MAHP Support For Senate Bill 1126
MAHP’s Support for SB 1126

Increased Competition

SB 1126

PEHBA

Employer Choice
Michigan’s Health Insurance Market Is Not Competitive
Michigan’s Health Insurance Market Is Not Competitive

Total Market Competitive Rating by HHI 2014-2019

HHI Score

<table>
<thead>
<tr>
<th>Year</th>
<th>HHI Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>4693</td>
</tr>
<tr>
<td>2015</td>
<td>4671</td>
</tr>
<tr>
<td>2016</td>
<td>4604</td>
</tr>
<tr>
<td>2017</td>
<td>4562</td>
</tr>
<tr>
<td>2018</td>
<td>4598</td>
</tr>
<tr>
<td>2019</td>
<td>4648</td>
</tr>
</tbody>
</table>

Uncompetitive Definition

HHI Score: 2500

Graph: MAHP Michigan Association of Health Plans
Similar Laws in Other States And Their Competitive Success

Wisconsin
#1 Most Competitive 2019
HHI Score - 1419

Texas
#10 Most Competitive 2019
HHI Score - 2142
Insurance Premium Impact and Employers Helped by SB 1126

2 Million Michiganders

6,257 Employers With Over 100 Employees

Michigan Association of Health Plans
Michigan’s Non-Competitive Health Insurance Market – Effect on Employers Since 2014

Average Annual Premium Growth 2014-2019

- Michigan: 4.61%
- United States: 4.00%
- 5 Most Competitive States: 3.50%
Insurance Premium Impact 2014 - 2019

Michigan Premiums - Total and Employer - 2014 - 2019

- Insurance Premiums
- Employer Share
- Average Percentage of Premium Paid by Employer
- USA Average Percentage Paid by Employer
- Linear (Insurance Premiums)

Source - Kaiser
Michigan’s Non-Competitive Health Insurance Market – Effect on Employers

- **Michigan 2019 Premiums – Estimate With Improved Competitiveness**
  - Michigan 2019 Premiums: $20,425
  - Michigan Premium If 5 Most Competitive: $18,712

- **Premium Savings - If Competitive - Total and Employer by Employer Size**
  - Overall Savings: $428,191
  - Employer Savings: $346,835
  - Savings for 100 Employee Company: $171,276
  - Savings for 250 Employee Company: $138,734

Overall Savings:
- Overall Savings: $171,276
- Employer Savings: $138,734

Premium Savings:
- Premium Savings: $20,425
- Michigan Premium If 5 Most Competitive: $18,712

Estimate With Improved Competitiveness:
- Michigan 2019 Premiums: $20,425
- Michigan Premium If 5 Most Competitive: $18,712

Michigan Association of Health Plans (MAHP)
What Problem Is Solved by SB 1126?  
Employer Choice

<table>
<thead>
<tr>
<th>Community Rating</th>
<th>Experience Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Rating is a dataset held by any insurance company for a market, usually by geography. May not fit a particular employer’s needs well.</td>
<td>Using past claim experience of a specific group. Ultimate premium equity and allows employers to see the most competitive rates.</td>
</tr>
</tbody>
</table>
Will it Deliver Choices for Employers?

School Districts With Additional Bids By County

<table>
<thead>
<tr>
<th>MAHP Monitored Districts</th>
<th>140</th>
</tr>
</thead>
<tbody>
<tr>
<td>To Bid Since PEHBA Improvements in 2019</td>
<td>22</td>
</tr>
<tr>
<td>% of Districts With More Bids</td>
<td>60%</td>
</tr>
<tr>
<td>% of Districts With At Least The Same Number of Bids</td>
<td>73%</td>
</tr>
</tbody>
</table>
MAHP’s Support for More Choice and Competition in Health Insurance

Increased Competition

SB 1126

PEHBA

Employer Choice