



The Daily Dish

The Outlook for the Individual Health Insurance Market

DOUGLAS HOLTZ-EAKIN | MAY 19, 2022

The American Action Forum's [Center for Health and Economy](#) (H&E) is dedicated to assessing the impact of proposed reforms to the under-65 health insurance market. Since health policy issues never go away, H&E never rests.

H&E annually updates its “baseline” – that is, current law – estimates of insurance coverage, federal budgetary impact, plan choice, and the premium landscape of health insurance. Its most recent [update](#) includes the latest outlook for the individual health insurance market. There are a number of interesting aspects to the report.

First, it is estimated that the individual market includes 14 million members in 2022, with 11 million lives covered through subsidized insurance offered in the Health Insurance Marketplace. Recall, however, that when the American Rescue Plan Act (ARPA) passed, advocates of the coverage-at-all-costs approach to health insurance were thrilled that it enhanced the premium tax credits (PTCs) (the health insurance subsidies in the individual market) and removed the limit that subsidies were only available to those under 400 percent of the federal poverty level (FPL). These provisions were put into place only for 2021 and 2022; in 2023 the subsidy structure will return to the original vision of the Affordable Care Act (ACA).

In part because of reduced subsidies and in part because of rising health care costs, premiums will rise. The H&E projection anticipates that plans chosen in the individual market are expected to shift toward lower cost options. Highly subsidized enrollment in Silver plans is projected to fade as a percentage of enrollment in the individual market, while enrollment in Bronze plans grows among both subsidized and unsubsidized consumers. In addition, the total size of the individual market is estimated to decline throughout the 10-year window—sinking to 9 million in 2032.

Regardless of the details, health programs will continue to be pricey. The health insurance coverage provisions under current law for the non-elderly are estimated to increase federal outlays by \$7 trillion from 2022 through 2032.

Even modest rises in premiums, small increases in the uninsured, and shifts toward less generous insurance are almost guaranteed to ignite flames on the left and breathe life into single-payer, Medicare-for-All, public option, and other universal coverage fantasies. The H&E baseline looks like a projection of full employment for H&E!