



How States Can Stabilize Their Individual and Small Group Markets

While the U.S. has made significant strides in expanding access to health insurance, the price of coverage is still too expensive for many Americans. States best understand their healthcare markets, and the federal government should provide additional support to states to ensure more affordable healthcare coverage is available to all Americans.

KEY FACTS

Individual market premiums

INCREASED BY
on average
from 2017-2018 **30%**

5% of people who buy coverage in the individual market represent almost **60%** of healthcare claims costs.



Reinsurance programs can **LOWER PREMIUMS** in the individual market by **20%** or more

BCBSA RECOMMENDS

Action is needed to support states so they can implement reforms that will make coverage more affordable in their markets. BCBSA urges policymakers to take three key actions to promote state flexibility in meeting local needs.

1 ENCOURAGE STATES TO IMPLEMENT SECTION 1332 WAIVERS

- States should pursue Section 1332 State Innovation Waivers to finance reinsurance mechanisms that will help pay for very high-cost medical claims and will reduce premiums for everyone who purchases coverage in the individual market.
- HHS should create models that make it easier for states to determine the amount of reinsurance funding needed to have a meaningful impact on insurance premiums.
- HHS should encourage and support state innovation that improves affordability and increases coverage.

2 PROVIDE FEDERAL FUNDING TO SUPPORT STATE PROGRAMS

- States recognize the value of reinsurance programs. Three states (Alaska, Oregon and Minnesota) have programs in place, seven (Louisiana, Maryland, Maine, New Jersey, Oklahoma, Virginia and Wisconsin) enacted legislation this year and eight others are working on legislation.
- Congress should provide additional funding to support state efforts in developing and establishing premium reduction strategies, such as reinsurance programs.

3 POLICYMAKERS SHOULD ENSURE A LEVEL PLAYING FIELD

- All insurance companies offering products in the individual market should play by the same rules that promote competition, prevent adverse selection and protect consumers.
- Policymakers should implement appropriate guardrails to ensure a level playing field while promoting innovation and consumer choice.
- Short-term policies and Association Health Plans should be held to the same consumer protection standards as any other individual health insurance policy. Among many other provisions, BCBSA and the vast majority of Americans believe that health insurance policies should not be restricted due to pre-existing medical conditions