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Covered California projects individual plan premiums to rise 12.5 percent statewide

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Covered California, the state's health insurance exchange, projects that premiums for health plans purchased on the individual market will increase by an average of 12.8 percent statewide in 2018.

Premium increases are expected to be less than half that in the Sacramento region, however.

If the projections released Tuesday hold true, it will be the second straight year of double-digit rate increases statewide on the individual market.

Congress' effort to repeal and replace the Affordable Care Act contributed to conditions that led to the rate increases, according to [Peter Lee](#), executive director of Covered California. "We prepared these rates in the midst of great uncertainty," he said.

Regionally, the average rate increase across all plans is projected at 5.7 percent in 2018. Premiums for the highest-priced, silver-tier plan are projected to increase 11 percent and the lowest-price silver plan is projected to increase 2.5 percent. The lowest-priced, bronze-tier plan is projected to increase 6.6 percent in the region.

"Sacramento has a particularly diverse and competitive insurance marketplace," said [Cerrina Jensen](#), consultant at [CoreMark Insurance Services Inc.](#) and former president of the Sacramento Association of Health Underwriters. "That's why you see a more stable market than in other parts of California."

Jensen specifically highlighted Kaiser Permanente and [Western Health Advantage](#) as premiere HMO plans that are available to most consumers in the Sacramento area.

"When you have those providers competing for consumers' premium dollars, you see lower rates," she said.

The Sacramento area, however, did lose one major insurance provider. [Anthem Blue Cross](#), a major health plan on the individual market in the past, announced that it will no longer offer coverage in most of California. The plan only will be available in three of the state's 19 coverage regions: Northern California,



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Covered California executive director Peter Lee

Santa Clara and a portion of Central California. Anthem will be pulling its HMO and exclusive provider organization plans from the greater Sacramento region.

Lee said Covered California pushed hard in negotiations to keep Anthem in those three remaining regions. Nevertheless, an estimated 153,000 consumers will need to purchase new plans as a result of Anthem dropping out of most coverage regions.

“The deterioration of the individual market, uncertainty regarding cost sharing reduction subsidies and the restoration of taxes on fully insured coverage ... simply does not provide a sustainable path forward to providing affordable plan choices for all California consumers,” Anthem said in a statement.

According to Anthem, the decision will not affect consumers with employer-based plans or consumers on Medi-Cal and Medicare.

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