The Daily Dish

December's ACA Enrollment

DOUGLAS HOLTZ-EAKIN | JANUARY 14, 2014

Last night Congressional negotiators reached an agreement on a spending bill that would keep the government funded for the rest of the fiscal year. The Washington Post writes "Congressional negotiators unveiled a $1.1 trillion funding bill late Monday that would ease sharp spending cuts known as the sequester while providing fresh cash for new priorities, including President Obama's push to expand early-childhood education. The 1,582-page bill would fully restore cuts to Head Start, partially restore cuts to medical research and job training programs, and finance new programs to combat sexual assault in the military. It would also give all federal workers a 1 percent raise."

Meanwhile on Tuesday afternoon the administration announced that almost 2.2 million Americans had signed up for insurance coverage through the ACA's exchanges. AAF released its monthly enrollment report which found that while December saw an uptick in enrollment numbers, the administration is still under the pace to reach their 7 million-enrollee goals. "Assuming a linear enrollment trend, 3.6 million people would need to be signed up by the end of December, roughly two-thirds more than the actual enrollment reported by HHS, in order to meet the 7 million target."

With the announcement of the numbers, the administration also released specific demographic information for the enrollees for the first time. This included the ages for those who have enrolled thus far. AAF's analysis writes: "generally healthy and frequently uninsured young adults—ages 18 through 34—are crucial to the success of the exchanges. The administration has specifically identified 2.7 million, or 39 percent of total membership, as their target for young adult enrollment in 2014. After three months, only 24 percent of exchange participants are aged between 18 and 34 years old." More from DHE below.

Eakinomics: ACA Enrollment

The administration released yesterday information about enrollees in the ObamaCare

exchanges through December 28, 2013. As is clear from the chart, overall enrollment of 2.2 million lags well behind the pace the administration projected would yield a total of 7 million in 2014. Even as the website difficulties are resolved, the policies in ObamaCare are proving unattractive to Americans and participation lags.

More importantly, the report contains for the first time information about the characteristics of enrollees. Significantly, 24 percent are "young invincibles" between the ages of 18 and 34. While this is below the 40 percent that the White House announced was the threshold for sustainable insurance pools, the administration is nonetheless declaring victory. In reality, the jury is still out. Many of those under the age of 26 could be on their parents policies; the willingness of the young invincible to purchase insurance at ObamaCare premiums remains unproven.

The second interesting data is that 60 percent of enrollees are choosing silver plans. There has been some speculation that many would purchase bronze plans because the premiums for those plan would be nearly 100 percent covered by subsidies (80 percent of enrollees are receiving subsidies). Unfortunately, those same bronze plans have very large deductibles and copays, suggesting their might be backlash over the sticker shock down the line. Instead, the purchase of silver plans — that have lower deductibles and copays — suggest that health insurance consumers are savvy enough to choose policies with lower overall costs.

ObamaCare remains a troubled program that lags in enrollment, has yet to attract the target mix of enrollees, and remains fraught with operational failures. Its evolution over 2014 remains a key issue to monitor.