

Local

Where are the most expensive ACA plans in America? Charlottesville.

By [Colby Itkowitz](#)

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Monthly health-care insurance premiums increased all over America this year, but nowhere as dramatically as in Charlottesville, an analysis shows.

Residents of the small college city and the surrounding Albemarle County who wish to purchase individual insurance from the federal marketplace will be paying for the most expensive plans in the country, a Kaiser Family Foundation review confirmed.

The prices have shocked those who went to shop for a new plan Nov. 1 and found that in many cases they'd be paying three times as much for coverage as the year before.

“Everywhere else was horrific” for ballooning costs, said Karen Pollitz, Kaiser senior fellow of the rate increase. “But something weird is going on in Charlottesville different from everywhere else; something else added a multiple of two or three in Charlottesville.”

Being hit the hardest by the spikes are entrepreneurs who work for themselves and earn too much to qualify for government subsidies. They have to pay a carrier's rate in full.

Ian Dixon, who left his full-time job in 2016 to pursue an app-development business, did so because the ACA guaranteed that he could still have quality coverage for his young family, he said.

But when the 38-year-old Charlottesville husband and father of a 3- and a 1-year-old went to re-enroll this month, his only choice for coverage would cost him more than \$3,000 a month for his family of four, which amounted to an increase of more than 300 percent over the \$900 he paid the year before. And this is for the second-cheapest option, with a deductible of \$9,200.

“Helpless is definitely a good word for it,” Dixon said. “Rage is also a good word for it.”

Nearly 80 percent of the more than 350,000 Virginians who buy coverage on the ACA health exchange qualify for government subsidies that lower premiums, slightly less than the percentage among people with ACA health plans nationwide. But the remaining 20 percent are left with few options but to pay dramatically higher rates.

In Albemarle County, more than 5,000 people buy individual insurance on the federal exchange. Of those, about 1,500 are ineligible for the financial assistance, according to data from the Centers for Medicare and Medicaid Services.

A benchmark silver plan — silver being the second-lowest tier of ACA coverage and the tier on which the premium subsidies are based — for a 40-year-old individual is \$1,011 a month in Albemarle. The next highest for that type of plan are Hardee and Monroe counties in Florida at \$903 a month, according to Kaiser.

Earlier this year, Aetna and Anthem [pulled out](#) of the Albemarle market, citing too much unpredictability and risk. A smaller carrier, Optima, came in to fill the void. Consumers in the area went from having 19 plans offered in the options from Aetna and Anthem to only five coverage options with Optima.

Several factors led to Optima's offering such high-priced plans, said Michael Dudley, the president of Optima.

First, small communities like Charlottesville tend to be pricier to cover because there is a small patient pool to balance out risks. So Optima took a cue from the carriers who had already ditched the market when actuaries predicted it was a place where the insurance companies might be paying out more to cover claims than it receives in premiums.

It is also a more expensive coverage area because the primary provider is University of Virginia Health System, an academic medical center that charges higher rates for its care than a community hospital. Optima will include UVA Health System in-network, unlike many carriers who have [dropped the big medical centers](#) as a cost-saving measure.

And finally, Virginia regulators told insurers to set their rates assuming that President Trump would eliminate cost-sharing reduction payments — [which he did](#) last month — that the government paid carriers to compensate the companies for discounts the law requires them to provide.

This action alone will cost Optima tens of millions of dollars, said Dudley.

“You take those two factors and then add the major uncertainty and instability out of Washington, D.C . . . it all combined in the perfect storm,” Dudley said. “It's a tough message, and we anticipated it would be a tough message. We get it — this is frustrating.”

And now that Republicans in Congress are debating making more changes to the ACA in its tax reform bill, Dudley said he has wondered whether they should have charged even more to cover their risk.

Doug Gray, executive director of the Virginia Association of Health Plans, had an even more tough-love take: Consumers in Charlottesville are “lucky” to have a carrier at all.

“We were the model for states in terms of competitive and successful exchanges. Then what happened is carriers lost a lot of money and they started to reexamine — ‘Gee, I'm not sure I can sustain participating in

this,'” Gray said. “‘Do I want to stay in this business? Can we explain to our customers a rate increase this big?’”

There are few options for consumers like Dixon who need coverage.

He recently created a Facebook page titled, “Charlottesville For Reasonable Health Insurance,” hoping someone else had found a solution. Soon there were 161 members with the same problem, but little more to offer than empathy.

Among them was Shawn Marie Cossette, 55, who runs her own event and floral design business in Charlottesville. Last year, she purchased an Anthem silver plan for \$550 a month for herself. This year, under Optima, a silver plan would cost her \$1,859 monthly.

“It’s a huge percentage of my income,” she said. “I really believed in the ACA. I really feel everyone deserves the right to health insurance, but who can afford those prices if you don’t qualify for subsidies?”

Cossette has found a workaround that while not ideal will result in her paying double rather than triple what she did last year. She is working with an insurance agent to form a small group plan and will put her one full-time employee on it. She’ll pay for his insurance and her own in full, which will come to around \$1,100 a month, and she can go back to Anthem under group coverage.

Dixon is looking to do something similar, although he doesn’t have any employees. He would have to hire someone and begin paying a salary, which still might be cheaper than the premiums he’d pay on the individual market.

Others in the group have considered moving to another county with better carrier options. Some have suggested cutting their take-home pay so they could qualify for subsidies. And even more are thinking about getting a full-time job with benefits.

“People are desperate,” Dixon said. “I feel like we’re victims in the political games being played by the administration. It’s hard for me to look at it any other way.”

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