Research

Health and Economy Baseline Estimates

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CENTER FOR HEALTH AND ECONOMY
A Research Initiative of the American Action Forum

For the 2024 plan year, the insurance market remains challenged by costs, uninsured individuals, and access to care. The Center for Health and Economy (H&E) is dedicated to assessing the impact of proposed reforms that attempt to address these issues. The following report details the most recent updates to the H&E baseline estimates of insurance coverage, federal budgetary impact, plan choice, and the premium landscape of health insurance for Americans under the age of 65.

KEY FINDINGS:

- H&E estimates there are 251 million non-elderly U.S. residents with health insurance in 2024 – 91 percent of the total non-elderly population.
- The individual market includes an estimated 16 million members in 2024, with 13 million lives covered through subsidized insurance offered in the Health Insurance Marketplace; the total size of the individual market is estimated to decline throughout the budget window, sinking to 7 million in 2034.
- The family glitch fix (from 2023) is now accounted for in the estimates and has increased the number of individual-market insured by approximately 1 million.
- The health insurance coverage provisions under current law for the non-elderly are estimated to increase federal outlays by $6.7 trillion from 2024–2034.

INSURANCE COVERAGE

H&E estimates there are 251 million non-elderly U.S. residents with health insurance in 2024 – 91 percent of the total non-elderly population. Estimates of health insurance coverage encompass four primary categories: the individual market, employer-sponsored insurance, Medicaid, and other public insurance. The individual market is divided into two subsets: subsidized and unsubsidized coverage. Subsidized coverage is purchased through the Health Insurance Marketplace, and unsubsidized coverage comprises similar insurance plans purchased either directly from the insurer (represented in Other Non-Group Insurance) or through the Marketplace without financial assistance. H&E makes no distinction between unsubsidized enrollees through the Marketplace and households that purchase individual market insurance directly from an insurer. Estimates concerning Medicaid also include beneficiaries of the Children's Health Insurance Program. Other public insurance primarily comprises Medicare coverage for disabled persons but also includes Tricare, the Indian Health Service, and other federal health care programs for specific populations.

Table 1. Health Insurance Coverage (Millions)

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Individual Market*	16	16	12	11	11	10	10	9	8	8	7
Health Insurance Marketplace	13	13	8	7	7	6	6	5	5	4	3
Other Non-Group Insurance	2	2	4	4	4	4	4	4	4	4	4
Employer Sponsored Insurance	158	158	158	158	158	158	158	158	158	158	158
Medicaid	72	73	73	73	73	73	74	74	74	74	74
Other Public Insurance	5	5	5	5	5	5	5	5	5	5	5
Total Non-Elderly Population	**276**	**277**	**277**	**277**	**278**	**278**	**278**	**279**	**279**	**279**	**280**
Total Insured[2]	**251**	**251**	**247**	**247**	**246**	**246**	**246**	**245**	**245**	**244**	**244**
Uninsured[2]	**26**	**26**	**30**	**31**	**31**	**32**	**33**	**33**	**34**	**35**	**36**
Percent Uninsured	**9%**	**9%**	**11%**	**11%**	**11%**	**12%**	**12%**	**12%**	**12%**	**13%**	**13%**

[1] Other Public Insurance includes under-65 Medicare enrollment.

[2] All insurance coverage estimates refer only to the under-65 population.

* Individual Market and Total Insured numbers may not equal the sum of other sub-categories due to rounding.

The enrollment for the Health Insurance Marketplace in 2024 is partially calibrated to the effectuated enrollment reported by the Centers for Medicare and Medicaid Service (CMS) for the 2022 program year. In 2024, H&E estimates there are 26 million uninsured. This is

approximately 8 million more than H&E's earlier 2023 estimate due to the 2024 end of coverage extended through the Medicaid program provided by COVID-19 relief efforts. The decrease in insured Americans is primarily the result of 2024 premium increases in the individual market as well as the lapse of COVID-19 emergency Medicaid coverage. The average population of non-elderly Medicaid beneficiaries is estimated to be 72 million in 2024 and will hit 74 million by 2034.[1] These estimates are subject to the uncertainty of each state's decision regarding Medicaid expansion but take into consideration North Carolina's 2024 decision to expand Medicaid.

H&E does not make any assumptions about future state take-up of the Medicaid expansion due to the many variables involved in projecting the magnitude of the effects of potential future expansions. Accordingly, the Medicaid enrollment and spending reflected in this baseline only reflect the projected costs and enrollment of the Medicaid program if it were to remain as it currently is.

The individual market is estimated to decline from 16 million covered lives in 2024 to 7 million in 2034, driven by premium increases in the Marketplace. The decrease in coverage through the individual market is in part offset by an increase in those insured through Medicaid.

As passed into law, the ACA contained a "family glitch" as the affordability of employer sponsored insurance was determined based only on the cost for the employee, not the cost for the whole family. The Biden Administration fixed the family glitch by rulemaking in 2023. The family glitch fix is now accounted for in the estimates and has increased the number of individual market insured by approximately 1 million.

As seen in Table 1, the number of individuals with unsubsidized, individual market insurance is expected to decrease. Unsubsidized enrollment will continue at the same level of 4 million from 2026–2034, with variations no greater than 250,000–500,000. Currently the expanded subsidies through 2026 are reducing the unsubsidized population by 2 million. Rising costs and higher income contributions for subsidized enrollees are estimated to lead to higher uninsured numbers later in the analysis period.

PREMIUMS

Estimates of the subsidy-eligible premiums available in the Marketplace are calculated using publicly available data on plans offered in the Federally Facilitated Marketplaces. Premium estimates for unsubsidized health insurance are calculated from a sample of plans available through the Robert Wood Johnson Foundation.[2] In both cases, H&E uses the default age-rating curve put forth by the Department of Health and Human Services and by

individual states to impute the applicable premium for a household. For simplification and comparability, H&E uses a standard family size of four (two adults and two children) when estimating family premiums. Subsidy payments and tax revenue are adjusted for the appropriate average family size in budget impact estimates.

Table 2. Average Premiums in the Individual Market

		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Single Coverage	Platinum	11,000	11,500	10,700	11,200	11,700	12,200	12,700	13,200	13,700	14,300	14,700
	Gold	9,500	10,000	9,500	10,000	10,500	11,000	11,400	11,900	12,300	12,800	13,200
	Silver	8,300	8,800	8,900	9,300	9,700	10,100	10,600	11,000	11,500	11,900	12,400
	Bronze	6,600	6,900	6,700	6,900	7,300	7,500	7,900	8,200	8,600	8,900	9,200
	Catastrophic	4,000	4,200	5,000	5,200	5,500	5,800	6,100	6,300	6,600	7,000	7,300
Family Coverage[1]	Platinum	26,100	27,500	24,800	25,600	26,600	27,700	29,400	30,700	32,300	34,000	35,900
	Gold	23,400	24,600	22,800	23,700	24,600	25,600	26,800	27,800	29,100	29,900	31,300
	Silver	19,100	20,200	19,600	20,400	21,300	22,200	23,300	24,400	25,600	26,800	28,000
	Bronze	16,400	17,300	15,300	15,800	16,300	16,700	17,500	18,100	18,900	19,500	20,300
	Catastrophic	8,200	8,500	11,300	11,700	12,200	12,600	13,000	13,500	13,900	14,400	14,900

[1]Family coverage estimates are based on a family size of four persons.

[2]Silver plans offered to low income households receive cost-sharing benefits that alter the effective premium relative to un-assisted Silver plans.

Subsidized insurance plans offered in the Marketplace are divided into four categories – Platinum, Gold, Silver, and Bronze – that correspond to four approximate actuarial values: 90 percent, 80 percent, 70 percent, and 60 percent. The actuarial value refers to the expected percentage of annual medical expenses covered by the insurance plan.

Eligible households may purchase subsidized coverage for a specified percentage of household income that ranges from 2.01–9.56 percent in 2024–2034, depending on income. For 2024 and 2025, the range is from zero to 8.5 percent depending on income and continues through all income levels above 136 percent. A federal subsidy pays the remaining portion of the premium that is not covered by the household's specified income contribution. This specified income contribution is also subject to annual increases if the annual increase in health insurance costs exceeds a measure of household income growth.

Table 3. Average Subsidized Premiums in the Individual Market

		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Single Coverage	Platinum	2,600	2,500	3,500	3,500	3,600	3,600	3,600	3,700	3,700	3,600	3,600
	Gold	1,200	1,200	1,700	1,600	1,600	1,600	1,600	1,500	1,500	1,400	1,400
	Silver	400	400	500	500	500	500	400	400	300	300	300
	Bronze	400	400	300	200	200	200	200	200	100	100	100
Family Coverage[1]	Platinum	3,600	3,600	5,100	5,000	5,000	5,000	4,800	4,700	4,600	4,400	4,300
	Gold	1,600	1,600	2,100	1,900	1,900	1,800	1,700	1,700	1,600	1,500	1,400
	Silver	400	400	300	300	300	200	200	200	200	200	100
	Bronze	700	700	200	200	100	100	100	100	100	0	0

[1]Family coverage estimates are based on a family size of four persons.

[2]Silver plans offered to low income households receive cost-sharing benefits that alter the effective premium relative to un-assisted Silver plans.

It is important to note that, because of additional cost-sharing assistance, the plan designs categorized as Silver vary significantly in actuarial value across different income categories. For enrollees in the marketplace that earn between 100–150 percent of the federal poverty level (FPL), Silver plans have an actuarial value of 94 percent, the highest of any plan offered in the Marketplace. For enrollees earning between 150–200 percent of FPL, Silver plans have an actuarial value of 87 percent, and for enrollees earning between 200–250 percent of FPL, Silver plans have a 73 percent actuarial value. H&E estimates the unsubsidized premiums for these high-value Silver plans using the true actuarial value of the plan, rather than the Silver plan price.

Unsubsidized insurance plans, purchased in the Marketplace or directly from an insurer, are similar in design and price to those eligible for subsidies. The Affordable Care Act (ACA) requires that all health insurance plans meet certain requirements to certify as qualified coverage.

PLAN CHOICE

H&E assumes an underlying health insurance cost growth of 5 percent throughout the rest of the 10-year window as premiums increases were above 5 percent between 2024–2033 and are projected to increase at similar levels moving forward.[3] Actual year-over-year premium growth estimates vary as a result of changes in the enrollment mix and other factors. Due to growing applicable income contribution rates, subsidized premium growth for some plan designs is expected to exceed the underlying health insurance growth rate.

Table 4. Plan Choice Distribution in the Individual Market[1]

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Platinum	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Gold	6%	7%	4%	4%	4%	4%	4%	4%	4%	4%	4%
Silver[2]	57%	55%	53%	51%	49%	48%	47%	46%	45%	43%	41%
Bronze	31%	33%	30%	31%	32%	32%	32%	32%	32%	32%	32%
Catastrophic[3]	5%	5%	13%	14%	14%	16%	17%	18%	19%	21%	23%
Total Enrollment (millions)	**16**	**16**	**12**	**11**	**11**	**10**	**10**	**9**	**8**	**8**	**7**

[1] The Individual Market refers to the commercial, non-group market and includes sales of insurance within the Marketplace and direct sales by insurers.

[2] Silver plans include plans that receive cost-sharing assistance.

[3] Castrophic plans include short term and limited duration health plans.

H&E uses the subsidized and unsubsidized Marketplace enrollment in each metal level after the first year to calibrate plan preferences in the individual market and estimate plan choices throughout the 10-year analysis window.

H&E estimates that the large enrollment in Silver plans in 2024 among subsidized insurance plans will give way to higher enrollment in Bronze plans as premiums rise and consumers with less generous subsidy amounts adjust to higher premiums. The majority of Silver plan enrollment is estimated to predominantly comprise households eligible for extra cost-sharing benefits. As the market grows to include more households that are eligible for premium credits, the distribution of subsidized enrollment among the four metal levels is expected to become less evenly distributed later in the budget window.

Beyond 2024, lower-cost insurance plans are estimated to gain market share, shifting away from more generous plans in response to the steadily rising cost of health insurance. Throughout the budget window, Silver plan enrollment is expected to dominate the Health Insurance Marketplace as cost-sharing benefits are only available for Silver plans. As time passes and premiums rise, however, enrollment in Bronze plans is expected to increase.

Table 5. Plan Choice Distribution in the Health Insurance Marketplace

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Platinum	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Gold	6%	7%	4%	5%	5%	5%	5%	5%	5%	5%	5%
Silver[2]	62%	59%	68%	66%	64%	65%	64%	65%	66%	66%	67%
Bronze	31%	33%	27%	29%	30%	30%	30%	30%	29%	29%	28%
Total Enrollment (millions)	**13**	**13**	**8**	**7**	**7**	**6**	**6**	**5**	**5**	**4**	**3**

[1] The Individual Market refers to the commercial, non-group market and includes sales of insurance within the Marketplace and direct sales by insurers.

[2] Silver plans include plans that receive cost-sharing assistance.

BUDGET

H&E estimates the impact on the federal budget of the major health insurance coverage provisions of current law with regard to the non-elderly population. Budget impact estimates do not include estimates for non-ACA tax expenditures encoded in current law, such as the employer-sponsored health insurance tax expenditure.[4],[5]

Table 6. Cost of Current Law Coverage Provisions (billions)[1]

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2024-2034
Uses of Funds[2]												
Health Insurance Marketplace												
Cost Sharing Benefits	0	0	0	0	0	0	0	0	0	0	0	0
Premium Tax Credits	128	134	82	80	77	75	72	68	63	59	52	889
Medicaid	436	453	470	488	507	527	547	569	591	614	637	5,839
Other	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal	**563**	**587**	**552**	**568**	**585**	**601**	**619**	**637**	**654**	**672**	**690**	**6,728**
Net Budgetary Impact[3]	**-563**	**-587**	**-552**	**-568**	**-585**	**-601**	**-619**	**-637**	**-654**	**-672**	**-690**	**-6728**

[1] Cost estimates refer only for the under-65 population.

[2] Positive values denote increases in spending; negative values denote decreases in spending.

[3] Positive values denote surplus; negative values denote deficit.

Medicaid coverage and expenditure estimates are calculated based on the number of states that had chosen to implement Medicaid expansion by July 1, 2024. These predictions are sensitive to future state-level decisions on expansion as well as new program waivers that alter the design of a state's Medicaid program.

Over the decade spanning between 2024–2033, H&E estimates that non-elderly coverage provisions under current law will cost $6.73 trillion. The ACA introduced a number of taxes that are not directly related to the health insurance coverage of the non-elderly population and are therefore not included in this report. H&E's estimate is slightly less than its 2023 baseline owing to the increasing cost of plan coverage and decrease in the number of individuals being able to purchase subsidized individual insurance plans.

PRODUCTIVITY AND ACCESS

The Provider Access Index (PAI) is designed to reflect the availability of primary and specialty physicians and facilities. Plans with large networks, such as Platinum plans offered in the individual market, are ascribed high scores for providing exceptional access. Bronze and other low-cost plans that afford access only to limited networks are ascribed low PAI scores. The index ranges from a low of 1.0 to a high of 5.0.[4]

Table 7. Medical Productivity Index

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Individual Market	2.6	2.7	2.7	2.7	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Marketplace	2.6	2.6	2.7	2.5	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6
Other Non-Group I	3.0	3.0	3.0	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.2

Table 8. Provider Access Index

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Individual Market	2.8	2.9	2.9	2.7	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Marketplace	2.8	2.9	2.9	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Other Non-Group I	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7
Employer Sponsored Insura	3.7	3.7	3.7	3.7	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6
Private Insurance	**3.5**	**3.5**	**3.5**	**3.5**	**3.5**	**3.4**	**3.4**	**3.4**	**3.4**	**3.4**	**3.4**	**3.4**
Medicaid	1	1	1	1	1	1	1	1	1	1	1	1
Total Insured[1]	**3**	**2.9**	**2.9**	**2.9**	**2.8**	**2.8**	**2.8**	**2.8**	**2.8**	**2.8**	**2.8**	**2.8**

[1] Productivity and access estimates refer only to the under-65, non-disabled population.

CHANGES FROM PREVIOUS BASELINE ESTIMATES

H&E is constantly reevaluating the assumptions and technical methods used to create baseline and proposed estimates of health insurance coverage provisions under current law. This publication is the seventh comprehensive baseline report, and the fifth to include detailed estimates on the net budgetary impact of the ACA and Medicaid for individuals under 65.

For this baseline, H&E updated the under-65 microsimulation model. Just like the model used in previous estimates, the new under-65 model employs micro-data available through the Medical Expenditure Panel Survey to analyze the effects of health policies on the health insurance plan choices of the under-65 population and interpret the resulting impact on national coverage, average insurance premiums, the federal budget, and the accessibility and efficiency of health care. The updated model utilizes recent integrated private health insurance choice data that allows H&E to make improved predictions regarding the individual marketplace.

UNCERTAINTY IN PROJECTIONS

H&E uses a peer-reviewed micro-simulation model of the health insurance market to analyze various aspects of the health care system.[5] As with all economic forecasting, H&E estimates are associated with substantial uncertainty. While the estimates provide a good indication of the nation's health care outlook, there is a wide range of possible scenarios that can result from policy changes, and current assumptions are unlikely to remain accurate over the course of the next 10 years.

Aside from the potential policy changes, premium increases in the individual market are a substantial area of uncertainty in this report. In May 2021, CMS reported that new enrollment during the Special Enrollment Period, combined with additional subsidies for the Marketplace in the 2021 and 2022 plan years, yielded nearly 1 million new enrollees.[6] H&E also accounted for the extension of these subsidies through 2025. While H&E's estimates reflect this impact as well, it is important to note that the estimates are net enrollment for an annual period as opposed to a report of annual new plan enrollment. The impact of emergency COVID-19 Medicaid eligibility has made a significant impact in these estimates. H&E assumes that while premium subsidies will be available for those previously eligible for Medicaid, it estimated the demand for individual insurance will be significantly less than eligibility for tax credits. Premiums could also decrease if Congress were to appropriate funds required by law to assist insurers beyond plan year 2025 with the burden of offering plans with increased cost-sharing assistance.

[1] H&E's method for estimating Medicaid enrollment was also part of the under-65 model update. As a result, Medicaid enrollment is higher than in previous baselines, accounting for all of the under-65 Medicaid population with the exception of those that are dually eligible for Medicare and Medicaid.

[2] Accessed at: https://www.hixcompare.org/

[3] Centers for Medicare and Medicaid Services. National Health Expenditure Data. Accessed at: https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/

[4] The CBO estimates that the tax exclusion for employer sponsored insurance will cost $3.4 trillion over 10 years. See *Distribution of Major Tax Expenditures in the Individual Income Tax System*, Congressional Budget Office, May 2013, at: http://www.cbo.gov/sites/default/files/cbofiles/attachments/43768_DistributionTaxExpenditu

res.pdf

[5] In past baselines, H&E has included various estimates related to the employer sponsored insurance market that included: the excise tax on high cost employer sponsored plans, Medical Productivity in the employer marketplace, and Provider Access in the employer marketplace. These were left out of this baseline do to the update of the under-65 model.

[6] https://www.nytimes.com/2021/05/06/upshot/obamacare-signups.html