

GAO Highlights

Highlights of [GAO-17-383T](#), a testimony before the Subcommittee on Health Care, Benefits, and Administrative Rules, Committee on Oversight and Government Reform, House of Representatives

Why GAO Did This Study

PPACA contained provisions, many of which took effect in 2014, that could affect how issuers determine health insurance coverage and premiums and how they market their plans. For example, PPACA prohibits issuers from denying coverage or varying premiums based on consumer health status or gender. PPACA also requires health plans to generally be marketed based on metal tiers (bronze, silver, gold, and platinum), which allows consumers to compare the relative value of each plan. It also required the establishment of health insurance exchanges in each state, through which consumers can compare and select from among participating health plans.

This testimony describes (1) private health-insurance market concentration and issuer participation from 2011 through 2014, the year by which key PPACA provisions took effect, (2) health plans and premiums available to individuals in 2014 and 2015, and (3) the experience of enrollees that obtained coverage through the exchanges from 2014 through 2016. It is based on three GAO reports issued in 2015 and 2016. For these reports, GAO examined data from the Centers for Medicare & Medicaid Services (CMS); reviewed published research; and interviewed stakeholders, including experts and officials from CMS and five states—Colorado, Indiana, Montana, North Carolina, and Vermont—that varied in geography and whether the state or CMS offered the exchange.

View [GAO-17-383T](#). For more information, contact John E. Dicken at (202) 512-7114 or dickenj@gao.gov.

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PATIENT PROTECTION AND AFFORDABLE CARE ACT

Concentration, Plan Availability and Premiums, and Enrollee Experiences in Health Insurance Markets Since 2014

What GAO Found

GAO issued three reports in 2015 and 2016 on the early impact of the Patient Protection and Affordable Care Act (PPACA) on private health insurance markets.

Market Concentration

- In a 2016 report, GAO examined enrollment in private health-insurance plans in the years leading up to and through 2014, the first year of the exchanges established by PPACA, and found that in all years analyzed, markets were concentrated among a small number of issuers in most states.
- Beginning in 2014, enrollment in PPACA exchange plans was generally more concentrated among a few issuers than was true for the overall markets.

Plan Availability and Premiums

- In a 2015 report, GAO examined the availability of health plans for individual market consumers and found that they generally had access to more health plans in 2015 than in 2014.
- In both years, most consumers in 28 states for which GAO had sufficiently reliable data had 6 or more plans from which to choose in three of the four health plan metal tiers (bronze, silver, and gold).
- The range of premiums available to consumers varied considerably by state, and in most states the costs for the minimum and median premiums for silver plans increased from 2014 to 2015. In both years, the lowest cost plans were typically available on an exchange.
- More recent analyses by the Department of Health and Human Services found that in 2017 all consumers continued to have multiple plan options, and that premiums for exchange plans increased more in 2017 compared to the annual increases for these plans since 2014.

Enrollee Experiences

- In a 2016 report, GAO examined national survey data to examine satisfaction of exchange enrollees. GAO found that, from 2014 through 2016, most enrollees who obtained their coverage through an exchange reported being satisfied overall with their plans.
- In 2015 and 2016, the satisfaction that exchange enrollees reported with their plans was either somewhat lower than or similar to that of enrollees in employer-sponsored plans.
- Exchange enrollees reported varying degrees of satisfaction with specific aspects of their plans, including coverage and plan affordability.
- Stakeholders GAO interviewed and literature GAO reviewed revealed some concerns about exchange enrollee experiences that were generally consistent with longstanding concerns in the private health insurance market—including concerns about affordability of out-of-pocket expenses and difficulties understanding coverage terminology.