



The District's Dime

Going Beyond the Budget Book

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DC Health Link Is Fostering Competition to Keep Health Plans Affordable

By Wes Rivers

There is great news that the DC Health Link – the online health exchange – is fostering competition among insurers and helping keep health plans affordable for residents. Earlier this summer, CareFirst was the only insurance company to propose major [rate increases](#) for 2015. But last week, the insurer trimmed rates to better align with rates its competitors had proposed and displayed on DC Health Link.

The initial 2015 rate filings for three of the four health insurers operating on DC Health Link were a mixture of price increases and decreases over 2014, depending on the type of plan. CareFirst was the exception, proposing significant rate increases across all of its plans, ranging from 4 percent to 24 percent over 2014.

Last week, CareFirst revised its submission, cutting proposed rate increases by an average of 4 percentage points. While CareFirst will still have rate increases for all of their plan offerings, the move puts them more in line with their competitors. For example, prices for CareFirst's "silver" plans – those that cover about 70 percent of total health care costs – will only increase about 0.3 percent over 2014.

Revised Rate Changes for DC Health Link Plans				
Comparison of Year-over-Year Rate Changes				
For Plans that Existed in both 2014 and 2015				
Individual				
PPO				
	Aetna	CareFirst	Kaiser	United
Catastrophic	-0.9%	NA	NA	NA
Bronze	-5.5%	6.4%	NA	NA
Silver	0.2%	0.3%	NA	NA
Gold	4.4%	9.2%	NA	NA
Platinum	NA	11.1%	NA	NA
HMO				
	Aetna	CareFirst	Kaiser	United
Catastrophic	NA	19.5%	-18.0%	NA
Bronze	NA	6.4%	-5.9%	NA
Silver	NA	4.2%	2.1%	NA
Gold	NA	6.0%	3.9%	NA
Platinum	NA	15.0%	4.8%	NA
Small Group				
PPO				
	Aetna	CareFirst	Kaiser	United
Bronze	1.8%	12.1%	NA	-8.0%
Silver	-11.1%	12.1%	NA	-8.0%
Gold	-14.1%	11.8%	NA	-8.0%
Platinum	NA	10.9%	NA	-8.0%
HMO				
	Aetna	CareFirst	Kaiser	United
Bronze	15.2%	10.8%	1.2%	NA
Silver	5.6%	12.6%	7.5%	-8.0%
Gold	1.5%	12.3%	8.7%	-8.0%
Platinum	NA	11.6%	10.5%	-8.0%

Source: Department of Insurance, Securities, and Banking

CareFirst is not the first insurer to cut rates after an initial rate filing. Last year, three of the four health insurers on DC Health Link reduced rates, with UnitedHealthcare cutting rates twice.

These downward price revisions highlight a key benefit of DC Health Link's open and transparent marketplace. All health plans sold to individuals and small businesses must be sold through DC Health Link. This means that consumers can see prices side-by-side for all health plan options available to them. Not surprisingly, this gives insurers more incentive to undercut their competitors.

Rates may change again before the filings are finalized, but so far, DC Health Link's transparency is helping put downward pressure on rates and keeping plans affordable for District residents.

To get more information on 2015 health plan rates, visit [here](#).