Forecasting Enrollment and Subsidies in the ACA Exchanges

Roundtable: Forecasting the Effects of Public Policies on Budgets and People

Association for Public Policy Analysis and Management
Miami, Florida

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Relevant CBO Reports


CBO’s Estimates of Exchange Enrollment and Subsidies

- CBO usually updates its baseline projections three times a year; the spring baseline is the major update for the Affordable Care Act (ACA) Exchange.

- Types of changes
  - Changes in law
  - Changes in the economic forecast
  - Technical changes from new information, data, regulations, and changes in modeling assumptions

- This presentation focuses on five of those baseline estimates
  - March 2010, initial ACA estimate
  - July 2012, updated for the Supreme Court decision
  - May 2013, spring baseline
  - April 2014, spring baseline
  - March 2015, spring baseline
Main Challenges in Forecasting Exchange Enrollment

- New program
- Duration of the phase-in period
- Effect of the individual mandate
- Supreme Court decision regarding Medicaid expansion
CBO’s Projections of Subsidized Exchange Enrollment

- Many people who obtain insurance through the exchanges receive federal subsidies, but some do not.
- The following figures focus on the number of subsidized enrollees.
- CBO’s estimates of subsidized exchange enrollment are presented as average annual enrollment for the year.
CBO’s Projections of Subsidized Exchange Enrollment in 2014 (Average for the year)

Average Subsidized Exchange Enrollment, Calendar Year 2014

<table>
<thead>
<tr>
<th>Month</th>
<th>Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 2010</td>
<td>7</td>
</tr>
<tr>
<td>July 2012</td>
<td>7</td>
</tr>
<tr>
<td>May 2013</td>
<td>6</td>
</tr>
<tr>
<td>April 2014</td>
<td>5</td>
</tr>
</tbody>
</table>
CBO’s Projections of Subsidized Exchange Enrollment in 2015 (Average for the year)

- March 2010: 11
- July 2012: 12
- May 2013: 11
- April 2014: 10
- March 2015: 8
CBO’s Projections of Subsidized Exchange Enrollment in 2019 (Average for the year)

<table>
<thead>
<tr>
<th>Month</th>
<th>Millions of People</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 2010</td>
<td>19</td>
</tr>
<tr>
<td>July 2012</td>
<td>22</td>
</tr>
<tr>
<td>May 2013</td>
<td>20</td>
</tr>
<tr>
<td>April 2014</td>
<td>19</td>
</tr>
<tr>
<td>March 2015</td>
<td>17</td>
</tr>
</tbody>
</table>
Subsidized Exchange Enrollment Projections

Millions of People


July 2012

March 2010

April 2014

March 2015
Main Challenges in Forecasting Exchange Premiums and Subsidies

- Health status of new enrollees
- Continued slowdown in health care cost growth
- Extent of insurer participation in new program
- Characteristics of plans offered
- Income and age distribution of enrollees, which determines aggregate subsidies
CBO’s Projections of Exchange Premium Tax Credits and Cost-Sharing Subsidies in 2014

Billions of Dollars

<table>
<thead>
<tr>
<th>Fiscal Year 2014</th>
<th>Amount for Exchange Subsidies</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 2010</td>
<td>19</td>
</tr>
<tr>
<td>July 2012</td>
<td>30</td>
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<tr>
<td>May 2013</td>
<td>23</td>
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<tr>
<td>April 2014</td>
<td>15</td>
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</table>
CBO’s Projections of Exchange Premium Tax Credits and Cost-Sharing Subsidies in 2015

Billions of Dollars

<table>
<thead>
<tr>
<th>Date</th>
<th>Value</th>
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</thead>
<tbody>
<tr>
<td>March 2010</td>
<td>44</td>
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<tr>
<td>July 2012</td>
<td>59</td>
</tr>
<tr>
<td>May 2013</td>
<td>50</td>
</tr>
<tr>
<td>April 2014</td>
<td>36</td>
</tr>
<tr>
<td>March 2015</td>
<td>28</td>
</tr>
</tbody>
</table>
CBO’s Projections of Exchange Premium Tax Credits and Cost-Sharing Subsidies in 2019

Billions of Dollars

- March 2010: 113
- July 2012: 137
- May 2013: 123
- April 2014: 107
- March 2015: 83
Exchange Premium Tax Credits and Cost-Sharing Subsidies

Billions of Dollars

March 2010

July 2012

May 2013

April 2014

March 2015