

Managed Markets & National Accounts Service

Dynamic Market Trends Create Unique Challenges and Opportunities

More than seven million people purchased health care coverage through health insurance exchanges (also referred to as health insurance marketplaces) in 2014. HIRC estimates that an additional six million will sign-up in year two. The enrollment period is shorter than last year, from November 15 to February 15.

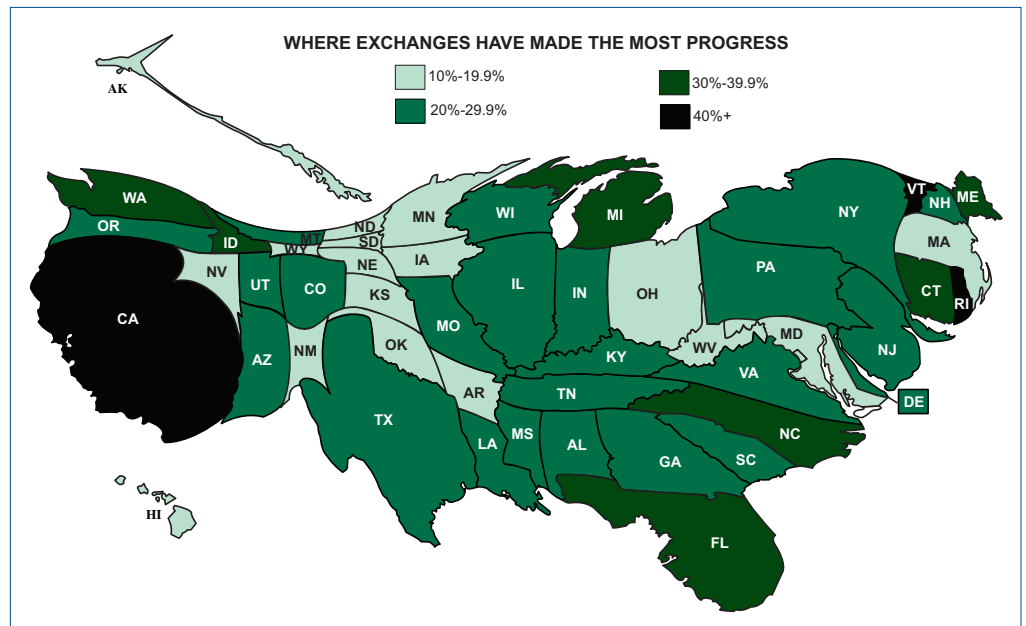
- **States can develop their own exchange, partner with Health and Human Services (HHS) or default to a Federally-Facilitated Exchange (FFE).**

- 16 states and D.C. are developing their own exchanges.
- 7 states are developing an exchange in partnership with HHS.
- 27 states are defaulting to the federally-facilitated exchange.

Key Finding:

Health insurance exchanges are poised to dramatically alter the interactions between insurers, consumers and pharmaceutical companies; pharmaceutical firms will need to carefully assess strategic objectives and appropriate resource allocation on a state-by-state basis.

- **State-based exchanges enrolled an average of 33% of eligible consumers in their states; enrollment varied from 12% of eligibles in MA to 42% in CA and 85% in VT.**
- **Both partnership and federally-facilitated exchanges signed up 26% of eligibles; enrollment varied from 11% in IA and SD to 39% in FL.**



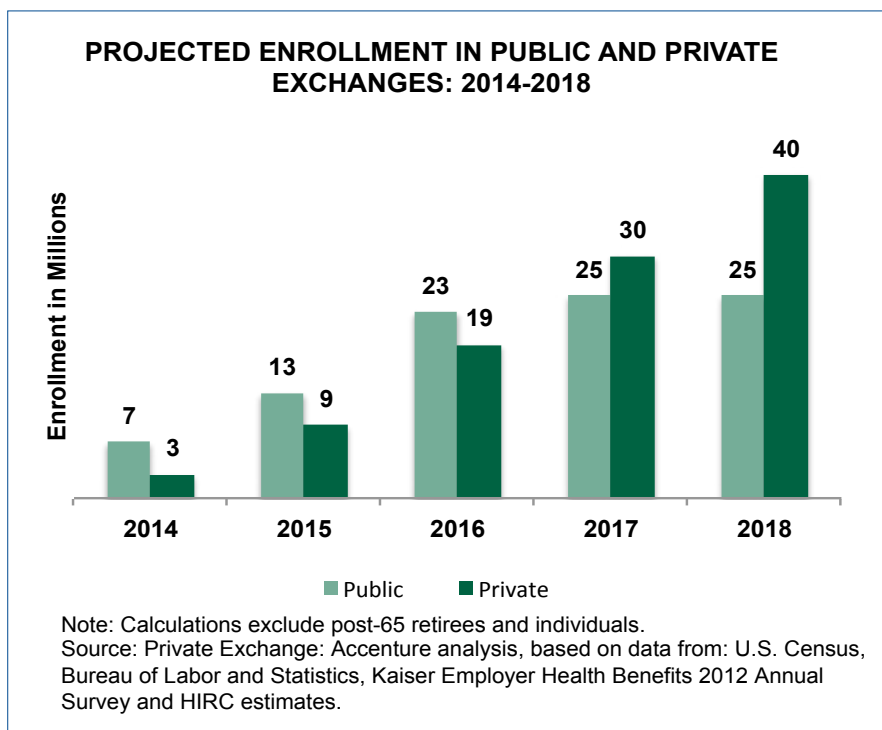
Both Public and Private Exchanges Altering Delivery of Health Care

- **Many employers, particularly large employers, find private exchanges very attractive and enrollment may exceed that of the public exchanges within two years.**
 - Employers are embracing defined contributions, shrinking benefits, raising premiums, and moving to high-deductible health insurance. Private exchanges facilitate high-deductible health insurance.
 - Private exchanges extricate employers from health care decision-making and offer employees a wider range of insurance choices.

The Managed Markets & National Accounts Service provides a wealth of strategic and tactical information, including benchmarking, competitive intelligence, customer needs and emerging issues within eleven separate markets; environmental assessments of market segments that influence the availability, price and utilization of pharmaceuticals; and managed markets headcounts and organizational trends based on confidential data from 30 pharmaceutical companies.

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Research Methodology and Report Availability

HIRC's Special Report on Health Insurance Exchanges is based on extensive secondary research in the summer as well as interviews with Health Plans and PBMs in spring 2014. The full report, **Health Insurance Exchanges – Expanding Access, Engaging Consumers**, is available to subscribers at www.hirc.com. If you do not currently subscribe to HIRC's Managed Markets and National Accounts Service but are interested in purchasing this Special Report on Exchanges, please contact HIRC at (831) 426-5260.



HIRC

HIRC, INC. is an independent, nonpartisan organization that conducts strategic market research on trends in health care, pharmaceuticals and managed care businesses. HIRC's benchmark studies focus on the marketing needs of pharmaceutical companies by providing research critical to the development of successful customer-focused marketing strategies.

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