

Insurer fills last hole in health law marketplaces for 2018

August 24 2017, by Julie Carr Smyth And Tom Murphy

The lone U.S. county still at risk of leaving shoppers with no choices next year on the federal health law's insurance marketplace has landed an insurer.

Ohio-based insurer CareSource will step up to provide [coverage](#) in Paulding County, Ohio, in 2018, the company and the state Department of Insurance announced Thursday.

The most recent national analysis by the Kaiser Family Foundation identified Paulding, just south of Toledo, as the final county still at risk of lacking an insurer when 2018 signups begin Nov. 1. About 10 million people, including 11,000 Ohio residents, currently are served through HealthCare.gov and its state counterparts, a system created under the Affordable Care Act.

Earlier this year, well over 40 mostly rural counties faced the prospect of having no options for their exchanges next year, but insurers have gradually come forward to fill the gaps.

Insurers have been pulling back from the exchanges for a few years now, after getting stung by heavy losses and struggling to attract enough young, healthy customers to balance all the claims they get from people who use their coverage. Many also cited uncertainty over the future of former President Barack Obama's health care law, which Congress is revisiting—though, so far, without success.

Coverage choices have grown particularly thin in rural areas. Those markets are uninviting for insurers because they usually have a smaller, older customer base and a care provider like a hospital system with a dominant market position. That can make it difficult to negotiate payment rates.

Despite those challenges, insurers are expanding to fill holes in these markets because they're getting a nudge from state regulators who don't want to leave their constituents without options. These exchanges offer the only way for customers to buy individual [insurance](#) with help from income-based tax credit created by the ACA.

"Good, long-term relationships with the insurance commissioner are very important to an insurance company," said health care consultant Robert Laszewski, a former insurance executive.

Some insurers also have figured out they can make money on exchanges by targeting low-income customers, who receive big tax credits to help cover their insurance bills that can both insulate consumers and provide steady revenue to insurers.

In Ohio, 20 of 88 counties were threatened with a lack of coverage as insurers withdrew. State officials had previously announced coverage was restored to the other 19.

Ohio State Insurance Director Jillian Froment said working through the challenge of covering affected counties has been a priority of her staff in recent weeks.

"There is a lot of uncertainty facing consumers when it comes to health insurance and these announcements will provide important relief," she said.

Republican Gov. John Kasich has been part of a bipartisan governors' group calling for action in Washington to strike a compromise on the embattled [health care law](#), which many Republicans revile as "Obamacare," in order to stabilize insurance markets.

While insurers now have made preliminary plans to sell coverage on the exchanges in every county next year, they still have about a month to back out.

They are worried about the fate of billions of dollars in payments from the government to cover cost-sharing reductions for customers with modest incomes.

These payments reimburse insurers for lowering deductibles and other out-of-pocket expenses for customers. They are separate from the income-based tax credits that help people buy coverage.

The federal government announced last week that it will make these payments for this month, but their future is unclear. President Donald Trump has repeatedly threatened to end them, and insurers say premiums could soar for some of their plans if this happens.

Even so, CareSource President and CEO Pamela Morris expressed her company's commitment to the exchange. The company had been one of the insurers to cover some other counties that lost their exchange options.

"The Marketplace provides vital [health care coverage](#) to more than 10.3 million Americans and we want to be a resource for consumers left without options," she said in a statement issued Thursday. "Our decision to offer coverage in the bare counties speaks to our mission and commitment to the Marketplace and serving those who are in need of [health care](#) coverage."

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