

# Wyoming Health Insurance Market Study Overview

**September 14, 2011**

Gorman Actuarial, LLC

# Agenda

- **Wyoming Health Insurance Market Study**
  - **Project Goals**
  - **Overview of WY Market**
  - **Carrier Survey**

# Project Goals

## ○ **Wyoming Market Study**

- Estimate Baseline Population (Number of Members, Groups)
  - Individual Market
  - Wyoming Health Insurance Pool (WHIP)
  - Small Group Market
  - Large Group (51 to 100) Market
  - Uninsured Population
- Summary of rating environment within the markets and how the limitations within ACA will impact premiums
  - Analysis will be based on carrier interviews, survey responses and our experience in modeling and analysis performed in other states
  - Impact of restrictions on health underwriting, age, gender, geography, tobacco, group size

# Project Goals

- **Wyoming Market Study**
  - High Level Impact of the essential benefit requirement
    - Greatest impact on the Individual market
    - Based on carrier data we will estimate the actuarial value of plans currently sold in the WY markets. We will then estimate the impact of the essential benefit requirement.
  - Impact of the newly insured on the Individual market
    - Estimate the enrollment within the Exchange
    - Estimate the premium impact

# Project Goals

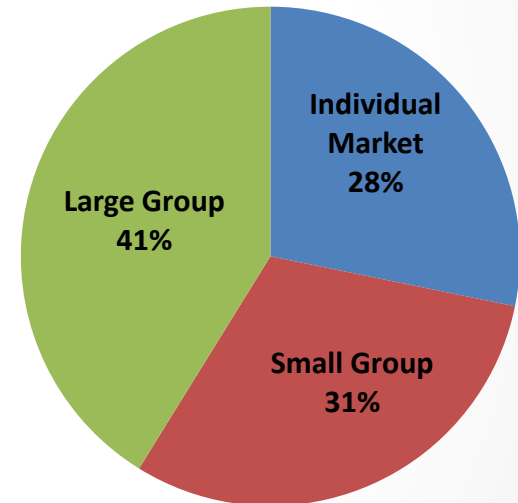
- **Wyoming Market Study**
  - Merged Market Analysis
    - High Level Premium Impact of merging the following market segments:
      - IND + WHIP
      - IND + SG + WHIP
      - SG + LG(51 to 100)
      - IND + SG + LG(51 to 100) + WHIP

# WY Market

## ○ Analysis of Wyoming Supplemental Health Care Exhibits, Current Population Survey (CPS) and Medical Expenditure Panel Survey (MEPS)

- Fully Insured Market
  - 85,000 Covered Lives
    - 24,000 Individual Market
    - 26,000 Small Group Market
    - 35,000 Large Group Market
  - 46,000 Policyholders
  - 2,500 Groups
  - **Medical Loss Ratio\***
    - Individual Market: **0.79**
    - Small Group Market: **0.84**
    - Large Group Market: **0.93**

Covered Lives YE 2010



\* Medical Loss Ratio defined as CY2010 Incurred Claims divided by CY 2010 Earned Premium

# WY Market

- **Analysis of Wyoming Supplemental Health Care Exhibits, Current Population Survey (CPS) and Medical Expenditure Panel Survey (MEPS)**
  - Self-insured Market
    - No data source for WY Self-insured market
    - WY groups are self-insured at a rate (43%) that is higher than the national average (36%)
    - WY small groups are self-insured at a rate (24%) that is twice the national average
  - Uninsured Population
    - 78,500 non-elderly uninsured
    - Distribution by Income, Age and Health Status

# WY Market

## ○ Market Share by Carrier (YE 2010)

Individual Market	Member Market Share
Blue Cross Blue Shield	41.8%
Time	17.5%
Golden Rule	9.4%
Mega Life & Health	5.4%
John Alden	4.2%
World	3.4%
American National Life	3.2%
Celtic	3.2%
Freedom Life	3.0%
All Other Carriers	8.9%
Total	100.0%

Small Group Market	Member Market Share	Groups Covered
Blue Cross Blue Shield	55.3%	1,381
John Alden	20.0%	496
Winhealth Partners	8.6%	153
Trustmark	6.1%	129
Madison National Life	5.4%	128
Time	2.1%	70
All Other Carriers	<u>2.4%</u>	<u>51</u>
Total	100.0%	2,408

Large Group Market	Member Market Share	Groups Covered
Blue Cross Blue Shield	66.6%	18
Winhealth Partners	20.5%	29
Altius	8.4%	10
All Other Carriers	<u>4.5%</u>	<u>17</u>
Total	100.0%	74



# WY Carrier Survey

- **Carrier Survey targets the top carriers in each market**
  - **Individual Market: ~74%**
  - **Small Group: ~84%**
- **Data received from carriers beginning Sept. 2<sup>nd</sup>**
  - **Confidentiality Agreements in process with BCBSWY and WINhealth**