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NEWS RELEASE

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Actuaries Identify Drivers of 2019 Health Insurance Premium Changes

WASHINGTON—The American Academy of Actuaries has identified increasing health care costs and the effects of public policy changes as among the major drivers of 2019 premium rate changes for individual insurance coverage that is subject to Affordable Care Act (ACA) rules.

“The individual market, which had shown signs of stabilizing, now faces a potential deterioration of the risk pool due to policy changes that reduce incentives for healthy individuals to enroll in ACA marketplace plans. This deterioration and other factors could drive premiums higher for 2019,” said Academy Senior Health Fellow Cori Uccello.

[*Drivers of 2019 Health Insurance Premium Changes*](#), an issue brief authored by the Academy’s Individual and Small Group Markets Committee, details the rate change drivers, including:

- **Underlying growth in health care costs.** Projected increases in health care costs for 2019 are expected to be in the range of 5 to 8 percent, similar to the increases projected for 2018.
- **Recent and pending public policy changes.** Insurers may be adjusting rates to account for the effects of the elimination of the individual mandate penalty, the pending availability of short-term limited duration plans and association health plans, and potential changes to how insurers load premiums to reflect the costs of providing cost-sharing reduction subsidies.
- **Changes in the risk pool composition and insurer assumptions.** In addition to expected risk pool changes due to public policy changes, insurer assumptions for 2019 will reflect whether experience has differed from what was assumed for 2018 premiums.

(MORE)

- **State actions.** Actions undertaken by individual states could have an impact on 2019 premiums, such as new state reinsurance programs, the imposition of individual mandate penalties, and rules that would either facilitate or prohibit the sale of plans that don't comply with ACA requirements.

One of the factors broadly exerting downward pressure on premium rates for 2019 is the suspension of the health insurance provider fee, per the Extension of Continuing Appropriations Act of 2018.

Excluding this fee will reduce expected 2019 premiums by about 1 to 3 percent.

Download the [issue brief](#) and other analysis of health policy issues from the Academy at actuary.org.

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The American Academy of Actuaries is a 19,000-member professional association whose mission is to serve the public and the U.S. actuarial profession. For more than 50 years, the Academy has assisted public policymakers on all levels by providing leadership, objective expertise, and actuarial advice on risk and financial security issues. The Academy also sets qualification, practice, and professionalism standards for actuaries in the United States.