

# Revitalize the Individual Health Insurance Market

Expand access to affordable coverage for millions of Americans

Today, 16 million Americans are covered through the Private Individual Market, with approximately 10 million people enrolled in plans offered through the Exchanges. Since the passage of the Affordable Care Act (ACA) in 2010, the Individual Market has undergone significant changes, including the establishment of important consumer protections. The implementation of the ACA has also led to large increases in premiums and a reduction in plan choices in the Individual Market. The average Exchange monthly premium increased by 27 percent in 2018, and 75 percent of counties have two or fewer insurers offering coverage. As a result, Exchange coverage has declined each year since 2014. Eight million individuals who could be covered through Individual Market insurance today, remain uninsured.

States are best positioned to achieve the important goals of expanding and enhancing the quality of coverage and care in their Individual Markets. Establishing the State as the benefits / coverage owner will require increased flexibility, new, modern capabilities and approaches, and adequate funding. States can leverage coverage platforms that are working today – including Employer-Sponsored Insurance and Medicaid which are providing cost-effective, consumer-responsive, innovative health care benefits, with proven results and high member satisfaction.

Solutions to advance the important goals of expanding and enhancing the quality of health care to achieve affordable coverage for individuals include:

## Establish the State as the Benefits / Coverage Owner

- Return oversight of the Individual Market to States to allow for a coherently organized portfolio of State-based public and private coverage platforms.
- Allow insurers to offer a broader array of innovative, flexible, affordable Individual Market products that maintain consumer protections and better fit the unique needs of people.
- Establish Complex Coverage Pools – administered by State-enabled public-private partnerships – to reduce Individual Market premiums by 27 percent to provide better care for approximately one million individuals with clinically complex conditions.

## Establish the State as the Benefits / Coverage Owner

While Exchanges have fallen short of providing consumers with affordable, high-quality, stable coverage options, the ACA's Medicaid Expansion has succeeded in providing sustainable and effective coverage to 16 million people since 2013.

- Expand Medicaid to all States to cover 3.5 million more individuals.
- Use ACA waiver authority to transition Exchange enrollees and Federal subsidy funding into Medicaid buy-in programs, leveraging Medicaid managed care organizations to provide coverage at 43 percent lower cost than Exchange coverage.



**The premium for the second lowest-cost silver plan has increased,**

by 88%, from \$2,616 to \$4,932, for a 27-year-old, from 2014-2018



**Medicaid coverage costs 43% less**

than Exchange coverage



**Exchange enrollment Projected: 25 million Actual: 10 million**