



# Florida Office of Insurance Regulation

## Florida Health Insurance Markets

**Craig Wright,  
Deputy Insurance Commissioner  
September 17, 2019**



## OIR Mission and Vision

### **Mission**

Promote a stable and competitive insurance market for consumers

### **Vision**

The Office of Insurance Regulation envisions a robust and competitive insurance market while maintaining protections for the insurance-buying public.



## Life & Health Business Unit – Major Functions

- **Policy form and rate reviews**
  - We **do** regulate the forms and premiums for most group and individual Medical, Limited medical such as hospitalization or cancer policies, Dental, Vision, Long-Term Care, Disability Income, and Medicare Supplement.
  - We **don't** regulate the forms or premiums for Medicaid, Medicare Advantage, or Self-Insured single employer plans (ERISA plans).
  - We **don't** review rates for large group health policies.
- **Market conduct investigations and examinations**
  - Licensed entities that have potentially violated statute
  - Unlicensed entities that should be licensed
- **Company licensing and solvency monitoring**
  - Life and health insurers, HMOs, Multiple employer welfare arrangements (MEWAs), TPAs, Reinsurers, Continuing Care Retirement Communities, etc.



## Small Group Market in Florida

- “Small Group” refers to insurance that is sold to businesses with 2-50 full-time employees.
- Under PPACA, these employers are exempt from the employer mandate, meaning they are not required to offer insurance to their employees.
- Prior to PPACA, the small group market in Florida consisted of approximately 800k covered lives.
- Today the small group market in Florida consists of approximately 500k covered lives, as smaller employers have dropped their coverage and their employees purchased plans from the Exchange.



# Small Group Market in Florida – Rate Increase History

## Cumulative Rate Increase Summary

Year	Increase
2014*	12.3%
2015	5.7%
2016	6.9%
2017	9.5%
2018	8.2%
2019	6.0%
2020	7.4%
<b>Cumulative</b>	<b>71.2%</b>

*\* The 2014 increase is the premium difference from 2013 to 2014, the first year of PPACA.*



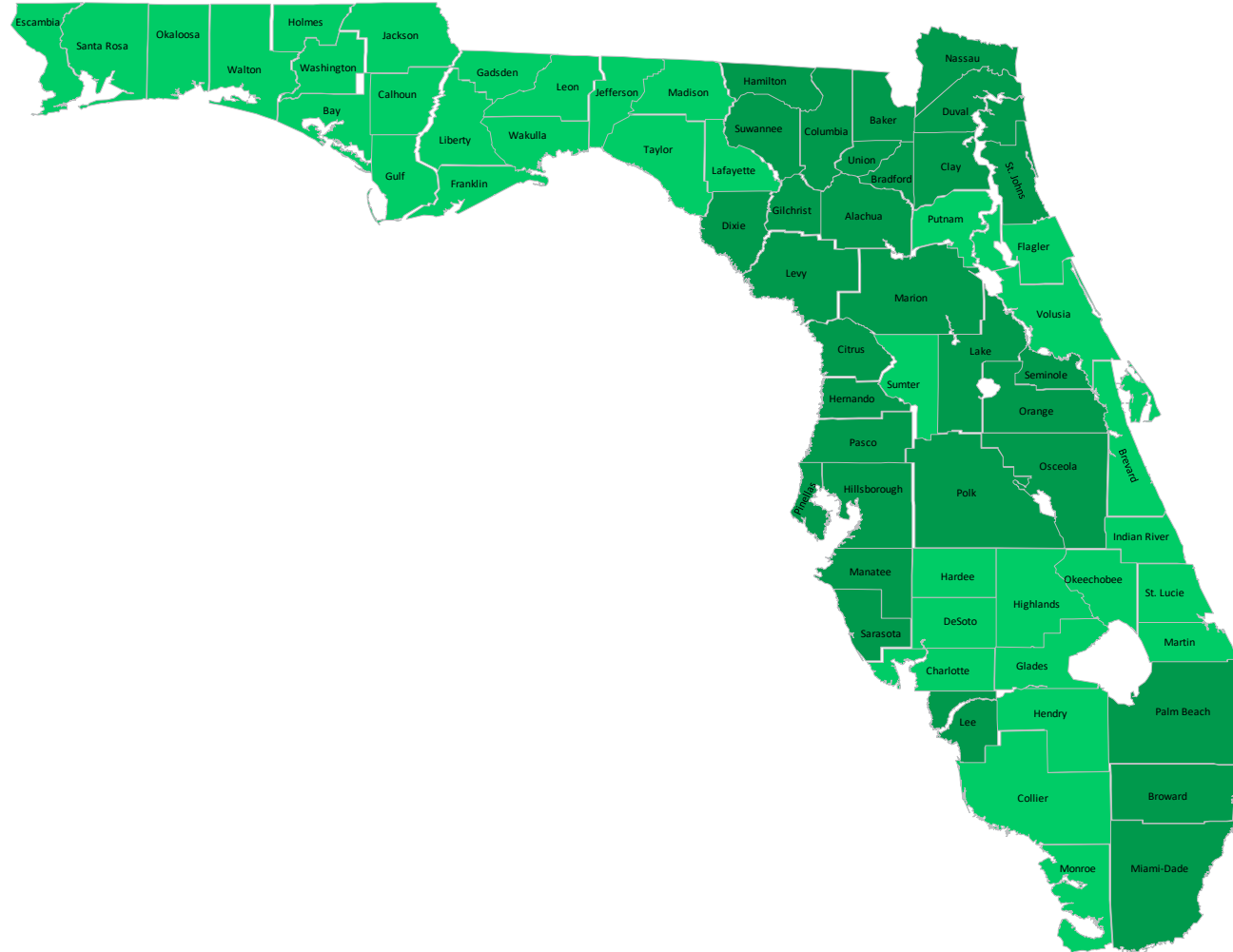
# PPACA-Compliant Small Group: 2020 Rates

## Rate Increase Summary for Plan Year 2020

	<b>Company</b>	<b>Parent</b>	<b>Requested Average Change</b>	<b>Approved Average Change</b>
1	Aetna Health Inc. (a FL corp.)	Aetna Grp	11.0%	11.0%
2	Aetna Life Insurance Company	Aetna Grp	10.7%	10.7%
3	All Savers Insurance Company	UnitedHealth Grp	9.0%	9.0%
4	AvMed, Inc	Avmed, Inc.	14.3%	13.6%
5	Blue Cross and Blue Shield of Florida, Inc.	Guidewell	-0.6%	-0.6%
6	Capital Health Plan, Inc.	Guidewell	6.1%	7.2%
7	Florida Health Care Plans, Inc.	Guidewell	-6.9%	-6.9%
8	Health First Commercial Plans Inc.	Health First Grp	9.0%	8.7%
9	Health Options, Inc.	Guidewell	-5.0%	4.6%
10	Humana Health Insurance Company Of Florida, Inc.	Humana Grp	7.8%	7.8%
11	Humana Medical Plan, Inc.	Humana Grp	6.7%	6.7%
12	Neighborhood Health Partnership, Inc.	UnitedHealth Grp	11.3%	11.3%
13	Unitedhealthcare Insurance Company	UnitedHealth Grp	10.1%	10.1%
14	Unitedhealthcare of Florida, Inc.	UnitedHealth Grp	9.2%	9.2%
	<b>Weighted Average using Actual Membership</b>		<b>6.4%</b>	<b>7.4%</b>



# PPACA-Compliant Small Group: 2017 Market



Number of Carriers	
0	Black
1	Red
2	Light Red
3	Orange
4	Light Green
5	Green
6+	Dark Green

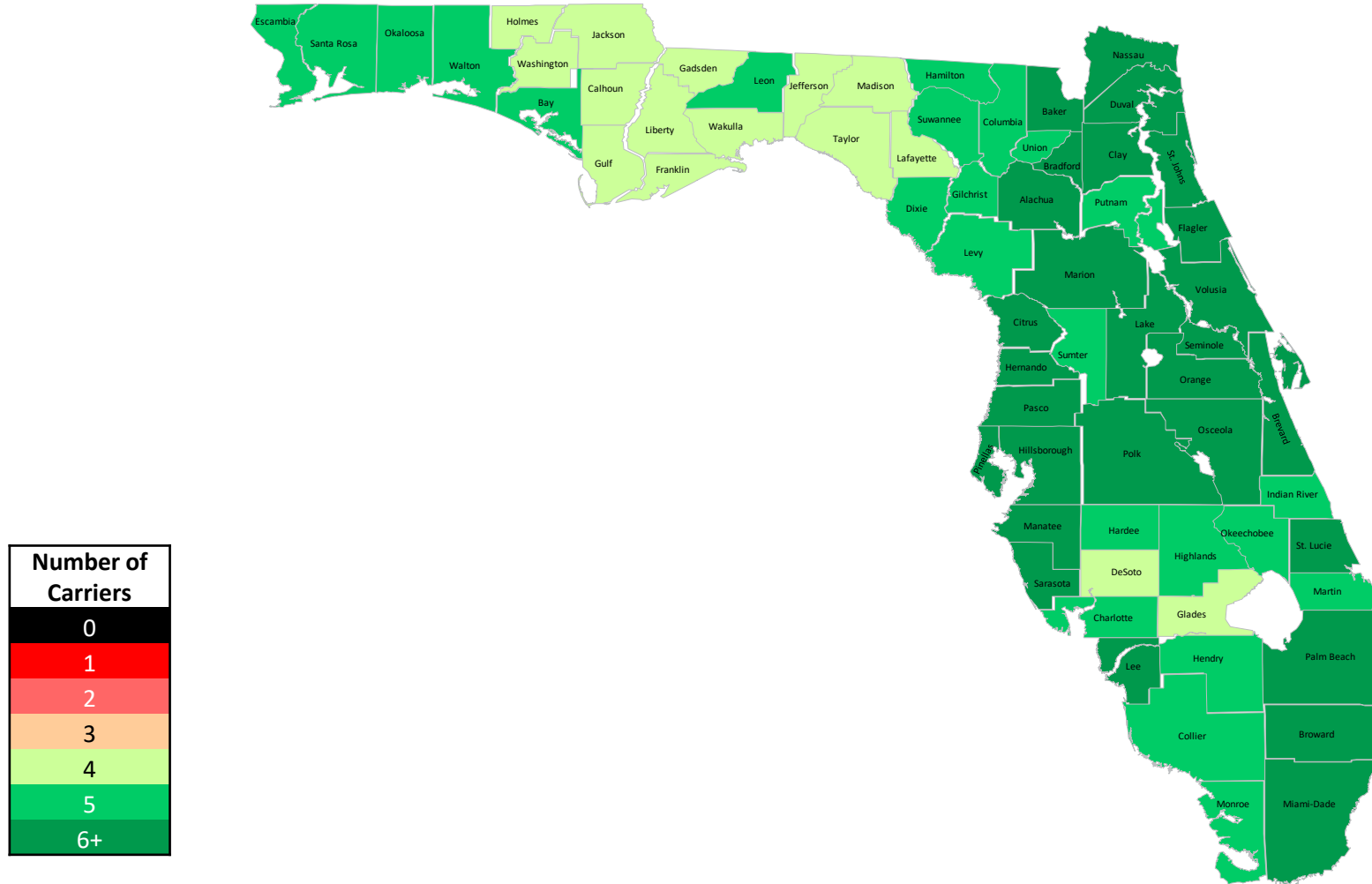
Number of Small Group Carriers by County: Silver Plans (2017)







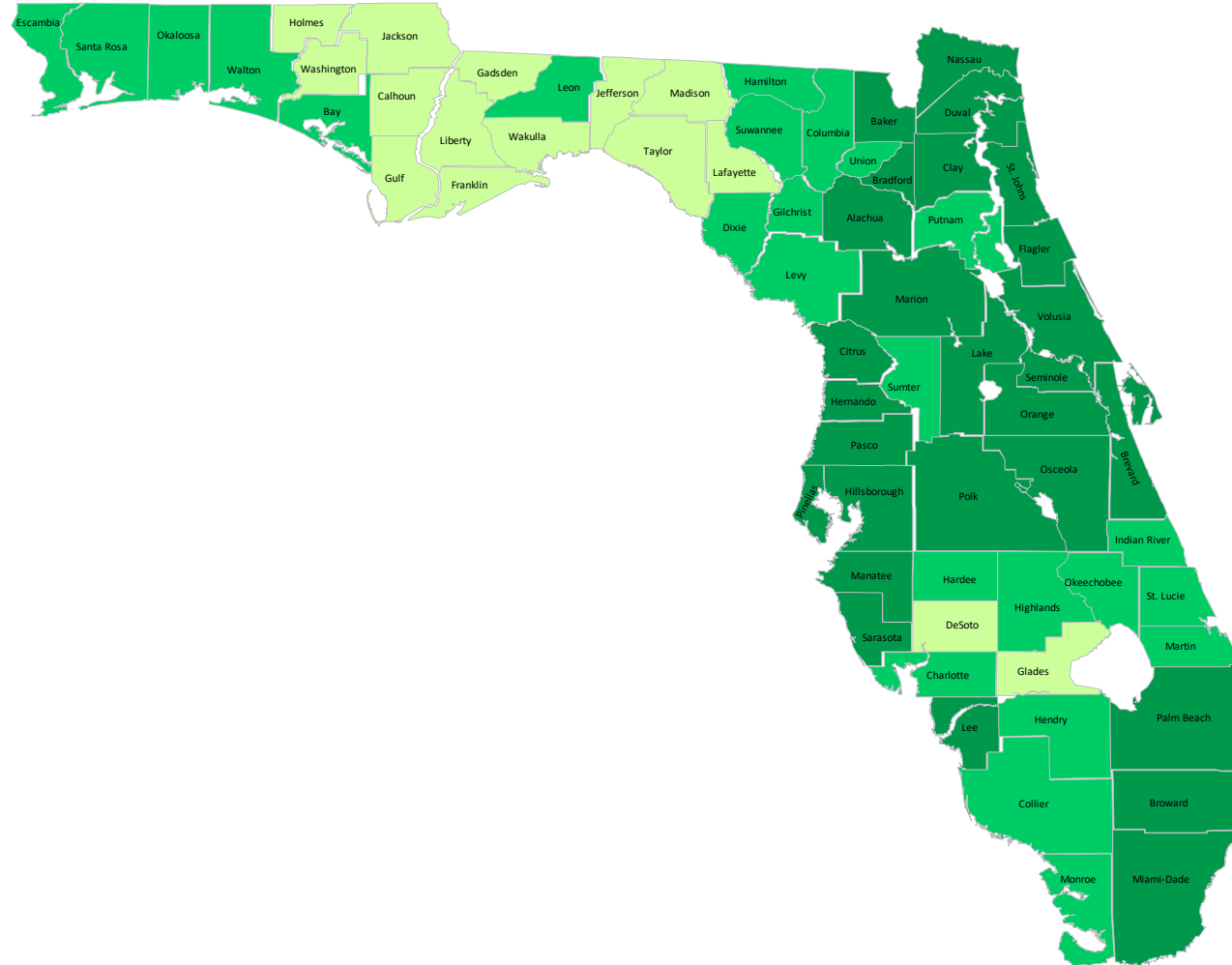
# PPACA-Compliant Small Group: 2019 Market



Number of Small Group Carriers by County: Silver Plans (2019)



# PPACA-Compliant Small Group: 2020 Market

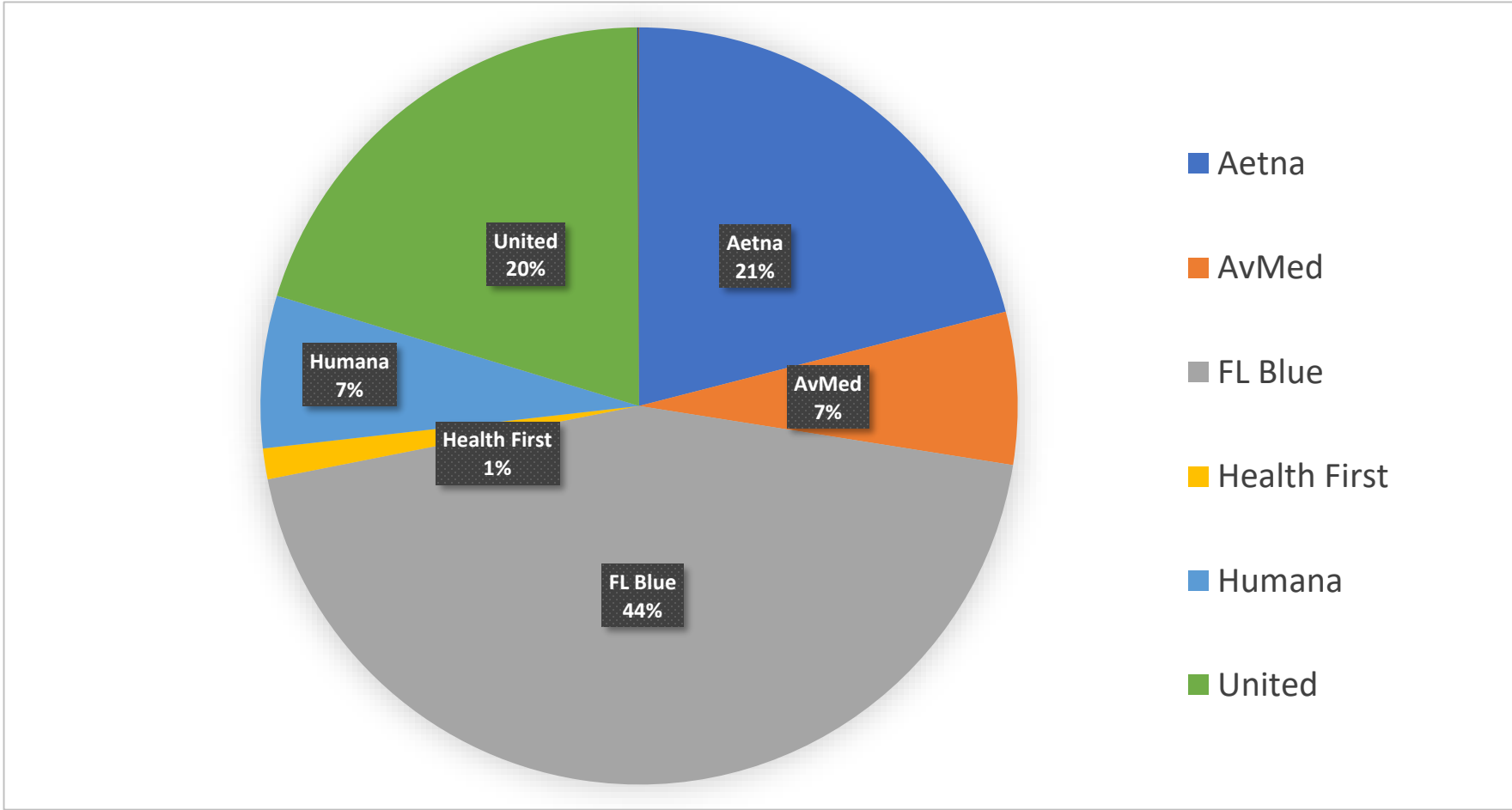


Number of Carriers	
0	Black
1	Red
2	Light Red
3	Orange
4	Light Green
5	Green
6+	Dark Green

Number of Small Group Carriers by County: Silver Plans (2020)



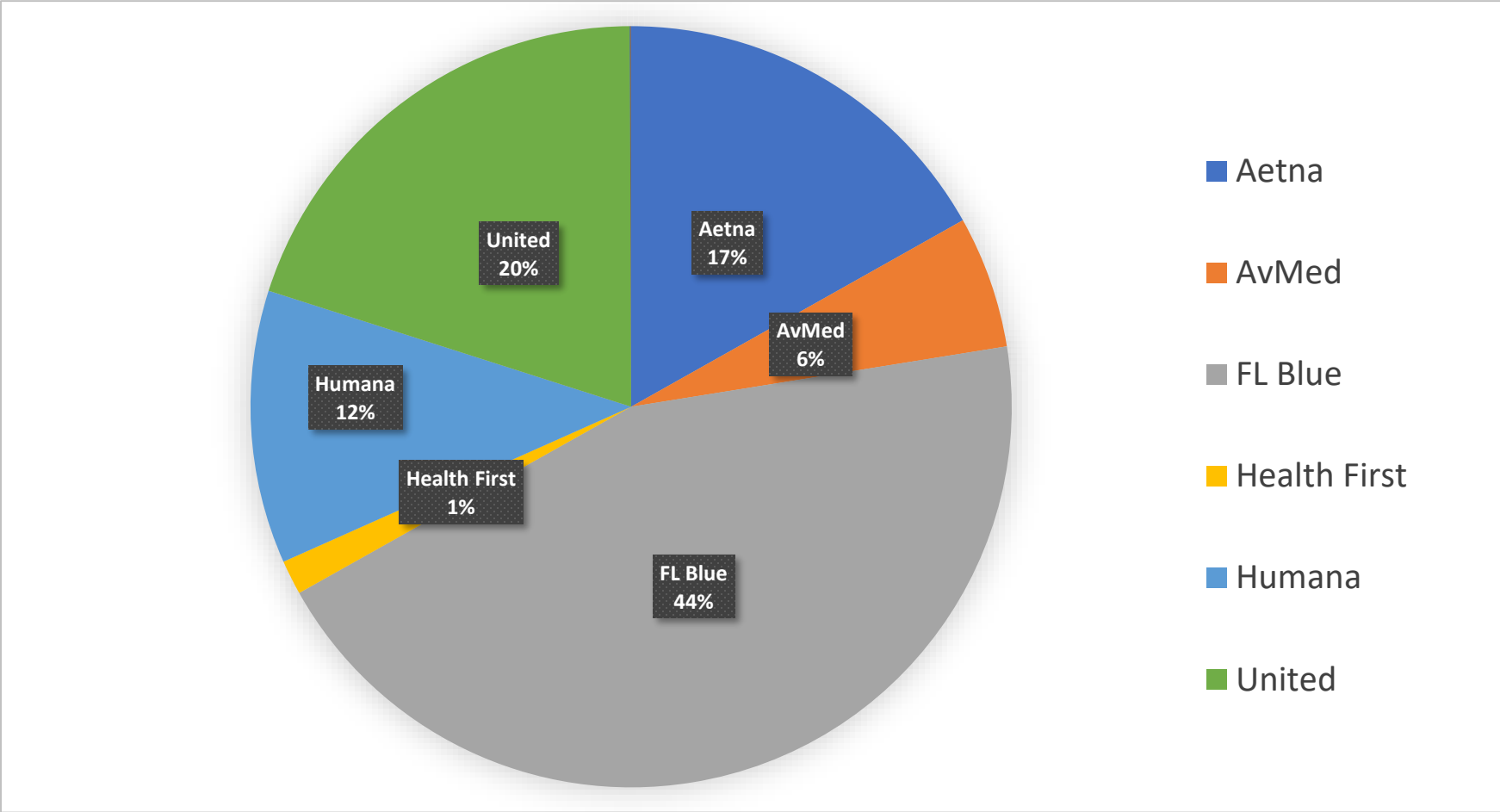
# Small Group: 2013 Market Share



Total market consisted of approximately 800k consumers



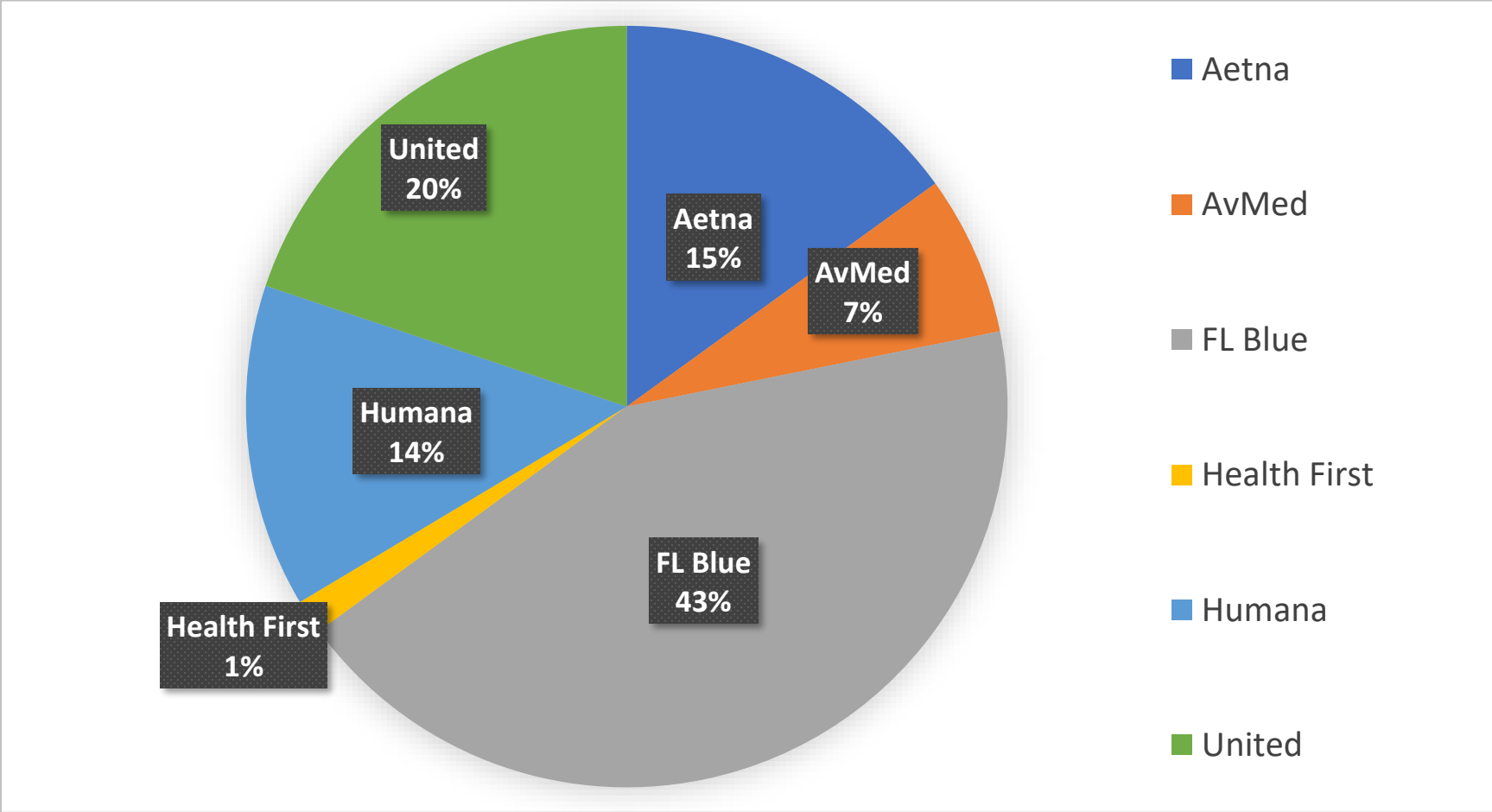
# Small Group: 2014 Market Share



Total market had approximately 600k consumers: 100k in a PPACA plan, 500k in a “Pre-PPACA” (grandfathered or “keep-your-plan”) policy.



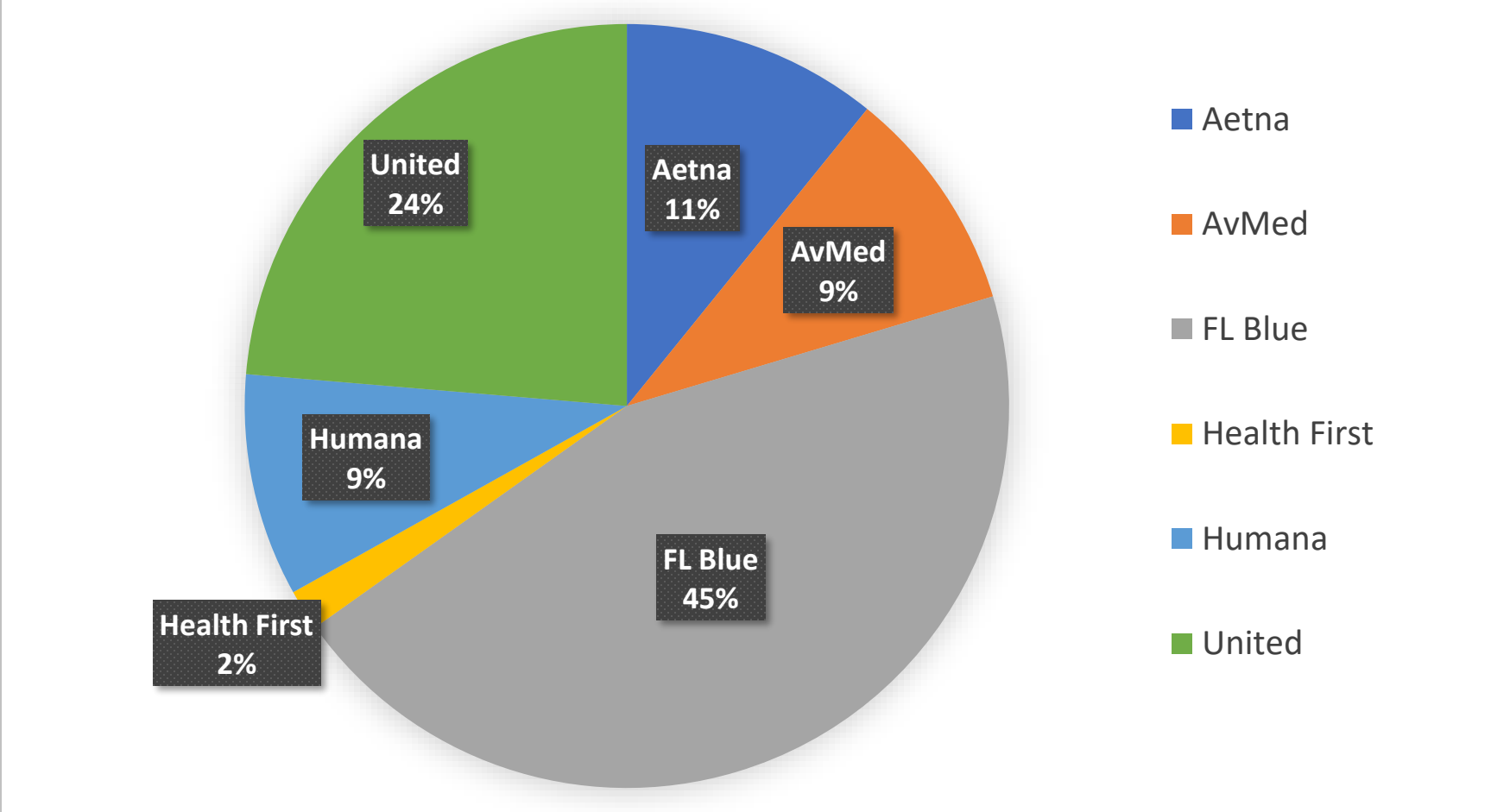
# Small Group: 2015 Market Share



Total market had approximately 550k consumers: 160k in a PPACA plan, 390k in a “Pre-PPACA” (grandfathered or “keep-your-plan”) policy.



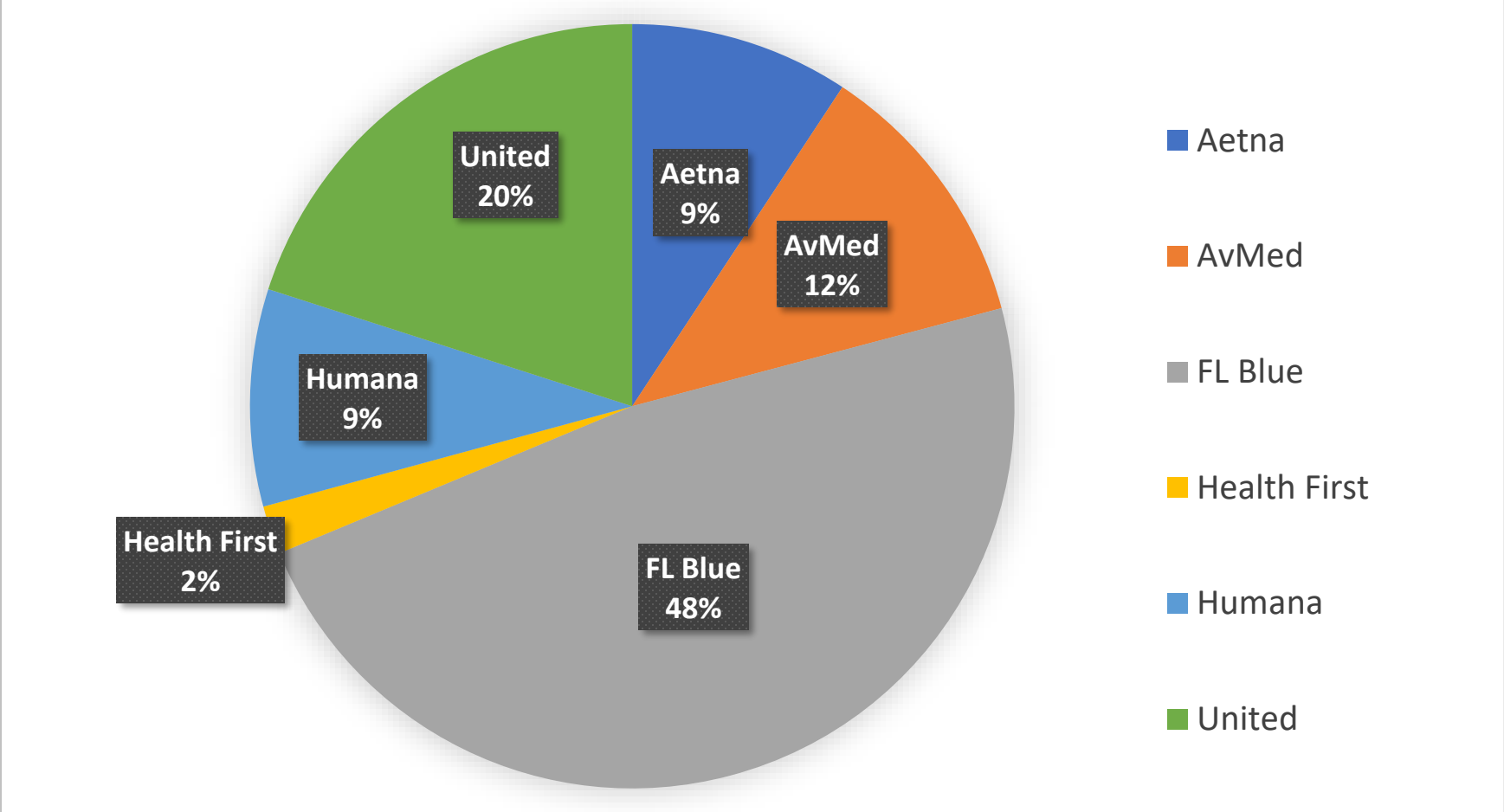
# Small Group: 2016 Market Share



*Total market had approximately 525k consumers: 220k in a PPACA plan, 305k in a “Pre-PPACA” (grandfathered or “keep-your-plan”) policy.*



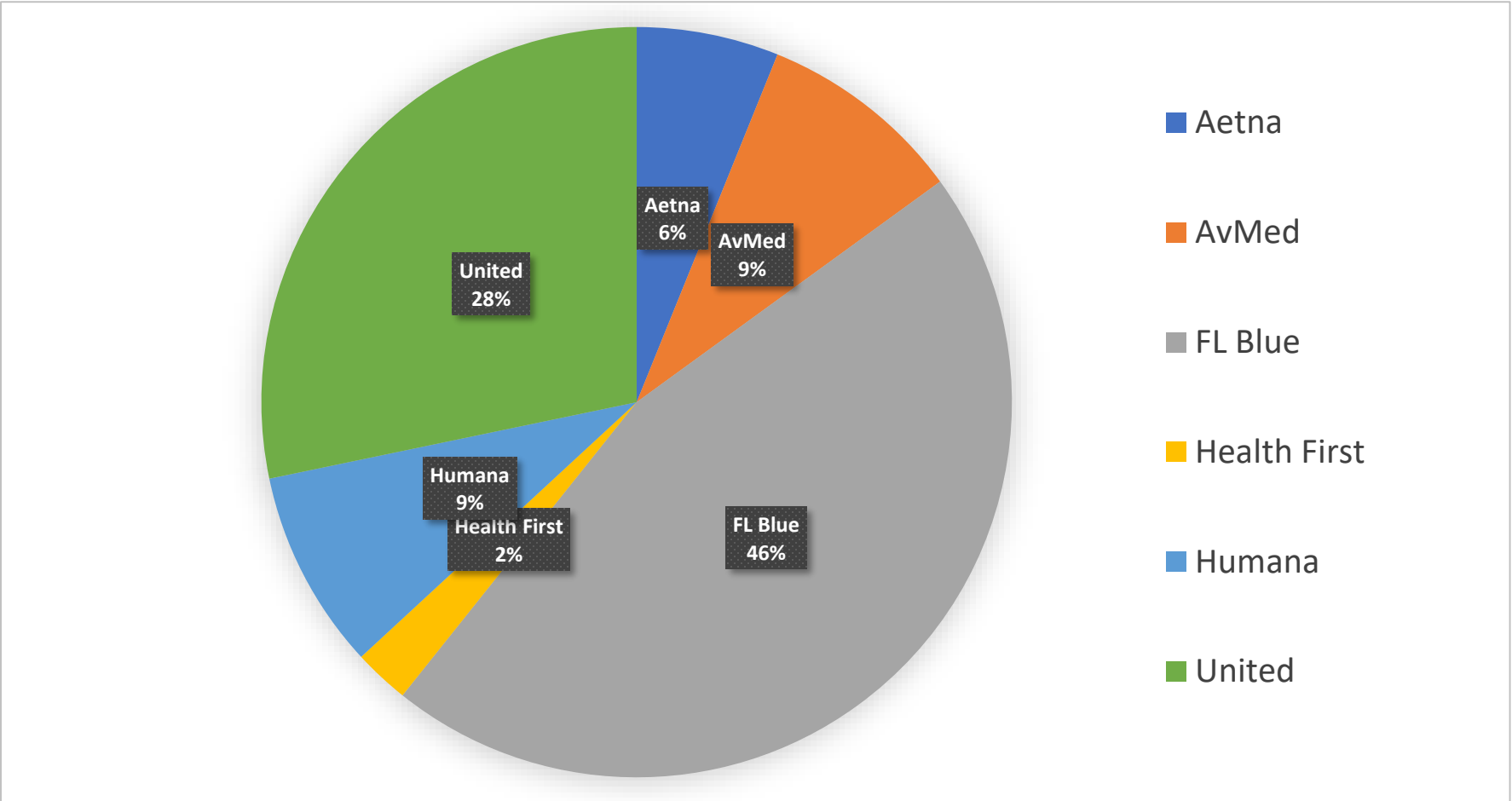
# Small Group: 2017 Market Share



Total market was approximately 525k consumers: 290k in a PPACA plan, 235k in a “Pre-PPACA” (grandfathered or “keep-your-plan”) policy.



# Small Group: 2018 Market Share



Total market was approximately 510k consumers: 315k in a PPACA plan, 195k in a “Pre-PPACA” (grandfathered or “keep-your-plan”) policy.





## Individual Market in Florida

- Individual insurance is:
  - Sold to individuals under age 65 who are not enrolled in a Medicaid or an employer plan
  - PPACA-compliant, meaning it includes all the Essential Health Benefits and is offered with no underwriting.
- Under PPACA, consumers can purchase a PPACA-compliant policy through the Exchange (“On-Exchange”) or from the carrier directly (“Off-Exchange”). To receive a federal premium subsidy the policy must be purchased through the Exchange.
- Prior to PPACA, the individual market in Florida was approximately 800k covered lives.
- Today the individual PPACA market in Florida is approximately 1.8 million covered lives, with approximately 90% receiving a federal premium subsidy.



# Individual Market in Florida – Rate Increase History

## Cumulative Rate Increase Summary

Year	Increase
2014*	35.2%
2015	13.1%
2016	9.5%
2017	19.1%
2018**	44.7%
2019	5.1%
2020	0.0%
<b>Cumulative</b>	<b>203.3%</b>

*\* The 2014 increase is the premium difference from 2013 to 2014, the first year of PPACA.*

*\*\* The 2018 rates loaded an additional 31% on Silver plans to account for unfunded CSRs, a subsidy program the Federal Government eliminated.*



# PPACA-Compliant Individual: 2020 Rates

## Rate Increase Summary for Plan Year 2020

	Company	Parent	Federal Exchange Availability	Requested Average Change	Approved Average Change
<b>On Exchange</b>					
1	Blue Cross and Blue Shield of Florida Inc.	Guidewell	On and Off	-1.0%	-2.0%
2	Bright Health Insurance Company of Florida	Bright Health	On and Off	New	New
3	Celtic Insurance Company	Centene	On and Off	4.4%	1.9%
4	Cigna Health And Life Insurance Company	Cigna	On and Off	-8.4%	-8.4%
5	Florida Health Care Plan Inc.	Guidewell	On and Off	3.5%	4.2%
6	Health First Commercial Plans, Inc.	Health First	On and Off	-9.1%	-8.8%
7	Health Options, Inc.	Guidewell	On and Off	0.6%	0.5%
8	Molina Healthcare of Florida, Inc.	Molina	On and Off	-0.5%	-2.9%
9	Oscar Insurance Company of Florida	Oscar	On and Off	2.7%	2.9%
<b>Off Exchange Only</b>					
10	AvMed, Inc.	Avmed	Off Exchange	-3.5%	-15.0%
	<b>Weighted Average using Actual Membership</b>			<b>1.2%</b>	<b>0.0%</b>



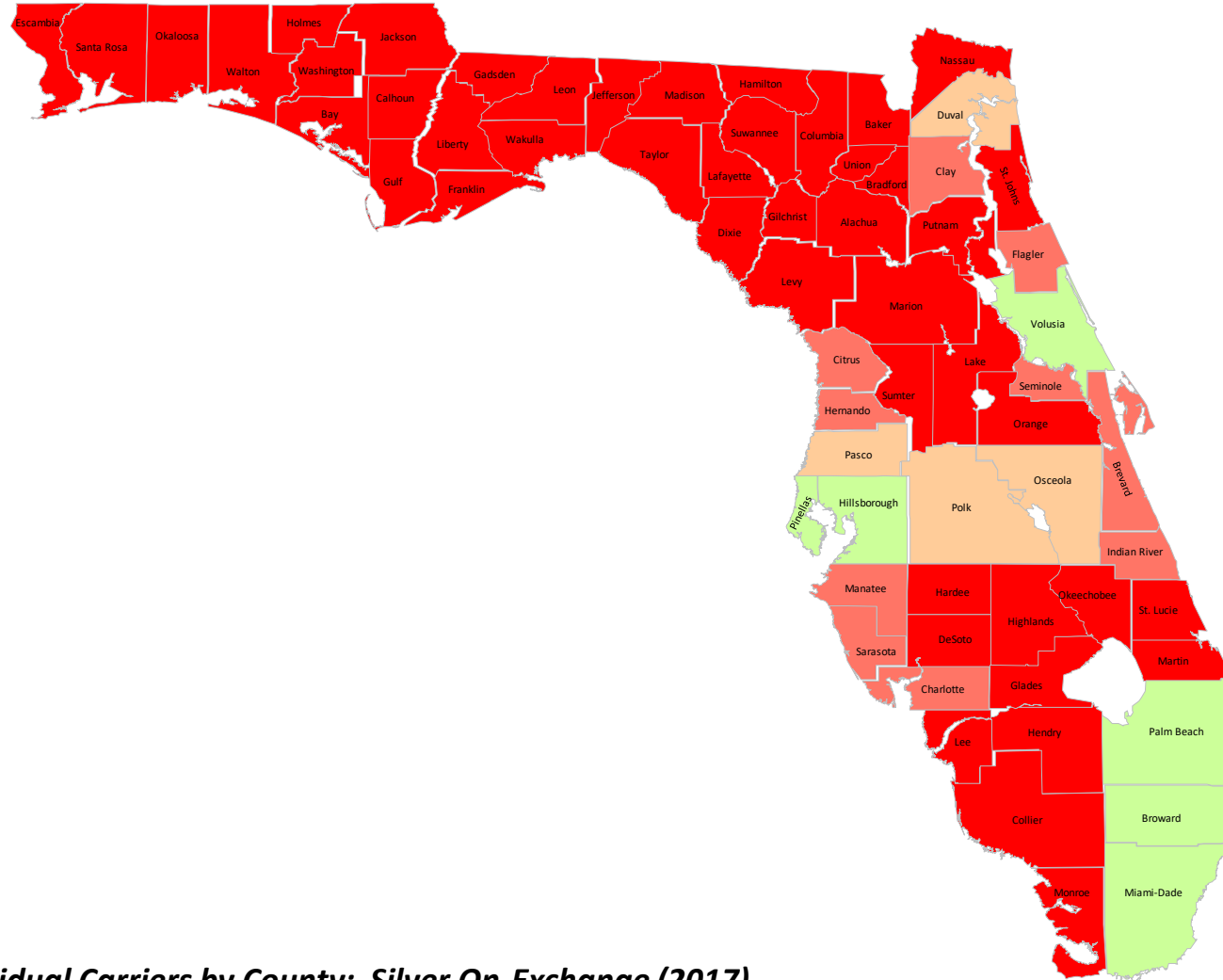
# Individual Market: Number of Carriers History

## Number of Entities Writing Individual Insurance

- 2010 - 17
  - 2011 - 17
  - 2012 - 18
  - 2013 - 17
  - 2014 - 17 → *first year of ACA*
  - 2015 - 21
  - 2016 - 15
  - 2017 - 14
  - 2018 - 9
  - 2019 - 9
  - 2020 - 10
- 
- *2019 added a new carrier on the exchange, however, a carrier offering only “Off-Exchange” policies exited.*
  - *2020 added two new carriers on the exchange, but one was already in the market offering “Off-Exchange” only policies.*



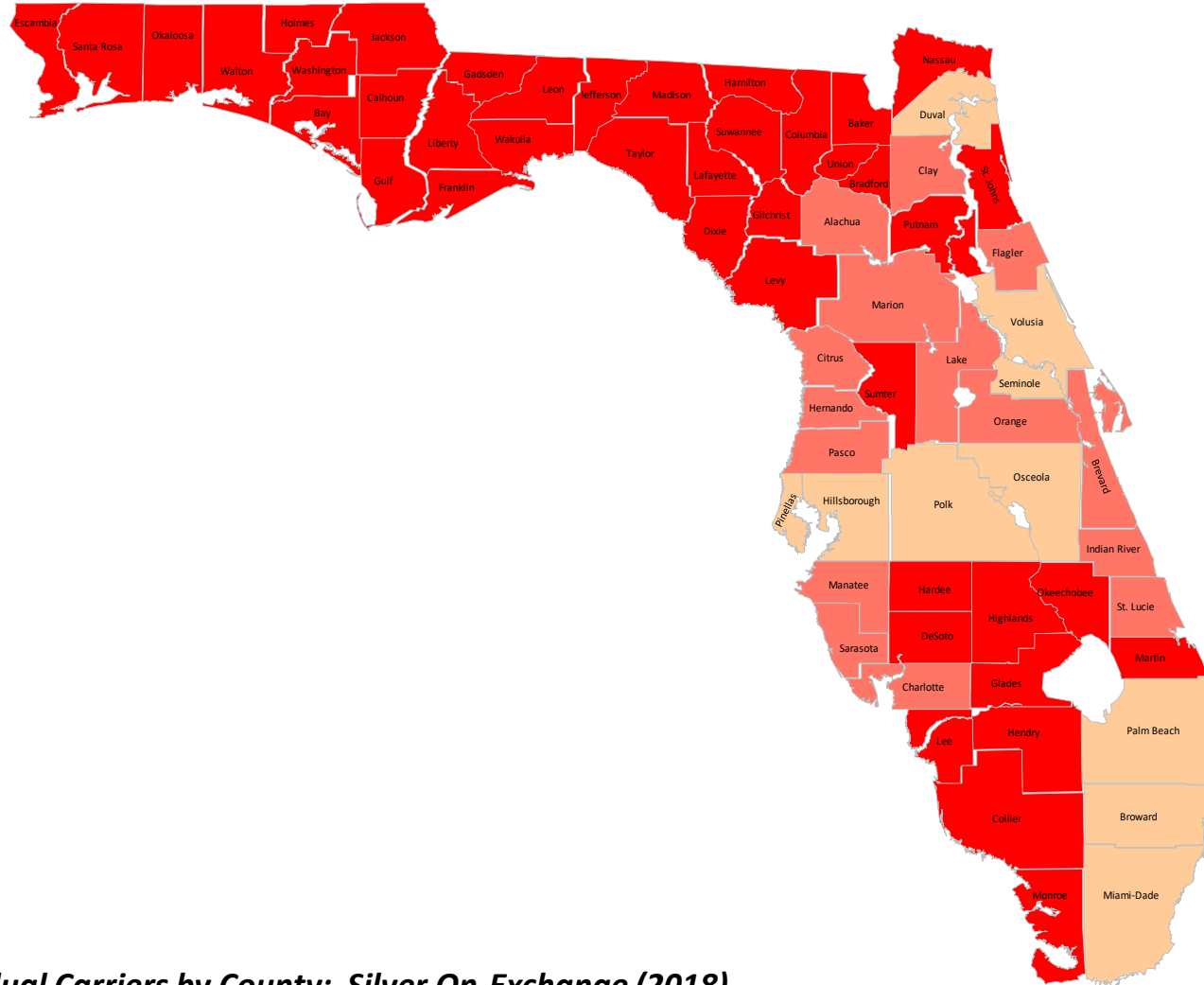
# PPACA-Compliant Individual: 2017 Market



*Number of Individual Carriers by County: Silver On-Exchange (2017)*



# PPACA-Compliant Individual: 2018 Market

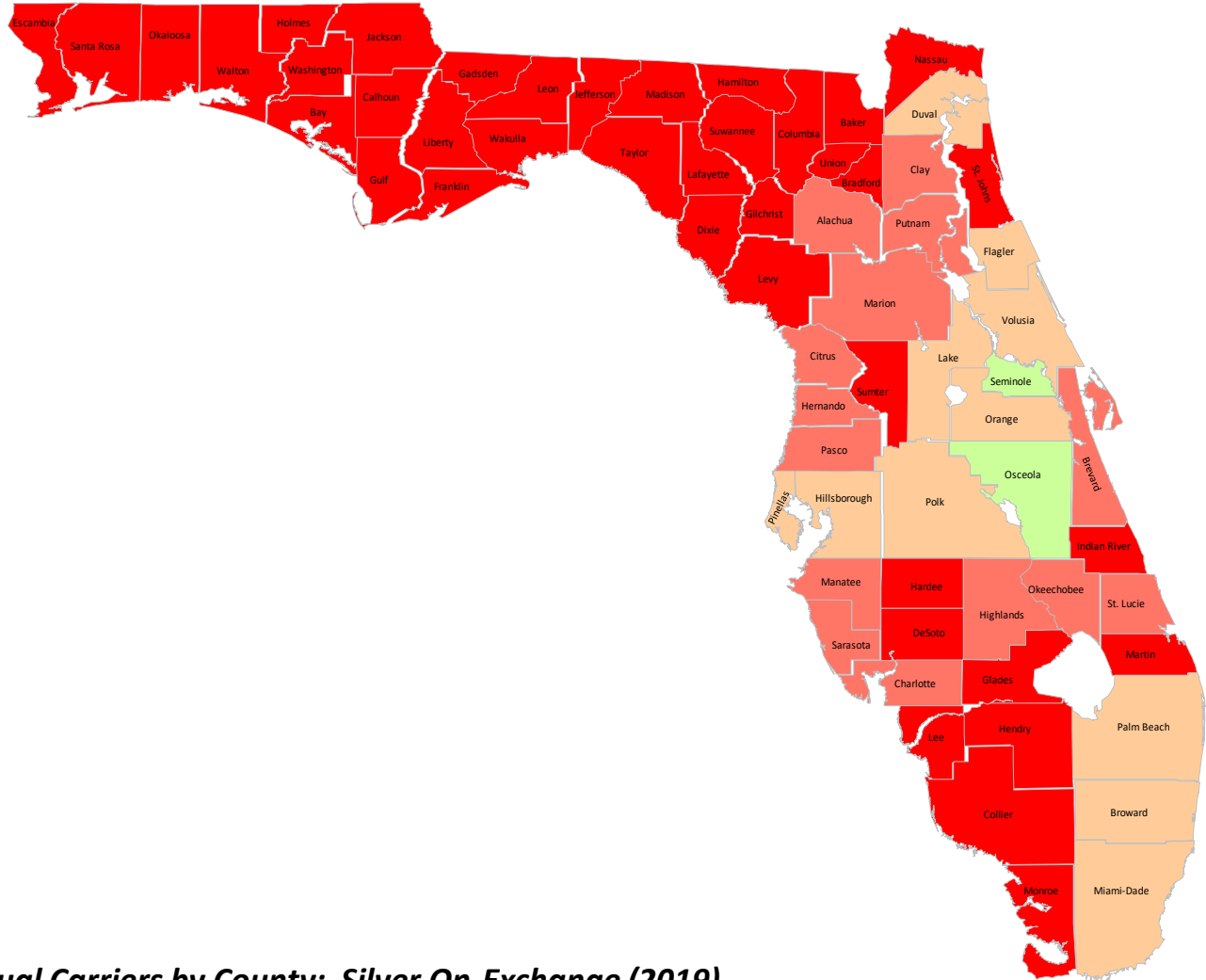


Number of Carriers
0
1
2
3
4
5
6+

*Number of Individual Carriers by County: Silver On-Exchange (2018)*



# PPACA-Compliant Individual: 2019 Market

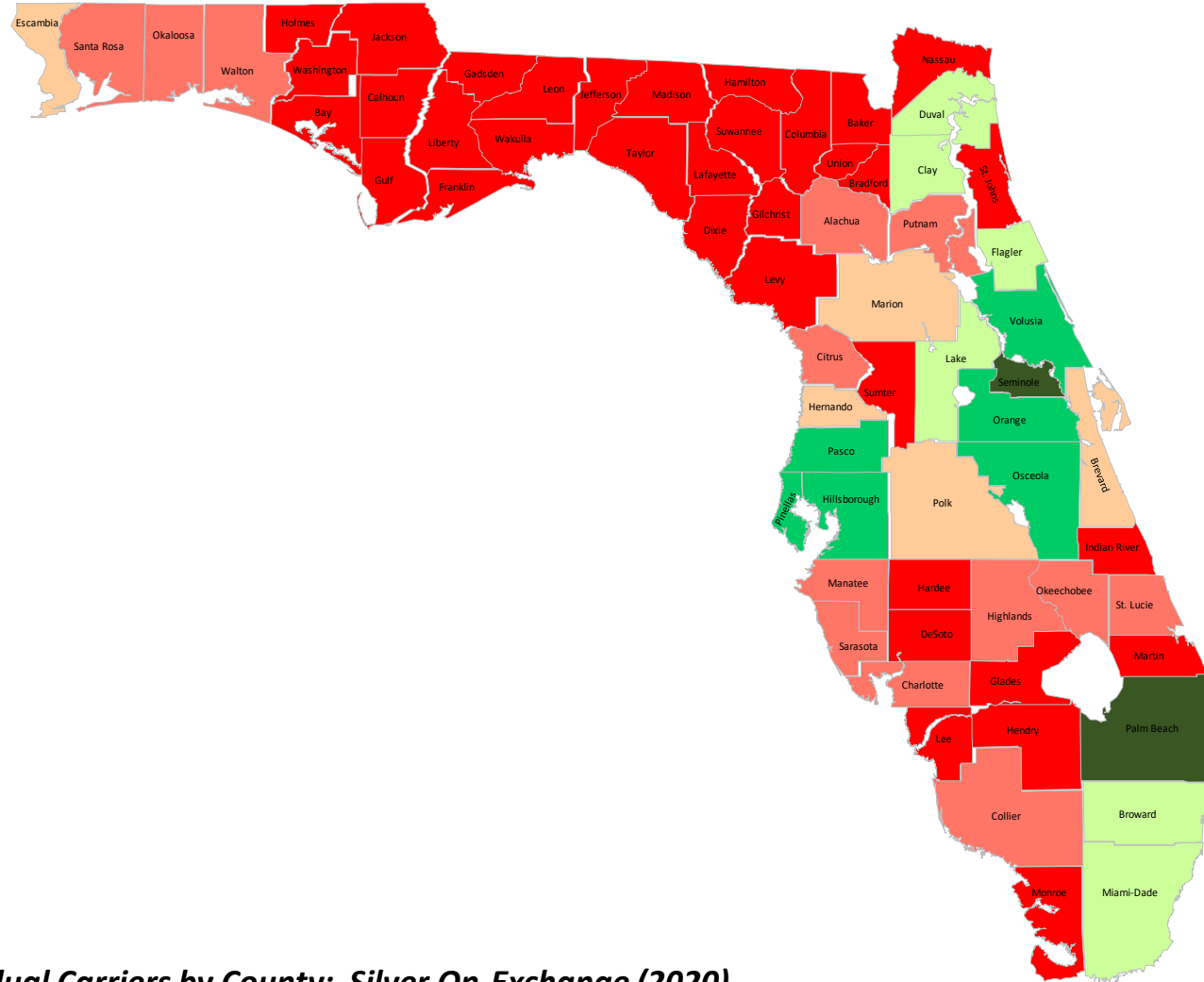


Number of Carriers
0
1
2
3
4
5
6+

Number of Individual Carriers by County: Silver On-Exchange (2019)



# PPACA-Compliant Individual: 2020 Market

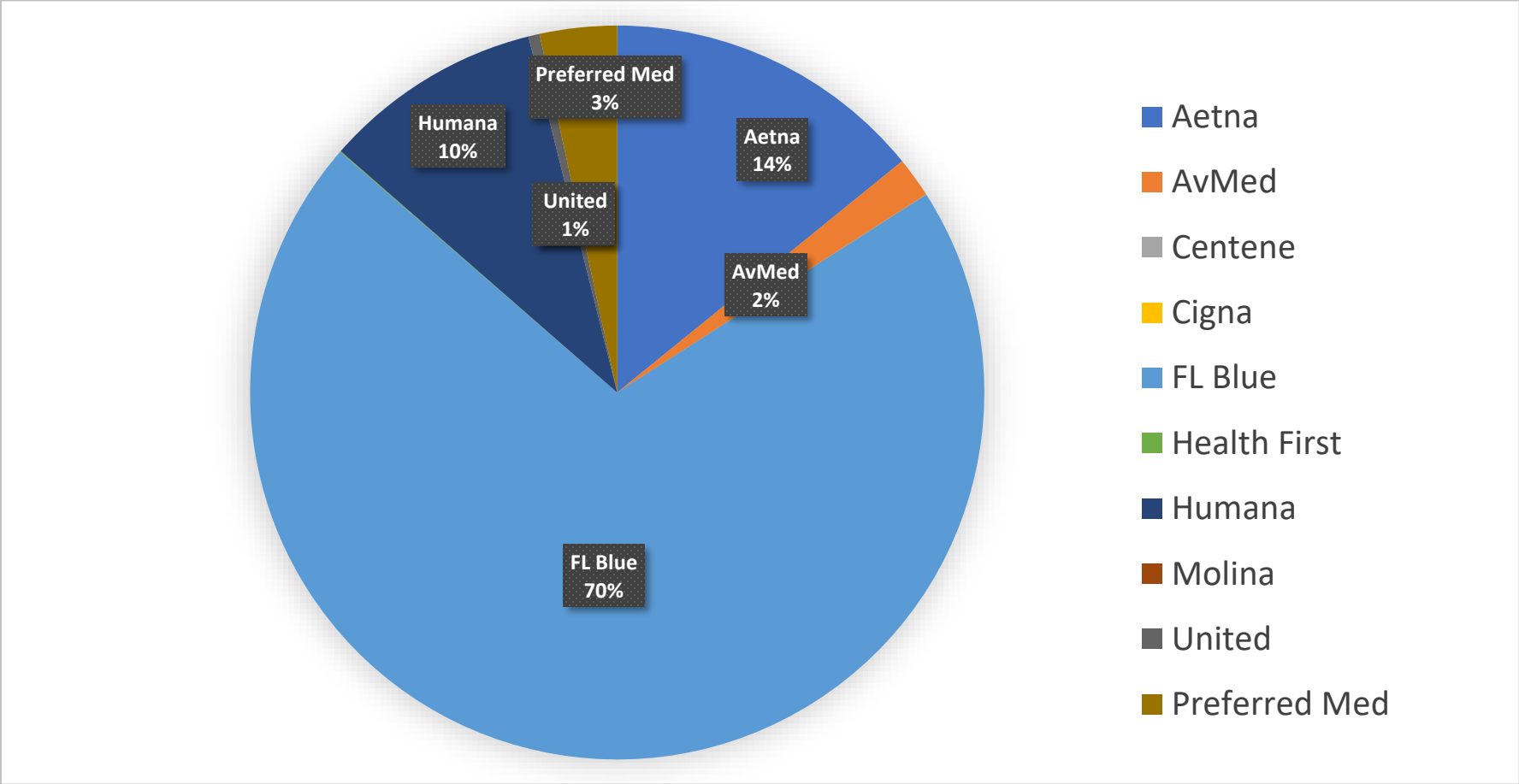


*Number of Individual Carriers by County: Silver On-Exchange (2020)*





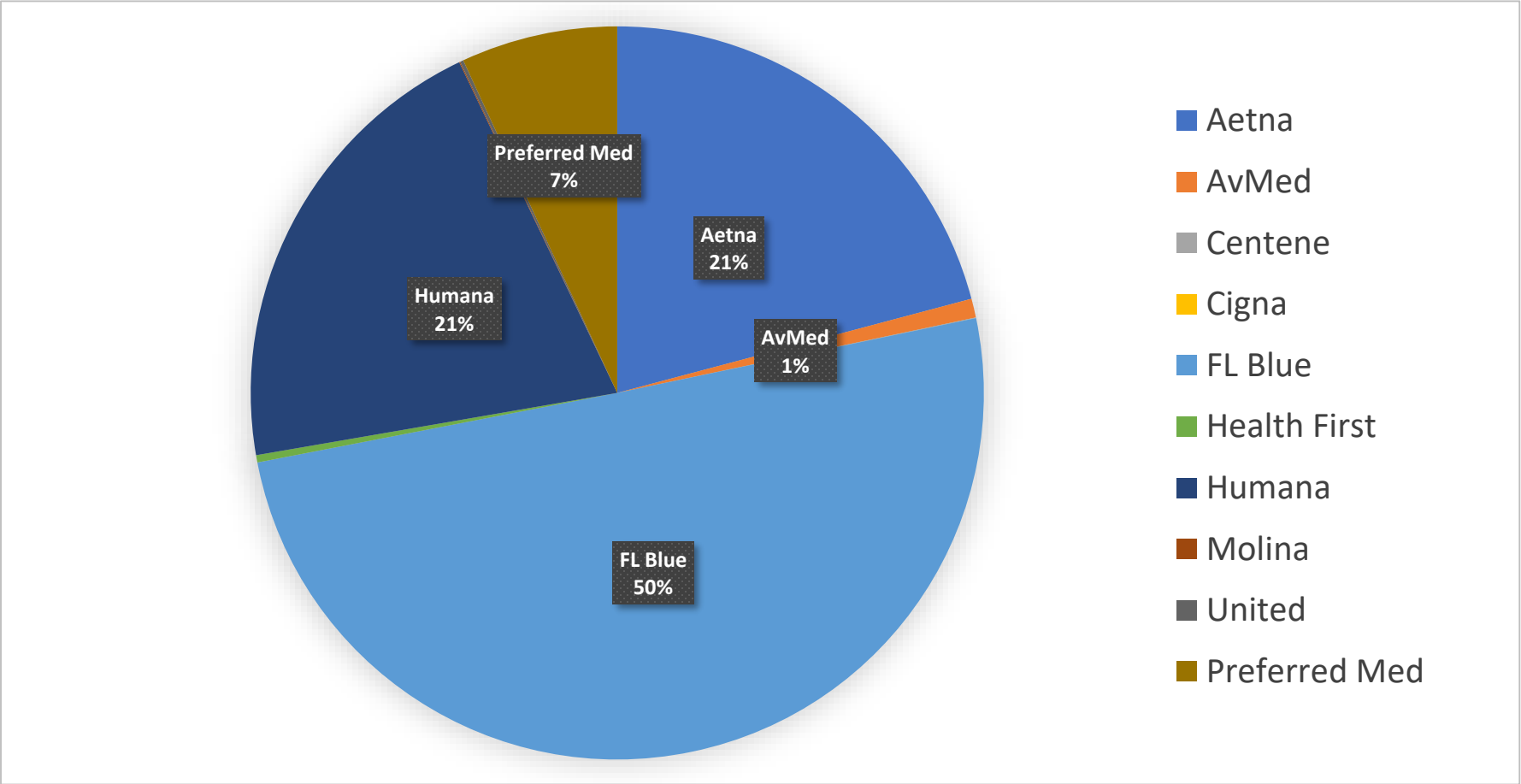
# Total Individual: 2013 Market Share



Total market was approximately 800k consumers (under age 65 market)



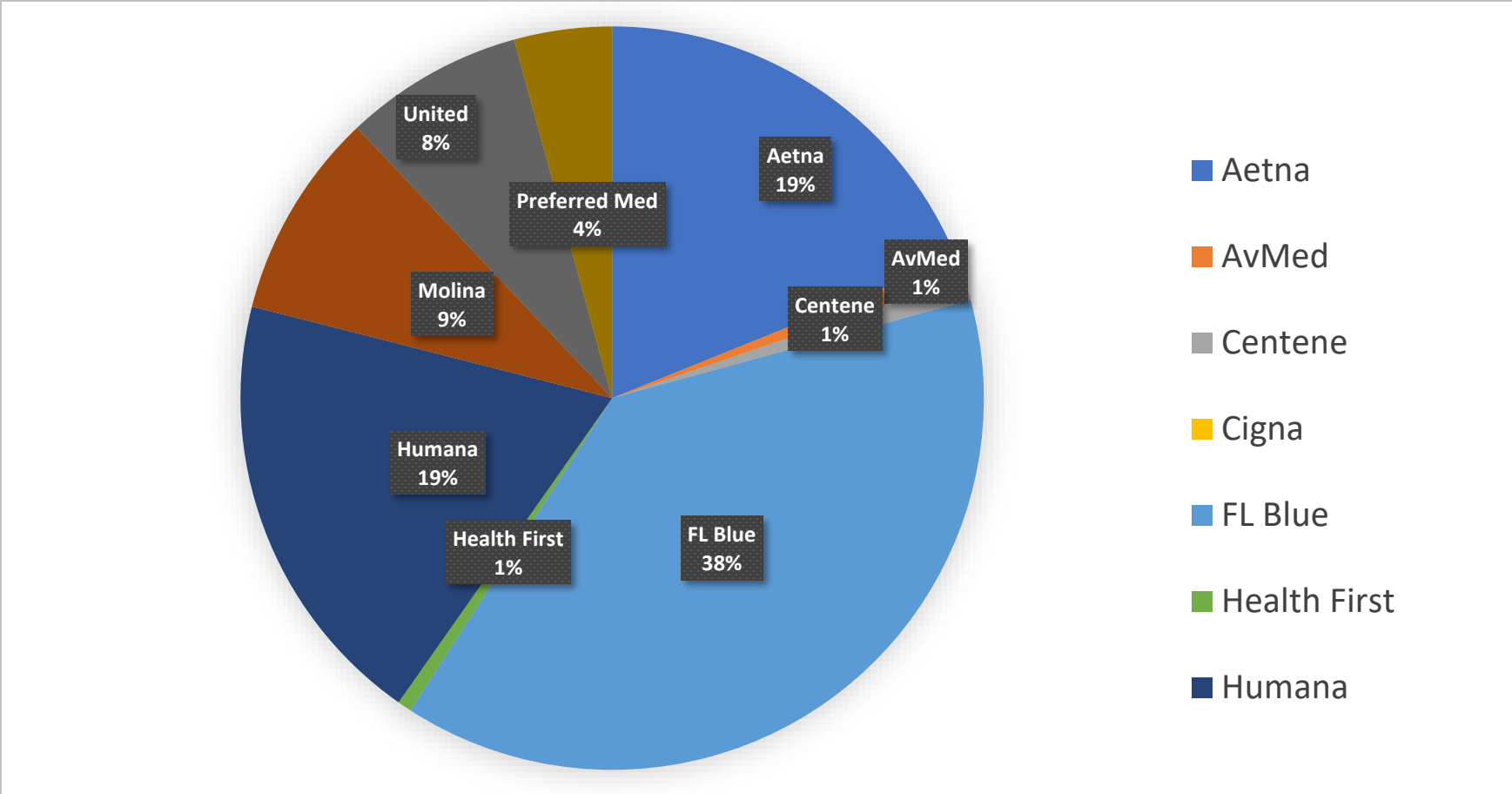
# Total Individual: 2014 Market Share



*Total market (under age 65) was approximately 1.4 million consumers:  
1 million in a PPACA plan, 420k in a “Pre-PPACA” (grandfathered or “keep-your-plan”) policy.*



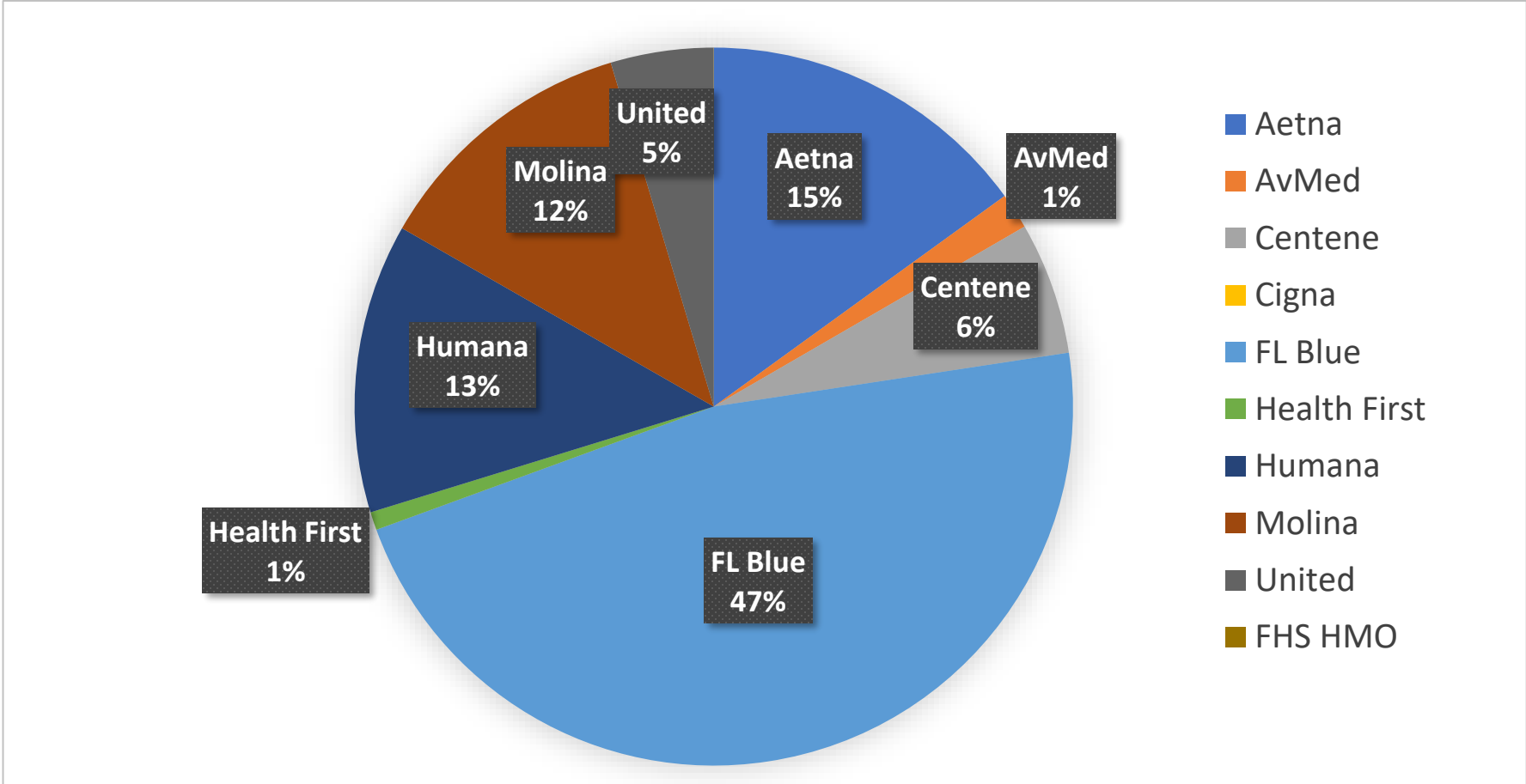
# Total Individual: 2015 Market Share



Total market (under age 65) was approximately 1.8 million consumers:  
1.5 million in a PPACA plan, 300k in a “Pre-PPACA” (grandfathered or “keep-your-plan”) policy.



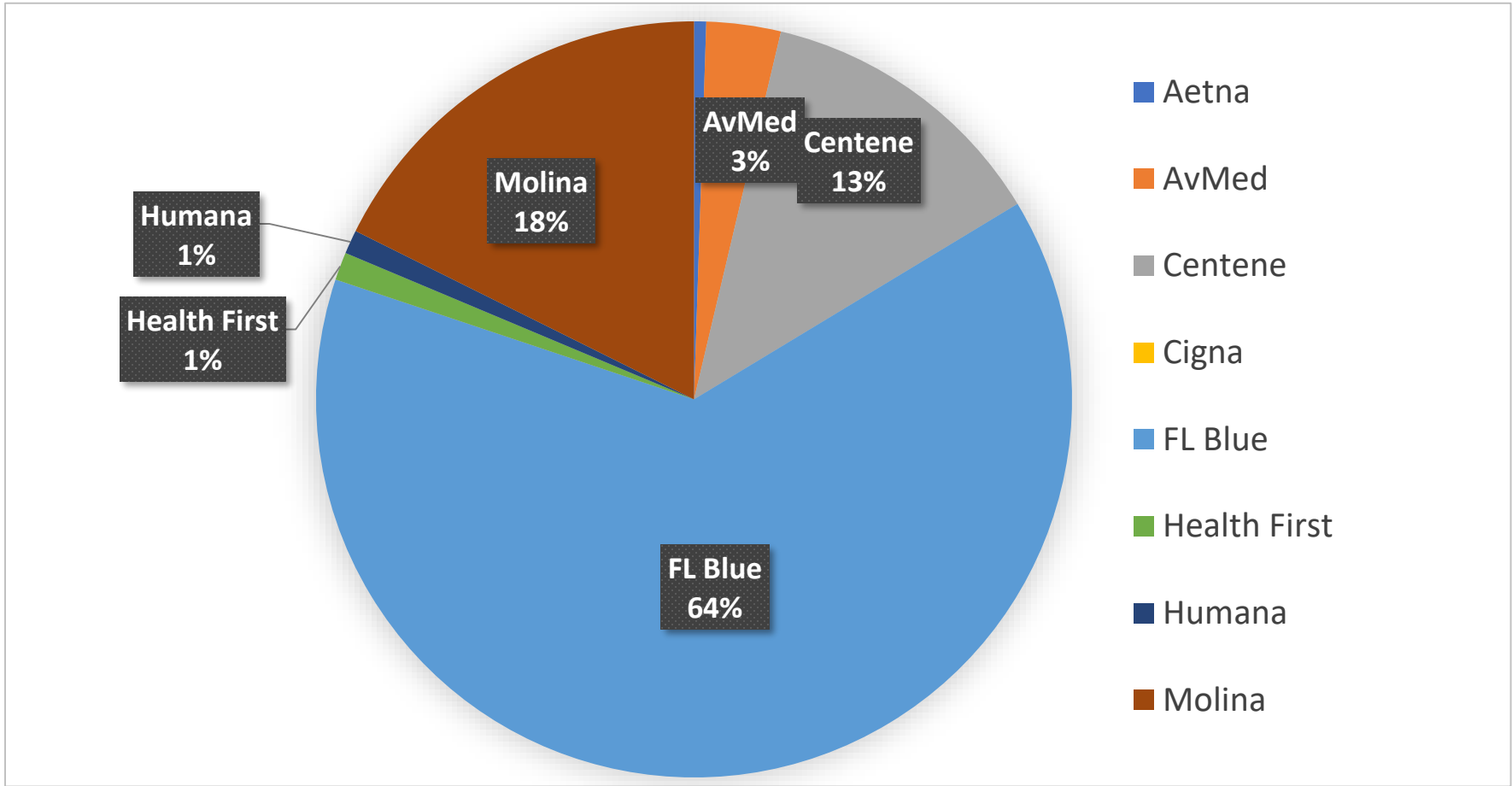
# Total Individual: 2016 Market Share



Total market (under age 65) was approximately 2 million consumers:  
1.8 million in a PPACA plan, 200k in a “Pre-PPACA” (grandfathered or “keep-your-plan”) policy.



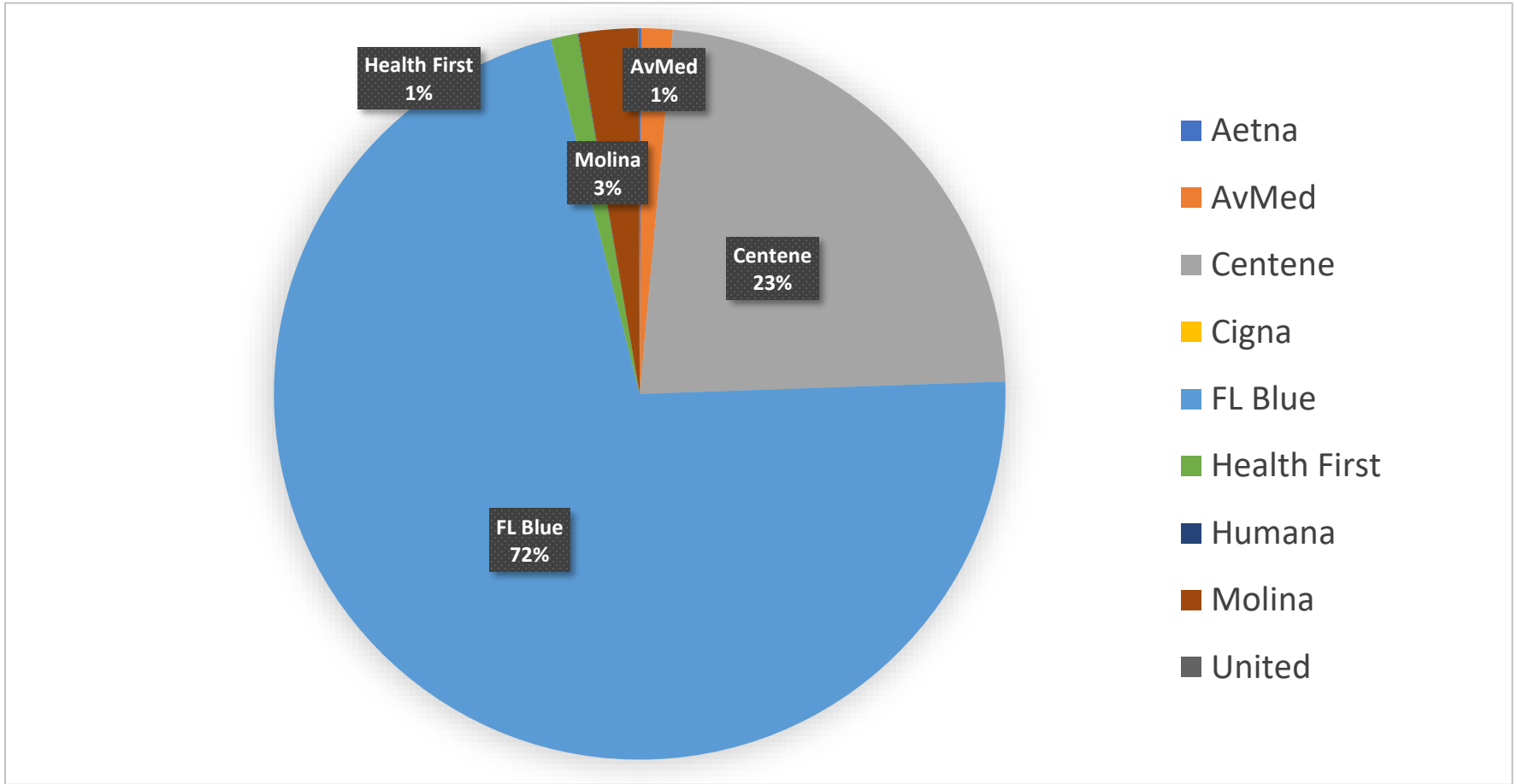
# Total Individual: 2017 Market Share



*Total market (under age 65) was approximately 1.9 million consumers:  
1.7 million in a PPACA plan, 170k in a “Pre-PPACA” (grandfathered or “keep-your-plan”) policy.*



# Total Individual: 2018 Market Share



*Total market (under age 65) was approximately 1.9 million consumers:  
1.7 million in a PPACA plan, 150k in a “Pre-PPACA” (grandfathered or “keep-your-plan”) policy.*



## SB 322 Implementation Update

SB 322 (2019) amended Florida law to:

- Expand eligibility for association health plans
- Extend the time limits for short term plans
- Require OIR to evaluate Florida's essential health benefits benchmark (EHB) plan (*see next slide*)
- Authorize plans to use alternative methods to establish EHBs



## SB 322 Implementation Update

SB 322 requires the OIR to “conduct a study to evaluate the state’s current EHB-benchmark plan.”

### 4 step process

- Compile all benchmark plans from the 49 other states
- Compare FL’s benchmark benefits to those in the other states
- Determine the cost of the benefits ← We are here
- Submit a report by October 30, 2019 to the Governor, Senate President, and House Speaker





## Contact Information

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