



**2018 Report on The Number of Insured
and Self-Insured Lives
MSAR # 7797**

**Al Redmer, Jr.
Commissioner**

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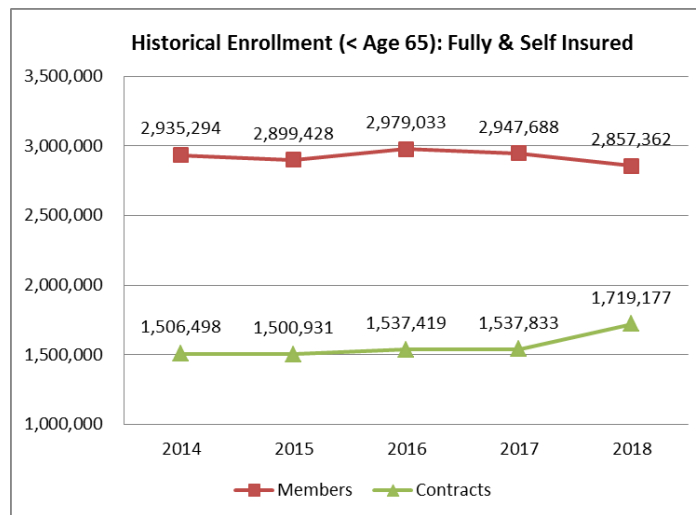
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Background Information

As required under § 15-133 of the Insurance Article, “On or before December 1 of each year, the Commissioner shall report to the General Assembly, in accordance with § 2-1246 of the State Government Article, on the estimated number of insured and self-insured contracts for health benefit plans in the state and the number of insured and self-insured lives under the age of 65 enrolled in benefit plans in the State.” This information is summarized in the chart and graph below and in the attached Tables 1 through 4.

1	2	3	4	5	6	7	8	9	10	11	12	20
				06/30/17	06/30/17		06/30/18	06/30/18		Members	Members	MIA
COMMERCIAL/PRIVATE				Contracts	Members	%	Contracts	Members	%	Δ	Δ	Regulated?
Fully Insured	Group			314,025	757,346	25.7%	364,589	725,687	25.4%	(31,659)	-4.2%	Yes
	Individual Non-Medigap			170,941	256,399	8.7%	178,807	214,833	7.5%	(41,566)	-16.2%	Yes
Subtotal				484,966	1,013,745	34.4%	543,396	940,520	32.9%	(73,225)	-7.2%	
Self Insured	Group			787,062	1,489,017	50.5%	889,558	1,479,265	51.8%	(9,752)	-0.7%	No
	FEHBP			265,805	444,926	15.1%	286,223	437,577	15.3%	(7,349)	-1.7%	No
Subtotal				1,052,867	1,933,943	65.6%	1,175,781	1,916,842	67.1%	(17,101)	-0.9%	
TOTAL				1,537,833	2,947,688	100.0%	1,719,177	2,857,362	100.0%	(90,326)	-3.1%	



The MIA requires insurers, nonprofit health service plans, health maintenance organizations, managed care organizations, and third-party administrators to report the number of lives and contracts for health benefit plans for those under the age of 65 as of a specified date.¹ “Health benefit plans” (HBP) include policies for hospital or medical benefits. They do not include such coverage as accident-only insurance, credit health insurance, disability income insurance, coverage issued as a supplement to liability insurance, workers’ compensation, automobile medical payment insurance, dental insurance, vision insurance, long-term care insurance, disease-specific insurance, hospital indemnity or other fixed indemnity insurance, or a Medicare supplement policy as defined in §15-901 of the Annotated Code of Maryland.

¹ The survey instrument used is available on the MIA’s website at www.insurance.maryland.gov under “Company Filing Requirements.” The data are self-reported and unaudited.

There are two types of health benefit plans comprising the commercial market: insured health benefit plans and other employment-based health benefit plans. Insured health benefit plans include group insured health benefit plans and individual insured health benefit plans. Insured health benefit plans are regulated by the MIA and subject to Maryland law. Other employment-based health benefit plans include group self-insured health benefit plans and the Federal Employees Health Benefit Plan (FEHBP). These health benefit plans are not regulated by the MIA and, for the most part, are not subject to Maryland law.

In the health insurance industry, the covered life (member) is the fundamental unit of measurement. Trends regarding number of contracts generally track those regarding numbers of covered lives.

Observations

Table 1: Covered Lives by Type of Health Benefit Plan under Age 65

In 2018, approximately 2.86 million Maryland residents under the age of 65 had health insurance through a commercial health benefit plan, representing a decrease of approximately -3.1% in total covered lives as compared with 2017. The number of covered lives is composed of 940,520 lives in insured health benefit plans and 1,916,842 lives in all other employment-based health benefit plans.

The number of covered lives in the group insured market decreased from 757,346 to 725,687. This is a decrease of 31,659 covered lives, or approximately -4.2%. The individual insured market decreased from 256,399 to 214,833. This is a decrease of 41,566 covered lives, or approximately -16.2%. The overall number of covered lives in insured health benefit plans decreased from 1,013,745 covered lives in 2017 to 940,520 covered lives in 2018, or approximately -7.2%.

The number of covered lives in the group self-insured market decreased from 1,489,017 to 1,479,265. This is a decrease of 9,752 covered lives, or approximately -0.7%. The number of covered lives in the FEHBP market decreased from 444,926 covered lives in 2017 to 437,577 covered lives in 2018, or approximately -1.7%. The overall number of covered lives in other employment-based health benefit plans decreased from 1,933,943 lives in 2017 to 1,916,842 covered lives in 2018, or approximately -0.9%.

Table 2: Covered Lives by Type of Health Benefit Plan as a Percent of Population under Age 65

Overall, the percentage of the population under the age of 65 covered by an insured health benefit plan or other employment-based health benefit plan decreased from 57.3% to 55.5% between 2017 and 2018. The percentage of the population under the age of 65 with insured health benefit plans decreased from 19.7% in 2017 to 18.3% in 2018.

Table 3: Covered Lives by Type of Health Benefit Plan as a Percent of Total Commercial Health Benefit Plans

The percentage of all those with health insurance through a commercial health benefit plan covered by an insured health benefit plan decreased from 34.4% in 2017 to 32.9% in 2018. The percentage of all those with health insurance through a commercial health benefit plan in other employment-based health benefit plans increased from 65.6% in 2017 to 67.1% in 2018.

Table 4: Contracts and Covered Lives by Type of Health Benefit Plan, 2018

Group insured health benefit plans, with an average of 2.0 covered lives per contract, had slightly more covered lives per contract than group self-insured plans. The overall covered lives per contract for all insured health benefit plans was 1.7, compared to an average of 1.6 for all other employment-based health benefit plans.

Conclusion

As of 2018, the MIA regulates and Maryland state law applies to commercial health benefit plans for approximately 18.3% of the population under the age of 65, and for approximately 32.9% of all covered lives.

TABLE 1: Covered Lives by Type of HBP Under Age 65

	2014	2015	Revised 2016	2017	2018	% Change 2014- 2018	% Change 2017- 2018
Group Fully Insured	854,887	757,667	742,810	757,346	725,687	-15.1%	-4.2%
Individual Non-Medigap	212,613	288,411	291,567	256,399	214,833	+1.0%	-16.2%
All Fully Insured HBPs	1,067,500	1,046,078	1,034,377	1,013,745	940,520	-11.9%	-7.2%
Group Self-Insured	1,417,987	1,402,024	1,492,860	1,489,017	1,479,265	+4.3%	-0.7%
FEHBP	449,807	451,326	451,796	444,926	437,577	-2.7%	-1.7%
All Self-Insured HBPs	1,867,794	1,853,350	1,944,656	1,933,943	1,916,842	+2.6%	-0.9%
Total All Commercial HBPs	2,935,294	2,899,428	2,979,033	2,947,688	2,857,362	-2.7%	-3.1%

TABLE 2: Covered Lives by Type of HBP as a Percent of Population Under Age 65

	2014	2015	Revised 2016	2017	2018
Group Fully Insured	16.7%	14.7%	14.4%	14.7%	14.1%
Individual Non-Medigap	4.1%	5.6%	5.7%	5.0%	4.2%
All Fully Insured HBPs	20.8%	20.3%	20.1%	19.7%	18.3%
Group Self-Insured	27.6%	27.2%	28.9%	29.0%	28.7%
FEHBP	8.8%	8.8%	8.8%	8.7%	8.5%
All Self-Insured HBPs	36.4%	36.0%	37.7%	37.6%	37.2%
Total All Commercial HBPs	57.2%	56.3%	57.8%	57.3%	55.5%

TABLE 3: Covered Lives by Type of HBP as a Percent of Total Commercial HBPs

	2014	2015	Revised 2016	2017	2018
Group Fully Insured	29.1%	26.1%	24.9%	25.7%	25.4%
Individual Non-Medigap	7.2%	9.9%	9.8%	8.7%	7.5%
All Fully Insured HBPs	36.4%	36.0%	34.7%	34.4%	32.9%
Group Self-Insured	48.3%	48.4%	50.1%	50.5%	51.8%
FEHBP	15.3%	15.6%	15.2%	15.1%	15.3%
All Self-Insured HBPs	63.6%	64.0%	65.3%	65.6%	67.1%

TABLE 4: Contracts and Covered Lives (Members) by Type of HBP – 06/30/18			
	Contracts	Covered Lives	Covered Lives Per Contract
Group Insured	364,589	725,687	2.0
Individual	178,807	214,833	1.2
All Fully Insured HBPs	543,396	940,520	1.7
Group Self-Insured	889,558	1,479,265	1.7
FEHBP	286,223	437,577	1.5
All Self-Insured HBPs	1,175,781	1,916,842	1.6
Total All Commercial HBPs	1,719,177	2,857,362	1.7