

2016 exchange market remains in flux: Pricing trends

Findings across 50 states and DC

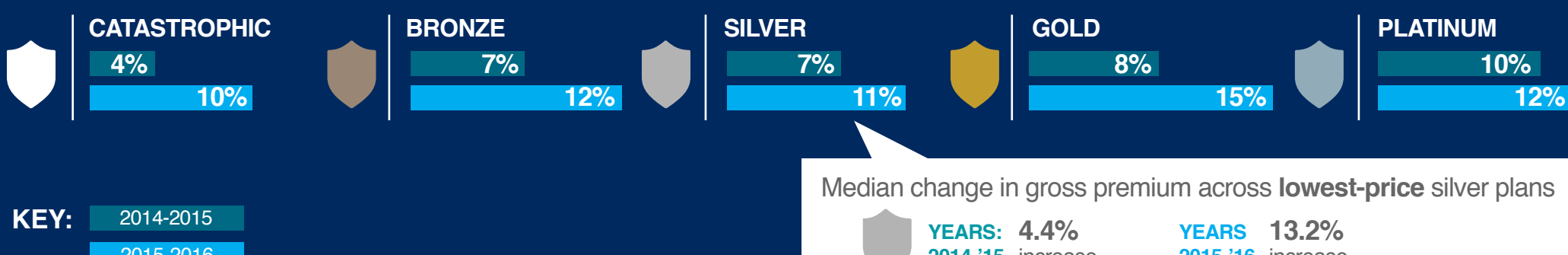
As of 1.04.2016

OVERALL

MARKET VIEW

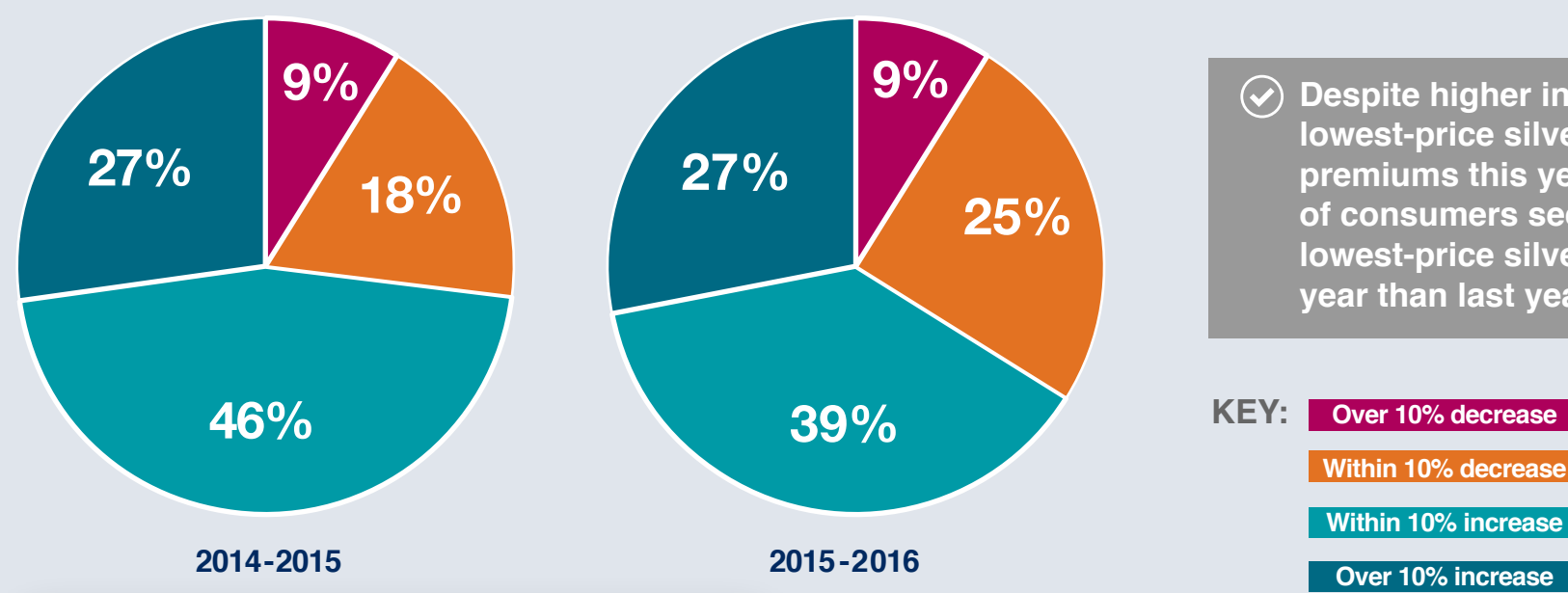
Prices at county level

✓ Median rate increases across re-filed plans are higher than last year. Premiums of lowest-price silver plans have increased as well.

Median change in gross premium across all re-filed plans¹

CONSUMER VIEW²

Prices weighted by QHP-eligible population

Percent of consumers who will see change in net premium of the lowest-price silver plan⁴

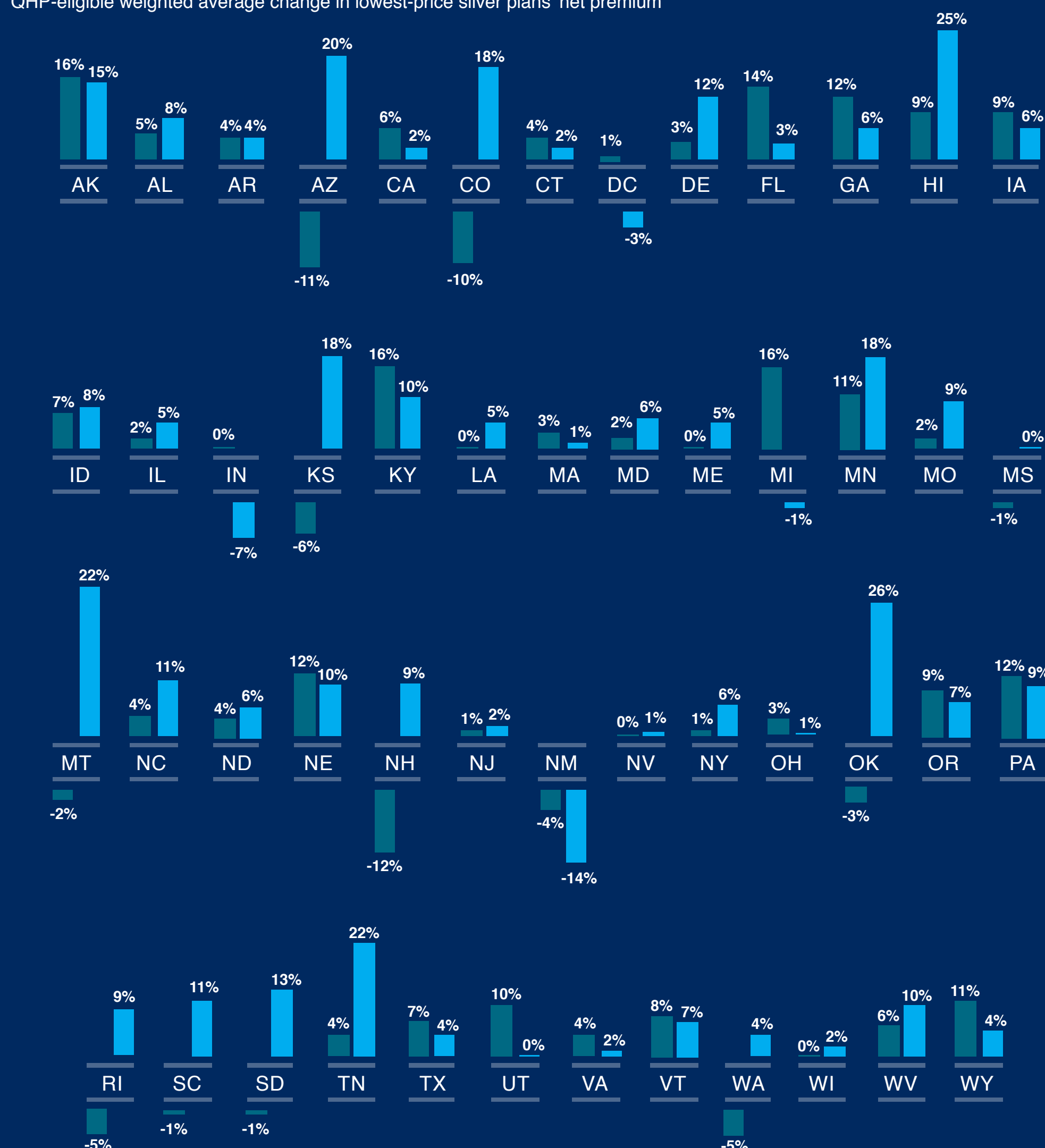
BY GEOGRAPHY

MARKET & CONSUMER VIEW

Prices at county level

✓ In many states, this year's lowest-price silver net premium changes are much different than last year's.

QHP-eligible weighted average change in lowest-price silver plans' net premium



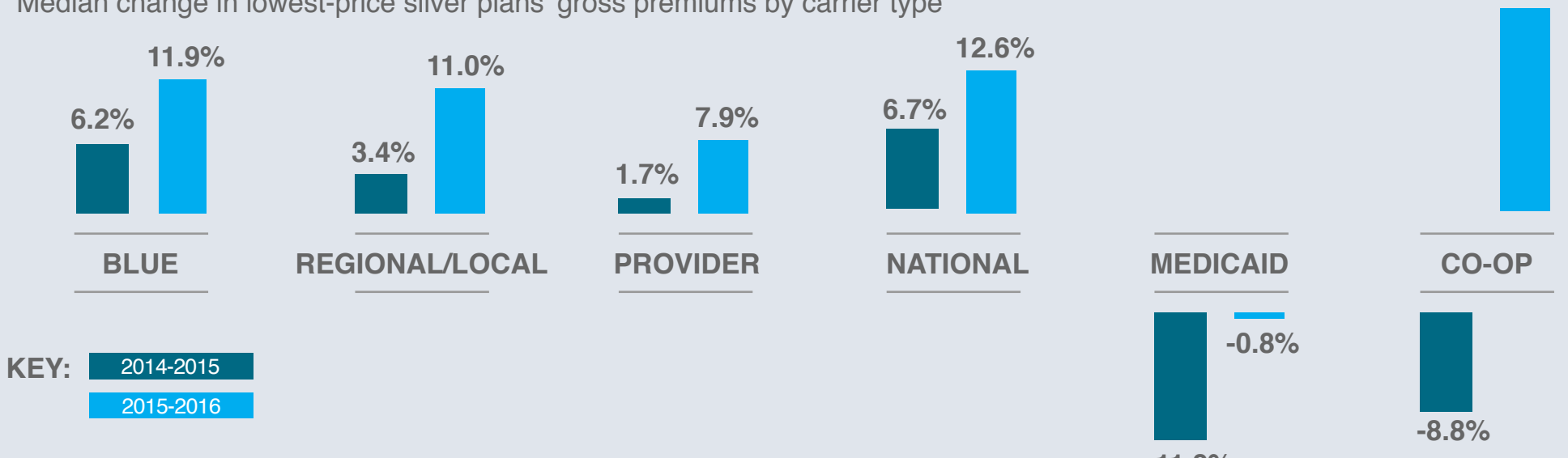
PRICE CHANGES BY CARRIER TYPE

MARKET VIEW

Prices at county level

✓ There is considerable price fluctuation in rate changes by carrier type.

Median change in lowest-price silver plans' gross premiums by carrier type

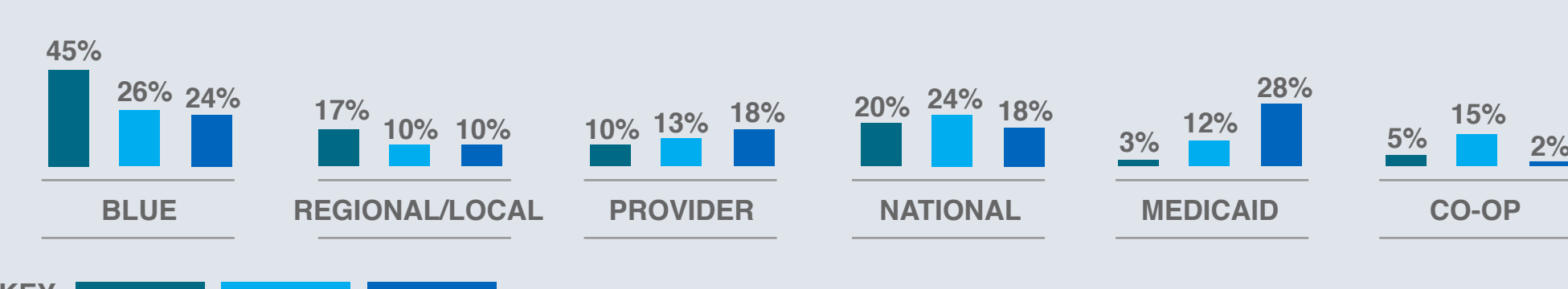


CONSUMER VIEW²

Price leadership weighted by QHP-eligible population³

✓ Provider and Medicaid plans are gaining silver price leadership across eligible consumers.

Percentage of consumers seeing given carrier type offering lowest-price silver plan in their county



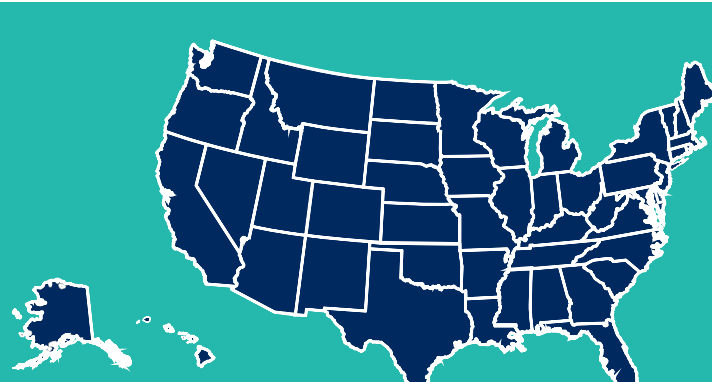
✓ Many consumers will see new price leaders in 2016 and may have to switch plans if they are seeking the lowest-price option.

Percentage of QHP-eligible consumers seeing new price leader in 2016



METHODOLOGY

The above findings are based on publicly available, approved 2016 individual market exchange rates as displayed on exchanges for all states and DC, compiled within the McKinsey Exchange Offering Database.



1. Plan is defined as a health insurance offering in which an individual can enroll, offered by a carrier
2. Consumer defined as all individuals eligible to purchase qualified health plans (QHP)
3. Price leader defined as carrier offering the lowest-price plan
4. Net premium takes subsidy into account based on consumers' geography, family size, age and income; we assume that these factors remain constant in 2016, since consumers have not yet supplied current income information during the open enrollment process