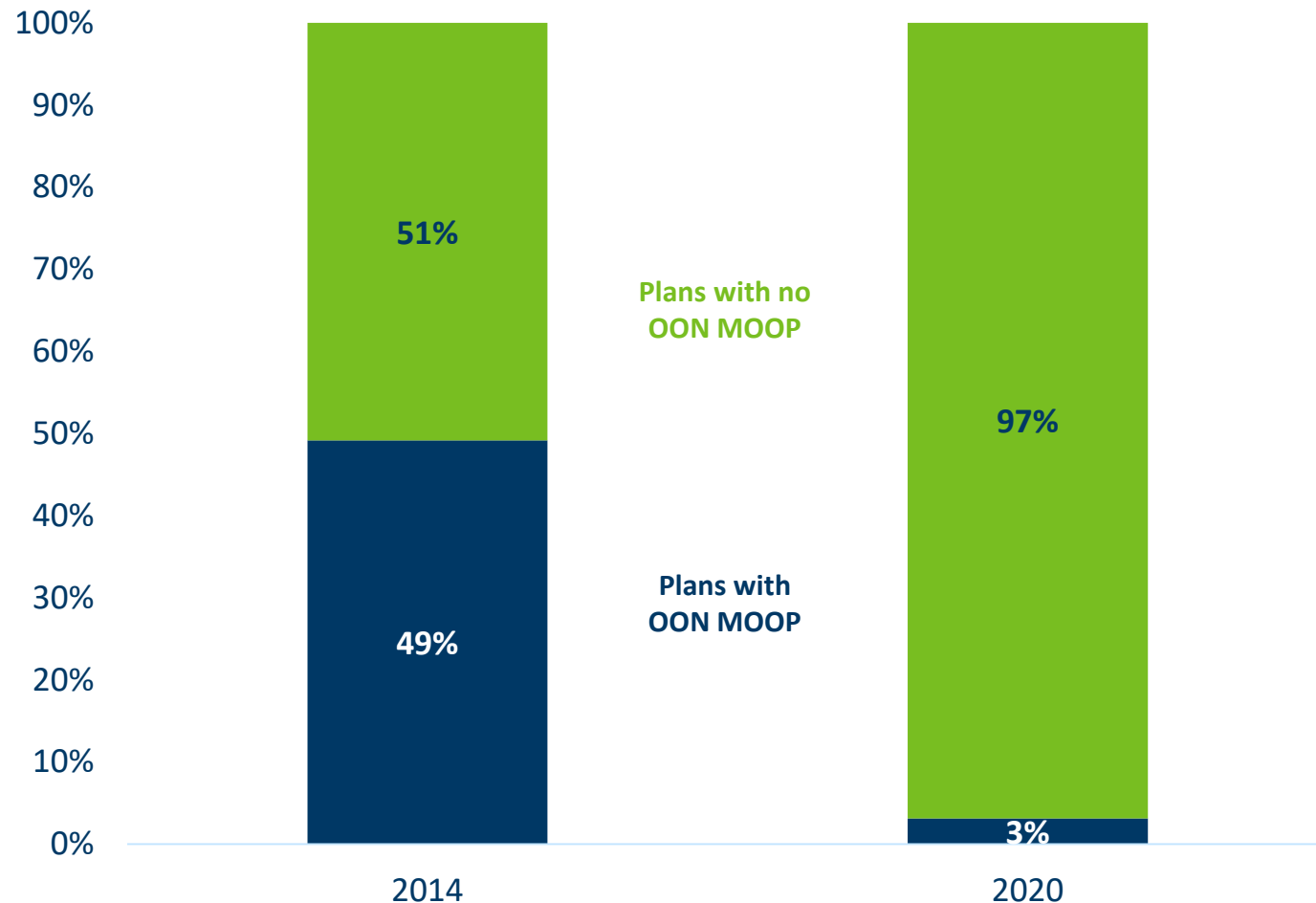
Enrollees in plans with deductibles that are Not Integrated pay toward separate deductibles for medical and drug costs.

In 2014, 22% of health plans offered in the individual market had Not Integrated medical and drug deductibles.

In 2020, 100% of health plan offerings had Integrated deductibles.



# Respiration Rate: Almost no 2020 plans limit what enrollees pay for out-of-network care



In 2014, half of health plans limited out-of-pocket costs for care enrollees received from providers that were out-of-network (OON MOOP).

In 2020, almost no plans limited out-of-pocket costs for care received from out-of-network providers.



# Checkup Exam: Summary

## Pulse

**Competition** among insurers on MNsure declined in many parts of the state in 2017, but there has been improvement since then

## Blood Pressure

**Enrollment** on MNsure has grown since 2014—particularly among silver and bronze plans—and the age composition has remained stable between 2016 and 2019

## Temperature

**Average per capita premiums and claims** went up every year since 2014 until claims slowed in 2017

## Respiration

**Plan benefits offered** in 2020 relative to 2014 are more likely to include higher deductibles and less likely to cap out-of-network costs, but deductibles are more likely to be integrated

# Definitions

## Slide 7

**Metal Level:** Indicates the percent of average medical costs the plan will cover; Catastrophic plans cover about 50%, Bronze plans 60%, Silver plans 70%, Gold plans 80% and Platinum plans 90%.

## Slide 10

**Premiums:** the amount paid to the insurance company every month by an individual/employer to cover the cost of health care services  
**Claims:** the amount the health insurance company pays for health care services received by enrollees

## Slide 11

**Deductible:** Amount health plan enrollee pays out of pocket for health care before health plan starts to cover medical costs

## Slide 13

**Out of Network Maximum Out of Pocket (OON MOOP):** Limit on the maximum amount an enrollee will have to pay for health care services received from a provider who is not in their plan's network

# Data Sources Used

This Data Short Take draws its analysis from the following data sources. The particular sources used for each slide are noted on a footnote in that slide.

- National Association of Insurance Commissioners' quarterly and annual Exhibit of Premium, Enrollment, and Utilization (2012-2018)
- Minnesota Statement of Revenue, Expenses & Net Income (2014-2019)
- Department of Commerce's Health Insurance Plan Binders (2014 and 2020)
- Monthly enrollment data provided by MNsure
- Centers for Medicare and Medicaid Services' Marketplace Open Enrollment Public Use Files (2016-2019)
- Kaiser Family Foundation's Insurer Participation on ACA Marketplaces Data (2014-2019)



# Contact and Other Information

## Health Economics Program

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HEP Home Page: [www.health.state.mn.us/healthconomics](http://www.health.state.mn.us/healthconomics)

Health Care Market Statistics: [www.state.mn.us/healthconomics/chartbook](http://www.state.mn.us/healthconomics/chartbook)

A text summary of this presentation is available upon request.