



Module 1: Health Insurance

Part 0: Motivation

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Econ 372

Airport Idea:

Our "big picture" idea for this module is:

Firms also face uncertainty

An Example from Real Life

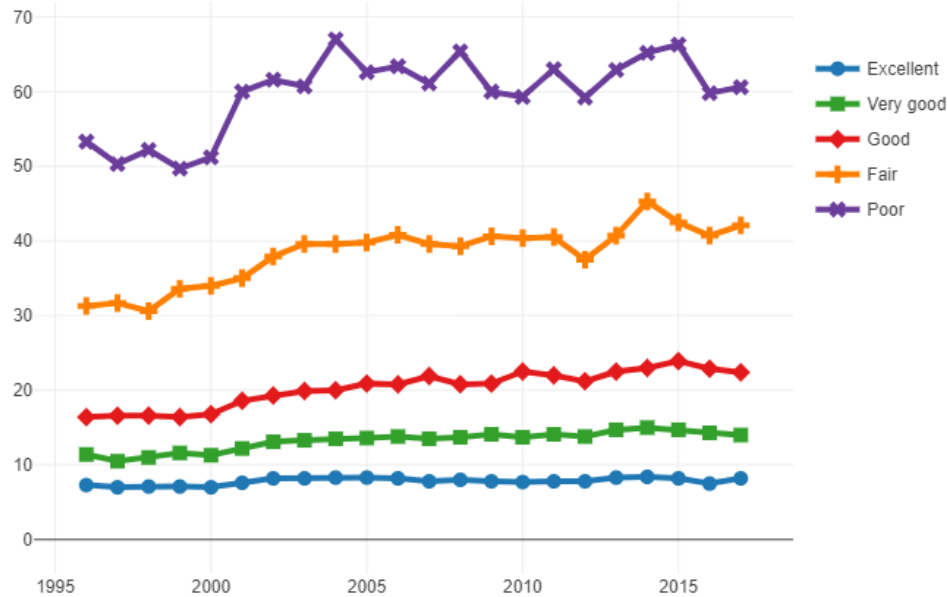
Humana exits the ACA exchanges

In 2018, Humana exited the ACA exchanges due to an "unbalanced risk pool based on the results of the 2017 open enrollment period". [CNN Money Article](#)

Fun fact: Humana and Aetna's merger deal had just been blocked. [NPR Article](#)

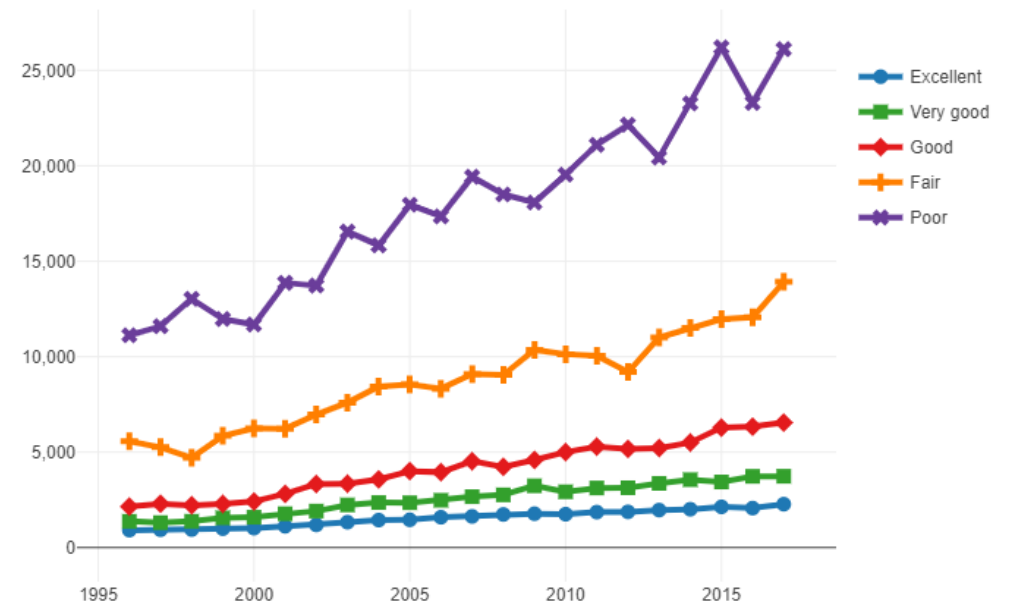
Managing risk is really important

Mean events per person by perceived health status, United States, 1996-2017



Source: Center for Financing, Access and Cost Trends, Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey, 1996-2017

Mean expenditure per person by perceived health status, United States, 1996-2017



Source: Center for Financing, Access and Cost Trends, Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey, 1996-2017