

PRESS RELEASE



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California Association of Health Plans President & CEO Releases Statement on 2018 Covered California Rates

Sacramento, CA – Covered California today announced health insurance rates for 2018, citing an average weighted statewide rate change of 12.5% as the exchange moves into its fifth year of operation. The rates reflect the ongoing uncertainty at the federal level over the future of the Affordable Care Act (ACA) as well as increased spending on medical care and several other factors.

California Association of Health Plans President and CEO Charles Bacchi issued the following statement on today's announcement:

“Covered California’s announcement demonstrates that California continues to have a competitive individual marketplace. However, the increase in premiums does reflect the impact of continued uncertainty at the federal level as well as rising medical costs, which includes the high cost of prescription drugs.

“The continued uncertainty surrounding the Cost Sharing Reductions (CSRs) will dramatically increase rates for some consumers and cause confusion if not resolved quickly. Plans are committed to working closely with Covered California to help educate consumers about which plans will work best for them in the event the CSRs are not funded.”

The major factors influencing rates in 2018 include whether the federal government will continue to fund federal subsidies for low income consumers (CSRs) and the potential elimination of the “individual mandate.” Other factors impacting premiums include increased prescription drug spending, which is rising faster than any other sector of health care, hospital expenses, and other rising medical costs, as well as the return of the health insurance tax. Rates will also vary based on individual circumstances such as age, family size, zip code, and income level.

The California Association of Health Plans has released a new infographic illustrating the major factors influencing 2018 health coverage premiums. To view CAHP’s infographic on 2018 premiums, please visit [our website](#). For a more in-depth analysis of the factors impacting health insurance premiums, please see CAHP’s latest [research review](#) of the American Academy of Actuaries’ July 2017 issue brief. For more information on how high-priced drugs continue to impact health coverage at all levels, please visit www.runawayrx.org.

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CAHP is a statewide association representing 49 full-service health plans. Through legislative advocacy, education and collaboration with other member organizations, CAHP works to sustain a strong environment in which our member plans can provide access to products that offer choice and flexibility to the more than 28 million members they serve. For more information, please visit <http://www.calhealthplans.org/> or call (916) 552-2910.