

Research



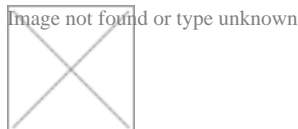
The American Action Forum's Affordable Care Act Monthly Enrollment Report for March And April

CHRISTOPHER HOLT, CONOR RYAN | MAY 1, 2014

Thursday afternoon, the Department of Health and Human Services (HHS) released enrollment data for the entire open enrollment period of the Affordable Care Act's (ACA) health insurance marketplaces, including a 19 day Special Enrollment Period (SEP) after March 31st. As of April 19th, 8.02 million individuals enrolled in health insurance coverage through the state and federally run exchanges, surpassing the administration's goal of 7 million enrollees. Enrollment will continue to slowly climb, as some states are permitting enrollment into the summer. The following is the American Action Forum's monthly analysis of the enrollment data released by HHS, evaluating the numbers in the context of possible enrollment trends and the administration's goals.

Analysis

Our enrollment trajectory chart compares Thursday's enrollment numbers to three benchmarks: a trajectory based on HHS' own goals prior to October 1st, an enrollment trajectory similar to that of Medicare Part D's first open enrollment period, and a steady enrollment trajectory. We also examine the composition of the exchange enrollees in terms of age, plan choice, and subsidy eligibility. This information is compared against administration goals and Congressional Budget Office (CBO) estimates.[\[1\]](#)



HHS Goal Trajectory

An internal HHS memo, from September 2013, outlines monthly enrollment targets for the ACA's first open enrollment period.[\[2\]](#) While the projection was never confirmed as official by HHS, it represents a possible path to the administration's goal. In the month of March, nearly 3 million Americans enrolled in the health insurance exchanges, more than double the anticipated enrollment for the last month of enrollment. And by the end of the grace period, total enrollment exceeded the goals set by HHS by nearly one million enrollees. The final enrollment push represents the first time actual enrollment has reached cumulative enrollment goals.

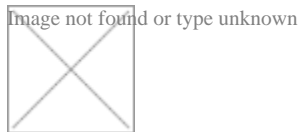
Medicare Part D Trajectory

Using enrollment in Medicare Part D stand-alone drug plans when the program began in 2006, we can better account for spikes and lulls. Part D had a similar timeline: enrollment began in November of 2005, with a peak

in sign-ups before the New Year and another surge before open enrollment closed in the spring.^[3] March and April enrollment—about 3.8 million—was more than double the steep increase projected by the Medicare Part D trajectory, exceeding the expected end-of-enrollment signups by more than two million.

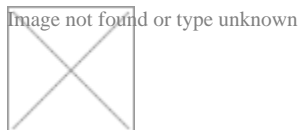
Steady Enrollment Trajectory

The steady enrollment trajectory assumes there will be consistent, unvarying monthly enrollment throughout the six month enrollment period. This method has obvious limitations; it cannot account for fewer early sign-ups due to rollout problems or high enrollment in the weeks leading up to important deadlines. However, as open enrollment continues, highs and lows can be expected to even out. Assuming a steady enrollment trend, 1.17 million people would have enrolled during March, which is less than a third of the final enrollment.

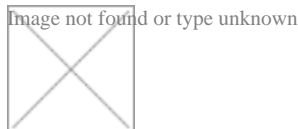


Generally healthy and frequently uninsured young adults—ages 18 through 34—are crucial to the success of the exchanges. The administration specifically identified 2.7 million, or 39 percent of the 7 million total enrollment target, as their goal for young adult enrollment in 2014. After the open enrollment period, only 28 percent of the more than 8 million exchange participants are aged between 18 and 34 years old. This group includes the 11 percent of total enrollees aged between 18 and 26 who are eligible to receive coverage through plans purchased by their parents. This amounts to 2.2 million young adult enrollees, about 500,000 shy of the administration's original 2.7 million target, and 900,000 short of 3.1 million—39 percent of the 8 million who actually enrolled.

^[4]



According to the HHS enrollment report, 65 percent of exchange enrollees are electing to enroll in a Silver plan. This large enrollment could be caused by the cost-sharing provisions of the ACA that grant generously low deductibles and out-of-pocket spending to low-income families who enroll in Silver plans. The enrollment report notes that 95 percent of Silver plan enrollees through HealthCare.gov are eligible for financial assistance. The next most popular plan is the lower-cost Bronze plan, garnering 20 percent of all enrollees.



In their May, 2013 cost-estimate, the Congressional Budget Office estimated that roughly 86 percent of exchange enrollees would receive federal premium subsidies. Higher enrollment of subsidized members could result in higher costs for the federal government, and lower enrollment could conversely result in cost savings. At the end of open enrollment, 85 percent of enrollees are supported with financial assistance. The current enrollment trend is well within the margin of error for the original CBO projections.

[1] In a recent budget outlook report, the Congressional Budget Office revised their projected enrollment down to 6 million. The report can be found here: <http://www.cbo.gov/sites/default/files/cbofiles/attachments/45010-Outlook2014.pdf>