

Status Of U.S. Private Health Insurance Coverage, 2019

State Perspectives on Promoting Coverage and Affordability in the Individual Market

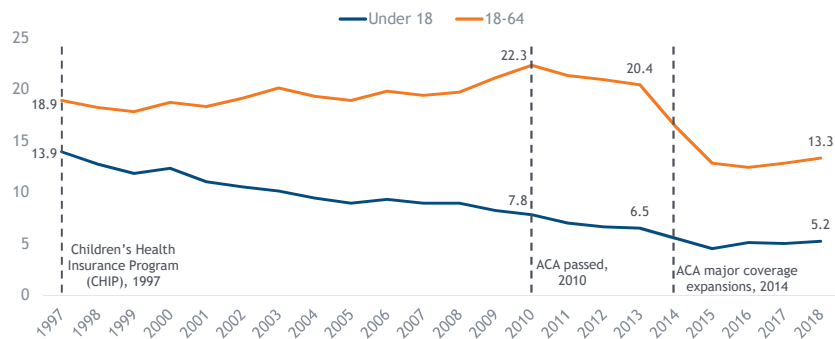
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 The Commonwealth Fund
 Washington, D.C.
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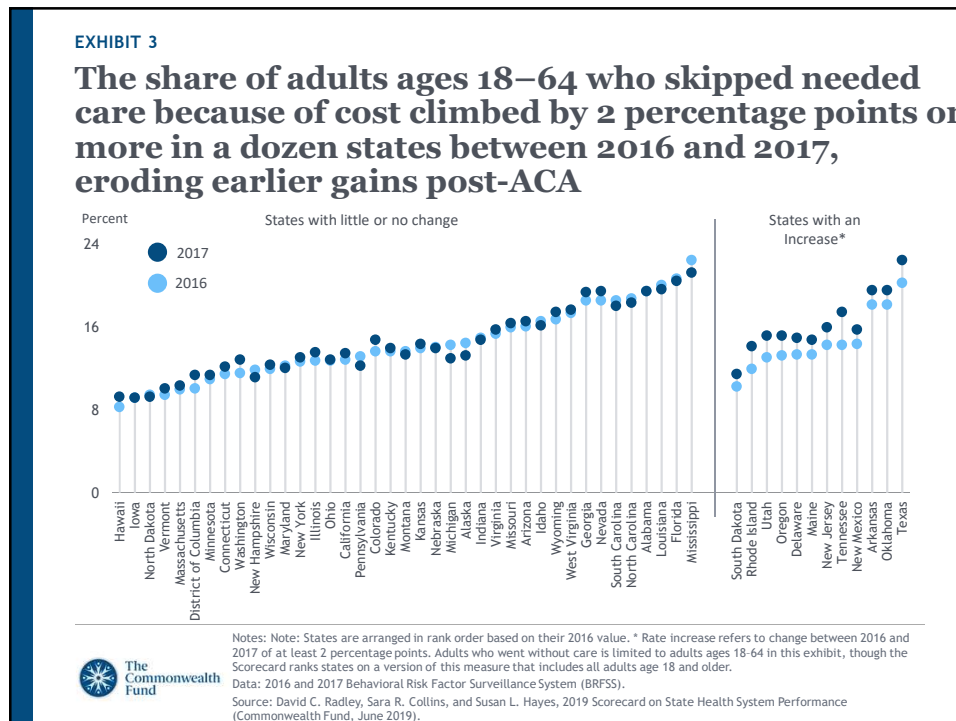
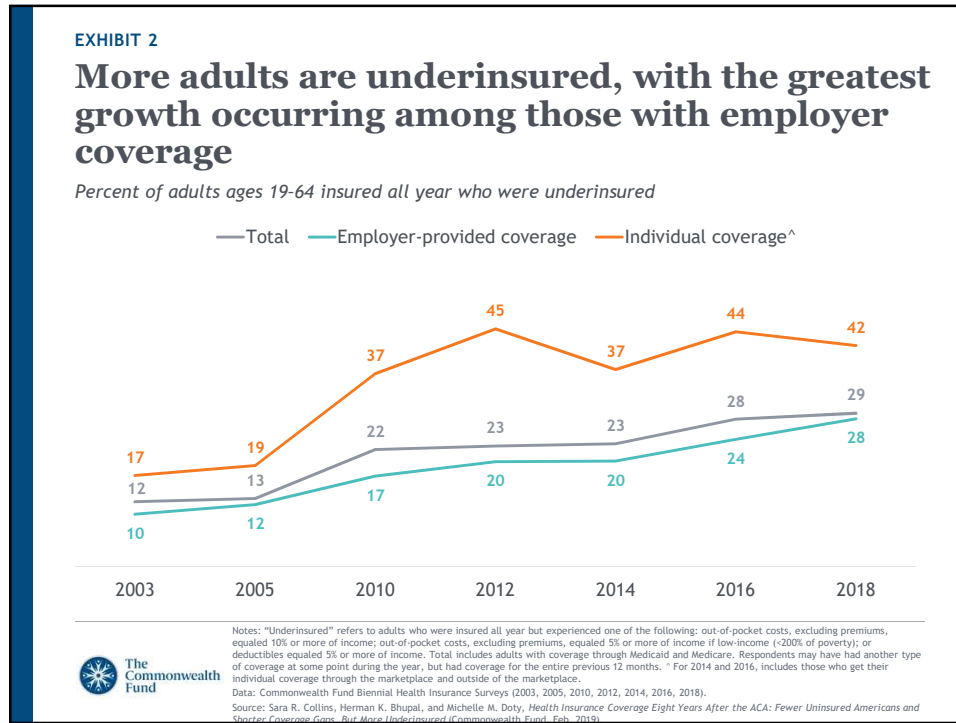
EXHIBIT 1

Uninsured rates have fallen in response to coverage expansions, but gains stalled after 2015

Percent of individuals without health insurance*, 1997-2018



* At the time of interview.
 Source: Robin A. Cohen, Emily P. Terlizzi, and Michael E. Martinez, *Health Insurance Coverage: Early Release of Estimates from the National Health Interview Survey, 2018* (National Center for Health Statistics, May 2019).



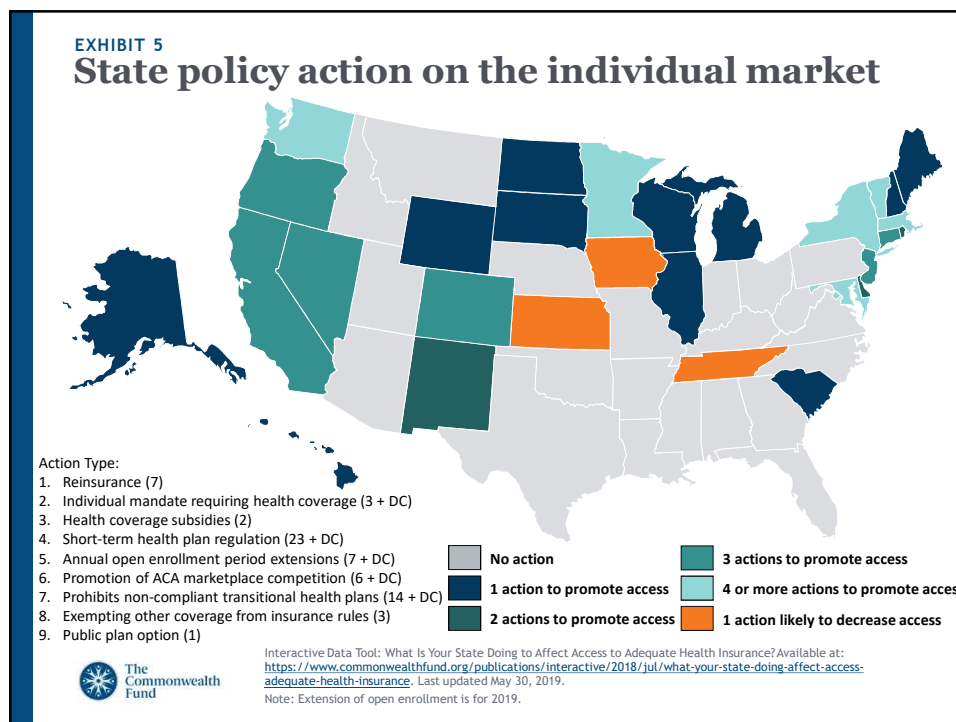
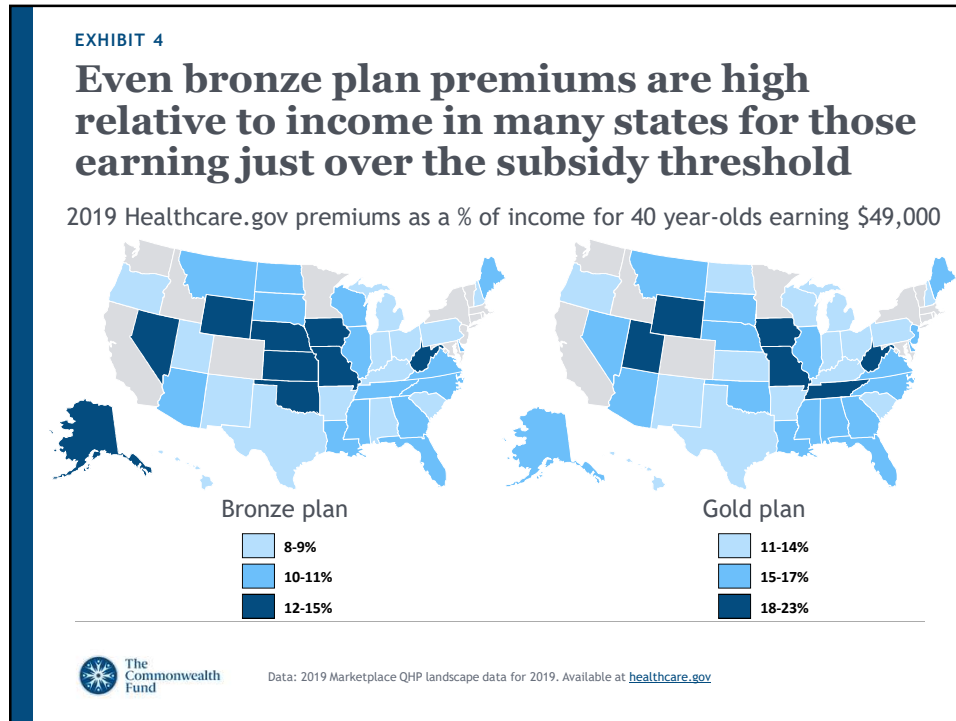


EXHIBIT 6

Predictions for the Individual Market

All things equal	Continued marginal erosion in coverage, access, affordability due to public & private decision making at federal & state level, with significant variation by state.
Texas vs. US	Federal judge's decision in favor of plaintiffs is stayed while under appeal at Fifth Circuit. Oral arguments on July 9.
Penalty repeal & non-compliant ACA plans	Limited effect on 2019 marketplace enrollment and 2020 premiums so far. But size of non-compliant plan market is unknown & will vary by state; 24 states ban or limit ST plans. Premium tax credits will hold most enrollment in marketplaces, but growing market duality will challenge state regulators.


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EXHIBIT 7

Policy options to increase marketplace enrollment, improve cost-protection

- Lifting the premium tax credit eligibility threshold.
- Increasing tax credits for young adults.
- Reinsurance.
- Making premiums for ACA-compliant plans tax deductible.
- Funding and extending cost-sharing reduction subsidies.
- Providing refundable tax credits to offset out-of-pocket costs.


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EXHIBIT 8

Estimated effects of policy options on coverage, individual market premiums, federal deficit (pre- and post-2017 ACA changes*)

	Lifting the 400% FPL cap		Standard reinsurance		Generous reinsurance	
	Pre-2017 ACA changes	Post-2017 ACA changes	Pre-2017 ACA changes	Post-2017 ACA changes	Pre-2017 ACA changes	Post-2017 ACA changes
Change in coverage, people under age 65	1.2 m	1.7 m	0.9 m	0.3 m	3.4 m	2 m
Change in silver plan premiums^	-2.5%	-2.7%	-3.9%	-2.4%	-19.3%	-10.7%
Net deficit impact	\$4.9 b	\$9.9 b	-\$2.9 b	-\$2.3 b	-\$13.1 b	-\$8.8 b



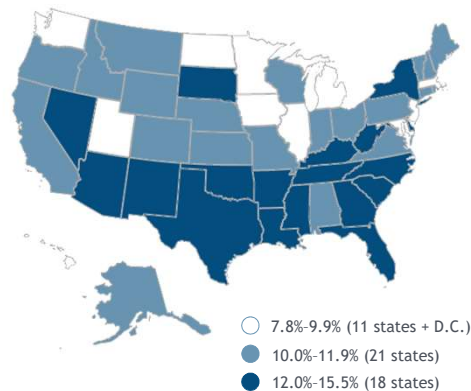
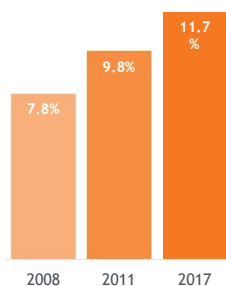
*ACA changes, 2017-2019: Repeal of individual mandate penalty, cessation of federal cost-sharing reduction payments, extension of the duration of short-term plans to 12 months.
 ^For a 40-year-old nonsmoker.
 Sources: Christine Eibner and Jodi Liu, *Options to Expand Health Insurance Enrollment in the Individual Market* (Commonwealth Fund, Oct 2017); Jodi Liu and Christine Eibner, *Expanding Enrollment Without the Individual Mandate: Options to Bring More People into the Individual Market* (Commonwealth Fund, Aug. 2018).

EXHIBIT 9

Employee premium and deductible costs amounted to nearly 12 percent of median income in 2017

Combined employee premium contribution and deductible as share of median income

Average employee premium contribution plus average deductible as percent of median state income in 2017




Note: Estimates of median household income used in the denominator for this ratio come from the Current Population Survey (CPS), which revised its income questions in 2013. The denominator in our ratio estimates prior to 2014 is derived from the traditional CPS income questions, while ratio estimates from 2017 are estimated from the revised income questions. Household incomes have been adjusted for the likelihood that people in the same residence purchase health insurance together.
 Data: Employee premium contribution and deductible: Medical Expenditure Panel Survey-Insurance Component (MEPS-IC), 2008, 2011, 2017; Median household incomes: Current Population Survey, 2008-09, 2011-12, 2017-18.
 Source: Sara R. Collins and David C. Radley, *The Cost of Employer Insurance Is a Growing Burden for Middle-Income Families* (Commonwealth Fund, Dec. 2018).

EXHIBIT 10

Policy options to ease the financial burden of low and moderate income families in employer plans

- Fixing the family coverage glitch.
- Requiring employers to adjust employee premium contributions based on income.
- Expanding Medicaid in states that have not yet done so.
- Excluding more services from plan deductibles in employer plans.
- Protecting consumers from surprise medical bills.
- Increasing the required minimum value of employer plans.
- Lowering the income threshold for the medical expenses tax deduction.



Thank you!



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