

Health Care Coverage in the United States

2025 HEALTH POLICY ACADEMY
April 10, 2025
Session 3

Moderator



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U.S. HEALTHCARE

Coverage and Spending

Table I. Health Care Coverage, 2023

Source	Enrollment (millions/percentage of U.S. population)
Insured	304 (92.1%)
<i>Private Health Insurance—Group</i>	<i>180 (54.7%)</i>
<i>Private Health Insurance—Direct-Purchase</i>	<i>46 (13.9%)</i>
<i>Medicaid/CHIP</i>	<i>70 (21.3%)</i>
<i>Medicare</i>	<i>62 (18.8%)</i>
<i>Military—TRICARE</i>	<i>9 (2.8%)</i>
<i>Military—VA Care</i>	<i>7 (2.2%)</i>
Uninsured	26 (7.9%)

Source: U.S. Census Bureau, Table HIC-4_ACS, “Health Insurance Coverage Status and Type of Coverage by State-All Persons: 2008 to 2023,” in American Community Survey, September 2024.

Notes: Italicized = does not add to total. Coverage estimates are not mutually exclusive. CHIP = State Children’s Health Insurance Program. Medicaid/CHIP coverage estimate includes all means-tested public coverage (e.g., state and locally financed public coverage).

Speakers



Kris Haltmeyer, MHSA, MS

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Employer Sponsored Insurance

Alliance for Health Policy - 2025 Health Policy Academy

April 10, 2025

Kris Haltmeyer

Vice President, Policy Analysis

BCBSA



Blue Cross Blue Shield Association is an association of independent Blue Cross and Blue Shield companies.

History of Employer Coverage

- **1910-30:** experimentation in employer-sponsored insurance (ESI)
- **1930s:** Blue Cross and Blue Shield popularize health insurance
- **1940s:** WWII wage controls create incentive for expansion of ESI
- **1954:** Internal Revenue Code allows employers to deduct ESI costs
- **1974:** Employee Retirement Income Security Act (ERISA) allows nationally uniform benefit plans
- **Present Day:** 178 million covered by ESI



Origins of Blue Cross

1929

Teachers in Texas paid premiums of 50 cents per month for 21 days of hospital inpatient services



Origins of Blue Shield

1939

Pacific Northwest loggers and miners paid a monthly fee for physician services



Why Do Employers Offer Health Insurance?

- ☒ Most Popular Employee Benefit
- ☒ Supports Employee Recruitment and Retention
- ☒ Helps Keep Employees Healthy and Productive

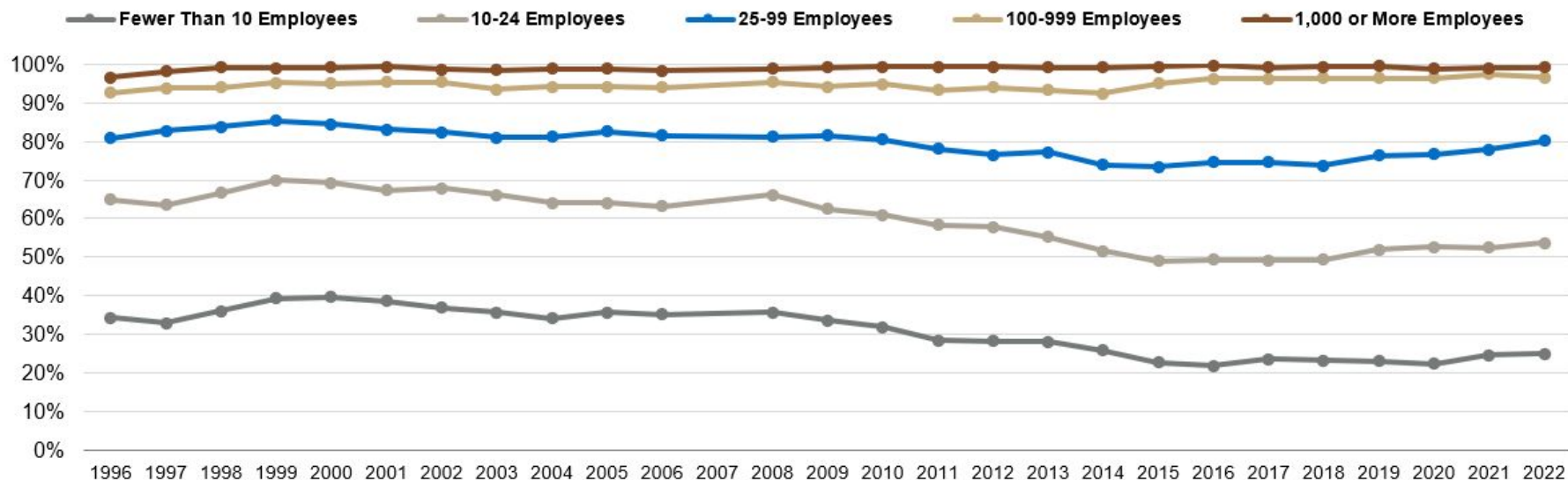
KEY FACT

Employment-based insurance is the most common type, covering 54.5 percent of the U.S. population¹

¹ [US Census Bureau](#)

Offer Rates For Large Employers Remain Stable

Percentage of Private-Sector Establishments That Offer Health Insurance, by Establishment Size, 1996-2022



Employers may insure or self-fund coverage. Two-thirds of covered workers were in self-funded plans in 2023.

Types of Plans

Enrollment Distribution

13% HMO

47% PPO

10% POS

29% HDHP

	Health Maintenance Organization (HMO)	Preferred Provider Organization (PPO)	Point of Service (POS)
Out of Network Coverage	No (except emergencies)	Yes, but may pay more	Usually, but will pay more
Primary Care Physician (PCP) required?	Yes	No	Yes
PCP referral for specialist?	Required	Not required	Sometimes required

Any of the above can be a High Deductible Health Plan (HDHP), which limit pre-deductible coverage to certain preventive services. Enrollees in a HDHP may open a Health Savings Account (HSA).

The above does not reflect the rise of Individual Coverage Health Reimbursement Accounts (ICHRAs), which allow employers to help pay for their employee's coverage through the individual market.

ESI Key Facts

83%

is the average of what employers pay for out-of-pocket costs¹ and for family premiums²

87%

of workers believe the health insurance plan they get at work is affordable³

93%

of workers report they are satisfied or highly satisfied with the coverage they get through their job³

	Total Tax Benefit	Lives Covered	Average Tax Benefit ⁴
Medicaid/CHIP	\$568B	79 mil.	\$7,200
Non-group	\$129B	21 mil.	\$6,000
Employment-Based Coverage	\$389B	164 mil.	\$2,400

U.S. companies spend more than \$6 on health benefits for every \$1 of tax revenue lost⁵

1. [Employee Benefit Research Institute](#) (EBRI)

2. [Kaiser Family Foundation](#)

3. [US Chamber of Commerce](#)

4. EBRI estimates based on [Congressional Budget Office data](#)

5. [Stat News](#)

Thank You!

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Medicare Policy Initiative

An Overview of the Medicare Program

Neil Patil, MPP

Health Policy Director

Medicare Policy Initiative

April 2025

Overview and Eligibility

- **Eligibility**

- Over 65 years of age
- End-Stage Renal Disease (ESRD) or ASL
- Certain people with disabilities

- There are approximately **68.4 million Medicare beneficiaries** (Dec. 2024)

- 34 million beneficiaries are enrolled in Traditional Medicare (Parts A and/or B)
- 34.4 million beneficiaries are enrolled in Medicare Advantage/other health plans
- 89% of Medicare beneficiaries are aged 65 and over
- 80% of Medicare beneficiaries have Medicare Part D prescription drug coverage

- In 2024, Medicare accounted for **14% of federal spending (\$848.2 billion)**

Medicare Milestones



- **1965 Social Security Act**
 - Health Insurance for the Elderly (Medicare Part A & B)
- **1997 Balanced Budget Act**
 - Establishes the private Medicare+Choice health plan program (Part C or Medicare Advantage)
- **2003 Medicare Modernization Act**
 - Prescription drug benefit (Part D) began in 2006
- **2010 Affordable Care Act**
 - Preventive benefits, phased out Part D donut hole and established CMS Innovation Center
- **2022 Inflation Reduction Act**
 - Prescription drug reform, including Part D benefit redesign and drug price negotiations

The Parts of Medicare



- **Part A: Hospital Insurance Program**

- Inpatient hospital care, nursing homes, home health, hospice



- **Part B: Supplementary Medical Insurance Program**

- Outpatient care, durable medical equipment, preventive services



- **Part C: Medicare Advantage Program**

- Medicare-approved plan from a private managed care company that offers an alternative to Medicare Parts A and B



- **Part D: Prescription Drug Benefit**

- Prescription drug coverage
- Offered through MA plans or as standard alone Part D plans



- **Medicare Supplemental Insurance (Medigap), LIS, & Dual-Eligibility**

FEATURES	TRADITIONAL MEDICARE	MEDICARE ADVANTAGE
ENROLLEES	34 million beneficiaries	34.4 million enrollees
PAYMENT PROGRAM	Fee-for-Service	MA plans get enrollee-based capitated payment
PAYMENT INCENTIVES	Higher volume of services, less diagnoses coding	Lower volume of services, higher diagnoses coding
PROVIDERS	Any provider that accepts Medicare	Typically limited to in-network providers
OUT-OF-POCKET MAXIMUM	No annual out-of-pocket limit	Maximum out-of-pocket limit
SUPPLEMENTAL COVERAGE	Medigap, retiree benefits, Medicaid	“Extra” supplemental benefits and/or reduced cost sharing

Medicare Part D Drug Coverage

- **Voluntary outpatient prescription drug benefit**
- **Congressional Budget Office (CBO) estimated Part D spending to reach \$137 billion in 2025, representing 15% of net total Medicare spending**
- **Inflation Reduction Act of 2022**
 - Caps insulin cost-sharing at \$35 per month
 - No cost-sharing for adult vaccines
 - Requires drug manufacturers to pay rebate to the federal government if prices increase faster than inflation
 - Requires HHS to negotiate the price of high-expenditure brand-name drugs each year
 - \$2,000 annual out-of-pocket cap for Part D drugs



Stay in touch with the Medicare Policy Initiative Team

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Affordable Care Act: An Overview

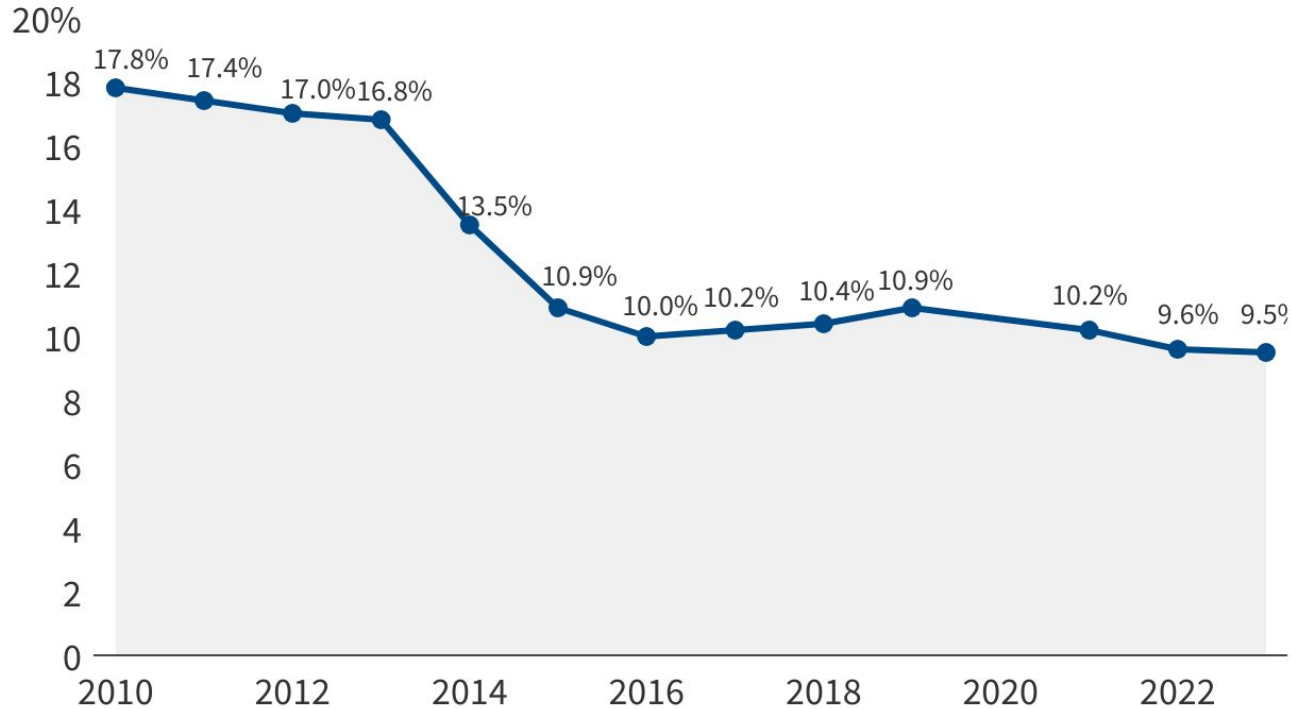
Cynthia Cox
Vice President, ACA
April 2025



Filling the need for trusted information on national health issues.

Figure 24

The Affordable Care Act dramatically reduced the number of uninsured Americans



NOTE: Includes nonelderly individuals ages 0 to 64.

SOURCE: KFF Key Facts About Uninsured Population: <https://www.kff.org/uninsured/issue-brief/key-facts-about-the-uninsured-population/>

Figure 25

Sources of health Insurance coverage for non-elderly, 2012 and 2023

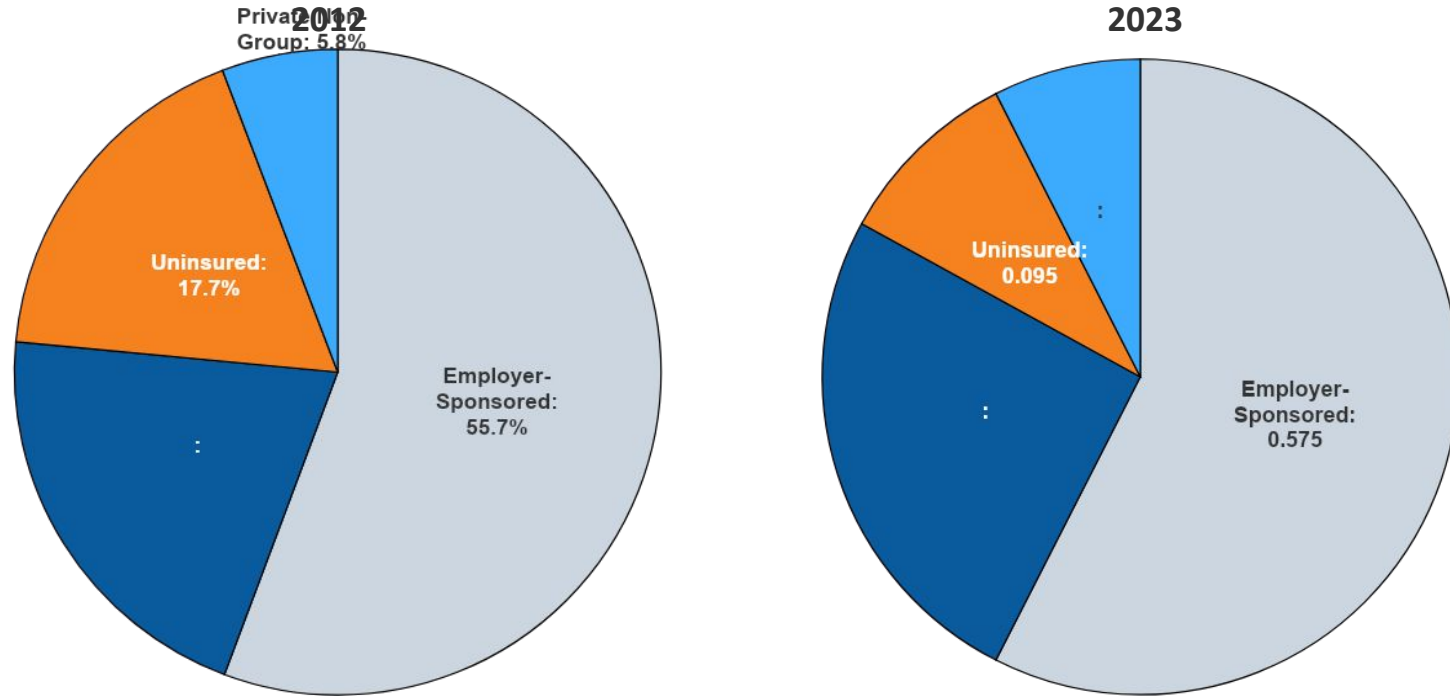
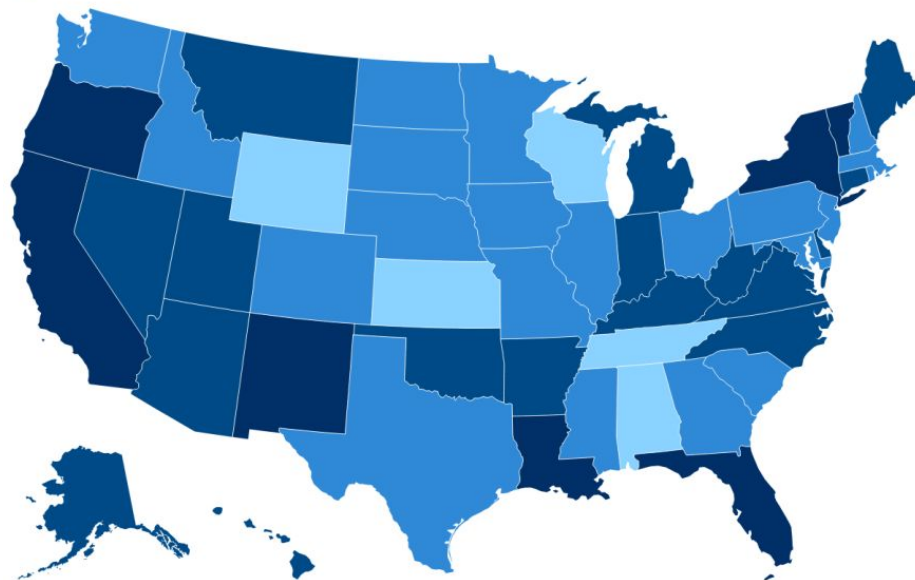


Figure 26

In 2024, 1 in 6 nonelderly people had health coverage through the Affordable Care Act (ACA).

Enrollment in the Marketplaces, Basic Health Plans, and Medicaid Expansion as a Share of the Total Population Ages 0-64, 2024

■ up to 10% (5 States) ■ 10% - <15% (21 States) ■ 15% - <20% (17 States)
■ 20%+ (8 States incl. DC)



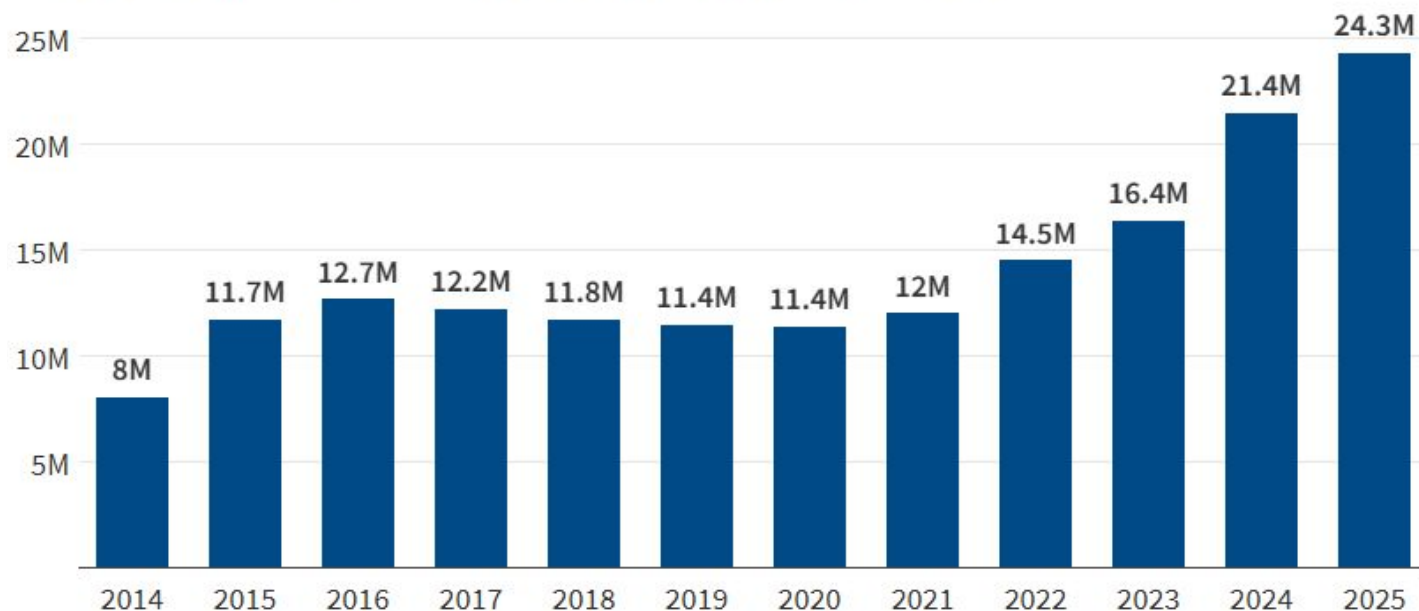
44 million people
had ACA coverage
in 2024

Note: Basic Health Plans were adopted in MN and NY as of March 2024 (now Essential Plan in NY).

Source: KFF analysis of Marketplace Open Enrollment Period Public Use Files, 2024; Medicaid Budget and Expenditure System (MBES), data, March 2024; and 2023 American Community Survey, 1-Year Estimates.

Figure 27 **ACA Marketplace Enrollment Hits Another Record High During 2025 Open Enrollment Period**

Total ACA Marketplace Plan Selections During Open Enrollment, 2014-2025*



Note: *2025 enrollment data is as of the end of Open Enrollment for all states except Rhode Island. Rhode Island reports 2025 data through December 7, 2024.

Source: KFF analysis of Health Insurance Marketplace Open Enrollment Reports for 2014, 2015, and 2016; [Marketplace Open Enrollment Period Public Use Files](#); [Marketplace 2025 Open Enrollment Period Report: National Snapshot](#); and enrollment data from state press releases or Marketplaces • [Get the data](#) • [Download PNG](#)

KFF

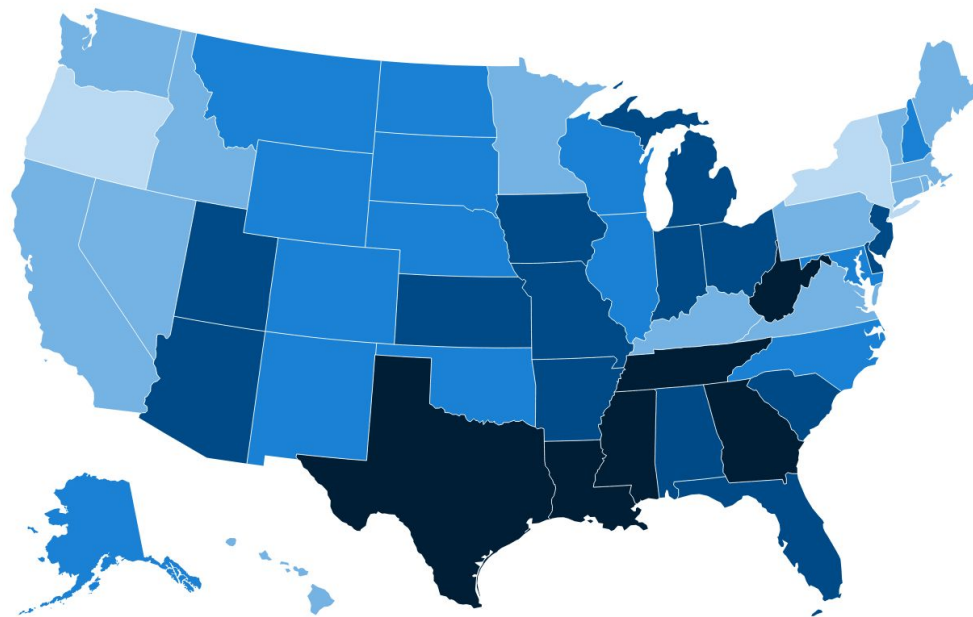
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Figure 28

Affordable Care Act (ACA) Marketplace Enrollment More than Doubled in 20 States from 2020 to 2025

Percent Growth in Affordable Care Act (ACA) Marketplace Signups, 2020 - 2025*

■ < 0% ■ 0%–50% ■ 50%–100% ■ 100%–200% ■ ≥ 200%



Note: *2025 enrollment data is as of the end of Open Enrollment for all states except Rhode Island. Rhode Island reports 2025 data through December 7, 2024.

Source: KFF analysis of 2020 Open Enrollment Period Public Use Files, Marketplace 2025 Open Enrollment Period Report: National Snapshot, and enrollment data from state press releases or Marketplaces

Figure 29

KFF Resource: How Much More Would People Pay in Premiums if the ACA's Enhanced Subsidies Expired?

Enter Information About Your Household

1. Select a State [?]

West Virginia

Enter your zip code

25311

Your county is KANAWHA.

2. Enter yearly household income as...

☒ 2025 Dollars ☐ % of Poverty

60391

3. Is coverage available from your or your spouse's job? [?]

☐ Yes ☒ No

4. Number of people in family [?]

1

5. Number of adults (21 to 64) enrolling in Marketplace coverage [?]

1 Adult

Age?

40

Uses Tobacco? [?]

☐ Yes ☒ No

6. Number of children (20 and younger) enrolling in Marketplace coverage

No Children

Without enhanced subsidies, you would likely lose financial help

Based on the information you provided, your income is equal to **401%** of the poverty level. Without the IRA enhanced subsidies, those making above 400% of the poverty level would be ineligible for financial assistance.

Estimates of your cost for coverage and amount of financial help in 2025 are provided below, along with estimates of what you would pay if enhanced subsidies were unavailable. Your cost for a silver plan would **increase by \$510 per month** (\$6,115 per year) without enhanced subsidies. To find out your actual amount of financial help under current law and to get coverage, you must go to Healthcare.gov or your state's Health Insurance Marketplace.

	With enhanced subsidies	Without enhanced subsidies
Estimated financial help	\$510 per month (\$6,115 per year) as a premium tax credit. This covers 54% of the monthly costs for a silver plan.	No financial help
The most you have to pay for a silver plan	8.5% of income for the second-lowest cost silver plan	Full cost of the plan
Your cost for a silver plan	\$428 per month (\$5,133 per year) in premiums (which equals 8.5% of your household income)	\$937 per month (\$11,248 per year) in premiums (which equals 18.63% of your household income)
Your cost for a bronze plan	\$176 per month (\$2,116 per year) in premiums (which equals 3.5% of your household income)	\$686 per month (\$8,231 per year) in premiums (which equals 13.63% of your household income)

Figure 30

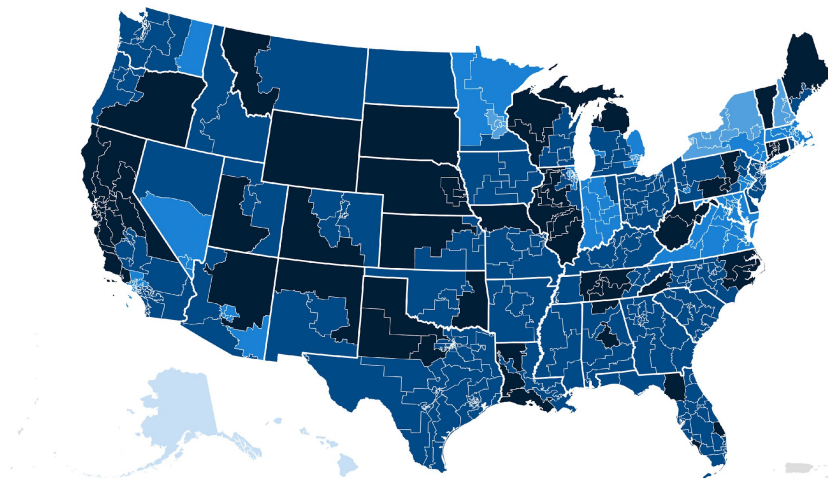
KFF Congressional District Interactive

Premium Payments for Subsidized Enrollees Will Increase Nationwide if Enhanced ACA Subsidies Expire

Percent Increase in Average Monthly Premium Payments for Benchmark Silver Plan Without Enhanced Subsidies, 60-Year Old Couple Making \$82,000, 2025

Average 60-Year Old Couple, \$82,000 40-Year-Old, \$31,000

< 50% 50%–100% 100%–150% 150%–200% 200%–300% ≥ 300%



Note: Data for average increases in premium payments are only available in states that use HealthCare.gov. A couple making \$82,000 in Alaska and Hawaii would make under 400% of poverty under state-specific poverty guidelines and remain eligible for financial assistance. A 40-year old individual making \$31,000 in DC and New York would be eligible for Medicaid and the Essential Plan, respectively. Premiums do not reflect state-provided subsidies. See methods section for details.

Source: KFF analysis of Census data, CMS data, Missouri Census Data Center Geocorr 2022 tool, plan selection data from state regulators and 2024 Open Enrollment Period Public Use Files, and premium data from Healthcare.gov, state regulators, or insurer filings

Enrollees Will Increase Nationwide if

Payments for Benchmark Silver Plan Without Enhanced Subsidies, 2025

40-Year-Old, \$31,000

0%–200% 200%–300% ≥ 300%

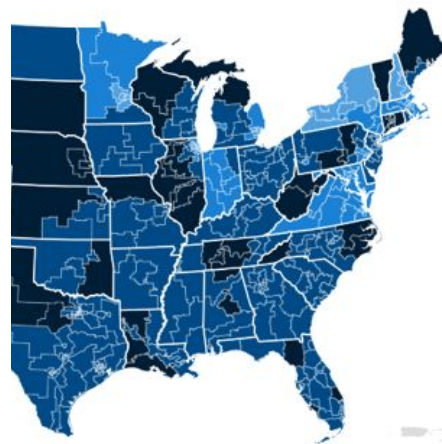
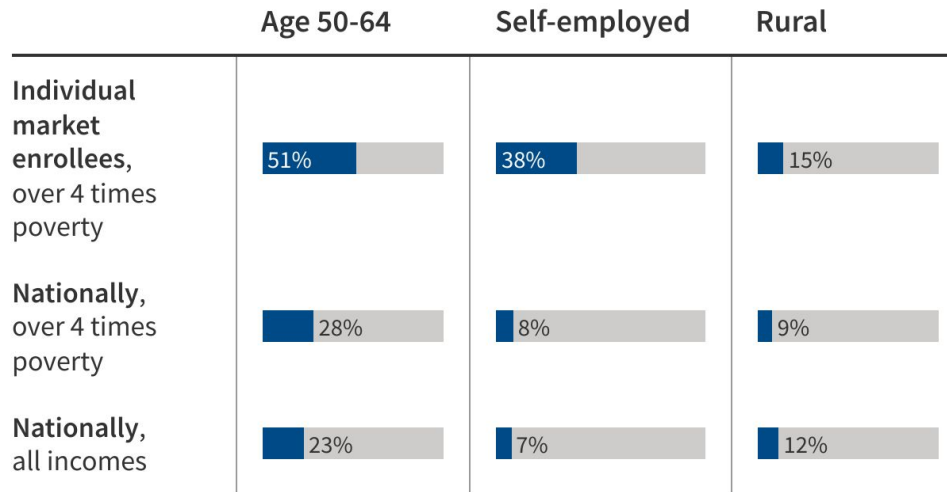


Figure 31

Subsidy-Eligible Individual Market Enrollees Making Above Four Times Poverty Are Disproportionately Early and Pre-Retirees, Self-Employed, and Live in Rural Areas

Demographics of Subsidy-eligible Individual Market Enrollees With Incomes Over Four Times Poverty, 2023



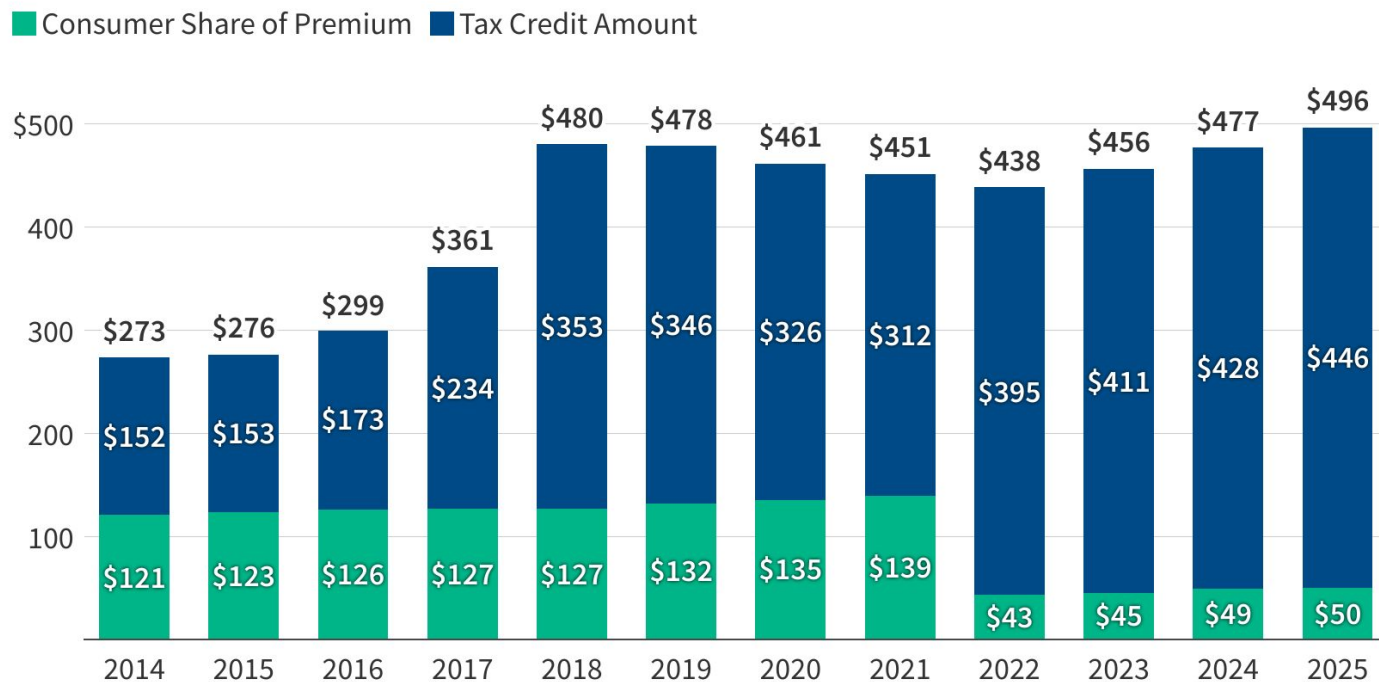
Note: Individual market enrollees with incomes over 4 times the poverty level are statistically different from all comparison groups, except when comparing rural individual market enrollees over 4 times the poverty level to the national population across all income levels. Self-employed includes share of adults between 19 and 64. Other demographics include all between 0 and 64. Rural includes all counties outside of US Census Metropolitan Statistical Areas.

Source: KFF analysis of US Census Bureau 2024 Current Population Survey Annual Social and Economic Supplement

Figure 32

Marketplace Trends: National Average Benchmark Plan Premiums, With and Without Subsidies

National Average Monthly Premiums, Tax Credit Amounts, and Individual Contributions for the Benchmark Silver Plan for a 40-Year Old Consumer With Income of 200% FPL, 2014-2025



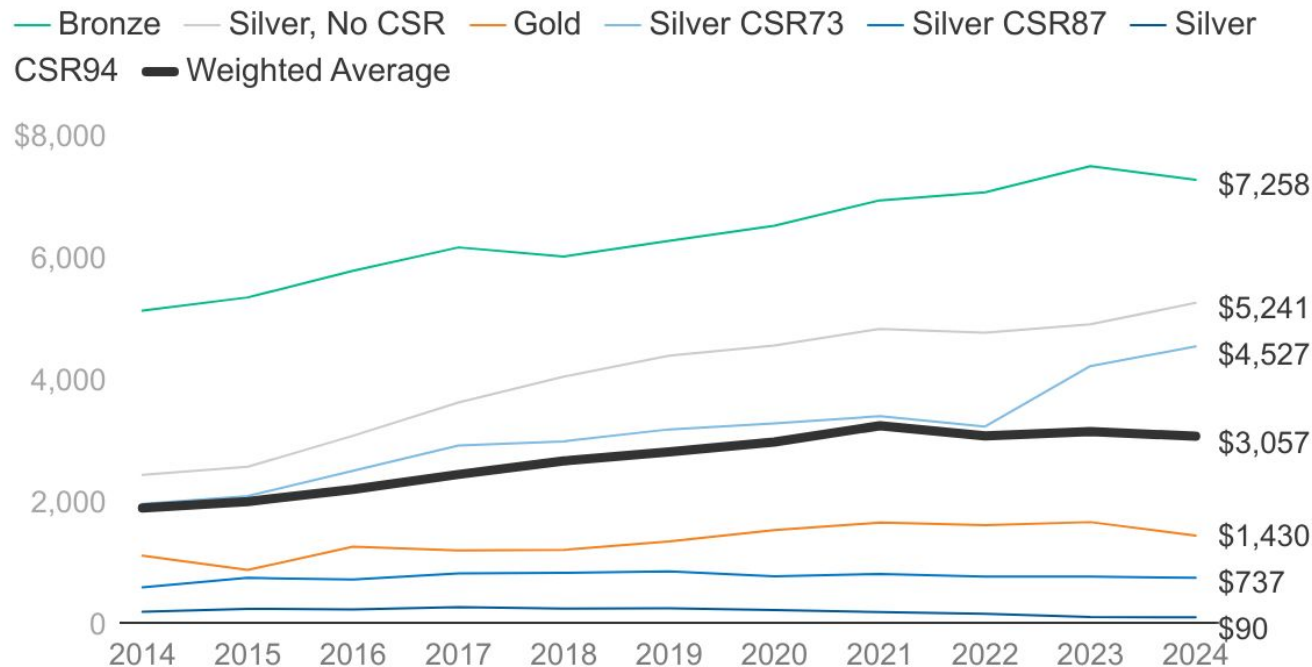
Note: 2021 tax credit amounts and consumer share of premium do not take enhanced subsidies into account. The sum of the consumer share of premium and tax credit amount may differ from the actual cost of the benchmark silver premium due to rounding.

Source: KFF Health Insurance Marketplace Calculator

Figure 33

Average Deductible in ACA Marketplace Plans, 2014-2024

Among Healthcare.gov plans with combined medical and drug deductibles



NOTE: CSR refers to Cost-Sharing Reduction. Weighted average is calculated using plan selections by metal/CSR level. See Methods for details.

SOURCE: KFF analysis of CMS Landscape and Marketplace Open Enrollment Period Public Use Files

Figure 34

What to watch...

- Enhanced premium tax credits
- Program integrity (fraud, income verification, auto-reenrollment)
- Tax credit reconciliation
- Quality: network adequacy, claims denials, prior authorization
- Court cases, e.g., Braidwood (preventive services)
- Federal budget

Federal Health Insurance Subsidies for People Under Age 65

Billions of Dollars

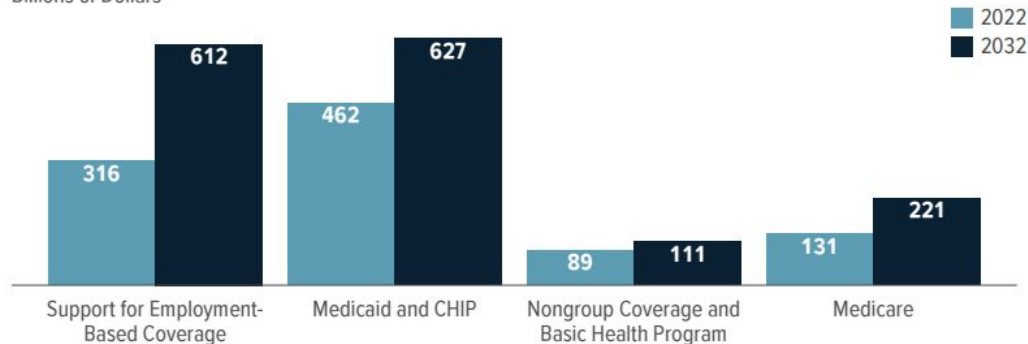


Figure 35

KFF Resources

- ACA/Marketplace Frequently Asked Questions <https://www.kff.org/health-reform/fqg/health-reform-frequently-asked-questions/>
- Marketplace Subsidy Calculator <https://www.kff.org/interactive/subsidy-calculator/>
- ACA Analyses and Data <https://www.kff.org/affordable-care-act/>
- Private Insurance Analyses and Data <https://www.kff.org/private-insurance/>
- Employer Health Benefits Survey <https://www.kff.org/health-costs/report/2018-employer-health-benefits-survey/>
- Medicaid <https://www.kff.org/medicaid/>
- State Health Facts <https://www.kff.org/statedata>
- Peterson-KFF Health System Tracker <https://www.healthsystemtracker.org/>

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Thank you.

Moderated Q&A

Thank you!
