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## **MAHP strongly supports state embracing innovation to hold down individual market rates**

(LANSING) The Michigan Association of Health Plans (MAHP) today said it encourages the Michigan Department of Insurance and Financial Services (DIFS) to examine and endorse key innovations other states have used to stabilize the individual health insurance market and even lower rates in some cases.

DIFS on Monday issued a letter saying it “is actively soliciting Health Insurance Marketplace CEOs/Presidents on innovative ideas” that could be studied. The request stemmed from legislation, backed by MAHP, that included an appropriation for an actuarial study needed to support a “state innovation waiver” under the Affordable Care Act.

“DIFS’ study should include analyses of the successful waivers in Alaska, Oregon, Minnesota, Wisconsin, and Maine,” said Dominick Pallone, executive director of the MAHP. “We know those states have seen early successes in holding down rates and maintaining enrollment in individual market plans without reducing services available to residents.”

A key element MAHP supports is development of reinsurance mechanisms or a high-risk pool that better spreads costs of a relative few families who have very high medical bills and risks across more of the population. Reinsurance programs in Minnesota and Oregon, and high risk established in Alaska and Maine have already decreased premiums for all customers while maintaining comprehensive coverages.

Recent moves by the Trump Administration and along with Congress to end the individual mandate and end cost-sharing reductions have destabilized the health care market, leading to uncertainty. That uncertainty, combined with major increases in pharmaceutical prices, have resulted in significant cost increases in the individual market.

Michigan’s Marketplace Enrollees have seen increases of 16.7% in Plan year 2017 and 26.8% in the current Plan Year. These cost increases have had negative effects on enrollment as Michigan’s Exchange enrollment has decreased by over 50,000 between Plan Years 2016 and 2018.

“We must serve our citizens better,” said Pallone. “We know how to do so. We encourage the department to move quickly to complete its studies, which we are confident will show reinsurance programs or a risk pool can help reduce premium growth, ensure Michiganders continue to have affordable comprehensive health insurance coverage, and increase the number of our fellow citizens with health insurance.”

*The Michigan Association of Health Plans (MAHP) is an industry voice for 13 health care plans, covering more than 2.5 million Michigan residents, and 50 businesses affiliated with the health care industry. The mission of the Michigan Association of Health Plans is to provide leadership for the promotion and advocacy of high quality, affordable, accessible health care for the citizens of Michigan.*