



Trends in Subsidized and Unsubsidized Enrollment October 9, 2020

Key Findings

This report provides data on individual health insurance market enrollment trends for people who purchase health insurance with (subsidized) and without (unsubsidized) advanced premium tax credits (APTC).

- From plan years 2016 to 2019, unsubsidized enrollment declined by 2.8 million people, representing a 45 percent drop nationally. At the state level, the percentage change in unsubsidized enrollment over this period ranged from a 4 percent drop in Rhode Island to a 90 percent drop in Iowa.
- The most recent year of enrollment data shows that average monthly enrollment across the individual market nationally decreased by 3 percent between 2018 and 2019.
- Eighty percent of the decrease in enrollment between 2018 and 2019 occurred among people who did not receive APTC subsidies. Unsubsidized enrollment declined by 9 percent, compared to only a 1 percent decrease in subsidized enrollment, from 2018 to 2019.
- Though unsubsidized enrollment continued to decline in 2019, the rate of decline was substantially lower than the 24 percent drop in 2018 and the 20 percent drop in 2017. This lower rate of decline occurred as premium rates leveled off in 2019, after increasing by double-digits in 2017 and 2018.
- Looking at state-level enrollment trends between 2016 and 2019 also shows the link between enrollment and premium trends. States with larger declines in unsubsidized enrollment tended to experience a larger increase in average premiums.
- Review of state-level data also shows that trends in declining enrollment began from 2015 to 2016 for 10 states. Declining enrollment occurred in 44 states from 2016 to 2017, 43 states from 2017 to 2018, and 39 states from 2018 to 2019.
- Average monthly enrollment in the subsidized portion of the market grew substantially in comparison to the unsubsidized market. The subsidized portion of the market was 140 percent larger than the unsubsidized portion in 2019, up from 122 percent larger in 2018 and 61 percent in 2017.

Introduction

This report provides data on enrollment trends for people who purchased on- and off-Exchange individual market health insurance plans, both with and without federal advanced premium tax credit (APTC) subsidies. These data are based on an analysis of individual market plans that participated in the risk adjustment program established under section 1343 of the Patient Protection and Affordable Care Act (PPACA) and Health Insurance Exchange effectuated enrollment data. The data provided in this report include state-specific, average monthly enrollment covering plan years 2014 to 2019. Over that period, average monthly enrollment in the individual market—including both subsidized and unsubsidized enrollment—peaked in 2016, reaching 14.5 million. Enrollment then declined by 10 percent in 2017, 7 percent in 2018, and 3 percent in 2019. Enrollment among the unsubsidized, who do not receive APTC subsidies, saw a considerable decline of 9 percent from 2018 to 2019, compared to a decrease of 1 percent in APTC subsidized enrollment. From its peak in 2016, unsubsidized enrollment declined by 2.8 million people by 2019, a 45 percent drop nationwide. From 2016 to 2019, unsubsidized enrollment declined by more than 70 percent in Arizona, Georgia, Iowa, Missouri, Nebraska, New Hampshire, Oklahoma, Tennessee, and West Virginia.

Despite the continued erosion of unsubsidized enrollment from 2018 to 2019, the decline is substantially smaller than that in the prior two years, as premiums stabilized from 2018 to 2019. In addition, five states experienced increases in unsubsidized enrollment in 2019, compared to two states in 2018.

Data and Methodology

The enrollment trends in this report cover individual health insurance coverage plans that participated in the HHS-operated risk adjustment program. These include individual and catastrophic health insurance market plans sold on- and off-Exchange but exclude grandfathered plans, transitional plans, excepted benefit plans, short-term, limited duration insurance, and student health insurance plans.¹ The analysis excludes data on plans from Massachusetts and Vermont because both states have merged their individual and small group markets for purposes of the risk adjustment program.²

To derive enrollment trends for people who purchase coverage with and without APTC subsidies, this report uses data from the risk adjustment program and Exchange effectuated enrollment data. The risk adjustment program provides data on the total enrolled member months in all risk adjustment covered plans. Enrolled member months are the total number of months during the plan year for all members enrolled in a health plan.³ Effectuated Exchange enrollment data provide comparable enrollment data for people enrolled in coverage with APTC subsidies. Non-APTC enrollment, referred to as unsubsidized enrollment in this report, is derived by subtracting APTC subsidized enrollment from enrollment in all risk adjustment covered plans. Total enrolled member months is divided by 12 to establish the average monthly enrollment, or the average number of people enrolled during any given month.

¹ See the definition for “risk adjustment covered plan” at 45 C.F.R. § 153.20.

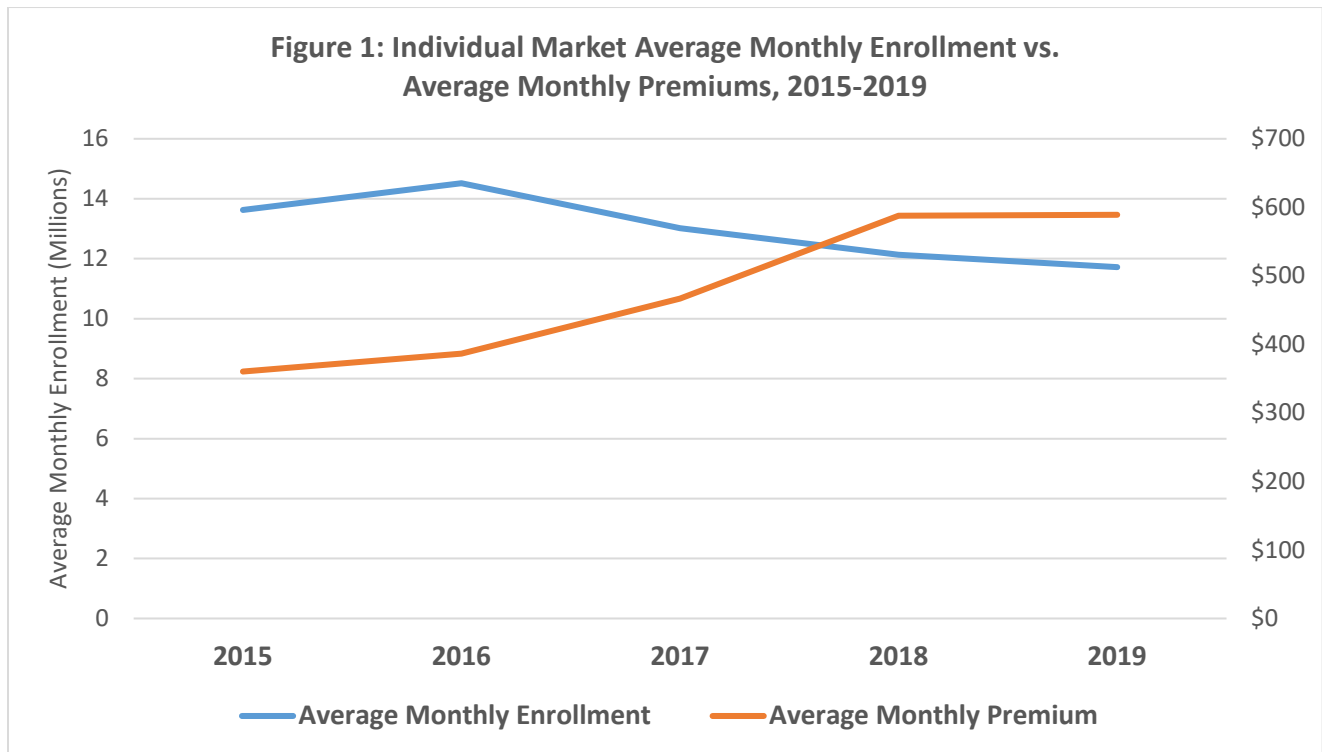
² https://www.regtap.info/uploads/library/RA_GuidanceMergedMarkets2017_030118_5CR_030118.pdf.

³ Note that for purposes of comparison with Exchange data, enrolled member months used for this analysis differ slightly from the billable member months used for risk adjustment and for other reporting on the risk adjustment program.

Note that changes in state Medicaid and Basic Health Programs can significantly affect state-level enrollment. State actions to expand Medicaid eligibility to 138 percent of the federal poverty level (or make a Basic Health Plan available) can substantially reduce the number of people enrolling *with* APTCs from one year to the next. In addition, people who enroll in an Exchange *without* APTCs can include people who enroll through Medicaid premium support programs.⁴ Thus, Medicaid expansion through premium support could increase unsubsidized enrollment for people without APTCs and, likewise, any modification to an existing Medicaid premium support program can affect unsubsidized enrollment.

National Enrollment Trends

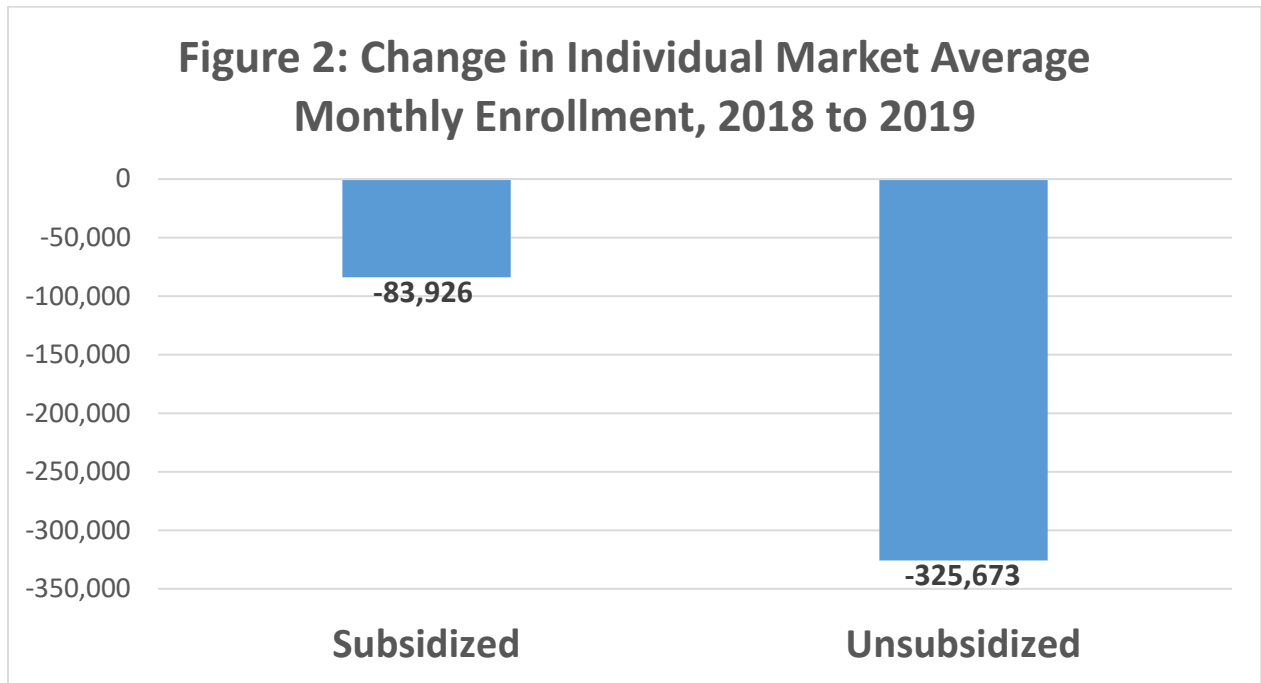
From 2015 to 2016, individual market monthly average enrollment rose by 7 percent to 14.5 million members. However, this trend reversed from 2016 to 2017, when enrollment declined by 10 percent. Enrollment declined another 7 percent from 2017 to 2018. As Figure 1 shows, the declines in enrollment in 2016 through 2018 occurred at the same time premiums were increasing sharply. In 2019, average monthly premiums remained consistent with 2018 average monthly premiums, and enrollment declined more modestly, by 3 percent.



Source: 2015-2019 Risk Adjustment Data

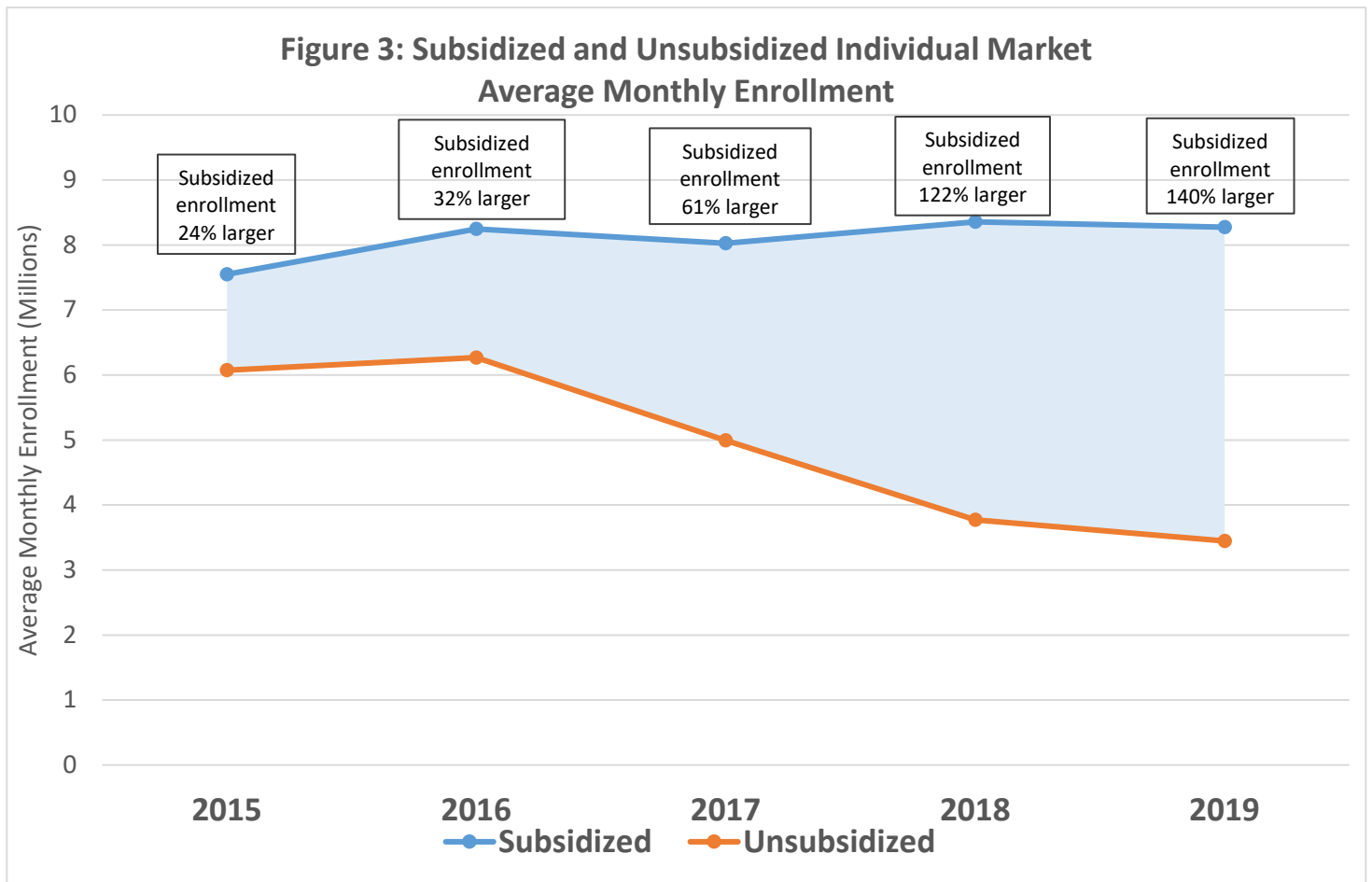
⁴ Arkansas, Iowa, and New Hampshire have all provided Medicaid premium support at some point during the reporting period.

From 2016 to 2017, enrollment declined among both the subsidized and the unsubsidized portions of the market, with the unsubsidized representing 85 percent of the decline in enrollment. From 2017 to 2018, the unsubsidized represented the entire drop in enrollment, which was offset by a small increase in subsidized enrollment. From 2018 to 2019, enrollment again declined among both subsidized and unsubsidized, with the unsubsidized representing 80 percent of the decline. In 2019, as shown in Figure 2, average monthly unsubsidized enrollment declined by 326,000 (9 percent) compared to a decrease in subsidized enrollment of 84,000 (1 percent).



Source: 2018-2019 Risk Adjustment Data and 2018-2019 Exchange Effectuated Enrollment and Payment Data

As unsubsidized enrollment continued to decline at a higher rate, the gap between subsidized and unsubsidized average monthly enrollment in the individual market has grown since 2015. Figure 3 shows the enrollment trend in the subsidized and unsubsidized portion of the markets between 2015 and 2019. The shaded area shows that the APTC subsidized market has been growing larger relative to the unsubsidized market between 2015 and 2019. In 2015, the subsidized portion of the market was 24 percent larger than the unsubsidized portion, a difference that has grown markedly since. In 2018 and 2019, subsidized enrollment was more than double unsubsidized enrollment.



Source: 2015-2019 Risk Adjustment Data and 2015-2019 Exchange Effectuated Enrollment and Payment Data

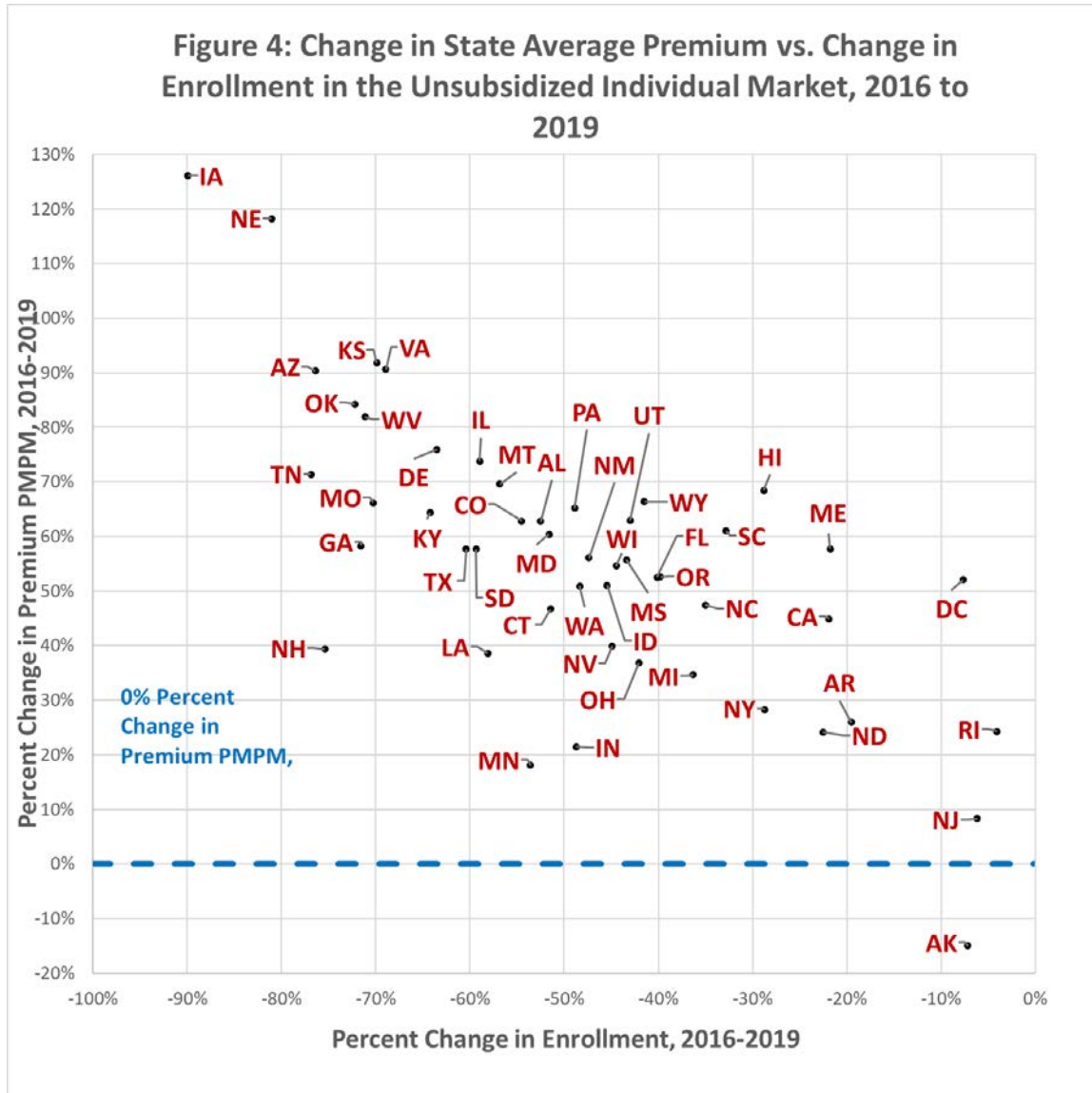
State-Level Enrollment Trends

In the individual market, there is a continuing trend of declining enrollment across most states. However, the rate of decline slowed in most states in 2019 compared to the 2016-2018 period. Ten states began to see declines from 2015 to 2016, including a 17.6 percent decline in Alaska and a 13.5 percent decline in Minnesota. By 2017, the number of states experiencing declining individual market enrollment grew to 44, and 43 states experienced declining enrollment from 2017 to 2018. In 2019, 39 states saw individual market enrollment decline from 2018. These trends were more favorable compared to those from 2017 to 2018, including ten states where the individual market grew from 2018 to 2019.

Declining enrollment has been more dramatic in the unsubsidized portion of state markets, but there were also signs of stabilization in 2019 as premiums leveled off.

Three successive years of declining enrollment from 2016 to 2019 resulted in a 45 percent drop in unsubsidized enrollment nationally. This represents a decline from 6.3 million to 3.4 million average monthly unsubsidized members. During this three-year period, some states experienced declines that were far more substantial than the 45 percent national average decline. At the extreme, unsubsidized enrollment dropped by 90 percent between 2016 and 2019 in Iowa. Over

this period, in addition to Iowa, unsubsidized enrollment declined by more than 70 percent in Arizona (-76 percent), Georgia (-72 percent), Missouri (-70 percent), Nebraska (-81 percent), New Hampshire (-75 percent), Oklahoma (-72 percent), Tennessee (-77 percent), and West Virginia (-71 percent). As shown in Figure 4, these states with larger declines in unsubsidized enrollment tended to experience a larger increase in average premiums.



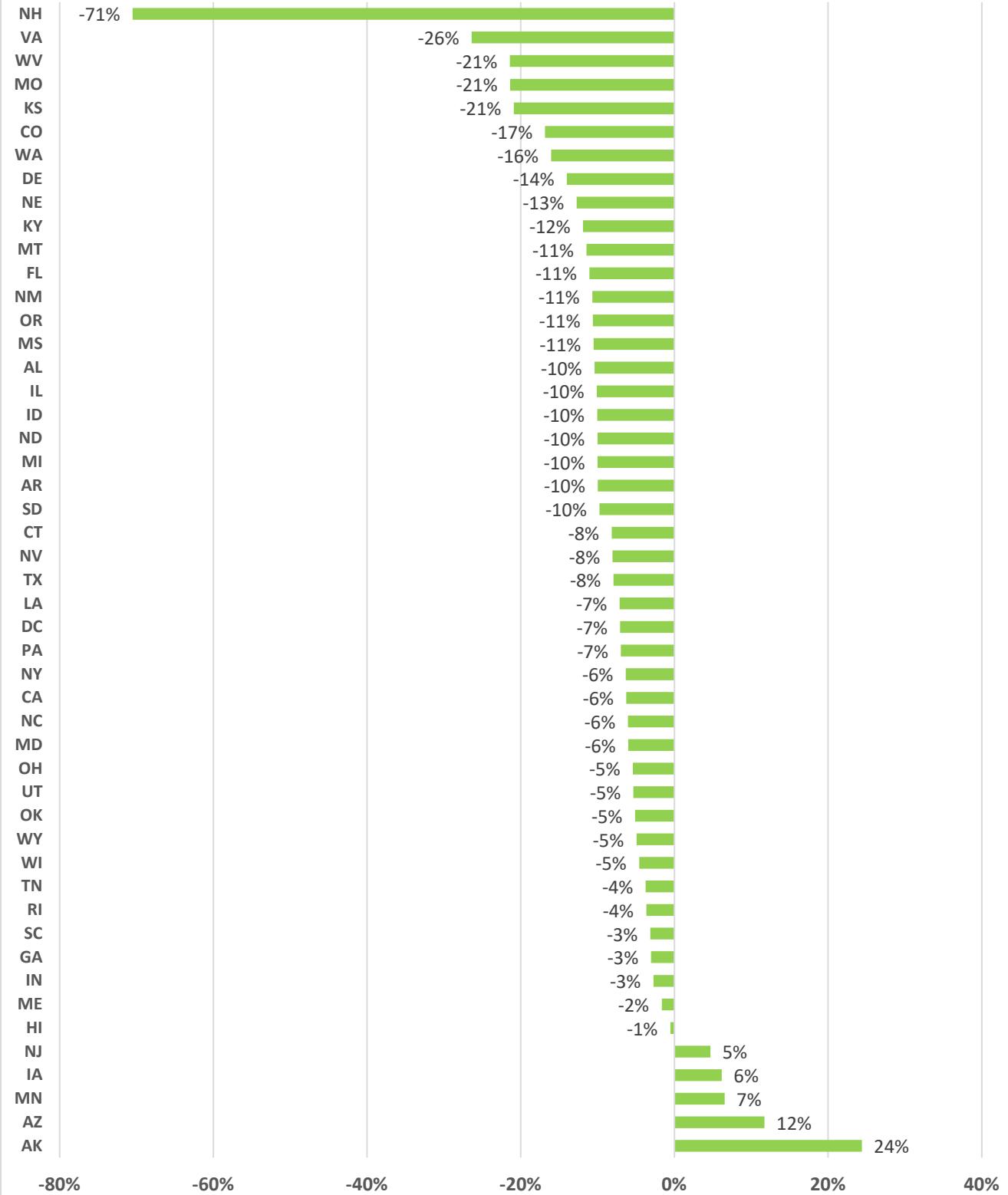
Source: 2016-2019 Risk Adjustment Data and 2016-2019 Enrollment and Payment Data

Figure 5 provides a state-by-state look at unsubsidized average monthly enrollment changes from 2018 to 2019. During this period, 44 states experienced declining enrollment in the unsubsidized

market. The five states experiencing the largest declines were New Hampshire⁵ (-71 percent), Virginia (-26 percent), West Virginia (-21 percent), Missouri (-21 percent), and Kansas (-21 percent). Changes in unsubsidized enrollment ranged from a 24 percent gain in Alaska to a 71 percent decline in New Hampshire. However, every state but three (the District of Columbia, New Hampshire, and North Carolina) experienced either a smaller decline from 2018 to 2019 compared to the 2017 to 2018 period, or growth in enrollment from 2018 to 2019. Unsubsidized enrollment increased in five states from 2018 to 2019: Alaska (24 percent), Arizona (12 percent), Minnesota (7 percent), Iowa (6 percent), and New Jersey (5 percent). Statewide average premiums fell by more than 5 percent in each of these states from 2018 to 2019.

⁵ New Hampshire transitioned Medicaid expansion enrollees from Exchange plans to Medicaid managed care in January 2019. This change applied to approximately 40,000 enrollees, which appears to account for the entire decline in the unsubsidized market from plan year 2018 to plan year 2019.

Figure 5: Percent Change in Unsubsidized Enrollment, 2018 to 2019



Source: 2018-2019 Risk Adjustment Data and 2018-2019 Enrollment and Payment Data

	Individual Health Insurance Market APTC Subsidized and Unsubsidized Average Monthly Enrollment, 2014 to 2019											
	2014		2015		2016		2017		2018		2019	
State	Subsidized	Unsubsidized	Subsidized	Unsubsidized	Subsidized	Unsubsidized	Subsidized	Unsubsidized	Subsidized	Unsubsidized	Subsidized	Unsubsidized
AK	8,283	4,461	14,451	6,906	14,065	3,531	13,442	2,456	14,125	2,636	13,254	3,279
AL	62,238	93,722	115,213	92,683	132,648	77,700	139,996	50,681	138,233	41,202	132,717	36,924
AR	27,869	145,728	44,139	228,450	51,509	282,235	46,711	291,884	49,431	252,345	49,478	227,170
AZ	62,472	60,181	109,874	116,920	119,755	115,523	119,467	31,571	119,495	24,396	111,689	27,253
CA	864,652	768,764	1,104,101	954,032	1,141,457	1,013,307	1,129,187	971,296	1,196,566	844,535	1,174,764	791,597
CO	55,925	83,553	61,935	151,359	85,334	188,231	91,335	152,930	100,869	102,960	111,758	85,627
CT	47,624	48,342	67,844	97,086	73,501	99,867	70,071	75,502	74,045	52,785	66,966	48,472
DC	961	6,871	1,287	13,031	1,128	16,004	886	16,937	966	15,904	969	14,780
DE	8,151	7,173	16,785	16,105	19,330	15,268	18,028	10,789	17,032	6,477	17,276	5,571
FL	603,303	173,265	1,094,336	324,165	1,240,296	361,558	1,229,240	314,501	1,371,754	243,292	1,474,516	216,372
GA	185,250	85,273	340,487	184,319	363,833	213,915	338,217	158,333	330,535	62,773	337,826	60,866
HI	2,481	17,101	11,274	23,777	10,886	22,968	13,583	19,584	13,729	16,433	14,238	16,347
IA	17,221	40,337	31,115	51,501	38,778	43,539	37,011	26,706	37,164	4,129	41,179	4,383
ID	49,484	27,396	71,647	40,525	77,665	41,541	73,142	33,022	76,425	25,203	76,830	22,669
IL	118,752	154,711	211,553	274,792	231,892	271,089	230,265	165,646	240,510	123,730	226,065	111,221
IN	80,848	31,387	134,373	70,485	124,333	80,283	101,588	66,031	92,956	42,294	87,173	41,144
KS	32,811	26,507	61,244	62,093	68,798	62,054	70,441	41,765	71,108	23,632	69,688	18,690
KY	45,374	27,471	59,760	45,503	57,877	48,569	54,449	39,264	58,204	19,714	58,059	17,371
LA	55,125	34,956	112,975	63,476	141,299	67,753	90,846	42,942	76,250	30,563	69,942	28,386
MD	39,900	64,001	77,739	163,908	95,084	160,476	98,261	128,946	110,632	82,595	114,189	77,635
ME	30,920	6,801	56,845	15,817	63,402	18,756	57,984	19,913	57,883	14,918	52,589	14,671
MI	145,220	102,939	239,332	155,916	238,431	172,593	215,804	157,664	210,416	122,135	202,809	109,918
MN	13,811	223,772	25,292	252,637	42,631	197,681	61,932	92,539	62,832	86,111	59,219	91,731
MO	92,598	41,525	172,128	83,155	199,238	89,722	175,662	61,527	174,062	33,921	156,258	26,664
MS	35,858	13,404	62,735	26,765	60,959	30,138	57,172	23,691	64,178	19,070	72,918	17,062
MT	24,500	32,469	38,138	42,323	39,605	35,995	38,625	22,099	35,760	17,542	34,241	15,531
NC	228,142	76,311	386,157	122,230	426,753	115,214	407,524	76,602	406,670	79,664	402,226	74,849
ND	6,976	13,588	10,004	29,494	16,012	26,318	16,399	25,221	16,893	22,660	17,224	20,388

	Individual Health Insurance Market APTC Subsidized and Unsubsidized Average Monthly Enrollment, 2014 to 2019 (Continued)											
	2014		2015		2016		2017		2018		2019	
State	Subsidized	Unsubsidized	Subsidized	Unsubsidized	Subsidized	Unsubsidized	Subsidized	Unsubsidized	Subsidized	Unsubsidized	Subsidized	Unsubsidized
NE	28,029	31,549	53,228	42,080	66,354	41,257	66,602	21,978	73,513	8,956	76,949	7,816
NH	21,958	11,960	27,370	23,089	30,451	65,667	27,844	69,095	30,065	54,735	28,665	16,142
NJ	95,269	82,490	165,220	137,104	186,444	150,161	185,258	157,645	178,312	134,611	162,892	140,916
NM	16,769	18,347	29,181	47,476	29,731	42,209	31,066	34,492	33,803	24,874	30,364	22,215
NV	22,754	26,257	45,984	69,971	63,748	66,549	59,514	56,091	62,054	39,870	58,503	36,662
NY	184,288	155,325	244,393	229,000	112,922	246,104	120,407	216,111	133,154	187,229	140,173	175,385
OH	89,201	60,809	143,087	106,060	157,136	119,429	145,792	104,961	143,676	73,131	132,806	69,176
OK	38,062	29,806	78,783	81,673	103,199	65,769	109,723	26,281	120,156	19,263	131,110	18,278
OR	46,555	98,818	68,098	136,180	87,436	137,234	95,919	114,465	98,489	92,410	95,106	82,609
PA	194,532	144,563	290,771	295,186	286,907	284,844	289,737	204,355	299,649	156,498	266,152	145,577
RI	20,334	14,477	25,783	15,512	27,652	17,970	23,376	19,657	26,394	17,892	27,027	17,237
SC	66,374	23,594	135,801	49,536	160,746	56,115	157,420	44,497	162,859	38,926	167,649	37,708
SD	8,876	12,905	15,728	23,660	20,671	20,876	23,796	12,226	24,684	9,399	24,495	8,481
TN	79,926	55,167	140,103	110,012	178,488	118,944	167,618	60,367	175,560	28,569	155,951	27,501
TX	381,158	213,528	698,768	491,960	804,423	446,661	778,233	276,431	807,405	192,075	822,509	176,854
UT	38,951	48,140	103,938	60,965	135,947	64,127	143,625	54,376	156,607	38,605	165,977	36,547
VA	121,241	61,955	246,856	158,010	286,524	157,547	281,606	136,781	277,453	66,466	218,775	48,928
WA	99,453	193,648	114,164	197,260	113,719	199,058	112,775	181,823	128,435	122,448	126,429	102,795
WI	92,181	39,090	151,723	60,601	174,641	72,071	166,310	62,992	164,999	41,935	157,413	40,008
WV	12,272	8,931	23,113	20,327	26,063	17,143	22,799	10,676	19,390	6,294	16,527	4,946
WY	8,686	5,004	14,901	7,489	19,138	7,137	19,273	7,054	20,869	4,392	20,794	4,174
TOTAL	4,613,617	3,748,369	7,549,756	6,072,605	8,248,839	6,268,703	8,025,959	4,992,392	8,356,247	3,772,200	8,272,321	3,446,527

Source: 2014-2019 Risk Adjustment Data and 2014-2019 Exchange Effectuated Enrollment and Payment Data

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