In a report issued each year, the Congressional Budget Office and the staff of the Joint Committee on Taxation provide projections of health insurance coverage for noninstitutionalized civilians under age 65 and the federal costs of that coverage for that year and the following decade. Net federal subsidies for health insurance coverage for people under age 65 are projected to total $737 billion in 2019 and $9.9 trillion over the 2020–2029 period.

As a share of gross domestic product, total federal subsidies are projected to grow over the coming decade; subsidies for work-related coverage are projected to grow the fastest.
Average Annual Percentage Change in Health Insurance Coverage and Federal Subsidies, 2020 to 2029

Percent

Real (Inflation-adjusted) Subsidies  Number of Subsidized Beneficiaries  Average Real Subsidy per Subsidized Beneficiary

For Medicare, growth in the average real subsidy per beneficiary is projected to be slower than it is for private health insurance and for Medicaid and CHIP.

For Medicaid and CHIP, growth in the average real subsidy per beneficiary is projected to be slower than it is for private health insurance.

Subsidized nongroup coverage and coverage by the Basic Health Program are projected to decline by an average of 3 percent per year over the next decade, while the average real subsidy per subsidized beneficiary is projected to grow by 4 percent per year.

Enrollment in employment-based coverage is projected to be stable over the next decade, while the average real subsidy per recipient is projected to grow by an average of 5 percent per year.

See Figure 1-2 on page 8
Health Insurance Coverage by Type and Income

Millions of People

Of the 273 million people under age 65 in 2019, 159 million are projected to have coverage through an employer, and 30 million are projected to be uninsured.

Of the 87 million people under age 65 with income below 150 percent of the FPL in 2019, 58 percent are estimated to be enrolled in Medicaid or CHIP.

Of the 93 million people under age 65 with income between 150 percent and 400 percent of the FPL, 63 percent are estimated to be enrolled in employment-based insurance.

Of the 93 million people under age 65 with income above 400 percent of the FPL, the vast majority are estimated to be enrolled in employment-based insurance.

See Figure 1-1 on page 7
The average federal subsidy for health insurance costs per recipient varies substantially by type of health insurance. The variation occurs because the people who are eligible for each type of insurance differ by age, health status, income, and disability status; because the federal government subsidizes the coverage to different extents; and because the prices paid to providers differ for different types of coverage.

The amounts shown cannot be used to estimate the costs of shifting a group of people from one type of coverage to another because the average cost for each type of coverage depends on the characteristics of the people who are eligible for and enroll in it.

Different eligibility categories for Medicaid and CHIP account for very different shares of enrollment and spending. For example, children in Medicaid are projected to constitute 44 percent of enrollment but only 24 percent of spending in 2019, whereas people with disabilities account for 10 percent of enrollment and 35 percent of spending.