

Comparing states, no correlation between premiums and dominant carriers

Increased competition does not equal lower premiums

Novi, MI, June 2015: The Economic Alliance for Michigan (EAM) conducted a 50 state analysis of health insurance carrier market-share and its effect on employer-sponsored health insurance premiums. **No correlation was found to suggest that dominance in the marketplace by a single carrier has a specific outcome on premiums. Also, higher competition among health insurance companies does not contribute to lower benefit premiums.**

Overall, it appears states with dominant health insurance providers do not have an effect on how high or low employer-sponsored health benefits cost,” said Bret Jackson, president of EAM. “Purchasers cannot rely on dominant carriers to hold premiums in check. We must address the fundamentals of healthcare cost in order to drive affordability.”

The findings show:

- Four of the top 10 states with the highest employer-sponsored health care “single” premiums and 4 of the top 10 with the lowest have a dominant insurance provider with a market share of 50 percent or more.
- Nine of the top 25 states with the highest employer-sponsored health care “single” premiums and 9 of the top 25 with the lowest have a dominant insurance provider with a market share of 50 percent or more.
- Four of the top 10 states with the highest employer-sponsored health care “family” premiums and 5 of the top 10 with the lowest have a dominant insurance provider with a market share of 50 percent or more.
- Eight of the top 25 states with the highest employer-sponsored health care “family” premiums and 9 of the top 25 with the lowest have a dominant insurance provider with a market share of 50 percent or more.
- Of the 25 states with the lowest employer-sponsored health care “single” premiums, only 32% were above the national average of estimated number of health insurance providers/companies (21 avg. plans).
- Of the 25 states with the lowest employer-sponsored health care “family” premiums, only 28% were above the national average of estimated number of health insurance providers/companies (21 avg. plans).

Sources: Competition in Health Insurance; comprehensive study of U.S. market 2014 Table 1, published by the American Medical Association. Agency for Healthcare Research & Quality, Center for Financing, Access & Cost Trends, “2013 Medical Expenditure Panel Survey-Insurance Component,” average total family and single premium per enrolled employee at private-sector establishments that offer health insurance. <http://www.ahrq.gov/>. Number of estimated health insurance providers/companies by state (HMO/PPO/Medicare/Medicaid/commercial/private/marketplace) according to the National Committee for Quality Assurance (NCQA) health plan report cards, <http://www.ncqa.org/>.

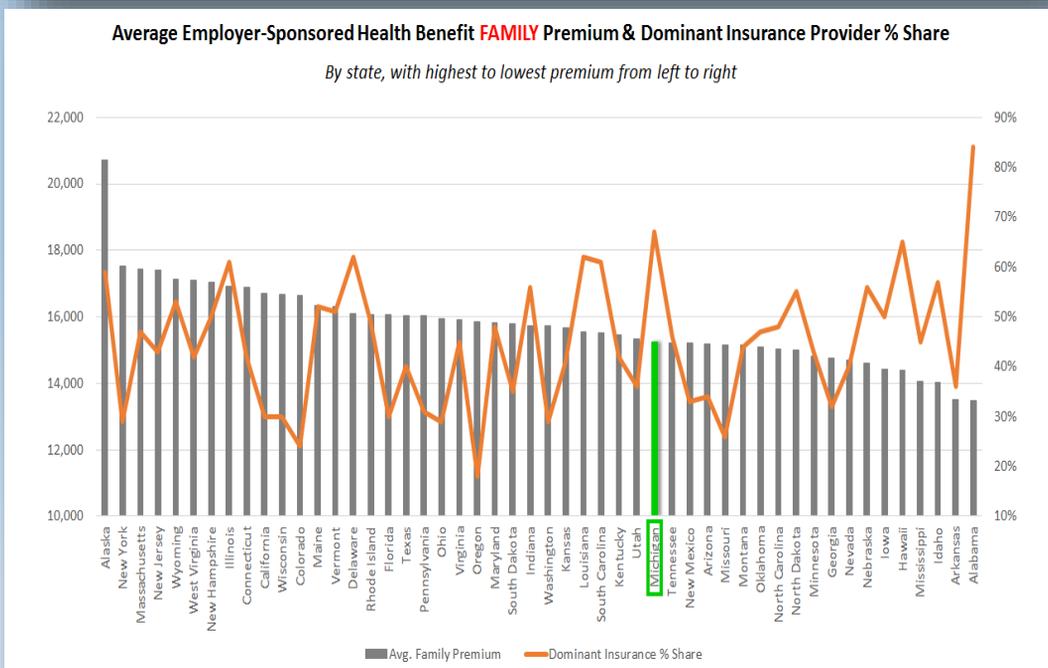
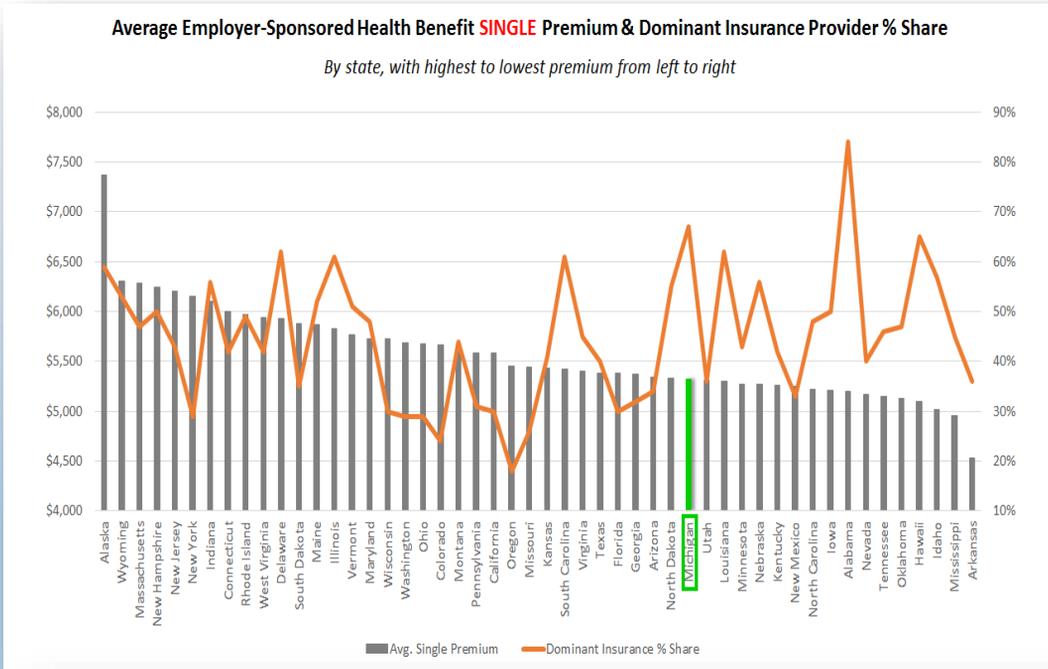
About the Economic Alliance for Michigan (EAM)

Our goal is maintaining and growing Michigan’s economy for both employers and workers. For over thirty years, the Economic Alliance for Michigan (EAM) has facilitated cooperation between businesses and labor unions by collaborating on matters that affect Michigan’s economic environment. We are the leader in state government relations when it comes to bringing both political parties together for a common cause – the success of Michigan. We focus on the issues that matter most to our members and legislation that is favorable to job growth. The EAM rallies behind issues that affect the state’s economy, such as the cost of healthcare.

To learn more visit www.eamonline.org

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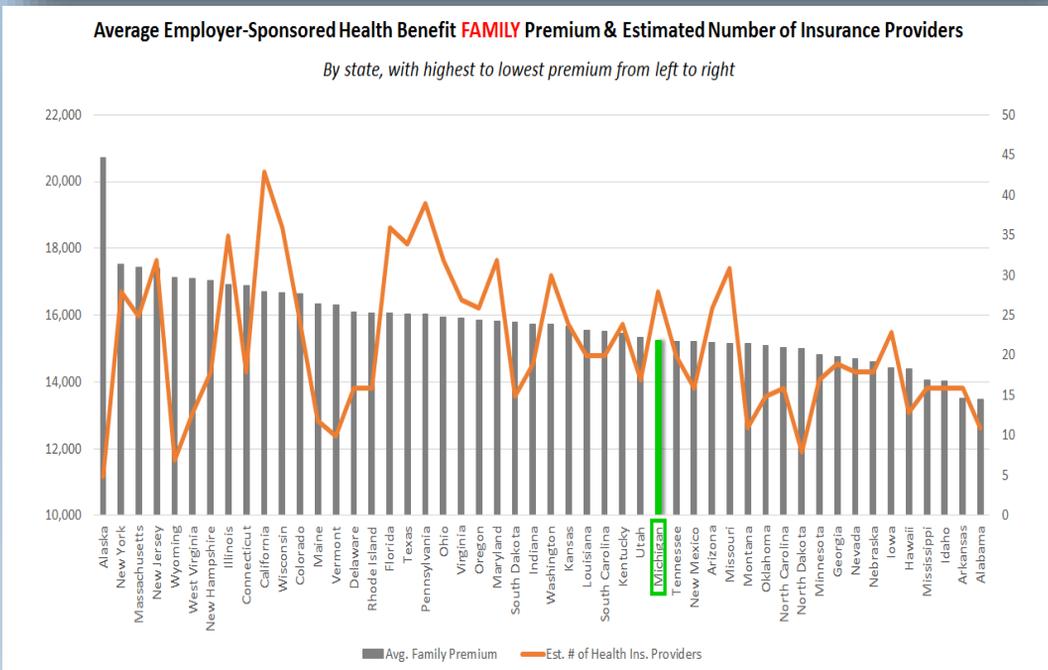
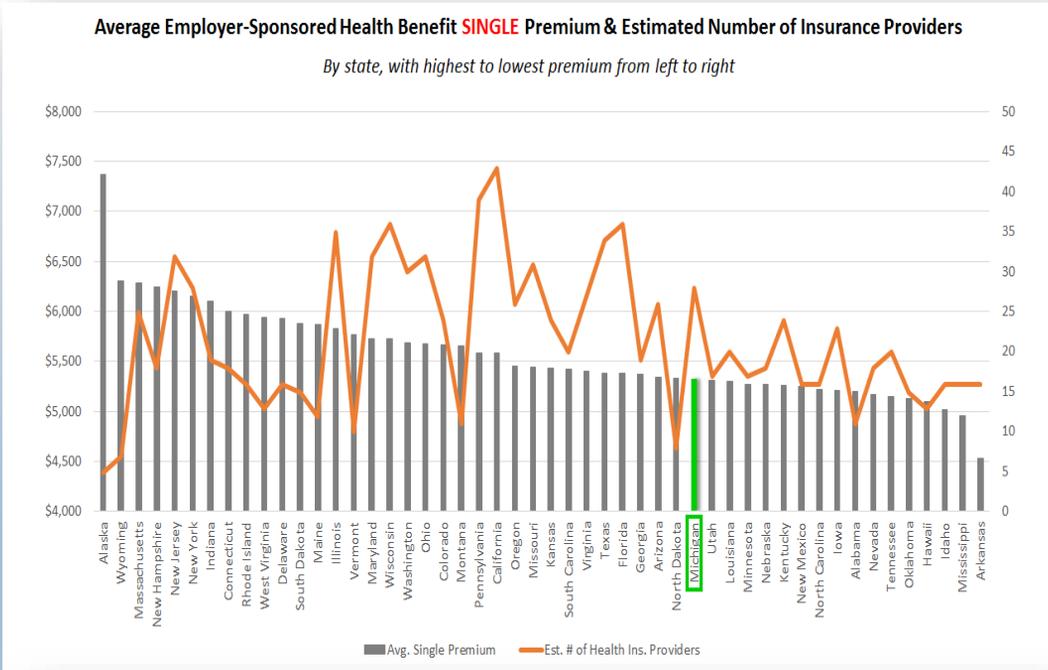
Graphs



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Graphs



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Data Chart

State	2013 Avg Single Premium	2013 Avg Family Premium	Dominant Carrier Market Share HMO+PPO+POS	Est. # of Insurance Providers
Alabama	5,204	13,477	84%	11
Alaska	7,369	20,715	59%	5
Arizona	5,343	15,183	34%	26
Arkansas	4,536	13,516	36%	16
California	5,581	16,691	30%	43
Colorado	5,668	16,636	24%	24
Connecticut	6,002	16,874	42%	18
Delaware	5,934	16,102	62%	16
Florida	5,383	16,070	30%	36
Georgia	5,374	14,762	32%	19
Hawaii	5,103	14,382	65%	13
Idaho	5,019	14,036	57%	16
Illinois	5,824	16,928	61%	35
Indiana	6,099	15,724	56%	19
Iowa	5,207	14,415	50%	23
Kansas	5,432	15,658	41%	24
Kentucky	5,257	15,463	42%	24
Louisiana	5,300	15,548	62%	20
Maine	5,865	16,332	52%	12
Maryland	5,730	15,820	48%	32
Massachusetts	6,290	17,424	47%	25
Michigan	5,319	15,242	67%	28
Minnesota	5,274	14,820	43%	17
Mississippi	4,961	14,053	45%	16
Missouri	5,442	15,160	26%	31
Montana	5,654	15,152	44%	11
Nebraska	5,268	14,616	56%	18
Nevada	5,168	14,682	40%	18
New Hampshire	6,249	17,024	50%	18
New Jersey	6,200	17,396	43%	32
New Mexico	5,250	15,207	33%	16
New York	6,156	17,530	29%	28
North Carolina	5,218	15,023	48%	16
North Dakota	5,330	14,995	55%	8
Ohio	5,679	15,955	29%	32
Oklahoma	5,129	15,106	47%	15
Oregon	5,449	15,856	18%	26
Pennsylvania	5,582	16,019	31%	39
Rhode Island	5,968	16,077	49%	16
South Carolina	5,426	15,506	61%	20
South Dakota	5,876	15,780	35%	15
Tennessee	5,146	15,214	46%	20
Texas	5,386	16,049	40%	34
Utah	5,309	15,341	36%	17
Vermont	5,764	16,311	51%	10
Virginia	5,408	15,917	45%	27
Washington	5,690	15,721	29%	30
West Virginia	5,940	17,105	42%	13
Wisconsin	5,730	16,665	30%	36
Wyoming	6,301	17,130	53%	7

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