

Revitalize the Individual Health Insurance Market

Expand access to affordable coverage for millions of Americans

Today, 14 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 over the years and a reduction in plan choices in the Individual Market. The average Exchange monthly premium increased by 27 percent in 2018 and have remained stable since then. In 2016, 237 insurers participated in the Federal Exchange but in 2020, only 175 participated. This leads to an average of 4.5 insurers per State, a decrease from 6 per State in 2016, resulting in States and counties with only one insurer. As a result, Exchange coverage has declined each year since 2016. More than nine million individuals who are eligible for subsidized coverage in the Exchanges 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.

Leverage the Medicaid Program

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 14 million people since 2013.

- Expand Medicaid to all States to cover an additional 2.3 million 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



Original Exchange Enrollment Projected: 25M | Actual: 10M