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Final 2019 health insurance rate information released for Minnesota

SAINT PAUL (October 2, 2018) – Minnesota’s individual health insurance market will have significant rate decreases in 2019, ranging on average from 7.4 percent to 27.7 percent, according to information released today by the Minnesota Commerce Department in advance of the open enrollment period that begins on November 1.

“The rate decreases in the individual market indicate that this market continues to stabilize,” said Commerce Commissioner Jessica Looman. “This positive trend is important for Minnesotans who buy their own health insurance and who benefit from the comprehensive coverage these plans offer, including coverage for preexisting medical conditions. Key trends supporting market stability include lower utilization and costs for medical services, the impact of a state reinsurance program and a strong Minnesota economy.”

The information released today shows that every county in the state will have at least one insurer offering health coverage in the individual market. Minnesotans who live in all but four counties will have access to at least two insurers, and every county will have at least 14 separate health insurance plan options available in the individual market.

Today’s announcement included the rate changes for 2019 in both the individual and small group health insurance markets.

The individual market rates apply to health insurance plans that Minnesotans purchase for themselves and their families through MNsure, insurance agents or the insurance companies directly. The rates do not affect Minnesotans who are covered by employer-based insurance or public programs like Medicare, Medicaid and MinnesotaCare.

About three percent of Minnesotans (approximately 155,000) currently get their health insurance coverage in the individual market. About 5.5 percent (approximately 303,000) get coverage in the small group market, which serves employers with fewer than 50 full-time workers.

In the small group market, the average 2019 rate changes range from a 2.4 percent decrease to an 11.93 percent increase. As in previous years, small group rate increases reflect the general rise in health care costs, as well as a somewhat higher use of medical services reported by insurers.

The Commerce Department website (mn.gov/commerce) has a [rate change summary](#) with more details.

Stabilizing market, stabilizing rates

The rate changes for 2019 indicate that Minnesota’s individual health insurance market has stabilized from dramatic rate increases that occurred in 2016 and 2017.

The 2019 rates reflect a higher percentage of healthy, less costly enrollees than in the recent past, resulting in lower utilization of medical services and prescription drugs. The rates also reflect the impact of Minnesota's reinsurance program.

Minnesota enacted its reinsurance program, known as the Minnesota Premium Security Plan, to offset the expense to insurers of high-cost medical claims. Specifically, the program reimburses insurers for 80 percent of an individual's annual claims costs that fall between \$50,000 and \$250,000. The Commerce Department estimates that rates in 2019 are, on average, about 20 percent less than what they otherwise would be without reinsurance.

State law authorizes up to \$271 million to be spent in 2018 and in 2019 for the reinsurance program. Minnesota is able to use federal funds to cover a significant portion of the reinsurance costs. Funding is based on savings from premium tax credits that the federal government would otherwise pay to Minnesotans for higher rates without reinsurance.

Open enrollment starts November 1

Today's rate announcement comes in advance of the annual open enrollment period, which begins on November 1 and continues through January 13, 2019. Insurance companies, insurance agents and MNsure will have specific plan information available for consumers soon.

Minnesotans are encouraged to make their insurance selection during open enrollment, shopping and comparing plans to find one that offers the best value for their health needs and budget. For the continuity of their own health care, consumers should carefully review a plan's provider network to see what doctors, clinics and hospitals are included.

Consumers should contact MNsure (mnsure.org) to see if they are eligible for federal tax credits that automatically reduce monthly premiums and that are available only through MNsure. The tax credits are available to households with incomes up to 400 percent of the federal poverty level, which in 2019 is \$48,560 for an individual and \$100,400 for a family of four.

"We encourage all Minnesotans to visit [MNsure.org](https://mnsure.org) and see whether they're eligible for tax credits," said MNsure CEO Nate Clark. "These tax credits act like instant discounts off the monthly premium bill. Minnesotans can save thousands of dollars on the cost of coverage, but they're only available from MNsure."

Protecting Minnesota health insurance consumers

On behalf of Minnesota consumers, the Commerce Department reviews health insurance rate proposals to make sure they meet actuarial standards and comply with state and federal consumer protection laws.

Insurers must provide coverage for a comprehensive set of essential health benefits, including free preventive care, as well as coverage for prescription drugs and mental health and substance abuse treatment. Insurers may not deny coverage or charge higher premiums based on a person's preexisting health conditions.

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