

2014 federal insurance exchange: Evaluation of insurer participation and consumer choice



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EXECUTIVE SUMMARY

With open enrollment in the state and federal exchanges beginning on October 1, 2013, consumers and the health insurance industry have the first opportunity to view the landscape of the new exchange market, also known as Health Insurance Marketplaces. The Center for Consumer Information and Insurance Oversight (CCIO) has released insurer plan information for the federally facilitated exchanges in 34 states for the individual exchange market and 32 states for the Small Business Health Options Program (SHOP) exchange market.¹ Premium and plan information for each plan offered in the federal exchange is provided by state, exchange rating area, and county. Similar data for the state exchanges has not been released in a consolidated fashion at the time this report was published.

The availability of this exchange information in conjunction with the 2012 Medical Loss Ratio form filing data allows us to analyze aspects of the exchange marketplaces that were previously uncertain. This report uses the available data to better understand insurer participation, benefit and rate competition among insurers, and consumers' choices on the federally facilitated exchanges.

Key observations from this analysis include the following:

- 2014 exchange participation is strongly correlated with 2012 market share for both the individual and SHOP exchanges.
 - Most of the insurers with significant 2012 market share are participating in the exchanges. Specifically, insurer exchange participation exceeds 80% for insurers with 50% or greater 2012 market share in the individual or small group market.
 - Similarly, few insurers with low market share are participating in the exchanges. Specifically, fewer than 50% of carriers with low 2012 market share (i.e., 25% or less) will participate in the individual or SHOP exchanges.
 - However, the combined 2012 market share of carriers that have elected to participate in the individual exchange (in 2014) is less than 50% in six states. For these states, large swings in insurer market share may occur as consumers wanting to receive a premium subsidy may have to choose a new insurer.
- There are a number of insurers new to the individual and small group markets participating in the 2014 exchanges. Specifically, 22% and 14% of exchange insurers are new to the individual and SHOP exchanges, respectively.
 - The majority of new market entrants in the individual exchange are insurers with existing risk-based Medicaid managed care business in the state or consumer operated and oriented plans (CO-OPs).
 - In the SHOP exchanges, the vast majority of new market entrants are CO-OPs.
- The median number of insurers available to consumers in the individual and SHOP exchanges across all states is estimated at three and two, respectively.
 - However, the number of available insurers varies significantly between states and within states themselves.
 - In the SHOP exchanges, it may be possible that the off-exchange market provides additional consumer choice of insurers.
- The average number of qualified health plans (QHPs) offered in the federally facilitated exchanges is approximately 48 in the individual market, but is only 24 in the SHOP exchanges.
 - At the state level, the average number of QHPs offered in the individual exchanges varies from eight in Alabama to 111 in Arizona.
 - At the state level, the average number of QHPs offered in the SHOP exchanges varies from three in Missouri to 92 in Arizona.
- Silver QHPs are most common, while few insurers offer platinum QHPs in both the individual and SHOP exchanges.
 - The relatively low number of platinum QHPs offered may reflect a presumed insurer risk aversion to consumer adverse selection.
 - In general, the number of SHOP exchange QHPs available to consumers is materially less than the individual exchange. SHOP exchange enrollment may be limited for a number of reasons, including the lack of consumer choice and limited incentives to purchase coverage through the SHOP in most states.

¹ Mississippi and Utah have elected to have state-run SHOP exchanges.

This report will be updated as more data becomes available, including data from state-run exchanges. Differences between insurer participation in the state-run and federally facilitated exchanges may influence a state's decision to either begin or continue to operate a state-run exchange.

The remainder of this report contains additional details regarding insurer participation in the federal exchange. The appendices of this report provide detailed exchange participation statistics at the state level, separately for the individual and SHOP exchanges.

INTRODUCTION

This report contains an initial assessment of insurer participation in the 2014 federally facilitated individual and SHOP exchange markets.

The federal exchange data provides a valuable overview of the 2014 exchange marketplace, including benefits and rates. This data, when combined with CCIIO's annual release of carrier-specific Medical Loss Ratio (MLR) form data (which includes member months, earned premium, claims, administrative expenses, and MLR rebates) for each state insurance market allowed us to assess:

- The degree to which the 2014 individual and SHOP exchanges will have the same insurers competing as in the 2012 state insurance markets

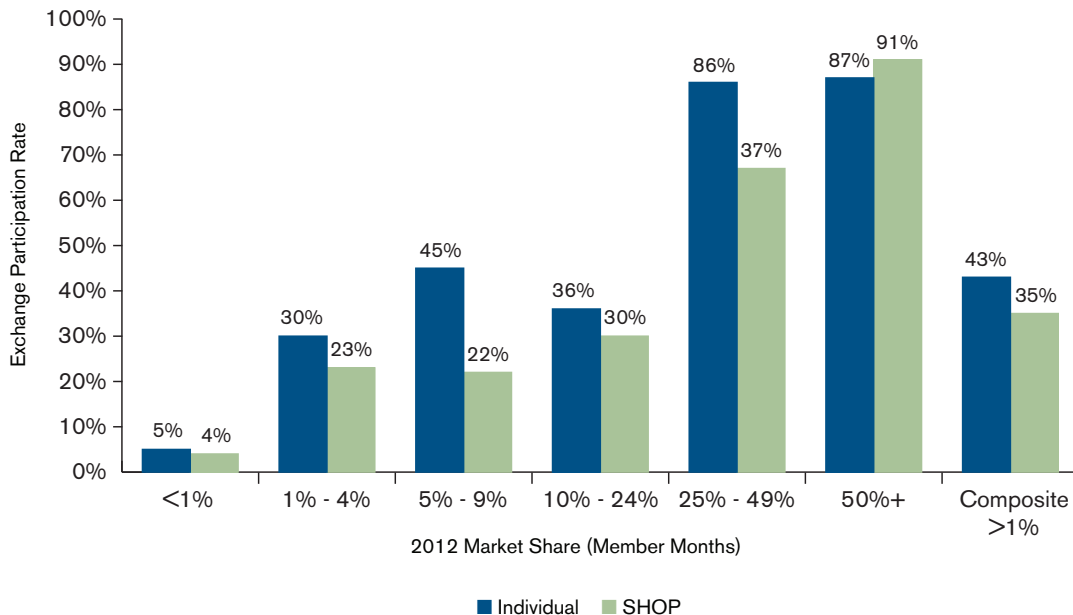
- The number of new insurers entering each state's individual or small group insurance markets through the exchange
- Consumer choice in the federally facilitated exchanges as measured by the number of insurers (at the parent or *group* company level) and plan designs by metal level available at the county level, separately for the individual and SHOP exchange markets

2014 EXCHANGE PARTICIPATION RELATIVE TO 2012 STATE MARKET SHARE

Predominately insurers with large 2012 market share will participate on the exchanges

Figure 1 illustrates the percentage of insurers by 2012 market share electing to participate in a state exchange marketplace for the individual and SHOP federal exchange. 2012 state market share for each insurer (defined at the parent or *group* company level) was determined from the MLR form data separately for the individual and small group insurance markets based on reported member months. State market share was then compared with the insurer's participation in the individual and SHOP exchange for the federal exchange states. Insurers with less than 1% state market share are excluded from the composite figures shown.

FIGURE 1: 2014 FEDERAL EXCHANGE INSURER PARTICIPATION PARTICIPATION RATES RELATIVE TO 2012 INDIVIDUAL AND SMALL GROUP STATE MARKET SHARE—INDIVIDUAL VS. SHOP EXCHANGES



Notes:

1. For current market share, Individual represents the individual comprehensive market and SHOP represents the small group comprehensive market.
2. Market share based on parent company (group level) 2012 member months.

Figure 1 indicates overall, existing insurer federal exchange marketplace participation is higher in the individual exchange relative to the SHOP exchanges. Amongst insurers with at least 1% market share in a state, approximately 43% chose to enter the state's individual exchange market, while only 35% chose to enter the state's SHOP exchange market. With premium subsidies only being accessible through exchange plans, insurers not competing on the exchange risk losing significant individual market share.

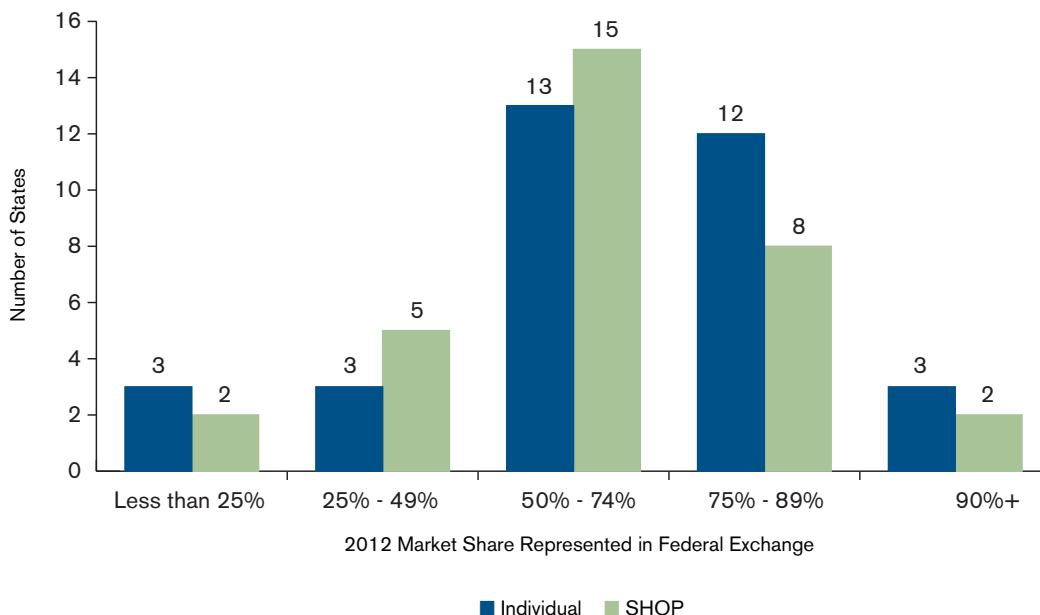
In both the individual and SHOP exchanges, the likelihood of insurer participation was positively correlated with higher 2012 state market share. More than 80% of insurers with at least 25% market share in a given market chose to enter the federally facilitated exchange. Conversely, only 5% of insurers with under 1% statewide market share in 2012 have elected to participate in the federal exchange marketplaces. This low participation figure is potentially being influenced by the portion of insurers that had closed blocks of business or were exiting the state market prior to the end of calendar year 2012. For insurers with market share exceeding 20% in a state's small group market, SHOP participation may have been driven upward by the requirement on the federal exchange that issuers offering plans in the individual exchange must also offer plans on the SHOP exchange.² In addition, CO-OPs that sell any small group products must offer plans on the SHOP exchange.

While market share is generally strongly correlated with exchange participation in both the individual and SHOP exchanges, in certain states there are either insurers with more than 50% market share or a combination of insurers with combined market share exceeding 50% not participating on the exchange. For such states, large swings in individual health insurance market share may occur in 2014 as the exchange premium subsidies provide significant financial incentive for consumers to purchase coverage on the exchange. Market share shifts in the small group market in these states are less certain, as the SHOP exchanges may have a more difficult time attracting enrollment from the traditional broker-driven distribution channel.

Most federally facilitated exchange states will have insurers representing more than 50% of 2012 market share participating in the exchanges in 2014

Next we examined the distribution of 2012 insurer market share represented in the individual and SHOP exchanges. For example, assume a state has five insurers with equal member months in 2012 and two of these insurers join the 2014 exchange. This example would translate to a state with 40% market share represented on the federal exchange. This information helps determine if exchange markets will consist largely of current insurance market competitors plus new exchange entrants, or be missing a significant portion of insurers that currently offer coverage in the state insurance market. For the individual market,

**FIGURE 2: 2014 FEDERAL EXCHANGE INSURER PARTICIPATION
2012 INDIVIDUAL AND SMALL GROUP STATE MARKET SHARE REPRESENTED IN THE EXCHANGES—INDIVIDUAL VS. SHOP EXCHANGES**



Notes:

- 1. For 2012 market share, Individual represents the individual comprehensive market and SHOP represents the small group comprehensive market.
- 2. Market share based on 2012 MLR data and parent company (group-level) market share.

2 See *Federal Register*, March 11, 2013. <http://www.gpo.gov/fdsys/pkg/FR-2013-03-11/pdf/2013-04902.pdf>, page 15523.

it is also an indication of how many consumers may need to switch insurers to gain access to the premium subsidy tax credit only available on the exchange.

Figure 2 shows approximately 82% (28 of 34 states) of the individual and 78% (25 of 32 states) of the SHOP federally facilitated exchanges will have at least 50% of 2012 market share represented on the exchange. For the states with less than 50% 2012 market share represented on the individual exchanges, a significant portion of individuals currently enrolled in coverage on the individual market in these low exchange participation states will be required to switch insurers to access premium subsidy tax credits on the exchange. This may result in significant market share changes within these states, depending upon overall exchange participation.

The slightly lower observed insurer participation in the SHOP exchange may lessen the appeal to small employers of purchasing coverage through the exchange. However, many employers may still be attracted to the federal exchanges due to the fact that the small employer tax credit³ can only be obtained when coverage is purchased through the exchange. Small employers meeting the eligibility requirements for the small employer tax credits will need to gauge the value of additional insurer choice versus the savings associated with the tax credit when making purchasing decisions.

Appendix 1 provides additional details on exchange participation by 2012 market share for each of the states in the federally facilitated exchange, separately for the individual and SHOP exchanges.

**EXCHANGE PARTICIPATION:
CURRENT VS. NEW MARKET ENTRANTS**

**There are more new insurers
in the individual vs. SHOP exchange**

Figures 3 and 4 examine the number of insurers (defined at the parent or group company level) competing in each state's federal exchange market relative to the 2012 insurance markets, with the number of new market entrants identified.

The 34 states are segmented by the number of 2012 insurers with at least 5% market share (a proxy for determining insurers with material state market share). For example, six states have four insurers offering plans in the 2012 individual market with at least 5% market share, while only eight states have five or more insurers with at least 5% market share. Figures 3 and 4 correspond to the individual and SHOP exchanges, respectively.

For the individual market, the average number of insurers offering plans on the federal exchanges is typically higher than the number of insurers with 5% or more market share in 2012. This same statement is not necessarily true when it comes to the SHOP exchanges. Data indicate that the individual exchanges tend to attract more new market entrants relative to the SHOP exchanges. SHOP participation was required of certain insurers, such as those with 20% market share who participated in the individual exchange market and any CO-OP who entered the small group market. Without these participation requirements, SHOP participation may have been lower than observed due to the uncertainty surrounding the viability of the SHOP exchanges. To the extent that an insurer declines to participate on the SHOP exchange, but continues to participate in the off-exchange market, the insurer will not be eligible for the ACA risk corridor program.

FIGURE 3: 2014 FEDERAL INDIVIDUAL EXCHANGE INSURER PARTICIPATION STATE LEVEL PARTICIPATION IN FEDERALLY FACILITATED EXCHANGE VS. NUMBER OF INSURERS WITH MINIMAL 2012 MARKET SHARE

INDIVIDUAL EXCHANGE INSURERS				
2012 Insurers with 5%+ Market Share	Total Number of States	Average Total Participating Insurers	Average New Market Entrants Regardless of Areas Served	Average New Market Entrants Covering Total State
1	1	2.0	N/A	N/A
2	2	3.0	1.5	0.5
3	17	4.2	0.9	0.4
4	6	4.3	1.2	0.2
5	7	5.4	0.7	0.1
6	1	13.0	3.0	N/A

FIGURE 4: 2014 FEDERAL SHOP EXCHANGE INSURER PARTICIPATION STATE LEVEL PARTICIPATION IN FEDERALLY FACILITATED EXCHANGE VS. NUMBER OF INSURERS WITH MINIMAL 2012 MARKET SHARE

SHOP EXCHANGE INSURERS				
2012 Insurers with 5%+ Market Share	Total Number of States	Average Total Participating Insurers	Average New Market Entrants Regardless of Areas Served	Average New Market Entrants Covering Total State
1	1	2.0	N/A	N/A
2	3	3.7	0.3	N/A
3	12	2.6	0.5	0.3
4	9	2.3	0.4	0.4
5	5	3.0	0.2	0.2
6	1	6.0	N/A	N/A
7	1	8.0	1.0	N/A

³ For more information on the eligibility criteria for the small group tax credit, see "Healthcare reform and the small employer tax credit" by Paul Houchens, Milliman Healthcare Town Hall, September 30, 2013, at <http://www.healthcaretownhall.com/?p=7234>.

Many of the new market entrants do not offer coverage on a statewide basis in both markets. This may suggest that many exchange insurers, both existing and new insurance market participants, are initially focused on competing in the exchanges at a regional level due to the inability to develop a broad, statewide provider network, while still offering a competitive premium rate. The presence of the new regional insurers could lead to additional competition within specific regions of a given state, with other areas having fewer options for consumers. Given the difficulties associated with a new insurer establishing a provider network on a statewide basis, it is possible that new regional plans expand their coverage area in subsequent years.

The majority of new market entrants are Medicaid health plans or CO-OPs

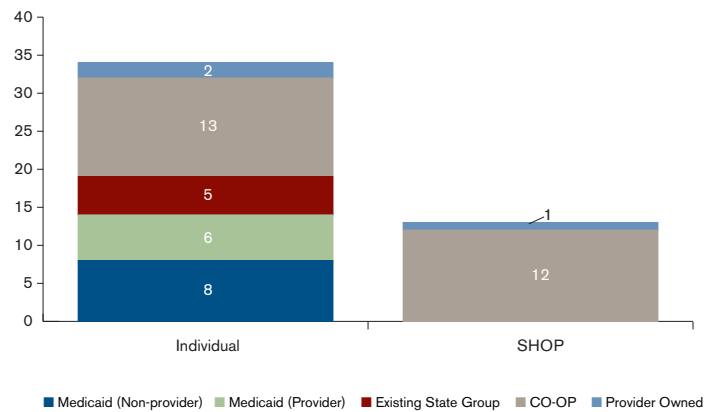
Figure 5 examines the characteristics of the new state market entrants in the individual and SHOP exchanges. Insurers are identified into five distinct cohorts, based on the following hierarchical order:

- **Medicaid (Non-provider)** – Insurers with risk-based Medicaid managed care members within the state in 2012, and are not affiliated with or owned by a provider organization
- **Medicaid (Provider)** – Insurers with risk-based Medicaid managed care members within the state in 2012, and are affiliated with or owned by a provider organization
- **Existing state group** – Insurers with existing membership in the group market within the state in 2012
- **Consumer operated and oriented plans (CO-OPs)** – Newly created insurers under the ACA’s CO-OP program.⁴
- **Provider-owned** – Insurers that are owned or affiliated with a provider organization

In the individual exchanges, the new state insurance market entrants are a variety of existing state Medicaid, existing state group, CO-OP, and provider owned or affiliated insurers. Out of the categories outlined, existing state Medicaid and CO-OPs represent the largest portion of new entrants. Nearly all of the new state insurance market entrants appear to be CO-OPs in the SHOP market in part because CO-OPs are required to join the SHOP if they choose to enter a state’s small group market. Due to the federal funding previously made available, the large number of new CO-OP entrants was anticipated.

In Iowa, where an insurer with more than 50% market share elected not to participate in the individual exchange, two insurers currently participating in the state’s group insurance market entered the individual market through the exchange. Across the other 33 states,

FIGURE 5: 2014 FEDERAL EXCHANGE INSURER PARTICIPATION PROFILE OF NEW STATE INSURANCE MARKET ENTRANTS ON FEDERAL EXCHANGE



only five other companies were identified as entering the individual market that neither had existing Medicaid business in the state or was a CO-OP.

We reviewed the multi-state plans⁵ listed in the federal exchange, but in each case, these plans were affiliated with insurers that had existing market share in the individual and small group markets within a state. As multi-state program is still in its infancy, the number of exchange insurers may increase in future years as the program is fully implemented.

Additionally, the influx of existing Medicaid insurers on the individual exchange was somewhat expected, as these insurers already have relationships established with providers in the area and have customer support systems in place for individuals enrolled in Medicaid. These and other existing operational functions make it easier for existing Medicaid insurers to join the exchanges, relative to companies that do not already have experience offering health coverage to individual consumers (and particularly low-income consumers). Companies without such experience may require additional time and funding prior to being able to offer coverage on the exchanges. Medicaid insurers may also benefit from having a recognized brand among low income households entering the individual insurance market. In the event that exchanges are successful in attracting enrollment, it is possible that insurers which would not fall under one of the five categories defined will begin joining the exchanges in years after 2014.

There is also an increase of provider owned insurers (both with and without existing Medicaid business) in some individual exchanges. Provider owned plans are in a unique position to leverage their brand regionally while steering membership to their offerings which typically involve a narrow network and potentially lower than standard commercial provider reimbursement arrangements.

4 For more information regarding the ACA CO-OP program, see “CO-OPs: Learning from history” by Troy J. Pritchett and Shelley Moss, *CO-OP Point of View*, March 2012, at <http://www.milliman.com/uploadedFiles/insight/periodicals/co-op-point-of-view/co-op-march-2012.pdf>.

5 For more information on the multi-state plan program, see “Multi-state plan program and the Health Insurance Marketplace” at <http://www.opm.gov/healthcare-insurance/multi-state-plan-program/>.

Based on the information presented in Figure 1, it is evident that current market insurers are significantly more likely to participate in a state exchange market if they have market share above 50%. Therefore, new market entrants will likely be competing against insurers with significant economies of scale and potentially provider discount advantages. Medicaid health plans entering the individual market may have administrative efficiencies and provider contracting advantages generated from existing risk-based managed care enrollees. Provider-owned plans may also penetrate this market for similar reasons. For new CO-OP and other market entrants, long-term financial viability in the exchange market may require the insurer to achieve administrative efficiency quickly to compete with existing market insurers and other health plans entering the exchanges.

Appendix 2 provides additional details on the insurers offering plans in the individual and SHOP exchanges for each of the states in the federally facilitated exchange.

CONSUMER CHOICE IN THE EXCHANGES

The last series of figures in this report examines consumer choice in the federal exchange states, as measured by:

- Number of insurers (defined at the parent or group company level) offering at least one plan design to a consumer
- The total number of exchange qualified health plan (QHP) options available to a consumer by metallic level

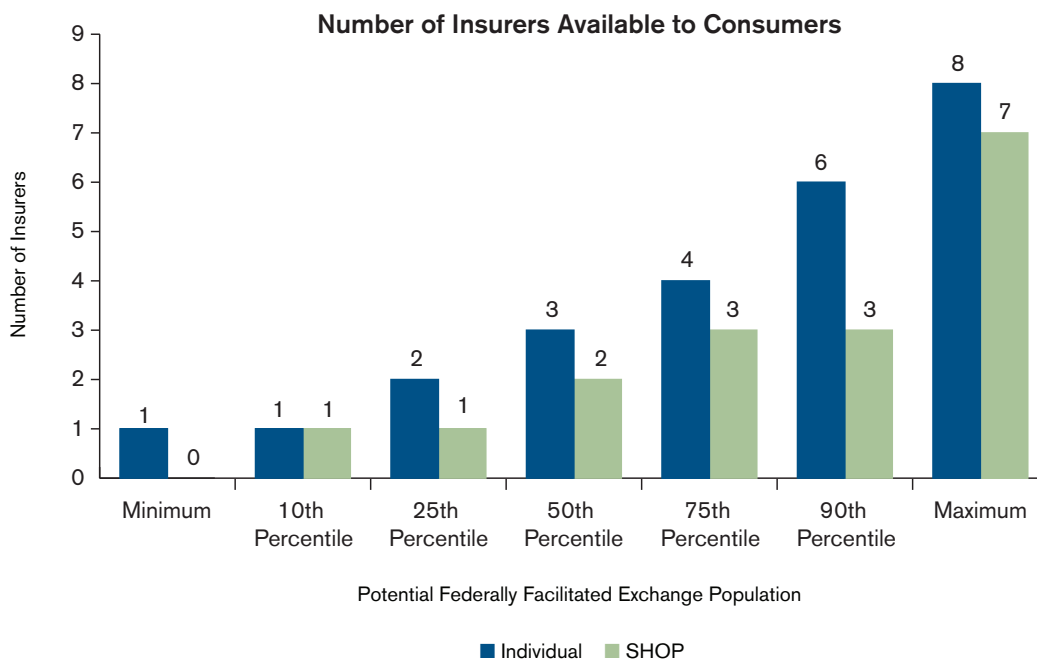
Consumers in most states will also be able to purchase health insurance coverage off the exchange. Particularly in the small group market, the off-exchange market may have additional insurer and QHP choices. Consumer choice may be perceived as more important in the individual market, as the premium tax credit subsidy is only available through the exchanges. Therefore, for a low-income household, purchasing coverage through the individual exchange may be a financial necessity rather than choice.

As exchange premium data is provided at the county level, exchange consumer choice percentiles were developed in terms of both insurers and QHPs by weighting consumer choice with the under age 65 estimated county-level population from the Milliman Health Cost Guidelines® Area Factors. It should be noted that insurers are not required to offer exchange QHPs in every county of an exchange rating area.

The number of insurers available to consumers varies drastically across the federal exchanges

Figure 6 provides the percentile distribution of the number of insurers (defined at the parent or group company level) available in the individual and SHOP federal exchanges. The median, or 50th percentile, indicates that the prospective insurance purchaser would have three insurers to select from in the individual exchange, and two insurers available in the SHOP exchange.

FIGURE 6: 2014 FEDERAL EXCHANGE INSURER PARTICIPATION DISTRIBUTION OF INSURERS AVAILABLE TO CONSUMERS ON INDIVIDUAL AND SHOP EXCHANGES WEIGHTED BY COUNTY LEVEL UNDER-65 POPULATION



In some counties, there will be minimal (and in some cases no) choice of issuer in the federal exchanges. Within these areas, additional insurer options may be accessible to consumers who elect to purchase coverage outside of the exchange. While individuals not eligible to receive premium tax credit subsidies could elect to take advantage of the additional options available off exchange, subsidy eligible individuals may have limited flexibility. However, this is not true in all regions, and in some areas many insurers will be participating on the federal exchange marketplace.

For example, in West Virginia and New Hampshire, only one insurer is participating in the individual exchange, while in Arizona, the average consumer will choose from more than seven insurers. In 16 states, there are counties with only one insurer offering coverage in the individual exchange. While there may potentially be additional insurers providing coverage off the exchange in these areas, it may be unaffordable to low-income households without access to premium subsidy assistance.

Insurer participation is more limited on the SHOP exchanges compared to the individual exchanges. In Wisconsin, there are five counties in which no insurers are offering coverage on the SHOP exchange. Each of the other 31 federally-facilitated SHOP exchanges have at least one insurer participating on the SHOP exchange in every county. SHOP exchange participation is highest in Michigan, where in some areas there are as many as seven insurers offering coverage.

Appendix 3 includes state level detail related to number of insurers offering coverage in both the individual and SHOP exchanges. As illustrated in Appendix 3, the number of insurers available to consumers through the exchanges not only differs among states, but also within states. For example, in Michigan the number of insurers offering QHPs on the individual federally-facilitated exchange within a county ranges from one to eight.

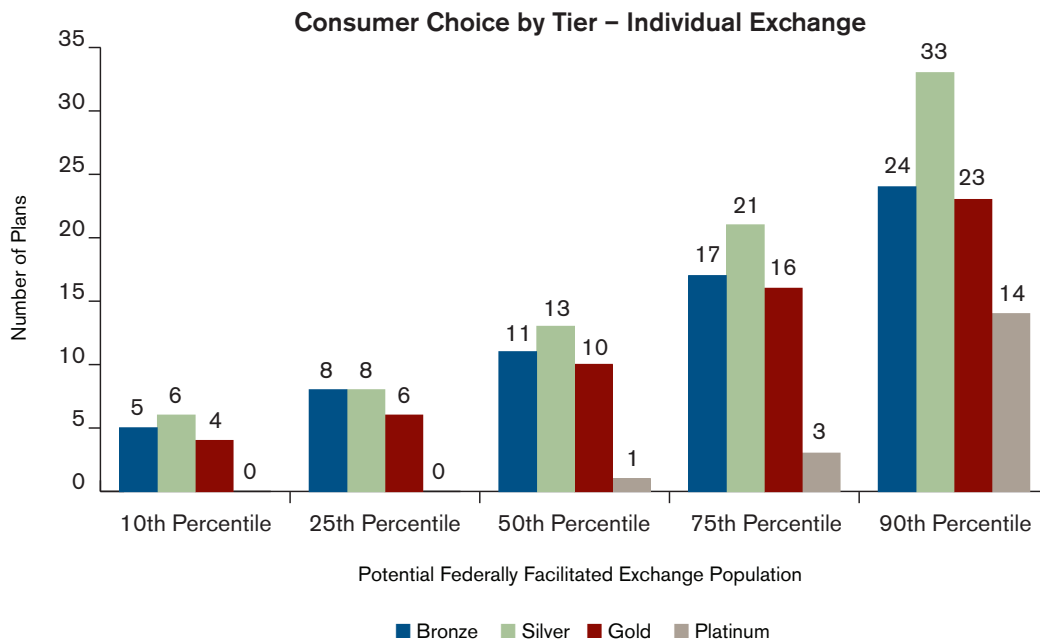
Significant variation exists in the number of QHPs available to consumers on the individual exchanges, with few platinum QHPs being made available

Figure 7 illustrates the distribution of QHP options available to consumers in the individual exchange market by metallic tier.

Variation in the number of insurers by region contributes to wide variation in the number of QHPs available at each metal level between states and within individual states. As an extreme example, in Wisconsin there are 13 insurers competing in the individual exchange on a regional basis, yet no insurers competing on a statewide basis. In this state, the range of available QHPs in the individual exchange varies from two to 143, depending on county. Consumers in Florence County are offered only one silver plan and one gold plan in the individual exchange.

While insurers are required to offer at least one plan at the silver and gold metal levels, federal law does not require insurers to offer bronze or platinum plans. Many insurers have elected to offer several

FIGURE 7: 2014 FEDERAL EXCHANGE INSURER PARTICIPATION DISTRIBUTION OF QUALIFIED HEALTH PLANS AVAILABLE TO CONSUMERS ON INDIVIDUAL EXCHANGES WEIGHTED BY COUNTY LEVEL UNDER-65 POPULATION



QHPs at the bronze, silver, and gold metal levels, yet far fewer platinum QHPs are being made available in the individual exchanges. Approximately half of all individuals in areas with a federally facilitated exchange will not have the ability to purchase a QHP at the platinum metal level. Insurers may be hesitant to offer this rich level of coverage due to their perceived inability to price for the level of health risk that such plans typically attract.

Some individuals with coverage obtained through their employer may be accustomed to a level of benefit richness that will not be widely available on the individual exchanges. Today, many employers are actively considering whether to continue to offer employer-sponsored insurance, move to the SHOP or a private exchange, or to pay employer shared responsibility penalties beginning in 2015, while directing their employees to purchase coverage on the individual exchanges. In addition to the many factors already being reviewed, employers should consider the availability of comparable coverage on the individual exchanges when making these decisions.⁶

SHOP exchange consumers may have very limited choice of plan designs in a material number of geographic areas

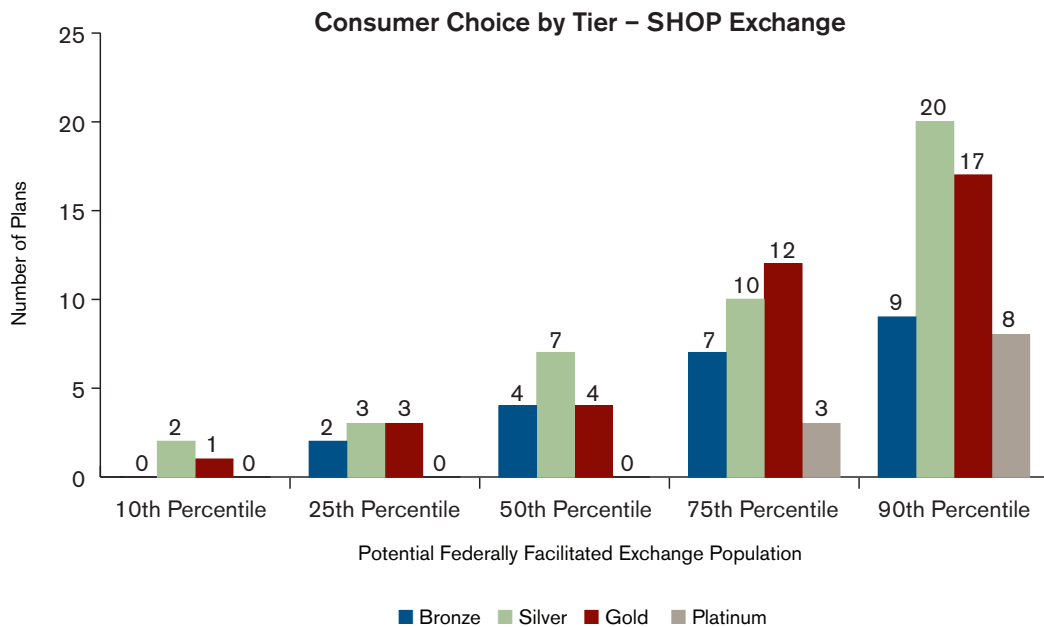
Figure 8 illustrates the distribution of QHP options available to consumers in the SHOP exchange market by metallic tier.

As illustrated in Figure 8, fewer QHPs are available at each metal level in the SHOP exchanges related to the individual exchanges. For the 50th percentile of the silver metallic tier, only seven QHPs are made available in the SHOP relative to 13 in the individual exchange. Similar to the individual exchanges, there is a low prevalence of insurers electing to offer platinum plans on the SHOP exchanges.

In the current insurance markets, the average benefit level purchased is richer in the small group market relative to the individual market. In other words, the deductibles, copayments, and out-of-pocket maximums are generally lower in plans purchased by small employers relative to the types of products typically purchased in the individual market. Based on this historical purchasing behavior, it would have been reasonable to anticipate that richer plans would be made available on the SHOP exchanges compared to the individual exchanges. However, based on the data made available, this does not appear to be true in most areas, and the distribution of plan designs available by metal level is relatively consistent between the two markets.

As noted in Figure 8, three or fewer QHPs are offered in the bronze through gold metallic tiers in counties representing 25% of the total population eligible for the federally facilitated SHOP exchange.

FIGURE 8: 2014 FEDERAL EXCHANGE INSURER PARTICIPATION DISTRIBUTION OF PLAN DESIGNS AVAILABLE TO CONSUMERS ON SHOP EXCHANGES WEIGHTED BY COUNTY LEVEL UNDER-65 POPULATION



⁶ For more information on healthcare reform considerations for employers, see "The Milliman Healthcare Reform Strategic Impact Study: Helping employers make sense of healthcare reform" <http://publications.milliman.com/publications/healthreform/pdfs/Employer-healthcare-reform-strategic-impact-study.pdf>.

Given the limited availability of plan QHPs across the full spectrum of metal levels in many areas, small employers may continue to purchase coverage outside of the exchanges where more plan designs are potentially being made available. Alternatively, employers may choose to purchase an insured plan on the SHOP exchange and provide employees with HRA or HSA funding for the purpose of enriching the coverage made available to employees. Doing so may enable an employer to offer employees with a benefit package at around the platinum metal level, while purchasing insured coverage at the silver or gold metal level.

Appendix 4 provides state-level detail on QHP choice by metallic tier for the individual and SHOP exchanges.

CONCLUSION

The federally facilitated exchange data released by CCIIO provides insight into the makeup of the insurance marketplaces that opened in October. The number of existing insurers participating, new entrants, and plan designs available on the federally facilitated exchanges varies greatly between states and within states at the county level.

In some states, market share in the individual and small group markets may be minimally impacted by the exchange marketplace. However, in states that have insurers with significant current market share declining to participate in the exchanges, or in states with new Medicaid or CO-OP insurers entering the market, market share may change significantly in a short period of time.

While some prospective exchange purchasers will have access to a wide array of insurers and plan designs, others will have minimal choices on the exchanges. Higher-income individuals and small businesses may be able to access additional insurer plan designs through the off-exchange markets; however, individuals eligible for premium subsidy tax credits may be financially restricted to what is available on the exchanges.

Small employers desiring to offer their employees rich health insurance benefits, or individuals desiring to purchase such a plan, may have few (if any) options available in the exchanges. For employers not eligible for the small employer tax credits, there may be little motivation to purchase coverage on the SHOP exchange as long as there is greater variety of plan design choices available outside of the exchanges.

As state-based exchanges begin to release similar data, it will be insightful to understand whether the types of observations illustrated in this report are consistent between state and federally operated exchanges. This report will be updated in the future as additional data is made available.

LIMITATIONS

The analyses presented in this research paper have relied on data and other information from the 2012 Medical Loss Ratio Reporting Forms of health insurers and federally released exchange premium information. This information was obtained from healthcare.gov and the Center for Consumer Information and Insurance Oversight of the Centers for Medicare and Medicaid Services at <http://www.cms.gov/CCIIO/Resources/Data-Resources/mlr.html> in October 2013. The data and other information has not been audited or verified but a limited review was performed for reasonableness and consistency. If the underlying data or information is inaccurate or incomplete, the results of this analysis may likewise be inaccurate or incomplete. Values from 2012 Medical Loss Ratio Reporting Forms made available at <http://cciio.cms.gov/resources/data/mlr.html> subsequent to August 1, 2013, are not included in this report. Edits or modifications to the federal exchange premium data will impact the results presented in this report.

The views expressed in this report are made by the authors of this report and do not represent the opinions of Milliman, Inc. Other Milliman consultants may hold different views.

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Colin Gray created the database of data and other information used to support the analyses in this report. Scott A. Wetz, FSA, peer reviewed this report. The authors appreciate their assistance.

QUALIFICATIONS

Guidelines issued by the American Academy of Actuaries require actuaries to include their professional qualifications in all actuarial communications. The authors are members of the American Academy of Actuaries, and meet the qualification standards for performing the analyses in this report.

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INDIVIDUAL APPENDIX 1

STATE	TOTAL EXCHANGE INSURERS	2012 MARKET SHARE (MEMBER MONTHS)							PARTICIPATION BY 2012 MARKET SHARE (AT LEAST 1 AREA)							PARTICIPATION RATE BY 2012 MARKET SHARE							2012 INDIVIDUAL MARKET SHARE REPRESENTED ON EXCHANGE
		<1%	1% - 4%	5% - 9%	10% - 24%	25% - 49%	50%+	COMPOSITE (1% MARKET SHARE OR GREATER)	<1%	1% - 4%	5% - 9%	10% - 24%	25% - 49%	50%+	COMPOSITE (1% MARKET SHARE OR GREATER)	<1%	1% - 4%	5% - 9%	10% - 24%	25% - 49%	50%+	COMPOSITE (1% MARKET SHARE OR GREATER)	
AK	2	3	2	4	0	0	1	7	0	0	1	0	0	1	2	0%	0%	25%	NA	NA	100%	29%	67%
AL	2	14	1	1	0	0	1	3	0	1	0	0	0	1	2	0%	100%	0%	NA	NA	100%	67%	93%
AR	3	12	3	2	0	0	1	6	1	0	1	0	0	1	2	8%	0%	50%	NA	NA	100%	33%	86%
AZ	8	11	3	3	1	0	1	8	0	1	3	0	0	1	5	0%	33%	100%	0%	NA	100%	63%	68%
DE	2	7	2	1	2	1	0	6	0	0	1	0	1	0	2	0%	0%	100%	0%	100%	NA	33%	57%
FL	9	11	4	3	1	0	1	9	1	2	3	0	0	1	6	9%	50%	100%	0%	NA	100%	67%	80%
GA	5	12	3	2	2	1	0	8	2	0	1	1	1	0	3	17%	0%	50%	50%	100%	NA	38%	65%
IA	4	16	2	1	0	0	1	4	0	1	0	0	0	0	1	0%	50%	0%	NA	NA	0%	25%	5%
IL	6	13	6	2	0	0	1	9	0	3	1	0	0	1	5	0%	50%	50%	NA	NA	100%	56%	84%
IN	4	13	7	1	1	0	1	10	0	2	0	0	0	1	3	0%	29%	0%	0%	NA	100%	30%	65%
KS	3	13	3	2	2	1	0	8	0	0	0	2	1	0	3	0%	0%	0%	100%	100%	NA	38%	79%
LA	4	10	4	2	0	0	1	7	1	0	1	0	0	1	2	10%	0%	50%	NA	NA	100%	29%	84%
ME	2	8	0	0	1	2	0	3	0	0	0	0	1	0	1	0%	NA	NA	0%	50%	NA	33%	49%
MI	9	17	7	1	1	0	1	10	2	3	0	0	0	1	4	12%	43%	0%	0%	NA	100%	40%	63%
MO	3	13	4	1	3	1	0	9	0	0	0	2	1	0	3	0%	0%	0%	67%	100%	NA	33%	62%
MS	2	11	3	0	2	0	1	6	1	0	0	1	0	0	1	9%	0%	NA	50%	NA	0%	17%	11%
MT	3	9	4	1	1	0	1	7	0	0	1	0	0	1	2	0%	0%	100%	0%	NA	100%	29%	67%
NC	2	11	4	0	0	0	1	5	0	1	0	0	0	1	2	0%	25%	NA	NA	NA	100%	40%	90%
ND	3	7	3	2	0	0	1	6	0	1	1	0	0	1	3	0%	33%	50%	NA	NA	100%	50%	82%
NE	4	14	2	1	1	0	1	5	0	1	0	0	0	1	2	0%	50%	0%	0%	NA	100%	40%	72%
NH	1	7	1	2	0	0	1	4	0	0	0	0	0	1	1	0%	0%	0%	NA	NA	100%	25%	81%
NJ	3	6	1	1	1	0	1	4	0	0	1	0	0	1	2	0%	0%	100%	0%	NA	100%	50%	83%
OH	11	17	6	0	1	2	0	9	3	4	0	0	2	0	6	18%	67%	NA	0%	100%	NA	67%	77%
OK	5	13	3	1	1	0	1	6	1	2	0	0	0	1	3	8%	67%	0%	0%	NA	100%	50%	71%
PA	8	12	4	2	2	1	0	9	1	3	1	2	1	0	7	8%	75%	50%	100%	100%	NA	78%	90%
SC	3	9	5	1	1	0	1	8	0	1	0	0	0	1	2	0%	20%	0%	0%	NA	100%	25%	60%
SD	3	13	4	2	0	0	1	7	0	1	2	0	0	0	3	0%	25%	100%	NA	NA	0%	43%	17%
TN	4	10	4	2	0	2	0	8	0	1	1	0	1	0	3	0%	25%	50%	NA	50%	NA	38%	48%
TX	11	16	5	3	0	0	1	9	2	2	2	0	0	1	5	13%	40%	67%	NA	NA	100%	56%	82%
UT	6	9	2	1	1	2	0	6	0	0	1	1	2	0	4	0%	0%	100%	100%	100%	NA	67%	94%
VA	6	12	4	2	0	0	1	7	0	3	1	0	0	1	5	0%	75%	50%	NA	NA	100%	71%	91%
WI	13	17	6	2	4	0	0	12	4	3	0	3	0	0	6	24%	50%	0%	75%	NA	NA	50%	61%
WV	1	11	3	1	2	0	1	7	0	0	0	0	0	1	1	0%	0%	0%	0%	NA	100%	14%	55%
WY	2	5	7	1	2	1	0	11	0	1	0	0	1	0	2	0%	14%	0%	0%	100%	NA	18%	40%
Composite	157	382	122	51	33	14	23	243	19	37	23	12	12	20	104	5%	30%	45%	36%	86%	87%	43%	73%

SHOP APPENDIX 1

STATE	TOTAL EXCHANGE INSURERS	2012 MARKET SHARE (MEMBER MONTHS)							PARTICIPATION BY 2012 MARKET SHARE (AT LEAST 1 AREA)							PARTICIPATION RATE BY 2012 MARKET SHARE							2012 SMALL GROUP MARKET SHARE REPRESENTED ON EXCHANGE
		<1%	1% - 4%	5% - 9%	10% - 24%	25% - 49%	50%+	COMPOSITE (1% MARKET SHARE OR GREATER)	<1%	1% - 4%	5% - 9%	10% - 24%	25% - 49%	50%+	COMPOSITE (1% MARKET SHARE OR GREATER)	<1%	1% - 4%	5% - 9%	10% - 24%	25% - 49%	50%+	COMPOSITE (1% MARKET SHARE OR GREATER)	
AK	2	0	2	2	1	0	1	6	0	0	1	0	0	1	2	NA	0%	50%	0%	NA	100%	33%	75%
AL	2	7	1	0	0	0	1	2	0	1	0	0	0	1	2	0%	100%	NA	NA	NA	100%	100%	99%
AR	1	7	1	0	2	0	1	4	0	0	0	0	0	1	1	0%	0%	NA	0%	NA	100%	25%	61%
AZ	3	6	2	1	3	1	0	7	0	0	0	1	1	0	2	0%	0%	0%	33%	100%	NA	29%	47%
DE	2	3	2	1	1	0	1	5	0	0	0	1	0	1	2	0%	0%	0%	100%	NA	100%	40%	88%
FL	2	5	3	1	1	2	0	7	0	1	0	0	1	0	2	0%	33%	0%	0%	50%	NA	29%	34%
GA	3	14	3	0	4	1	0	8	0	2	0	0	1	0	3	0%	67%	NA	0%	100%	NA	38%	42%
IA	5	10	2	1	1	0	1	5	4	0	0	0	0	0	0	40%	0%	0%	0%	NA	0%	0%	2%
IL	3	19	3	1	2	0	1	7	0	1	0	0	0	1	2	0%	33%	0%	0%	NA	100%	29%	63%
IN	2	14	9	1	1	0	1	12	0	0	1	0	0	1	2	0%	0%	100%	0%	NA	100%	17%	62%
KS	2	8	1	3	1	0	1	6	0	0	1	0	0	1	2	0%	0%	33%	0%	NA	100%	33%	67%
LA	3	6	1	2	0	0	1	4	1	0	0	0	0	1	1	17%	0%	0%	NA	NA	100%	25%	82%
ME	2	2	1	0	1	2	0	4	0	0	0	0	1	0	1	0%	0%	NA	0%	50%	NA	25%	48%
MI	7	12	9	0	1	0	1	11	1	3	0	1	0	1	5	8%	33%	NA	100%	NA	100%	45%	87%
MO	2	9	5	0	3	1	0	9	0	0	0	1	1	0	2	0%	0%	NA	33%	100%	NA	22%	56%
MT	3	4	1	2	1	0	1	5	0	0	0	1	0	1	2	0%	0%	0%	100%	NA	100%	40%	79%
NC	1	9	2	0	2	0	1	5	0	0	0	0	0	1	1	0%	0%	NA	0%	NA	100%	20%	62%
ND	3	2	2	0	1	0	1	4	0	1	0	1	0	1	3	0%	50%	NA	100%	NA	100%	75%	98%
NE	4	9	3	0	2	0	1	6	0	0	0	1	0	1	2	0%	0%	NA	50%	NA	100%	33%	76%
NH	1	4	0	1	1	0	1	3	0	0	0	0	0	1	1	0%	NA	0%	0%	NA	100%	33%	75%
NJ	3	3	0	1	2	0	1	4	0	0	1	0	0	1	2	0%	NA	100%	0%	NA	100%	50%	69%
OH	5	19	6	0	1	2	0	9	0	3	0	0	2	0	5	0%	50%	NA	0%	100%	NA	56%	76%
OK	3	11	0	1	3	0	1	5	1	0	0	1	0	1	2	9%	NA	0%	33%	NA	100%	40%	65%
PA	6	10	3	0	6	0	0	9	0	2	0	4	0	0	6	0%	67%	NA	67%	NA	NA	67%	72%
SC	2	8	1	2	1	0	1	5	0	0	0	0	0	1	1	0%	0%	0%	0%	NA	100%	20%	67%
SD	3	4	4	1	1	0	1	7	0	1	1	1	0	0	3	0%	25%	100%	100%	NA	0%	43%	34%
TN	2	9	2	1	1	0	1	5	0	0	0	0	0	1	1	0%	0%	0%	0%	NA	100%	20%	70%
TX	2	19	2	1	2	0	1	6	1	0	0	0	0	1	1	5%	0%	0%	0%	NA	100%	17%	51%
VA	4	8	2	2	2	1	0	7	0	1	0	2	1	0	4	0%	50%	0%	100%	100%	NA	57%	81%
WI	8	8	11	5	1	1	0	18	1	5	1	0	0	0	6	13%	45%	20%	0%	0%	NA	33%	17%
WV	1	8	3	0	0	1	1	5	0	0	0	0	0	1	1	0%	0%	NA	NA	0%	100%	20%	66%
WY	2	0	3	2	1	0	1	7	0	0	1	0	0	1	2	NA	0%	50%	0%	NA	100%	29%	64%
Composite	94	257	90	32	50	12	23	207	9	21	7	15	8	21	72	4%	23%	22%	30%	67%	91%	35%	71%

INDIVIDUAL APPENDIX 2

STATE	EXISTING INDIVIDUAL MARKET PARTICIPANTS					NEW INDIVIDUAL MARKET ENTRANTS																
	2012 INSURERS WITH ANY MARKET SHARE	2012 INSURERS WITH 1% + MARKET SHARE	2012 INSURERS WITH 5% + MARKET SHARE	TOTAL EXCHANGE PARTICI- PATING INSURERS	TOTAL EXCHANGE INSURERS TOTAL STATE	NUMBER OF INSURERS	% OF EXCHANGE INSURERS	OFFERING TOTAL STATE	OFFERING ALL METALLIC TIERS	2012 INDIVIDUAL MARKET SHARE REPRE- SENTED ON EXCHANGE	NUMBER OF INSURERS	% OF EXCHANGE INSURERS	OFFERING TOTAL STATE	OFFERING ALL METALLIC TIERS	MEDICAID				EXISTING STATE GROUP	PRO- CO- OP	PRO- OWNED	
															(NON- PRO- VIDER)	MEDICAID (PRO- VIDER)	EXISTING STATE GROUP	PRO- OWNED				
AK	10	7	5	2	2	2	100%	2	0	67%	0	0%	0	0	0	0	0	0	0	0	0	0
AL	17	3	2	2	1	2	100%	1	2	93%	0	0%	0	0	0	0	0	0	0	0	0	0
AR	18	6	3	3	1	3	100%	1	0	86%	0	0%	0	0	0	0	0	0	0	0	0	0
AZ	19	8	5	8	5	5	63%	4	2	68%	3	38%	1	0	0	1	0	1	0	1	1	1
DE	13	6	4	2	2	2	100%	2	1	57%	0	0%	0	0	0	0	0	0	0	0	0	0
FL	20	9	5	9	1	7	78%	1	2	80%	2	22%	0	0	1	0	1	0	1	0	0	0
GA	20	8	5	5	1	5	100%	1	1	65%	0	0%	0	0	0	0	0	0	0	0	0	0
IA	20	4	2	4	2	1	25%	1	0	5%	3	75%	1	3	0	0	0	2	1	0	0	0
IL	22	9	3	6	2	5	83%	1	1	84%	1	17%	1	0	0	0	0	0	1	0	0	0
IN	23	10	3	4	1	3	75%	1	0	65%	1	25%	0	0	0	1	0	0	0	0	0	0
KS	21	8	5	3	1	3	100%	1	1	79%	0	0%	0	0	0	0	0	0	0	0	0	0
LA	17	7	3	4	2	3	75%	1	1	84%	1	25%	1	1	0	0	0	0	1	0	0	0
ME	11	3	3	2	2	1	50%	1	0	49%	1	50%	1	0	0	0	0	0	1	0	0	0
MI	27	10	3	9	1	6	67%	1	2	63%	3	33%	0	0	2	0	0	0	1	0	0	0
MO	22	9	5	3	0	3	100%	0	0	62%	0	0%	0	0	0	0	0	0	0	0	0	0
MS	17	6	3	2	0	2	100%	0	1	11%	0	0%	0	0	0	0	0	0	0	0	0	0
MT	16	7	3	3	3	2	67%	2	0	67%	1	33%	1	1	0	0	0	0	1	0	0	0
NC	16	5	1	2	1	2	100%	1	1	90%	0	0%	0	0	0	0	0	0	0	0	0	0
ND	13	6	3	3	2	3	100%	2	0	82%	0	0%	0	0	0	0	0	0	0	0	0	0
NE	19	5	3	4	2	2	50%	1	0	72%	2	50%	1	1	0	0	0	0	1	1	1	1
NH	11	4	3	1	1	1	100%	1	0	81%	0	0%	0	0	0	0	0	0	0	0	0	0
NJ	10	4	3	3	3	2	67%	2	0	83%	1	33%	1	1	0	0	0	0	1	0	0	0
OH	26	9	3	11	2	9	82%	2	0	77%	2	18%	0	0	2	0	0	0	0	0	0	0
OK	19	6	3	5	1	4	80%	1	1	71%	1	20%	0	0	0	0	0	1	0	0	0	0
PA	21	9	5	8	0	8	100%	0	4	90%	0	0%	0	0	0	0	0	0	0	0	0	0
SC	17	8	3	3	2	2	67%	1	0	60%	1	33%	1	0	0	0	0	0	1	0	0	0
SD	20	7	3	3	3	3	100%	3	1	17%	0	0%	0	0	0	0	0	0	0	0	0	0
TN	18	8	4	4	1	3	75%	1	1	48%	1	25%	0	0	0	0	0	0	0	1	0	0
TX	25	9	4	11	1	7	64%	1	1	82%	4	36%	0	0	1	3	0	0	0	0	0	0
UT	15	6	4	6	4	4	67%	3	1	94%	2	33%	1	0	1	0	0	1	0	1	0	0
VA	19	7	3	6	0	5	83%	0	1	91%	1	17%	0	0	0	0	0	1	0	0	0	0
WI	29	12	6	13	0	10	77%	0	3	61%	3	23%	0	1	1	1	1	0	1	0	1	0
WV	18	7	4	1	1	1	100%	1	0	55%	0	0%	0	0	0	0	0	0	0	0	0	0
WY	16	11	4	2	2	2	100%	2	1	40%	0	0%	0	0	0	0	0	0	0	0	0	0
Composite	625	243	121	157	53	123	78%	43	29	73%	34	22%	10	8	8	6	5	13	2	2	2	2

SHOP APPENDIX 2

STATE	2012					EXISTING SMALL GROUP MARKET PARTICIPANTS					NEW SMALL GROUP MARKET ENTRANTS								
	INSURERS WITH ANY MARKET SHARE	INSURERS WITH 1%+ MARKET SHARE	INSURERS WITH 5%+ MARKET SHARE	TOTAL EXCHANGE PARTICIPATING INSURERS	TOTAL EXCHANGE OFFERING INSURERS	NUMBER OF INSURERS	% OF EXCHANGE	OFFERING TOTAL STATE	OFFERING ALL METALLIC TIERS	2012 SMALL GROUP MARKET SHARE REPRESENTED ON EXCHANGE	NUMBER OF INSURERS	% OF EXCHANGE	OFFERING TOTAL STATE	OFFERING ALL METALLIC TIERS	MEDICAID (NON-PROVIDER)	MEDICAID (PROVIDER)	EXISTING STATE GROUP	CO-OP	PRO-OWNED
AK	6	6	4	2	2	2	100%	2	0	75%	0	0%	0	0	0	0	0	0	0
AL	9	2	1	2	2	2	100%	2	2	99%	0	0%	0	0	0	0	0	0	0
AR	11	4	3	1	1	1	100%	1	0	61%	0	0%	0	0	0	0	0	0	0
AZ	13	7	5	3	3	2	67%	2	1	47%	1	33%	1	0	0	0	0	1	0
DE	8	5	3	2	2	2	100%	2	0	88%	0	0%	0	0	0	0	0	0	0
FL	12	7	4	2	1	2	100%	1	2	34%	0	0%	0	0	0	0	0	0	0
GA	22	8	5	3	1	3	100%	1	0	42%	0	0%	0	0	0	0	0	0	0
IA	15	5	3	5	1	4	80%	0	3	2%	1	20%	1	1	0	0	0	1	0
IL	26	7	4	3	2	2	67%	1	0	63%	1	33%	1	0	0	0	0	1	0
IN	26	12	3	2	1	2	100%	1	1	62%	0	0%	0	0	0	0	0	0	0
KS	14	6	5	2	-	2	100%	0	0	67%	0	0%	0	0	0	0	0	0	0
LA	10	4	3	3	2	2	67%	1	1	82%	1	33%	1	1	0	0	0	1	0
ME	6	4	3	2	2	1	50%	1	0	48%	1	50%	1	0	0	0	0	1	0
MI	23	11	2	7	1	6	86%	1	3	87%	1	14%	0	0	0	0	0	1	0
MO	18	9	4	2	-	2	100%	0	0	56%	0	0%	0	0	0	0	0	0	0
MT	9	5	4	3	3	2	67%	2	0	79%	1	33%	1	1	0	0	0	1	0
NC	14	5	3	1	1	1	100%	1	1	62%	0	0%	0	0	0	0	0	0	0
ND	6	4	2	3	2	3	100%	2	2	98%	0	0%	0	0	0	0	0	0	0
NE	15	6	3	4	2	2	50%	1	0	76%	2	50%	1	1	0	0	0	1	1
NH	7	3	3	1	1	1	100%	1	0	75%	0	0%	0	0	0	0	0	0	0
NJ	7	4	4	3	3	2	67%	2	1	69%	1	33%	1	1	0	0	0	1	0
OH	28	9	3	5	2	5	100%	2	2	76%	0	0%	0	0	0	0	0	0	0
OK	16	5	5	3	1	3	100%	1	2	65%	0	0%	0	0	0	0	0	0	0
PA	19	9	6	6	-	6	100%	0	3	72%	0	0%	0	0	0	0	0	0	0
SC	13	5	4	2	2	1	50%	1	0	67%	1	50%	1	1	0	0	0	1	0
SD	11	7	3	3	3	3	100%	3	2	34%	0	0%	0	0	0	0	0	0	0
TN	14	5	3	2	1	1	50%	1	0	70%	1	50%	0	1	0	0	0	1	0
TX	25	6	4	2	1	2	100%	1	0	51%	0	0%	0	0	0	0	0	0	0
VA	15	7	5	4	-	4	100%	0	2	81%	0	0%	0	0	0	0	0	0	0
WI	26	18	7	8	-	7	88%	0	6	17%	1	13%	0	0	0	0	0	1	0
WV	13	5	2	1	1	1	100%	1	0	66%	0	0%	0	0	0	0	0	0	0
WY	7	7	4	2	2	2	100%	2	1	64%	0	0%	0	0	0	0	0	0	0
Composite	464	207	117	94	46	81	86%	37	35	71%	13	14%	9	7	0	0	0	12	1

INDIVIDUAL APPENDIX 3

STATE	AVERAGE NUMBER OF INSURERS OFFERING QHP TO CONSUMER						MINIMUM NUMBER OF INSURERS OFFERING QHP TO CONSUMER						MAXIMUM NUMBER OF INSURERS OFFERING QHP TO CONSUMER					
	CAT	BRONZE	SILVER	GOLD	PLATINUM	COMPOSITE	CAT	BRONZE	SILVER	GOLD	PLATINUM	COMPOSITE	CAT	BRONZE	SILVER	GOLD	PLATINUM	COMPOSITE
AK	1.0	2.0	2.0	2.0	0.0	2.0	1	2	2	2	0	2	1	2	2	2	0	2
AL	1.3	1.3	1.3	1.3	1.3	1.3	1	1	1	1	1	1	2	2	2	2	2	2
AR	1.8	2.4	2.4	2.4	0.0	2.4	1	1	1	1	0	1	2	3	3	3	0	3
AZ	4.7	7.6	7.6	7.6	2.7	7.6	3	6	6	6	1	6	6	8	8	8	3	8
DE	2.0	2.0	2.0	2.0	1.0	2.0	2	2	2	2	1	2	2	2	2	2	1	2
FL	3.0	4.6	4.6	4.6	1.6	4.6	1	1	1	1	1	1	4	8	8	8	2	8
GA	2.4	2.8	2.8	2.8	0.8	2.8	1	1	1	1	0	1	3	5	5	5	1	5
IA	2.1	2.1	2.1	2.1	1.1	2.1	2	2	2	2	1	2	3	3	3	3	2	3
IL	3.4	4.4	4.4	4.4	0.6	4.4	2	3	3	3	0	3	4	5	5	5	1	5
IN	1.4	2.4	2.4	2.4	0.0	2.4	1	1	1	1	0	1	2	4	4	4	0	4
KS	1.7	2.0	2.0	2.0	0.7	2.0	1	2	2	2	0	2	2	2	2	2	1	2
LA	1.1	2.9	2.9	2.9	2.9	2.9	1	2	2	2	2	2	2	4	4	4	4	4
ME	2.0	2.0	2.0	2.0	0.0	2.0	2	2	2	2	0	2	2	2	2	2	0	2
MI	4.5	4.3	5.3	5.3	1.6	5.3	1	1	1	1	0	1	6	6	8	8	3	8
MO	1.7	2.0	2.0	2.0	0.0	2.0	0	1	1	1	0	1	2	2	2	2	0	2
MS	0.5	1.2	1.2	1.2	0.2	1.2	0	1	1	1	0	1	1	2	2	2	1	2
MT	3.0	3.0	3.0	3.0	1.0	3.0	3	3	3	3	1	3	3	3	3	3	1	3
NC	1.6	1.6	1.6	1.6	1.0	1.6	1	1	1	1	1	1	2	2	2	2	1	2
ND	2.9	2.9	2.9	2.9	0.0	2.9	2	2	2	2	0	2	3	3	3	3	0	3
NE	3.5	3.5	3.5	3.5	1.0	3.5	2	2	2	2	1	2	4	4	4	4	1	4
NH	1.0	1.0	1.0	1.0	0.0	1.0	1	1	1	1	0	1	1	1	1	1	0	1
NJ	2.0	3.0	3.0	3.0	2.0	3.0	2	3	3	3	2	3	2	3	3	3	2	3
OH	3.1	4.0	5.0	5.0	0.2	5.0	2	2	2	2	0	2	5	6	7	7	1	7
OK	3.1	3.8	3.8	3.8	1.2	3.8	1	1	1	1	0	1	4	5	5	5	2	5
PA	3.0	3.0	3.0	3.0	1.4	3.0	2	2	2	2	1	2	4	5	5	5	2	5
SC	2.6	2.6	2.6	2.6	0.0	2.6	2	2	2	2	0	2	3	3	3	3	0	3
SD	3.0	3.0	3.0	3.0	1.0	3.0	3	3	3	3	1	3	3	3	3	3	1	3
TN	1.4	2.9	2.9	2.9	1.6	2.9	0	1	1	1	1	1	2	4	4	4	2	4
TX	2.2	3.5	3.9	3.9	0.4	3.9	1	1	1	1	0	1	4	7	7	7	1	7
UT	3.5	5.3	5.3	5.3	0.5	5.3	3	4	4	4	0	4	4	6	6	6	1	6
VA	3.0	3.0	3.0	3.0	0.3	3.0	1	1	1	1	0	1	5	5	5	5	1	5
WI	3.2	3.2	3.8	3.8	1.0	3.8	0	0	1	1	0	1	5	5	6	6	3	6
WV	1.0	1.0	1.0	1.0	0.0	1.0	1	1	1	1	0	1	1	1	1	1	0	1
WY	2.0	2.0	2.0	2.0	1.0	2.0	2	2	2	2	1	2	2	2	2	2	1	2
Composite	2.6	3.3	3.5	3.5	0.9	3.5	0	0	1	1	0	1	6	8	8	8	4	8

Notes:
 1. State averages determined based on weighting estimated under 65 population of individual counties within state.
 2. Minimum and maximum statistics reflect county level insurer options.

SHOP APPENDIX 3

STATE	AVERAGE NUMBER OF INSURERS OFFERING QHP TO CONSUMER					MINIMUM AMOUNT OF INSURERS OFFERING QHP TO CONSUMER					MAXIMUM AMOUNT OF INSURERS OFFERING QHP TO CONSUMER				
	BRONZE	SILVER	GOLD	PLATINUM	COMPOSITE	BRONZE	SILVER	GOLD	PLATINUM	COMPOSITE	BRONZE	SILVER	GOLD	PLATINUM	COMPOSITE
AK	2.0	2.0	2.0	0.0	2.0	2	2	2	0	2	2	2	2	0	2
AL	2.0	2.0	2.0	2.0	2.0	2	2	2	2	2	2	2	2	2	2
AR	1.0	1.0	1.0	0.0	1.0	1	1	1	0	1	1	1	0	1	
AZ	3.0	3.0	3.0	1.0	3.0	3	3	3	1	3	3	3	3	1	3
DE	2.0	2.0	2.0	0.0	2.0	2	2	2	0	2	2	2	2	0	2
FL	0.1	1.0	1.0	0.1	1.0	0	1	1	0	1	1	2	2	1	2
GA	1.6	1.8	1.8	0.0	1.8	1	1	1	0	1	2	3	3	0	3
IA	1.2	1.2	1.2	1.2	1.2	1	1	1	1	1	3	3	3	3	3
IL	2.3	2.3	2.3	0.0	2.3	2	2	2	0	2	3	3	3	0	3
IN	1.4	1.4	1.4	0.4	1.4	1	1	1	0	1	2	2	2	1	2
KS	0.7	1.0	1.0	0.0	1.0	0	1	1	0	1	1	1	1	0	1
LA	2.8	2.8	2.8	1.8	2.8	2	2	2	1	2	3	3	3	2	3
ME	2.0	2.0	2.0	0.0	2.0	2	2	2	0	2	2	2	2	0	2
MI	4.6	5.4	5.4	2.6	5.4	0	1	1	0	1	6	7	7	4	7
MO	0.7	1.0	1.0	0.0	1.0	0	1	1	0	1	1	1	1	0	1
MT	3.0	3.0	3.0	1.0	3.0	3	3	3	1	3	3	3	3	1	3
NC	1.0	1.0	1.0	1.0	1.0	1	1	1	1	1	1	1	1	1	1
ND	2.4	2.4	2.4	2.0	2.4	2	2	2	2	2	3	3	3	2	3
NE	3.5	3.5	3.5	1.0	3.5	2	2	2	1	2	4	4	4	1	4
NH	1.0	1.0	1.0	0.0	1.0	1	1	1	0	1	1	1	1	0	1
NJ	3.0	3.0	3.0	2.0	3.0	3	3	3	2	3	3	3	3	2	3
OH	2.2	3.2	3.2	0.5	3.2	1	2	2	0	2	4	5	5	2	5
OK	2.3	2.3	2.3	1.3	2.3	1	1	1	0	1	3	3	3	2	3
PA	1.1	2.0	2.0	1.0	2.0	1	1	1	0	1	3	4	4	2	4
SC	1.0	2.0	2.0	1.0	2.0	1	2	2	1	2	1	2	2	1	2
SD	2.0	3.0	3.0	2.0	3.0	2	3	3	2	3	2	3	3	2	3
TN	0.8	1.8	1.8	0.8	1.8	0	1	1	0	1	1	2	2	1	2
TX	1.1	1.1	1.1	0.0	1.1	1	1	1	0	1	2	2	2	0	2
VA	2.3	2.3	2.3	0.6	2.3	1	1	1	0	1	3	3	3	2	3
WI	1.9	1.9	1.9	1.2	1.9	0	0	0	0	0	3	3	3	3	3
WV	1.0	1.0	1.0	0.0	1.0	1	1	1	0	1	1	1	1	0	1
WY	2.0	2.0	2.0	1.0	2.0	2	2	2	1	2	2	2	2	1	2
Composite	1.7	2.0	2.0	0.7	2.0	0	0	0	0	0	6	7	7	4	7

Notes:
 1. State averages determined based on weighting estimated under 65 population of individual counties within state.
 2. Minimum and maximum statistics reflect county level insurer options.

INDIVIDUAL APPENDIX 4

STATE	AVERAGE NUMBER OF QHPS AVAILABLE TO CONSUMER						MINIMUM NUMBER OF QHPS AVAILABLE TO CONSUMER						MAXIMUM NUMBER OF QHPS AVAILABLE TO CONSUMER					
	CAT	BRONZE	SILVER	GOLD	PLATINUM	COMPOSITE	CAT	BRONZE	SILVER	GOLD	PLATINUM	COMPOSITE	CAT	BRONZE	SILVER	GOLD	PLATINUM	COMPOSITE
AK	1.0	11.0	11.0	7.0	0.0	30.0	1	11	11	7	0	30	1	11	11	7	0	30
AL	1.3	1.3	2.3	2.3	1.3	8.3	1	1	2	2	1	7	2	2	3	3	2	12
AR	2.3	10.3	8.0	9.3	0.0	29.9	1	4	3	3	0	11	3	14	11	13	0	41
AZ	7.6	22.6	37.4	31.0	12.6	111.1	5	17	27	22	6	78	9	24	40	33	14	119
DE	2.0	4.0	5.0	9.0	1.0	21.0	2	4	5	9	1	21	2	4	5	9	1	21
FL	3.5	28.1	34.1	26.2	13.9	105.8	1	6	8	7	5	27	14	42	48	45	23	169
GA	3.6	12.4	11.6	7.8	2.0	37.5	1	6	5	3	0	15	5	22	24	15	3	67
IA	4.6	9.3	9.0	7.6	3.0	33.5	3	6	6	5	2	22	7	14	15	10	5	47
IL	4.5	16.7	18.1	16.5	1.6	57.4	2	7	11	11	0	34	6	22	21	19	3	71
IN	1.4	11.0	8.7	5.3	0.0	26.5	1	7	5	3	0	16	2	21	20	11	0	54
KS	4.4	7.8	12.3	7.7	1.5	33.7	1	4	7	5	0	17	6	10	15	9	2	42
LA	1.9	10.5	10.5	11.0	5.4	39.3	1	7	7	7	2	24	4	15	15	15	9	58
ME	2.0	7.0	6.0	4.0	0.0	19.0	2	7	6	4	0	19	2	7	6	4	0	19
MI	5.5	9.5	16.9	14.1	2.2	48.2	1	1	2	2	0	6	7	12	21	18	4	62
MO	2.1	7.5	6.5	4.4	0.0	20.5	0	1	3	2	0	6	3	10	7	5	0	25
MS	0.5	5.1	5.1	4.8	0.2	15.8	0	2	2	1	0	6	1	8	8	7	1	24
MT	3.0	8.0	10.0	7.0	1.0	29.0	3	8	10	7	1	29	3	8	10	7	1	29
NC	2.2	5.8	9.2	4.7	1.5	23.4	1	3	6	3	1	14	3	8	12	6	2	31
ND	2.9	8.7	8.7	11.7	0.0	32.0	2	5	5	8	0	20	3	9	9	12	0	33
NE	4.3	15.3	8.9	6.3	1.0	35.9	2	10	4	3	1	20	6	20	13	9	1	49
NH	1.0	5.0	3.0	2.0	0.0	11.0	1	5	3	2	0	11	1	5	3	2	0	11
NJ	2.0	8.0	12.1	8.0	3.0	33.0	2	6	9	6	3	26	2	8	13	8	3	34
OH	3.3	18.2	14.5	12.1	0.2	48.2	2	13	7	6	0	28	8	41	44	29	1	122
OK	3.1	13.3	13.3	13.2	4.4	47.2	1	5	5	5	0	17	4	18	18	18	7	65
PA	4.0	9.4	14.0	10.7	2.4	40.5	3	7	7	6	1	27	6	15	27	19	5	69
SC	3.6	8.1	12.6	5.6	0.0	29.8	3	7	12	5	0	27	4	9	13	6	0	32
SD	3.0	6.0	13.0	12.0	1.0	35.0	3	6	13	12	1	35	3	6	13	12	1	35
TN	1.4	11.1	24.7	17.2	5.8	60.2	0	5	13	9	3	30	2	14	30	21	7	74
TX	2.2	11.9	14.0	11.1	0.4	39.7	1	5	6	6	0	18	4	25	30	20	1	80
UT	5.1	22.8	30.3	21.3	0.5	80.1	3	12	15	11	0	41	6	26	34	24	1	91
VA	4.5	15.3	10.9	7.6	0.6	38.8	1	5	5	3	0	14	8	24	16	11	2	59
WI	4.7	20.4	30.0	15.5	4.9	75.6	0	0	1	1	0	2	8	34	52	32	19	143
WV	1.0	3.0	4.0	5.0	0.0	13.0	1	3	4	5	0	13	1	3	4	5	0	13
WY	2.0	4.0	5.0	5.0	2.0	18.0	2	4	5	5	2	18	2	4	5	5	2	18
Composite	3.3	13.2	16.0	12.2	3.1	47.7	0	0	1	1	0	2	14	42	52	45	23	169

Notes:
 1. State averages determined based on weighting estimated under 65 population of individual counties within state.
 2. Minimum and maximum statistics reflect county level QHP options.

SHOP APPENDIX 4

STATE	AVERAGE NUMBER OF QHPS AVAILABLE TO CONSUMER					MINIMUM AMOUNT OF QHPS AVAILABLE TO CONSUMER					MAXIMUM AMOUNT OF QHPS AVAILABLE TO CONSUMER				
	BRONZE	SILVER	GOLD	PLATINUM	COMPOSITE	BRONZE	SILVER	GOLD	PLATINUM	COMPOSITE	BRONZE	SILVER	GOLD	PLATINUM	COMPOSITE
AK	6.0	6.0	6.0	0.0	18.0	6	6	6	0	18	6	6	6	0	18
AL	4.0	5.0	5.0	3.0	17.0	4	5	5	3	17	4	5	5	3	17
AR	1.0	1.0	1.0	0.0	3.0	1	1	1	0	3	1	1	1	0	3
AZ	9.0	38.4	24.9	19.5	91.9	5	24	15	12	56	10	44	28	22	104
DE	4.0	4.0	3.0	0.0	11.0	4	4	3	0	11	4	4	3	0	11
FL	0.5	2.6	3.1	0.5	6.6	0	1	1	0	2	8	10	16	8	40
GA	2.8	3.7	3.0	0.0	9.5	1	1	1	0	3	4	7	5	0	16
IA	6.3	6.7	6.4	3.2	22.5	4	4	4	2	14	16	16	11	7	49
IL	6.7	14.5	11.8	0.0	33.0	3	8	7	0	18	8	18	14	0	39
IN	14.2	25.5	14.4	5.0	59.1	2	2	1	0	5	31	58	33	12	134
KS	1.5	1.7	1.0	0.0	4.2	0	1	1	0	2	2	2	1	0	5
LA	3.6	8.2	15.8	2.6	30.1	2	6	13	1	22	4	9	17	3	33
ME	3.0	3.0	2.0	0.0	8.0	3	3	2	0	8	3	3	2	0	8
MI	7.2	16.5	18.0	10.0	51.8	0	1	1	0	2	10	21	23	14	68
MO	0.7	1.0	1.0	0.0	2.7	0	1	1	0	2	1	1	1	0	3
MT	6.0	10.0	5.0	1.0	22.0	6	10	5	1	22	6	10	5	1	22
NC	2.0	3.0	3.0	1.0	9.0	2	3	3	1	9	2	3	3	1	9
ND	2.4	5.4	8.4	5.0	21.3	2	5	8	5	20	3	6	9	5	23
NE	12.0	9.9	9.4	1.0	32.3	8	5	5	1	19	15	14	13	1	43
NH	1.0	1.0	1.0	0.0	3.0	1	1	1	0	3	1	1	1	0	3
NJ	7.0	10.1	10.0	2.0	29.0	5	7	8	2	22	7	11	10	2	30
OH	4.5	7.7	8.7	1.8	22.7	2	5	2	0	9	13	18	29	13	73
OK	9.8	15.5	11.9	6.7	44.0	2	4	2	0	8	14	22	18	11	65
PA	4.7	13.1	9.3	5.7	32.8	2	5	4	0	11	9	28	15	9	60
SC	1.0	5.0	5.0	1.0	12.0	1	5	5	1	12	1	5	5	1	12
SD	2.0	7.0	5.0	2.0	16.0	2	7	5	2	16	2	7	5	2	16
TN	0.8	3.3	3.3	0.8	8.2	0	1	1	0	2	1	4	4	1	10
TX	4.2	8.1	4.2	0.0	16.6	4	8	4	0	16	6	9	6	0	21
VA	6.6	7.0	4.3	1.6	19.5	1	1	1	0	3	10	11	7	5	31
WI	7.7	12.8	12.5	5.8	38.8	0	0	0	0	0	18	26	27	30	86
WV	1.0	1.0	2.0	0.0	4.0	1	1	2	0	4	1	1	2	0	4
WY	4.0	5.0	5.0	2.0	16.0	4	5	5	2	16	4	5	5	2	16
Composite	4.6	9.3	7.6	2.6	24.2	0	0	0	0	0	31	58	33	30	134

Notes:
 1. State averages determined based on weighting estimated under 65 population of individual counties within state.
 2. Minimum and maximum statistics reflect county level QHP options.

APPENDIX: METHODOLOGY

2012 Medical Loss Ratio Data overview

Section 2718 of the Patient Protection and Affordable Care Act (ACA) institutes minimum medical loss ratio requirements for health insurers in the individual, small group, and large group markets. The CCIIO within the Centers for Medicare and Medicaid Services (CMS) has publicly released the 2012 Medical Loss Ratio Reporting Data (MLR Data) that was used to fulfill and measure the minimum medical loss ratio requirements under the ACA. We have summarized and analyzed the MLR Data made available through CCIIO's website (<http://www.cms.gov/CCIIO/Resources/Data-Resources/mlr.html>) as of August 1, 2013.

The MLR Data contains health insurance issuer reported experience at the state and market level. Business under the medical loss ratio requirements is split between comprehensive (annual limit greater than \$250,000), mini-med (annual limit at or less than \$250,000), and expatriate. Data for comprehensive and mini-med business is split separately between the individual, small group, and large group markets. Individual market values exclude limited benefit plans, dread-disease policies, accident-only coverage, and other policies that are not considered comprehensive health insurance. The small group and large group categories exclude self-funded employers, many of which purchase stop-loss insurance. Business written through an association is included in the 2012 MLR Data based on the insured entity's individual, small group, or large group status.

The analyses presented in this report were based upon values from the 2012 Medical Loss Ratio Reporting Forms meeting the following criteria:

- Health insurance coverage lines of business
- Business in the 50 states and the District of Columbia
- Not identified as non-comprehensive health insurance coverage based upon a review of the reported values by the authors of this report

Values for certain affiliate companies were combined for analyses presented in this report in a way to avoid double counting of enrollment values.

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Federal exchange premium data

Federal exchange premium data was summarized from the following databases:

Individual:

<https://www.healthcare.gov/health-plan-information/>

Small Group:

<https://www.healthcare.gov/shop-health-plan-information/>

Insurers listed in the federal exchange premium data were linked to National Association of Insurance Commissioner (NAIC) company and group codes. NAIC company and group codes were used to link exchange premium information to the 2012 MLR Data. To the extent that an insurer was acquired or purchased in 2013, the transaction will not be reflected in our analysis. SNL Financial was used to determine state Medicaid enrollment for insurers listed in the individual exchange and SHOP exchange data.

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