



The Daily Dish

ACA Marketplace Roundup 2018

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Eakinomics: ACA Marketplace Roundup 2018

The bloom has long since been off the Affordable Care Act (ACA) rose. And as the partisan battles have faded, attention to the performance of the ACA individual marketplaces has dwindled as well. At some level, this neglect is a shame, as millions of Americans continue to receive their insurance through the ACA and taxpayers continue to bear the burden of the premium subsidies. Fortunately, AAF's Jonathan Kiesling has a good [analysis](#) of the 2018 enrollment data. Here's the short version.

First, the facts. In 2018 there were 11.8 million plan selections, roughly 470,000 less than 2017, and premiums for selected plans increased by 30 percent. The average, however, is not as revealing as the details. Recall that 2018 was the first year without the cost-sharing reduction funding — federal dollars to offset the fact that low-income Silver plan purchasers can have no co-pays or deductibles. As a result, insurers were expected to raise premiums to offset the loss, especially on those very Silver plans because Silver plans are used to set the premiums subsidies offered under the ACA. It is a simple matter of “if we don't have that money, we'll get more of this money.” Indeed, Silver plan premiums saw an average increase of 36 percent, while the average lowest-cost Bronze and Gold plans saw increases of 20 percent. Given those price changes, it is not surprising that the enrollment shifted away from Silver and toward Bronze and Gold plans. Finally, the 30 percent increase in premiums turned into a 43 percent increase in subsidies for each eligible individual.

Second, how should we think about this? Despite the rhetoric to the contrary, the ACA individual markets have stabilized. Roughly 11 million individuals who need insurance reliably show up and purchase plans. And those individuals are expensive and increasingly more so. Taxpayers can expect little relief from the costs of this population. Indeed, the exchanges are coming to resemble disguised high-risk pools that are unable to disguise the cost of running a high-risk pool.