



ASPE

RESEARCH BRIEF

HEALTH PLAN CHOICE AND PREMIUMS IN THE 2015 HEALTH INSURANCE MARKETPLACE

December 4, 2014

Since open enrollment began on November 15, 2014, millions of Americans can once again shop for high-quality, affordable health care coverage in the Health Insurance Marketplace established by the Affordable Care Act.¹ Our research indicates that the Affordable Care Act is working to enhance competition, expand choice and promote affordability among Marketplace health insurance plans in 2015.²

This year, the Marketplace is welcoming new consumers as well as encouraging those who enrolled last year to come back, update their information and select the plan that best meets their needs. All plans in the Marketplace cover essential health benefits and recommended preventive care, and do not exclude people based on preexisting conditions. Consumers can see detailed information about each health insurance plan offered in their area before they apply. Factors they may consider in choosing a health insurance plan include premiums, deductibles, out-of-pocket costs, provider network, formulary, customer service and more.³ Consumers may be eligible for financial assistance to help pay for the cost of premiums. In fact, 85 percent of consumers who selected a Marketplace plan in 2014 received financial assistance.⁴

¹The Health Insurance Marketplace includes the Marketplaces established in each of the states (and the District of Columbia) and run by the state or the federal government. This report addresses the individual market Marketplaces that use the HealthCare.gov eligibility and enrollment system in both 2014 and 2015.

² It is important to note that this brief uses only information on individuals who selected a Marketplace individual market health plan, and the analysis excludes stand-alone dental plans.

³ This brief does not analyze consumers' final expenses, after considering other health plan features, such as deductibles and copayments. Consumers may examine all elements of health insurance plans in order to estimate expected total out-of-pocket costs. Moreover, while premium tax credits can be applied to a plan in any metal tier with the exception of catastrophic plans, cost-sharing reductions are available only for silver plans.

⁴ This represents the percentage of individuals who selected a Marketplace plan and qualified for an advance premium tax credit (APTC), with or without a cost-sharing reduction. See: U.S. Department of Health and Human Services, "Health Insurance Marketplace: Summary Enrollment Report for the Initial Annual Open Enrollment Period," *ASPE Issue Brief*, ASPE, May 1, 2014, available at:

http://aspe.hhs.gov/health/reports/2014/MarketPlaceEnrollment/Apr2014/ib_2014Apr_enrollment.pdf

This brief presents analysis of Qualified Health Plan (QHP) data in the Marketplace for 35 states, providing a look at the plan choice and premium landscape that new and returning consumers will see for 2015.⁵ It also examines plan affordability in 2015 after taking into account premium tax credits. The findings presented here include states for which sufficient plan data were available for both 2014 and 2015.

Key Findings

- The Affordable Care Act is increasing competition and choice among affordable Marketplace health insurance plans in 2015.
- There are over 25 percent more issuers participating in the Marketplace in 2015. About 91 percent of consumers will be able to choose from 3 or more issuers—up from 74 percent in 2014. Consumers can choose from an average of 40 health plans for 2015 coverage—up from 30 in 2014—based on analysis at the county level.
- Premiums for the benchmark (second-lowest cost) silver plan will increase modestly, by 2 percent on average this year before tax credits, while premiums for the lowest-cost silver plan will increase on average by 5 percent. The plans offering the lowest prices have sometimes changed from 2014 to 2015, so consumers should shop around to find the plan that best meets their needs and budget.
- More than 7 in 10 current Marketplace enrollees can find a lower premium plan in the same metal level before tax credits by returning to shop. To illustrate the significance of shopping we consider the following example: if all consumers switched from their current plan to the lowest-cost premium plan in the same metal level, the total savings in premiums would be over \$2 billion. These savings represent the sum of savings to consumers and taxpayers.
- For customers returning to the Marketplace, the vast majority of enrollees have low cost plans available to them. If they look across all metal levels, fully 79 percent of current Marketplace enrollees can get coverage for \$100 or less, after any applicable tax credits, in 2015.
- Sixty-five percent of current Marketplace enrollees can get coverage for \$100 or less for 2015, after tax credits, if they shop for a more affordable plan within their current metal level, compared to 50 percent of current Marketplace enrollees who can get coverage for \$100 or less, after any applicable tax credits, if they stay in the same plan in 2015.

⁵ The 35 states for which sufficient data in the individual market were available in both 2014 and 2015 for this analysis are listed in the methodology section at the end of this brief. References to the Marketplace in this report refer to the individual market Marketplaces that use the HealthCare.gov eligibility and enrollment system in both 2014 and 2015. The small group Marketplace, also known as SHOP, is not included in this brief.

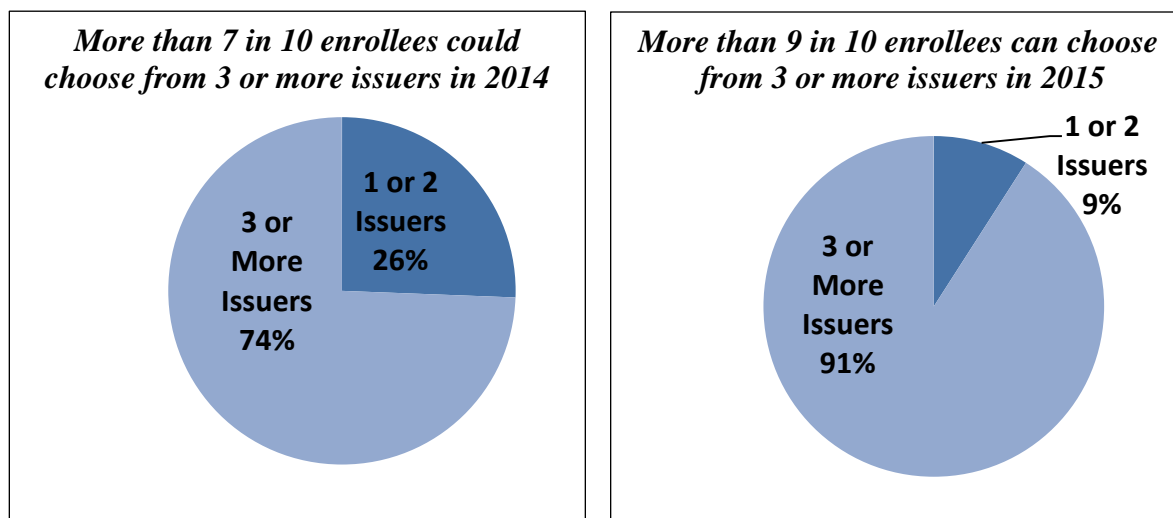
Consumer Choice among Health Insurance Issuers in 2014 and 2015

The Affordable Care Act is working to create a dynamic, competitive Marketplace, with more choice and affordable premiums in 2015. This offers new opportunities for consumers to comparison shop to select the plan that best meets their needs and budget. More choice also means more competition between plans that in turn results in downward pressure on premiums. Consumers who bought a 2014 plan and decide to shop actively for a comparable 2015 plan will often be able to find lower premiums.

There are 25 percent more issuers participating in the Marketplace in 2015, compared with 2014.⁶ During the 2014 open enrollment period, 74 percent of the people who enrolled in a qualified health plan lived in counties with three or more issuers offering plans in the Marketplace; for 2015 this percentage has increased to 91 percent.

Figure 1 shows the distribution of the 2014 Marketplace enrollees by the number of issuers in their county.

FIGURE 1
Enrollee Choice of Marketplace Issuers in 35 States in 2014 and 2015



Source: Information on plans and issuers is from the plan landscape files as of November 2014 for 35 states.

Note: See “Methods and Limitations” section for more details regarding data and methods used. “Enrollees” refers to those people who selected a qualified health plan in the Marketplace in 2014 and is based on active plan selections in the CMS Multidimensional Insurance Data Analytics System (MIDAS) as of May 12, 2014. The number of issuers available to those who selected a Marketplace plan in 2014 is based on the number of issuers offering qualified health plans in 2015 in the county of residence of those persons.

Consumers can also choose from among more plans for 2015 coverage. On average, there are 40 plans available per county, including catastrophic plans. This is an increase from an average of

⁶ The increase in total number of issuers in the 35 states is calculated based on identifying an issuer by its unique five-digit Health Insurance Oversight System (HIOS) ID. In some cases, issuers with different HIOS IDs belong to the same parent company. An issuing entity’s HIOS issuer ID is specific to the state in which it operates, such that a company offering QHPs through the Marketplace in two states would be counted twice—once for each state.

30 total plans per county last year. Note that previous ASPE issue briefs on plan choice and availability presented analyses at the rating area level. Because plans available in some part of a rating area are not always available in all parts of a rating area, conducting the analysis at the county level better captures the set of options consumers will see when they shop and thus more closely matches consumers' shopping experience.

The average number of plans per county in the bronze, silver, gold, and platinum metal tiers—which signify different levels of plan actuarial value or how much of every claim dollar the plan covers—has also increased from 2014 (see Table 1).

TABLE 1
Summary of Marketplace Health Plans and Issuers for 35 States, 2014 and 2015

	2014 Average	2015 Average
Issuers per State	5	7
Issuers per County	3	4
Total Qualified Health Plans (excluding catastrophic)	28	37
Total Health Plans	30	40
Catastrophic Plans	3	2
Bronze Plans	9	12
Silver Plans	10	15
Gold Plans	8	9
Platinum Plans	1	2

Source: Information on plans and issuers is from the plan landscape files as of November 2014 for 35 states.

Note: All averages in this table are unweighted. Averages are calculated at the county level for all counties in the 35 states unless otherwise specified. The number of issuers per state is the total number of issuers offering QHPs anywhere in a state. Child-only and morbid obesity plans were excluded from these counts. Numbers may not sum due to rounding.

Marketplace Health Plan Premiums in 2014 and 2015

The Marketplace enables consumers to comparison shop for a plan that meets their needs and budget. Many will receive financial assistance to help with the cost of their monthly premiums. In 2014, 64 percent of individuals who selected a plan in the Marketplace selected the lowest cost (43 percent) or second-lowest cost plan (21 percent) in their metal tier—indicating that many Marketplace consumers shop on price.⁷

Consumers who return to the Marketplace will see that premiums for the *benchmark* plan (the second-lowest cost silver plan in each market) increased modestly, by 2 percent on average this year before tax credits. For example, the average premium for the benchmark silver plan for a

⁷ Percentages are based on analysis of 2014 Marketplace plan selections in 36 states. See: Amy Burke, Arpit Misra, and Steven Sheingold, "Premium Affordability, Competition and Choice in the Health Insurance Marketplace, 2014," *ASPE Research Brief*, June 2014, available at:

<http://aspe.hhs.gov/health/reports/2014/Premiums/2014MktPlacePremBrf.pdf>

27-year-old increased from \$218 in 2014 to \$222 in 2015 before tax credits.⁸ The benchmark silver plan premiums are significant because the premium tax credits that are available to help make Marketplace coverage more affordable are calculated based on the premium for those plans.⁹ The lowest-cost silver plan in each market saw modest growth of 5 percent on average before tax credits.

The new Marketplace is competitive and dynamic. As described in the last section, the 2015 Marketplace includes many new issuers and plans, and issuers are competing to offer more affordable options to consumers. This means that the plan that was the benchmark or lowest-cost plan in 2014 is often not the benchmark or lowest-cost plan in 2015, so it will be important for returning consumers to shop around in 2015 to ensure that they select the plan that best meets their circumstances.

More than 7 in 10 current Marketplace enrollees can find a lower premium plan in the same metal level by returning to shop. For instance, the average lowest-cost premium for a silver plan available to current silver-level enrollees is \$336 for 2015. The average consumer who bought a silver plan last year and decides to shop for a better deal this year can save \$41 a month before tax credits—which works out to \$492 a year. If all silver plan holders switch to the lowest-cost silver plan for 2015, the total savings for the year would be \$1.6 billion. Across all metal levels, the total savings in premiums would be over \$2 billion (see Table 2 for all metal levels). These savings represent the sum of savings to consumers and taxpayers.

Eighty-five percent of consumers who selected a plan for 2014 coverage received premium tax credits to help with the cost of monthly premiums. Consumers who receive premium tax credits are protected against excessive rate increases because the Affordable Care Act sets a cap on the amount they pay for the benchmark, second-lowest silver plan. Additionally, during the open enrollment period, all new and returning Marketplace consumers can easily compare plans' pricing and benefits to shop for a plan with a lower premium.

⁸ Plan and premium information are from the Center for Consumer Information and Insurance Oversight as of November 2014 for 35 states. Amounts represent monthly premiums and do not take into account potential premium tax credits. For averages, each county's second-lowest cost silver premium is weighted by the number of Marketplace plan selections in each county. See Table 7 at the end of this brief for average premiums by state.

⁹ The Affordable Care Act specifies that an individual or family with a particular household income who is eligible for the premium tax credit will be required to pay no more than a fixed percentage of their income for the second-lowest cost silver plan available in the Marketplace in their local area. See the "Methods and Limitations" section at the end of this brief for more details on benchmark plans and premium tax credits.

TABLE 2
Potential Savings from Shopping Based on Premium if Current Marketplace Enrollees Switch to 2015 Lowest-Cost Premium Plan within Metal Level for 35 States

Premiums Before Tax Credits, Current Marketplace Enrollees	Bronze	Silver	Gold	Platinum
Average Lowest-Cost 2015 Monthly Premium Within Metal Level	\$265	\$336	\$382	\$439
Average 2015 Monthly Premium Savings if Consumers Switch to Lowest-Cost Plan within Metal Level	\$36	\$41	\$54	\$55
% of Enrollees Who Could Save on Premium Costs by Switching to the Lowest-Cost Plan in Metal Level	78%	78%	77%	71%
ANNUAL Average Potential Savings in Premium Costs per Enrollee	\$432	\$492	\$658	\$660
MONTHLY Total Amount of Potential Savings in Premium Costs across All Enrollees	\$28 M	\$131 M	\$23 M	\$11 M
ANNUAL Total Amount of Potential Savings in Premiums Costs Across All Enrollees	\$336 M	\$1.6 B	\$271 M	\$127 M

Source: Plan information is from the plan landscape files as of November 2014 for 35 states. Enrollment information is based on active plan selections in the CMS Multidimensional Insurance Data Analytics System (MIDAS) as of May 12, 2014.

Note: Amounts presented here do not take into account potential tax credits. The lowest-cost premium refers to the plan with the lowest premium within the county within each metal tier and is based on all the plans available in 2015. The lowest cost plan does not take into account other cost-sharing features, but refers only to the cost of the premium charged for that plan. In some cases, plans were tied for lowest premium. This analysis includes only enrollees linked to complete plan and premium data for both 2014 and 2015, and excludes tobacco users. Catastrophic plans, which are not available to all consumers, were not considered in these calculations. We assume that *all* enrollee characteristics are unchanged and calculate premiums based on the same age, family composition, and household income as percentage of the FPL as in 2014. See the “Methods and Limitations” section at the end of this brief for more details.

Health Insurance Plan Affordability after Tax Credits in the Marketplace in 2015

With over 25 percent more issuers in the Marketplace this coming year, the increased choice and competition means there are affordable premiums for new consumers and for those who selected a plan last year and are returning to shop.

In order to make health insurance affordable, the Affordable Care Act established premium tax credits to help consumers with the cost of coverage based on their incomes. During the initial open enrollment period, 85 percent of consumers who selected a Marketplace plan received financial assistance.¹⁰ And nearly 7 out of 10 who selected a plan with tax credits found coverage for less than \$100 after tax credits.¹¹

The tax credits are based on the premium of the so-called benchmark plan in their area (the second-lowest-cost silver plan). The health plan category or “metal level” determines how consumers and plans share the costs of care. For example, with a silver level plan the health plan pays about 70 percent of the total costs of care for essential health benefits, on average, and the consumer pays 30 percent of these costs. This takes into account the plan’s deductibles, copayments, coinsurance, and out-of-pocket maximums. The second-lowest cost silver plan premiums are significant because premium tax credits that are available to help make Marketplace coverage more affordable are calculated based on the premium for those plans. The actual payment made by consumers for their insurance depends on the plan they choose and the level of tax credit they qualify for.

Competition and tax credits are related. Increased numbers of plans in a market means more competition. More competition tends to put downward pressure on premiums. As competition intensifies, the benchmark plan (second-lowest cost silver plan) may change. This means that the benchmark premium (and thus the tax credit) may grow more slowly than a consumer’s current plan’s premium. For this reason, consumers that want to make their tax credit’s purchasing power go as far as possible should shop. Another implication is that premium competition serves to benefit taxpayers by holding down tax credit costs.

The percentages in Tables 3, 4, and 5 include current Marketplace enrollees who selected a plan, with or without tax credits. Table 3 shows the percent of current Marketplace enrollees in the 35 states who could get coverage for as little as \$100 or less per month, taking into account any applicable tax credits in 2015, *regardless of the metal level they selected in 2014*. For example, 79 percent of all customers returning to the Marketplace can get coverage for \$100 or less after tax credits, regardless of their 2014 plan metal level choice. Sixty-six percent can get coverage for \$50 or less, and an additional 12 percent could get coverage for as little as \$50 to \$100.

¹⁰ Represents the percentage of individuals who selected a 2014 Marketplace plan and qualified for an advance premium tax credit (APTC), with or without a cost-sharing reduction, from: HHS, ASPE, May 1, 2014, “Health Insurance Marketplace: Summary Enrollment Report for the Initial Annual Open Enrollment Period.”

¹¹ Amy Burke, Arpit Misra, and Steven Sheingold, “Premium Affordability, Competition and Choice in the Health Insurance Marketplace, 2014,” *ASPE Research Brief*, June 2014.

TABLE 3
It Pays to Shop: Percent of Current Marketplace Enrollees Who Could Obtain Coverage for \$100 or Less after Any Applicable Tax Credits in 2015, 35 States
Regardless of Metal Level in 2014

Monthly Premium After Tax Credits	Any Plan Type	Bronze	Silver	Gold	Platinum
\$100 or less	79%	79%	64%	36%	9%
\$50 or Less	66%	66%	42%	8%	1%
\$50 to \$100	12%	12%	22%	27%	8%

Source: Plan information is from the plan landscape files as of November 2014 for 35 states. Enrollment information is based on active plan selections by in the CMS Multidimensional Insurance Data Analytics System (MIDAS) as of May 12, 2014. Note: Columns may not sum due to rounding. This analysis holds *all* enrollee characteristics unchanged and calculates 2015 premiums and tax credits based on the same age, family composition, and household income as percentage of the FPL as in 2014. This analysis includes only enrollees whose could be linked to complete plan and premium data for both 2014 and 2015, and excludes tobacco users. Catastrophic plans, which are not available to all consumers, were not considered in these calculations. See the “Methods and Limitations” section at the end of this brief for more details.

Table 4 shows the percentage of current Marketplace enrollees who could get covered for \$100 or less, taking into account any applicable tax credits, *if they keep their current plan* and do not switch to a lower-premium plan for 2015. For example, 58 percent of Marketplace enrollees who selected a silver-level plan in 2014 will have 2015 coverage for \$100 or less if they do not change plans.

TABLE 4
It Pays to Shop: Percent of Current Marketplace Enrollees Who Would Be Covered for \$100 or Less after Any Applicable Tax Credits in 2015, 35 States
If They Did Not Switch Plans

Monthly Premium After Tax Credits	All Plan Types	Bronze	Silver	Gold	Platinum
\$100 or less	50%	47%	58%	8%	4%
\$50 or Less	26%	26%	31%	1%	0%
\$50 to \$100	23%	20%	27%	7%	3%

Source: Plan information is from the plan landscape files as of November 2014 for 35 states. Enrollment information is based on active plan selections in the CMS Multidimensional Insurance Data Analytics System (MIDAS) as of May 12, 2014. Note: Columns may not sum due to rounding. This analysis holds *all* enrollee characteristics unchanged and calculates 2015 premiums and tax credits based on the same age, family composition, and household income as percentage of the FPL as in 2014. This analysis includes only enrollees linked to complete plan and premium data for both 2014 and 2015, and excludes tobacco users. Catastrophic plans, which are not available to all consumers, were not considered in these calculations. See the “Methods and Limitations” section at the end of this brief for more details.

However, there may be more affordable plans in 2015 available to current enrollees. Table 5, below, shows the percentage of current Marketplace enrollees in the 35 states that could get coverage for \$100 or less, taking into account any applicable tax credits, *while staying in their current metal level*. For example, 65 percent of all people who selected a plan in 2014 could get coverage for \$100 or less if they selected a lower-premium plan in their same metal level. Of those who selected a silver plan in 2014, 77 percent could get silver plan coverage for \$100 or less in 2015 if they choose a lower-cost plan.

TABLE 5
It Pays to Shop: Percent of Current Marketplace Enrollees Who Could Obtain Coverage
for \$100 or Less after Tax Credits in 2015, 35 States
within Their Current Metal Level

Monthly Premium After Tax Credits	All Plan Types	Bronze	Silver	Gold	Platinum
\$100 or less	65%	58%	77%	14%	7%
\$50 or Less	45%	39%	54%	2%	1%
\$50 to \$100	20%	19%	23%	12%	7%

Source: Plan information is from the plan landscape files as of November 2014 for 35 states. Enrollment information is based on active plan selections by in the CMS Multidimensional Insurance Data Analytics System (MIDAS) as of May 12, 2014.

Note: Columns may not sum due to rounding. This analysis holds *all* enrollee characteristics unchanged and calculates 2015 premiums and tax credits based on the same age, family composition, and household income as percentage of the FPL as in 2014. This analysis includes only enrollees linked to complete plan and premium data for both 2014 and 2015, and excludes tobacco users. Catastrophic plans, which are not available to all consumers, were not considered in these calculations. See the “Methods and Limitations” section at the end of this brief for more details.

Conclusion

New and returning customers to the Health Insurance Marketplace will see improved choice and affordable premiums in 2015, a clear sign that the Marketplace is succeeding in creating a competitive and dynamic environment. Consumers should take advantage of this by shopping around to find the plan that best meets their needs and their budget. They can do so by going to HealthCare.gov, which provides information for consumers looking to compare plans on premiums and other plan features.

Methodology and Limitations

Data

The plan and premium data reported here are from the Marketplace QHP landscape individual market medical files, which are publicly available at HealthCare.gov.¹² Data were not available for all states. This analysis considers the 35 states which were included in both the 2014 and 2015 Marketplace landscape files: Alabama, Alaska, Arizona, Arkansas, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Michigan, Mississippi, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, West Virginia, Wisconsin, and Wyoming.

For most State-based Marketplaces (SBMs), comprehensive plan and premium data were not available for both 2014 and 2015. The State-based Marketplaces not included in the analysis in this brief are California, Colorado, Connecticut, District of Columbia, Hawaii, Idaho, Kentucky, Maryland, Massachusetts, Minnesota, Oregon, Nevada, New York, Rhode Island, Vermont, and Washington. Some State-based Marketplaces submit plan data to the Center for Consumer Information and Insurance Oversight (CCIIO) for display using Federal web architecture. New Mexico's SBM utilized the FFM platform to support its eligibility and enrollment functions in 2014, will continue to do so in 2015, and is included in this analysis in this brief. Oregon and Nevada did not rely on the FFM platform in 2014 but will in 2015; Idaho relied on the FFM platform in 2014, but will not in 2015.

The analysis in this brief does not include stand-alone dental plans, child-only plans, morbid obesity plans, or small-group Marketplace plans. In our estimates of the lowest available Marketplace premiums, we also did not consider catastrophic plans and their enrollees. Catastrophic coverage is not available to all consumers.

Most of the increase in number of plans available to consumers for 2015 is due to newly available plans on the Marketplaces. However, a small proportion of the increase in plan offerings is due to returning issuers breaking 2014 plans into two or more plans for 2015 because of changes in the Marketplace rules governing premium rates.

Enrollment information is based on active QHP selections in the CMS Multidimensional Insurance Data Analytics System (MIDAS) as of May 12, 2014. In this brief, we use the term “enrollees” to refer to individuals with active Marketplace individual market health plan selections; it does not refer to “effectuated enrollees”—individuals who selected and paid the premium. Additionally, we exclude tobacco users and morbid obesity plan enrollees from our calculations of average premiums because their premium rates may be higher than standard, non-tobacco rates. Our calculations of the savings from switching plans (Table 2) and premium tax credits (Table 3, 4, and 5) are based on only enrollees whom we were able to link to complete premium and plan data for both 2014 and 2015.

¹² The Marketplace plan landscape files can be downloaded at: <https://www.healthcare.gov/health-and-dental-plan-datasets-for-researchers-and-issuers/>

Premiums

In this issue brief, we examine the plans and premiums available at the county level. Because some plans may not serve all counties within a rating area, county-level analysis provides a better approximation of plan availability. Note that analysis in previous ASPE briefs on Marketplace premiums was typically at the rating area level; therefore, numbers in this brief should not be compared against those in previous briefs using rating-area analysis.

Our analysis of premiums in Tables 2-5 considers only current enrollees whose 2014 Marketplace plan is available in 2015, based on each plan's unique ID code. Consumers can be auto-enrolled into a similar coverage even if their exact plan is not available for next year.

Premium Tax Credits

The Affordable Care Act specifies that an individual or family who is eligible for premium tax credits will be required to pay no more than a fixed percentage of their income for the second-lowest cost silver plan available in the Marketplace in their local area. This applicable percentage varies only by household income as a percentage of the Federal Poverty Level (FPL) and does not depend on household members' ages, the number of people within the household covered through the Marketplace, or Marketplace premiums. (For examples of 2015 incomes and benchmark premiums for those who are eligible for tax credits, see Table 6.) The applicable percentage is converted into a maximum dollar amount the household is required to pay annually for the benchmark plan, and the tax credit is applied to make up the difference between the maximum dollar amount and the actual premium, if any.¹³ The exact dollar amount of the tax credit depends on the premium of the second-lowest cost silver plan available to the household and the cost of covering the family members who are seeking Marketplace coverage.

For example, a 27-year-old woman with an income of \$25,000 in 2014 would be at 218 percent of the FPL.¹⁴ For tax credits in coverage year 2014, the amount she pays for the second-lowest cost silver plan is capped at \$145 per month. If her premium for the second-lowest cost silver plan available is \$336 per month before tax credits, then the amount of the premium tax credit will be \$191 per month—the difference between specified contribution to the benchmark plan and the actual cost of the benchmark plan. Her use of the tax credit is not restricted to the second-lowest cost silver plan. She can apply the \$191 per month tax credit toward any plan of her choosing in any metal level. By applying her tax credit to the lowest-cost bronze plan, which may be priced at \$199 per month, she could obtain Marketplace coverage for just \$8 per month after tax credits. If she picks the lowest-cost silver plan, at \$226 per month, she pays just \$35 per month after tax credits.

¹³ If the premium of the second-lowest cost silver plan falls below the maximum amount the household pays for benchmark coverage, then the household does not receive a tax credit and pays the full premium for the benchmark plan.

¹⁴ For coverage in 2014, the 2013 Federal Poverty Guidelines are used to calculate FPL. For coverage in 2015, the 2014 Federal Poverty Guidelines are used to calculate FPL.

Suppose that for 2015, this woman's income is again equivalent to 218 percent of the FPL. The maximum she will pay for the second-lowest cost silver plan in her area in 2015 is capped at \$148 for 2015 (see Table 6 for 2015 applicable percentages). She can choose to buy the second-lowest silver plan if she wishes, and it will cost her up to \$148 after tax credits—*regardless of how much the second-lowest silver plan's actual premium may have increased*. Her tax credit for 2015 will be the difference between \$148 and what the second-lowest cost silver plan premium would be for her in 2015. Again, she can take her tax credit and apply it to whatever plan in any metal tier that best fits her needs.

TABLE 6
Examples of Maximum Monthly Health Insurance Premiums for the Second-Lowest Cost Silver Plan for Marketplace Coverage for a Single Adult in 2015¹⁵

Single Adult Income ¹⁶	Percent of the Federal Poverty Level	Maximum Percent of Income Paid toward Second-Lowest Cost Silver Plan	Maximum Monthly Premium Payment for Second-Lowest Cost Silver Plan
\$11,670	100% ¹⁷	2.01%	\$20
\$17,505	150%	4.02%	\$59
\$23,340	200%	6.34%	\$123
\$29,175	250%	8.10%	\$197
\$35,010	300%	9.56%	\$279
\$40,845	350%	9.56%	\$325
\$46,797	401%	Not Applicable	No Limit

Source: Applicable percentages for 2015 coverage are available at: www.irs.gov/pub/irs-drop/rp-14-37.pdf. The 2014 Federal Poverty Guidelines, used for premium tax credits for 2015 coverage, are at: <http://aspe.hhs.gov/poverty/14poverty.cfm>.

Many families may also be eligible for premium tax credits. For example, suppose a family with an income of \$60,000 was shopping for Marketplace coverage for 2015 for all four family members. The family's income is equivalent to 252 percent of the FPL; therefore, the family's premium is capped at 8.15% of income or no more than \$407 per month for the benchmark second-lowest cost silver plan in its local area. If the premium for the second-lowest cost silver plan for the family is \$805 per month, the family will receive a tax credit of \$398, making the premium after tax credits \$407 ($\$805 - \$398 = \407). The family can apply its \$398 tax credit toward the purchase of coverage in any metal level. Note that the maximum percent of income paid toward the second-lowest silver plan is adjusted annually by a measure of the difference between premium growth and income growth.

¹⁵ For more information on premium tax credits, see the Internal Revenue Service final rule on "Health Insurance Premium Tax Credit," (*Federal Register*, May 23, 2012, vol., 77, no. 100, p. 30392; available at: <http://www.gpo.gov/fdsys/pkg/FR-2012-05-23/pdf/2012-12421.pdf>).

¹⁶ Income examples are based on the 2014 federal poverty guidelines for the continental United States. Alaska and Hawaii have higher federal poverty guidelines, which are not shown in this table.

¹⁷ In states expanding Medicaid, individuals and families at 100 percent of the FPL who are eligible for Medicaid coverage are not eligible for premium tax credits.

APPENDIX: TABLES BY STATE AND CITY

TABLE 7
Average Monthly Premiums for Second-Lowest Cost Silver Plans for a 27-Year-Old
(Before Tax Credits), 2014 and 2015 in Selected States

State	Average Second-Lowest Cost Silver Premium for a 27-Year-Old		
	2014	2015	% Change
AK	\$349	\$449	28%
AL	\$210	\$216	3%
AR	\$241	\$234	-3%
AZ	\$164	\$158	-4%
DE	\$237	\$247	4%
FL	\$217	\$231	6%
GA	\$235	\$220	-6%
IA	\$206	\$215	4%
IL	\$185	\$191	3%
IN	\$270	\$265	-2%
KS	\$196	\$187	-5%
LA	\$252	\$257	2%
ME	\$266	\$262	-2%
MI	\$206	\$207	0%
MO	\$234	\$232	-1%
MS	\$311	\$249	-20%
MT	\$208	\$196	-5%
NC	\$244	\$262	8%
ND	\$233	\$248	7%
NE	\$205	\$216	5%
NH	\$237	\$205	-14%
NJ	\$264	\$259	-2%
NM	\$184	\$165	-10%
OH	\$216	\$220	2%
OK	\$175	\$184	5%
PA	\$200	\$196	-2%
SC	\$222	\$222	0%
SD	\$234	\$216	-8%
TN	\$161	\$170	6%
TX	\$203	\$210	3%
UT	\$206	\$211	2%
VA	\$222	\$230	3%
WI	\$246	\$251	2%
WV	\$231	\$248	7%
WY	\$343	\$359	5%

Source: Plan information is from the plan landscape files as of November 2014 for 35 states.

Note: The numbers in this table represent premiums before the application of tax credits. Premiums are weighted averages across each county in each state, weighted by the number of Marketplace health plan selections in each county, as of May 12, 2014.

TABLE 8
Number of Marketplace Issuers by State, 2014 and 2015 in Selected States

State	Number of Issuers in State		Net Change in Number of Issuers in State	Number of New Issuers to the State	Number of Issuers Exiting the State
	2014	2015			
AK	2	2	0	0	0
AL	2	3	1	1	0
AR	3	4	1	1	0
AZ	10	13	3	3	0
DE	3	3	0	2	2
FL	11	14	3	4	1
GA	5	9	4	4	0
IA	4	4	0	0	0
IL	8	10	2	3	1
IN	4	9	5	6	1
KS	4	5	1	1	0
LA	5	6	1	1	0
ME	2	3	1	1	0
MI	12	16	4	4	0
MO	4	7	3	3	0
MS	2	3	1	1	0
MT	3	4	1	1	0
NC	2	3	1	1	0
ND	3	3	0	0	0
NE	4	4	0	1	1
NH	1	5	4	4	0
NJ	4	6	2	2	0
NM	4	5	1	1	0
OH	12	16	4	5	1
OK	6	4	-2	1	3
PA	14	15	1	4	3
SC	4	5	1	1	0
SD	3	3	0	0	0
TN	4	5	1	1	0
TX	12	15	3	3	0
UT	6	6	0	0	0
VA	8	9	1	1	0
WI	13	15	2	2	0
WV	1	1	0	0	0
WY	2	2	0	0	0

Source: Plan information is from the plan landscape files as of November 2014 for 35 states.

Note: An issuer is counted as “new” in 2015 if it did not offer an individual market health plan in a given state’s Marketplace in 2014 based on its HIOS ID number, and “exiting” if it was active in a given state in 2014 but not in 2015.

TABLE 9
Average Number of Marketplace Plans per County, 2014 and 2015 in Selected States

State	Average Number of Qualified Health Plans		Net Change in Average Number of Marketplace Plans, 2014-2015
	2014	2015	
AK	34	28	-6
AL	6	17	11
AR	22	34	12
AZ	81	71	-10
DE	19	24	5
FL	66	42	-24
GA	22	41	19
IA	27	23	-4
IL	38	46	8
IN	23	43	20
KS	32	27	-5
LA	33	44	11
ME	17	25	8
MI	29	64	35
MO	17	20	3
MS	13	27	14
MT	26	40	14
NC	18	26	8
ND	23	26	3
NE	23	25	2
NH	10	38	28
NJ	26	45	19
NM	36	43	7
OH	30	54	24
OK	29	29	0
PA	41	50	9
SC	25	59	34
SD	32	38	6
TN	48	71	23
TX	25	31	6
UT	55	69	14
VA	30	23	-7
WI	49	67	18
WV	12	14	2
WY	16	40	24

Source: Plan information is from the plan landscape files as of November 2014 for 35 states.

Note: Number of plans in 2014 and 2015 represent the average number of Marketplace QHPs per county within each state. Averages are unweighted and exclude catastrophic plans. Rows may not sum due to rounding.

TABLE 10
Average Monthly Marketplace Premiums, Issuers, and QHPs Available by County, 2014 and 2015 in Selected States

State	2015						2014			
	Total Number of Issuers in State	Average Number of QHPs per County	27-Year-Old with an Income of \$25,000		Family of Four with an Income of \$60,000		27-Year-Old with an Income of \$25,000		Family of Four with an Income of \$60,000	
			Average		Average		Average		Average	
			Second Lowest Silver Before Tax Credit	Second Lowest Silver After Tax Credit	Second Lowest Silver Before Tax Credit	Second Lowest Silver After Tax Credit	Second Lowest Silver Before Tax Credit	Second Lowest Silver After Tax Credit***	Second Lowest Silver Before Tax Credit	Second Lowest Silver After Tax Credit
AK*	2	28	\$449	\$105	\$1,624	\$319	\$349	\$107	\$1,265	\$323
AL	3	17	\$216	\$143	\$783	\$407	\$210	\$145	\$761	\$410
AR	4	34	\$234	\$143	\$847	\$407	\$241	\$145	\$874	\$410
AZ***	13	71	\$158	\$143	\$573	\$407	\$164	\$144	\$595	\$410
DE	3	24	\$247	\$143	\$893	\$407	\$237	\$145	\$859	\$410
FL	14	42	\$231	\$143	\$835	\$407	\$217	\$145	\$787	\$410
GA	9	41	\$220	\$143	\$797	\$407	\$235	\$145	\$850	\$410
IA**	4	23	\$215	\$143	\$777	\$407	\$206	\$145	\$747	\$410
IL	10	46	\$191	\$143	\$692	\$407	\$185	\$145	\$669	\$410
IN	9	43	\$265	\$143	\$959	\$407	\$270	\$145	\$978	\$410
KS	5	27	\$187	\$143	\$677	\$407	\$196	\$145	\$710	\$410
LA	6	44	\$257	\$143	\$932	\$407	\$252	\$145	\$913	\$410
ME	3	25	\$262	\$143	\$950	\$407	\$266	\$145	\$962	\$410
MI	16	64	\$207	\$143	\$751	\$407	\$206	\$145	\$745	\$410
MO**	7	20	\$232	\$143	\$839	\$407	\$234	\$145	\$847	\$410
MS	3	27	\$249	\$143	\$901	\$407	\$311	\$145	\$1,127	\$410
MT**	4	40	\$196	\$143	\$710	\$407	\$208	\$145	\$752	\$410
NC	3	26	\$262	\$143	\$950	\$407	\$244	\$145	\$883	\$410
ND	3	26	\$248	\$143	\$898	\$407	\$233	\$145	\$842	\$410
NE	4	25	\$216	\$143	\$782	\$407	\$205	\$145	\$742	\$410
NH	5	38	\$205	\$143	\$741	\$407	\$237	\$145	\$859	\$410
NJ**	6	45	\$259	\$143	\$937	\$407	\$264	\$145	\$957	\$410

State	2015						2014			
	Total Number of Issuers in State	Average Number of QHPs per County	27-Year-Old with an Income of \$25,000		Family of Four with an Income of \$60,000		27-Year-Old with an Income of \$25,000		Family of Four with an Income of \$60,000	
			Average		Average		Average		Average	
			Second Lowest Silver Before Tax Credit	Second Lowest Silver After Tax Credit	Second Lowest Silver Before Tax Credit	Second Lowest Silver After Tax Credit	Second Lowest Silver Before Tax Credit	Second Lowest Silver After Tax Credit***	Second Lowest Silver Before Tax Credit	Second Lowest Silver After Tax Credit
NM	5	43	\$165	\$143	\$597	\$407	\$184	\$145	\$665	\$410
OH	16	54	\$220	\$143	\$796	\$407	\$216	\$145	\$783	\$410
OK	4	29	\$184	\$143	\$668	\$407	\$175	\$145	\$632	\$410
PA***	15	50	\$196	\$143	\$709	\$407	\$200	\$144	\$725	\$410
SC	5	59	\$222	\$143	\$805	\$407	\$222	\$145	\$804	\$410
SD	3	38	\$216	\$143	\$783	\$407	\$234	\$145	\$848	\$410
TN	5	71	\$170	\$143	\$614	\$407	\$161	\$145	\$582	\$410
TX	15	31	\$210	\$143	\$760	\$407	\$203	\$145	\$736	\$410
UT	6	69	\$211	\$143	\$681	\$407	\$206	\$145	\$619	\$410
VA	9	23	\$230	\$143	\$833	\$407	\$222	\$145	\$805	\$410
WI**	15	67	\$251	\$143	\$909	\$407	\$246	\$145	\$891	\$410
WV**	1	14	\$248	\$143	\$900	\$407	\$231	\$145	\$835	\$410
WY	2	40	\$359	\$143	\$1,299	\$407	\$343	\$145	\$1,243	\$410
35 State Average	7	37	\$222	\$143	\$803	\$407	\$218	\$145	\$789	\$410

Source: Plan information is from the plan landscape files as of November 2014 for 35 states.

Note: The average number of QHPs per county is unweighted across counties within a state and excludes catastrophic plans. Premiums are weighted averages across all counties in each state, weighted by the county's number of Marketplace health plan selections as of May 12, 2014. In this example, the family of four is one 40-year-old adult, one 38-year-old adult, and two children under the age of 21. For households eligible for premium tax credits, after-tax-credit benchmark premiums are capped at a given percentage of household income. As shown in the table, after-tax benchmark premiums will differ slightly between 2014 and 2015 for identical family compositions and income amounts because of changes in the applicable percentages and the Federal Poverty Guidelines. The 2014 guidelines are used to calculate benchmark premiums for coverage in 2015, and 2013 guidelines are used for coverage in 2014. Because poverty guideline thresholds generally increase each year, a given dollar amount of income may equate to a smaller percentage of the Federal Poverty Level (FPL) this year than it did in the year previous. For example, a four-person family with an income of \$60,000 is at 252 percent of the FPL by 2014 guidelines and at 255 percent of the FPL by 2013 guidelines. As a result, the percentage of income the family would pay for the benchmark plan is smaller for 2015 than for 2014.

* Alaska's federal poverty guidelines are higher than those for the continental United States; consequently, the after tax credit premium is lower for a given amount of income.

** In all 35 states, our calculations of premiums after tax credits assume that all members of the family of four making \$60,000 would be eligible for premium tax credits.

However, in states with higher Medicaid/CHIP thresholds the children would be eligible for Medicaid/CHIP and not eligible for premium tax credits.

*** If the benchmark plan premium is below the applicable percentage of income after tax credit, the tax credit-eligible enrollee pays the actual premium. In Pennsylvania and Arizona in 2014, average premiums for second-lowest silver after tax credit for a 27-year-old making \$25,000 were below the amount corresponding to the applicable percentage.

TABLE 11
Second-Lowest Cost Silver Plan Monthly Premiums for a 27-Year-Old
(Before Tax Credits), 2014 and 2015 in Selected Cities

State	City	County	Second-Lowest Cost Silver Monthly Premium for a 27-year-old		
			2014	2015	% Change
AK	Anchorage	Anchorage	\$355	\$449	26%
AK	Juneau	Juneau	\$334	\$449	34%
AL	Birmingham	Jefferson	\$211	\$217	3%
AR	Little Rock	Pulaski	\$251	\$245	-2%
AZ	Phoenix	Maricopa	\$161	\$145	-10%
AZ	Tucson	Pima	\$138	\$147	7%
DE	Wilmington	New Castle	\$237	\$247	4%
FL	Ft. Lauderdale	Broward	\$199	\$198	-1%
FL	Jacksonville	Duval	\$210	\$223	6%
FL	Miami	Miami-Dade	\$221	\$225	2%
FL	Orlando	Orange	\$225	\$244	8%
FL	Tampa	Hillsborough	\$199	\$240	21%
FL	West Palm Beach	Palm Beach	\$220	\$236	7%
GA	Atlanta	Fulton	\$205	\$209	2%
IA	Cedar Rapids	Linn	\$209	\$202	-3%
IL	Chicago	Cook	\$174	\$177	2%
IN	Indianapolis	Marion	\$290	\$270	-7%
KS	Kansas City	Wyandotte	\$213	\$188	-12%
KS	Wichita	Sedgwick	\$184	\$179	-3%
LA	New Orleans	Orleans Parish	\$255	\$243	-5%
ME	Portland	Cumberland	\$242	\$231	-5%
MI	Detroit	Wayne	\$184	\$188	2%
MO	St. Louis	Saint Louis	\$216	\$226	5%
MS	Jackson	Jackson	\$332	\$253	-24%
MT	Bozeman	Gallatin	\$206	\$195	-5%
NC	Charlotte	Mecklenburg	\$251	\$269	7%
NC	Greensboro	Guilford	\$228	\$259	14%
NC	Raleigh-Durham	Wake	\$222	\$251	13%
ND	Fargo	Cass	\$222	\$223	0%
NE	Omaha	Douglas	\$222	\$216	-3%
NH	Manchester	Hillsborough	\$237	\$202	-15%
NJ	Newark	Essex	\$264	\$259	-2%
NM	Albuquerque	Bernalillo	\$159	\$142	-11%
OH	Cincinnati	Hamilton	\$196	\$194	-1%
OH	Cleveland	Cuyahoga	\$204	\$202	-1%
OH	Columbus	Franklin	\$207	\$219	6%

State	City	County	Second-Lowest Cost Silver Monthly Premium for a 27-year-old		
			2014	2015	% Change
OH	Dayton	Montgomery	\$212	\$219	3%
OK	Oklahoma City	Oklahoma	\$165	\$179	8%
OK	Tulsa	Tulsa	\$183	\$183	0%
PA	Philadelphia	Philadelphia	\$246	\$219	-11%
PA	Pittsburgh	Allegheny	\$139	\$141	1%
SC	Columbia	Richland	\$220	\$226	3%
SD	Sioux Falls	Lincoln	\$217	\$210	-3%
SD	Sioux Falls	Minnehaha	\$217	\$210	-3%
TN	Memphis	Shelby	\$159	\$158	-1%
TN	Nashville	Davidson	\$154	\$166	8%
TX	Austin	Travis	\$205	\$197	-4%
TX	Dallas	Dallas	\$223	\$230	3%
TX	Houston	Harris	\$201	\$205	2%
TX	McAllen	Hidalgo	\$155	\$165	6%
TX	San Antonio	Bexar	\$196	\$191	-3%
TX	San Antonio	Comal	\$202	\$195	-3%
TX	San Antonio	Medina	\$202	\$217	7%
UT	Salt Lake	Salt Lake	\$197	\$202	3%
VA	Richmond	Henrico	\$208	\$213	2%
WI	Milwaukee	Milwaukee	\$258	\$273	6%
WV	Huntington	Cabell	\$220	\$237	8%
WV	Huntington	Wayne	\$220	\$237	8%
WY	Cheyenne	Laramie	\$324	\$334	3%

Note: The premiums in this table represent premiums before the application of tax credits. The number of QHPs in the county excludes catastrophic plans. Plan and premium information is from the Center for Consumer Information and Insurance Oversight as of November 2014 for 35 states.

TABLE 12
Number of Marketplace Plans in County, 2014 and 2015 in Selected Cities

State	City	County	Number of Plans		Net Change in Number of Marketplace Plans 2014-2015
			2014	2015	
AK	Anchorage	Anchorage	34	28	-6
AK	Juneau	Juneau	34	28	-6
AL	Birmingham	Jefferson	10	21	11
AR	Little Rock	Pulaski	38	34	-4
AZ	Phoenix	Maricopa	111	127	16
AZ	Tucson	Pima	110	103	-7
DE	Wilmington	New Castle	19	24	5
FL	Ft. Lauderdale	Broward	132	94	-38
FL	Jacksonville	Duval	86	44	-42
FL	Miami	Miami-Dade	137	90	-47
FL	Orlando	Orange	98	53	-45
FL	Tampa	Hillsborough	102	53	-49
FL	West Palm Beach	Palm Beach	132	94	-38
GA	Atlanta	Fulton	58	89	31
IA	Cedar Rapids	Linn	30	29	-1
IL	Chicago	Cook	65	143	78
IN	Indianapolis	Marion	18	68	50
KS	Kansas City	Wyandotte	16	24	8
KS	Wichita	Sedgwick	36	32	-4
LA	New Orleans	Orleans	44	55	11
ME	Portland	Cumberland	17	25	8
MI	Detroit	Wayne	52	126	74
MO	St. Louis	Saint Louis	22	41	19
MS	Jackson	Jackson	18	24	6
MT	Bozeman	Gallatin	26	40	14
NC	Charlotte	Mecklenburg	28	44	16
NC	Greensboro	Guilford	17	26	9
NC	Raleigh-Durham	Wake	28	39	11
ND	Fargo	Cass	24	30	6
NE	Omaha	Douglas	43	44	1
NH	Manchester	Hillsborough	10	39	29
NJ	Newark	Essex	26	47	21
NM	Albuquerque	Bernalillo	42	51	9
OH	Cincinnati	Hamilton	63	102	39
OH	Cleveland	Cuyahoga	42	102	60
OH	Columbus	Franklin	26	57	31
OH	Dayton	Montgomery	36	92	56
OK	Oklahoma City	Oklahoma	61	50	-11
OK	Tulsa	Tulsa	55	50	-5
PA	Philadelphia	Philadelphia	24	40	16
PA	Pittsburgh	Allegheny	35	58	23
SC	Columbia	Richland	28	62	34

State	City	County	Number of Plans		Net Change in Number of Marketplace Plans 2014-2015
			2014	2015	
SD	Sioux Falls	Lincoln	32	39	7
SD	Sioux Falls	Minnehaha	32	39	7
TN	Memphis	Shelby	72	106	34
TN	Nashville	Davidson	72	106	34
TX	Austin	Travis	76	111	35
TX	Dallas	Dallas	36	64	28
TX	Houston	Harris	39	71	32
TX	McAllen	Hidalgo	24	79	55
TX	San Antonio	Bexar	58	95	37
TX	San Antonio	Comal	53	80	27
TX	San Antonio	Medina	23	33	10
UT	Salt Lake	Salt Lake	85	98	13
VA	Richmond	Henrico	43	23	-20
WI	Milwaukee	Milwaukee	84	109	25
WV	Huntington	Cabell	12	14	2
WV	Huntington	Wayne	12	14	2
WY	Cheyenne	Laramie	16	40	24

Note: The number of QHPs in the county excludes catastrophic plans. Plan information is from the Center for Consumer Information and Insurance Oversight as of November 2014 for 35 states.