Weekly Checkup

Is ACA Enrollment Dropping, and Is It Cause for Concern?

CHRISTOPHER HOLT | DECEMBER 6, 2019

Open enrollment for those seeking individual market health insurance through the federally facilitated marketplace, established by the Affordable Care Act (ACA), ends in just 10 days. There has been some recent noise among ACA supporters about lower enrollment this year than last year. **Should we be worried about a possible drop in enrollment through healthcare.gov? I don't think so, and here's why.**

The November 27, 2019, enrollment snapshot published by the Centers for Medicare and Medicaid Services covered the first three weeks of open enrollment for federally facilitated marketplaces (and not for state-run exchanges). **If you compare those figures to the snapshot for the first three weeks of open enrollment for the 2019 plan year, you'll see 51,956 fewer signups, or a 2.1 percent decrease year over year.** Should we be worried? **Does this drop indicate that President Trump and Republicans have sabotaged the ACA through the executive orders expanding allowable coverage, the repeal of the individual mandate penalty, and reduced spending on enrollment outreach and advertising? I suppose it could mean those things, but there are more likely explanations.**

First, unemployment is down slightly from the same time last year, 3.6 percent compared to 3.7 percent in 2018. If more Americans are getting offers of employer-sponsored insurance, we can reasonably expect some decline in ACA signups. **A second and likely more substantive factor is Medicaid expansion. Maine, Virginia, Kentucky, and Montana all expanded Medicaid in the last year**, meaning that low-income individuals who would have been eligible for subsidized coverage in those states during open enrollment for the 2019 plan year will now be directed to Medicaid. In Virginia alone, the state has enrolled 325,000 individuals in Medicaid since the expansion went into effect early this year. While 138,000 of those individuals were previously in the coverage gap and ineligible for ACA subsidies, many of the remaining 187,000 would have been eligible for ACA subsidies. **If anything, it's surprising enrollment hasn't taken a bigger hit.**

Additionally, it's important not to get ahead of ourselves. Open enrollment hasn't closed yet, and we don't know what the final numbers will look like. It's certainly possible enrollment won't be down at all. Nevertheless, there are significant factors that might reasonably drive lower enrollment that have nothing to do with outreach and advertising spending. **Supporters of the ACA are committed to a narrative that the Trump Administration is actively trying to derail the ACA, but the truth is that the law over the last two years has been relatively stable, and if the administration is trying to damage the ACA, they aren't having much success.**

[This column has been updated to correct the length of the enrollment period.]

CHART REVIEW

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AAF's recent analysis of the 2020 ACA marketplace showed the average benchmark premium decreasing by 3 percent. While this figure provides evidence for emerging market stability, the chart below demonstrates one number alone does not sufficiently capture the vast national differences. The changes in premiums span from a 40 percent decrease in one rating area in Georgia to a 74 percent increase in a rating area in Idaho. There is great variation even within single states: In Louisiana, one rating area will see benchmark premiums increase by 15 percent even as others show a moderate decrease. The average benchmark premium change is informative, but the state rating area data complicates any sweeping claim of stability moving into 2020.