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

State Perspectives on Promoting Coverage and Affordability in the Individual Market

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

Percent of individuals without health insurance*, 1997-2018

EXHIBIT 1

More adults are underinsured, with the greatest growth occurring among those with employer coverage

Percent of adults ages 19–64 insured all year who were underinsured

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Employer-provided coverage</th>
<th>Individual coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>10</td>
<td>12</td>
<td>17</td>
</tr>
<tr>
<td>2005</td>
<td>12</td>
<td>13</td>
<td>19</td>
</tr>
<tr>
<td>2010</td>
<td>22</td>
<td>20</td>
<td>23</td>
</tr>
<tr>
<td>2012</td>
<td>20</td>
<td>20</td>
<td>23</td>
</tr>
<tr>
<td>2014</td>
<td>24</td>
<td>28</td>
<td>28</td>
</tr>
<tr>
<td>2016</td>
<td>28</td>
<td>29</td>
<td>29</td>
</tr>
<tr>
<td>2018</td>
<td>28</td>
<td>28</td>
<td>28</td>
</tr>
</tbody>
</table>

Notes: “Underinsured” refers to adults who were insured all year but experienced one of the following: out-of-pocket costs, excluding premiums, exceeded 10% or more of income, out-of-pocket costs, excluding premiums, exceeded 5% or more of income if low-income (200% of poverty) in 2003, other type of coverage at some point during the year, but had coverage for the entire previous 12 months. * For 2014 and 2016, includes those who get their individual coverage through the marketplace and outside of the marketplace.


The share of adults ages 18–64 who skipped needed care because of cost climbed by 2 percentage points or more in a dozen states between 2016 and 2017, eroding earlier gains post-ACA

<table>
<thead>
<tr>
<th>Percent</th>
<th>States with little or no change</th>
<th>States with an Increase*</th>
</tr>
</thead>
<tbody>
<tr>
<td>24</td>
<td>2017</td>
<td>2016</td>
</tr>
</tbody>
</table>

Notes: States are arranged in rank order based on their 2016 value. * Rate increase refers to change between 2016 and 2017 of at least 2 percentage points. Adults who went without care is limited to adults ages 18–64 in this exhibit, through the Scorecard ranks states on a version of this measure that includes all adults age 18 and older.


Source: David C. Radley, Sara R. Collins, and Susan L. Hayes, 2019 Scorecard on State Health System Performance (Commonwealth Fund, June 2019).
EXHIBIT 4

Even bronze plan premiums are high relative to income in many states for those earning just over the subsidy threshold

2019 Healthcare.gov premiums as a % of income for 40 year-olds earning $49,000


EXHIBIT 5

State policy action on the individual market

Action Type:
1. Reinsurance (7)
2. Individual mandate requiring health coverage (3 + DC)
3. Health coverage subsidies (2)
4. Short-term health plan regulation (23 + DC)
5. Annual open enrollment period extensions (7 + DC)
6. Promotion of ACA marketplace competition (6 + DC)
7. Prohibits non-compliant transitional health plans (14 + DC)
8. Exempting other coverage from insurance rules (3)
9. Public plan option (1)


Note: Extension of open enrollment is for 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.

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

<table>
<thead>
<tr>
<th>Lifting the 400% FPL cap</th>
<th>Standard reinsurance</th>
<th>Generous reinsurance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pre-2017 ACA changes</td>
<td>Post-2017 ACA changes</td>
</tr>
<tr>
<td>Change in coverage, people under age 65</td>
<td>1.2 m</td>
<td>1.7 m</td>
</tr>
<tr>
<td>Change in silver plan premiums*</td>
<td>-2.5%</td>
<td>-2.7%</td>
</tr>
<tr>
<td>Net deficit impact</td>
<td>$4.9 b</td>
<td>$9.9 b</td>
</tr>
</tbody>
</table>

*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.


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

<table>
<thead>
<tr>
<th>Combined employee premium contribution and deductible as share of median income</th>
<th>Average employee premium contribution plus average deductible as percent of median state income in 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.8%</td>
<td>11.7%</td>
</tr>
<tr>
<td>7.8%</td>
<td>9.8%</td>
</tr>
</tbody>
</table>

Note: Estimates of median household income used in the denominator for this ratio are from the Current Population Survey (CPS), which revised its income questions in 2013. The denominator is our best estimate of the median income from the traditional CPS income questions, which are comparable to CPS income questions from 2012 and prior years. For this reason, our denominator estimate prior to 2014 is derived from the traditional CPS income questions. Household incomes have been adjusted for the likelihood that people in the same residence purchase health insurance together.


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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