

Insurer exits Idaho exchange, reducing choices

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By JOHN MILLER — Associated Press

BOISE, Idaho — Idaho's fledgling insurance exchange lost its only for-profit health insurer, cutting nearly 10 percent of the Internet marketplace's coverage offerings even before it opens for enrollment Tuesday.

Altius Health Plans was slated to sell 15 different policies on the Idaho exchange, www.yourhealthidaho.org. Now, only 146 health insurance and dental plans will be offered.

Altius' departure, which comes after its parent company was purchased by insurance giant Aetna, cuts into one of the Idaho exchange's goals: To offer as many choices to uninsured consumers as possible, to promote competition, drive prices down and boost expectations for service. Insurance exchanges are a key part of President Barack Obama's health overhaul, meant to allow uninsured individuals and small businesses to compare and buy coverage.

"I would have liked that they had stayed in," said Stephen Weeg, Idaho insurance exchange board chairman, on Wednesday. "I like giving consumers as many choices as possible. The more carriers you have, that creates competition. You have the potential for better rates for consumers."

Four nonprofit companies, Blue Cross of Idaho, already the state's largest insurer; BridgeSpan Health Company, an Oregon-based unit of Cambia; Eugene, Ore.'s PacificSource Health Plans; and SelectHealth of Utah, will be offering health policies, with Blue Cross and PacificSource offering dental plans, too.

In addition to the health insurers, three companies — Delta Dental, Best Life and Health Insurance Co. and The Guardian Life Insurance Co. of America — are offering dental plans.

On its website, the Idaho exchange said there are "still a robust variety of health insurance opportunities available." With Altius' exit, Idaho's remaining insurers will offer 61 plans for individuals, 55 small group health plans for small business, 13 individual dental plans and 17 small group dental plans.

While price ranges for the policies have been released, actual policy costs won't be released until enrollment begins on Tuesday, said exchange spokeswoman Jody Olson in Boise.

In addition to Idaho, Altius' parent company, Coventry, is also exiting exchanges in Connecticut, Georgia and Maryland, though it's remaining in Iowa's exchange, so far.

Anjie Coplin, a spokeswoman for Hartford, Conn.-based Aetna, said the company made the decision to exit Idaho as part of a review of ongoing strategy.

"We are taking a measured, multi-year approach to exchanges," Coplin said. "In 2014 we are focusing on the markets where we can be most competitive and deliver the greatest value to our customers."

Idaho is a small state, with only about 200,000 people eligible for coverage via the exchange, according to state estimates. With the other nonprofits already boasting a strong state presence — and the likelihood of capturing a substantial share of exchange business — Altius likely concluded its business prospects, at least initially, no longer made sense to participate.

Altius will continue to serve its individual customers in Idaho's off-exchange market, Coplin said, including people whose earnings are high enough that they don't qualify for federal tax subsidies available to those who buy insurance through exchanges.

She said the company would assess prospects of returning to Idaho's exchange in 2015 and beyond.

House Minority Leader John Rusche, D-Lewiston, and a former health insurance executive at Regence Blue Shield, said insurance companies like Altius — and its new owner, Aetna — make calculations based on their financial prospects in any given market. If they don't see they can make money — or enough money — to make such an endeavor worthwhile, they'll quickly shift gears and concentrate on more-fertile soil elsewhere.

"My guess is, with the pricing, and perhaps the size of the market, it's just difficult for a for-profit to make the margin," Rusche said.