

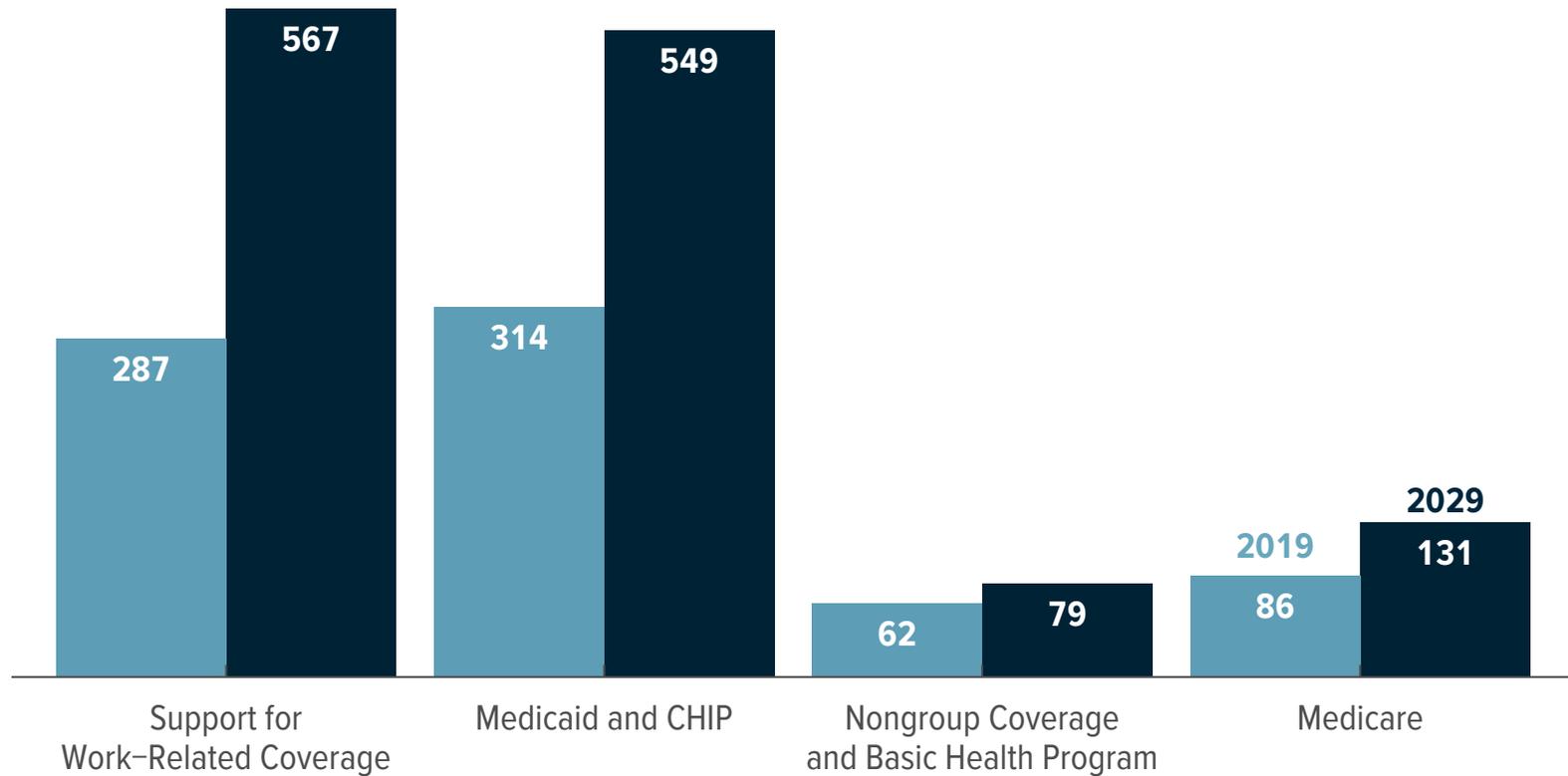


CONGRESSIONAL BUDGET OFFICE

Federal Subsidies for Health Insurance Coverage for People Under Age 65: 2019 to 2029 in 12 Slides

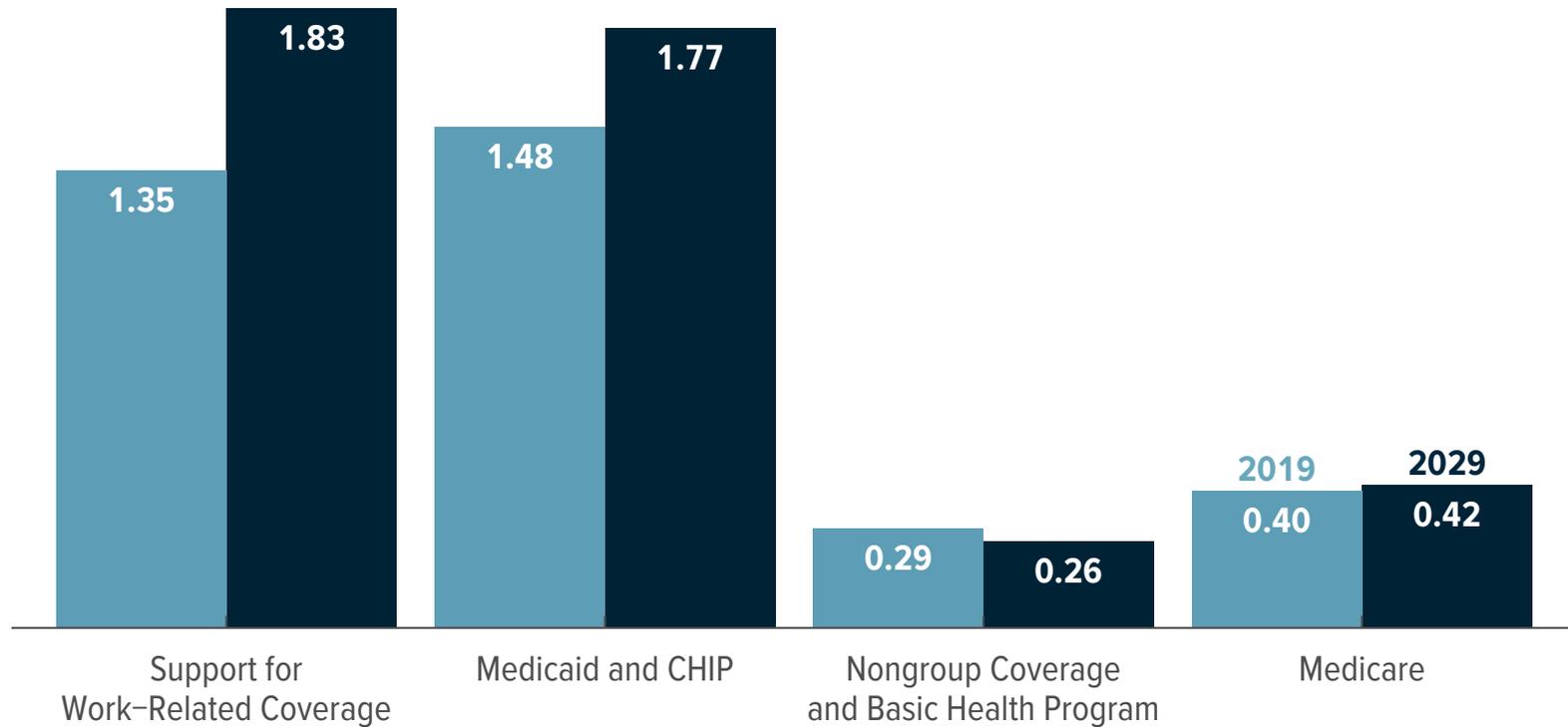
May 2019

Federal Health Insurance Subsidies for People Under Age 65, in Billions of Dollars



In 2019, the federal government is projected to spend \$314 billion for Medicaid and the Children's Health Insurance Program (CHIP) and \$287 billion on support for work-related coverage for people under age 65.

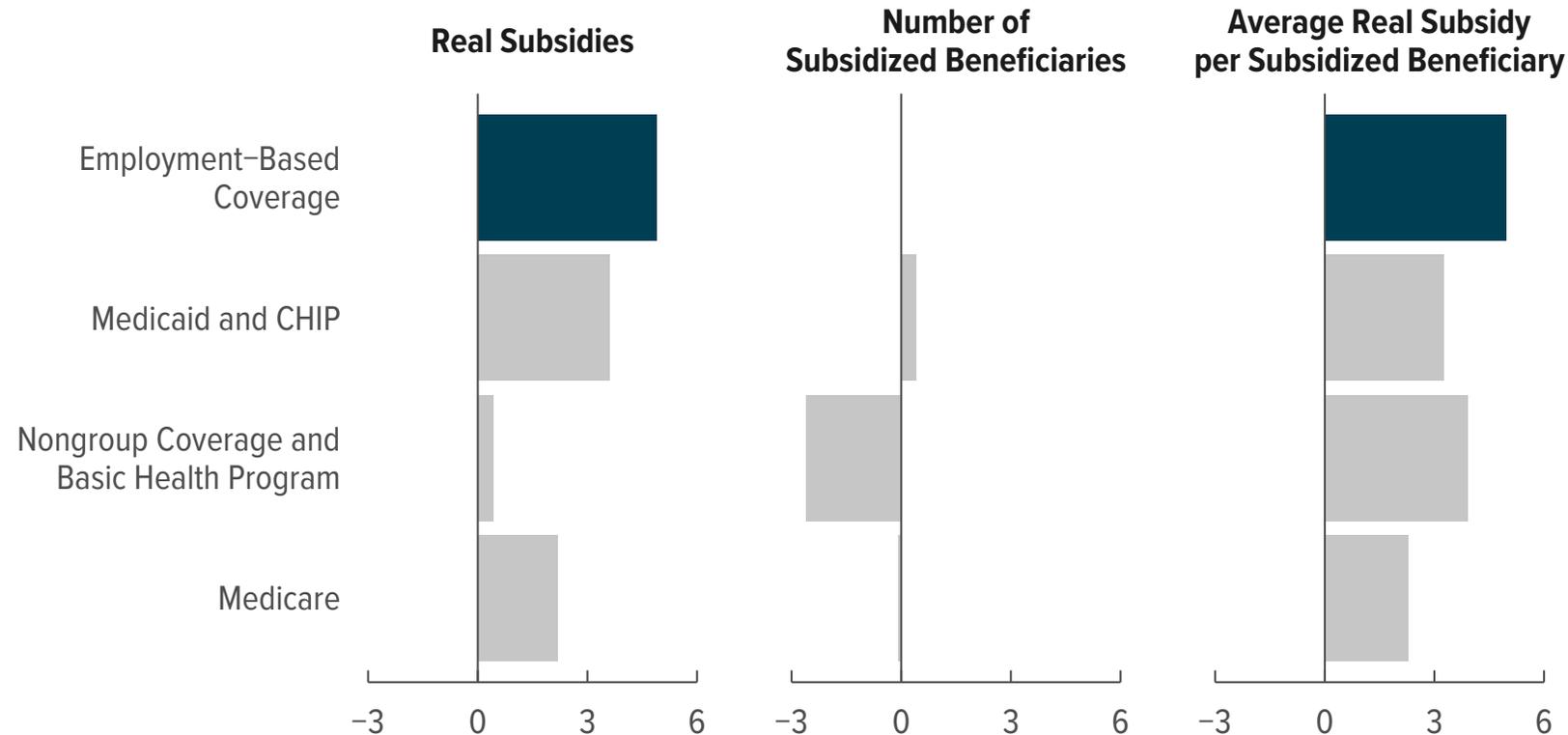
Federal Health Insurance Subsidies for People Under Age 65, as a Percentage of Gross Domestic Product



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.

Employment-Based Coverage: Average Annual Percentage Change in Recipients and Federal Subsidies, 2020 to 2029

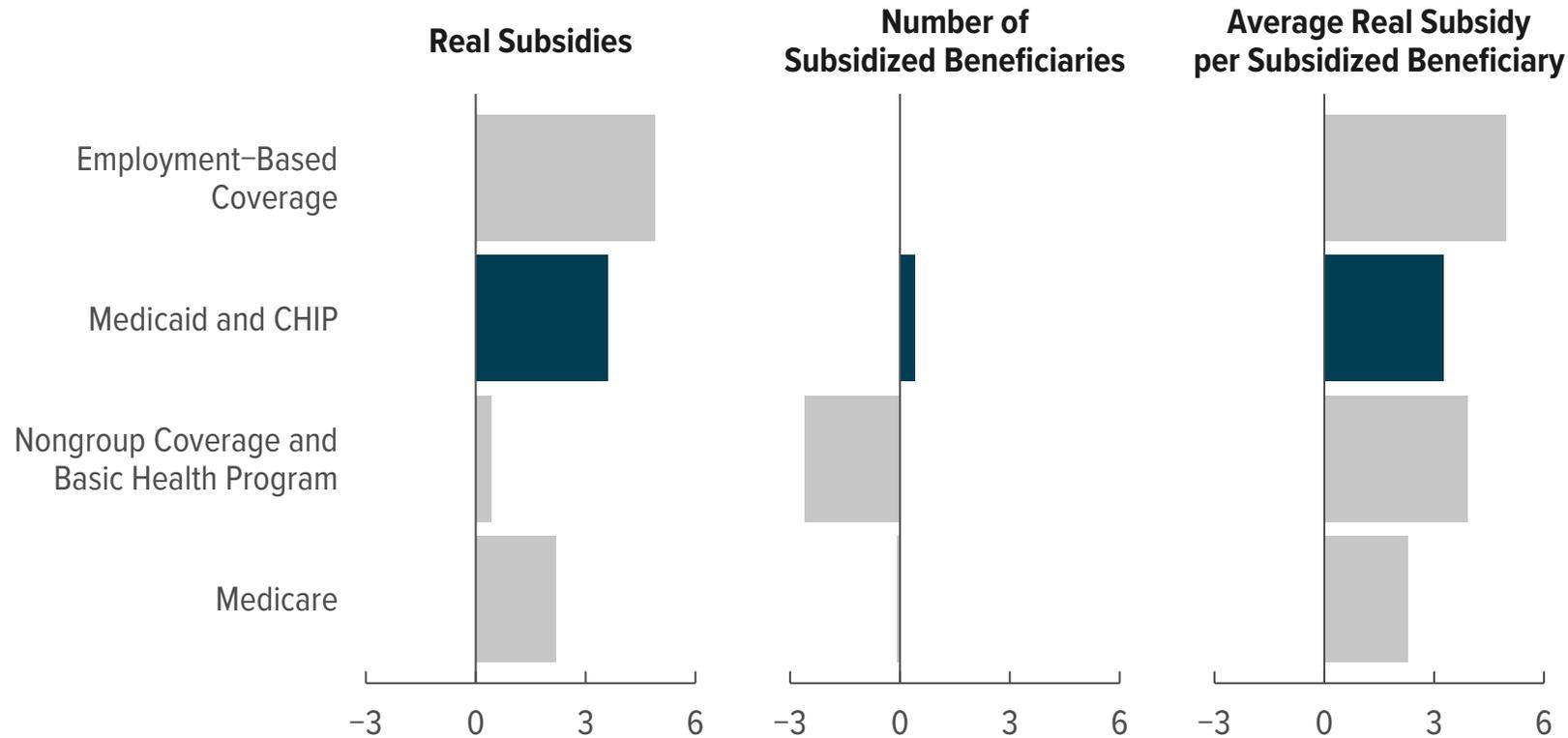
Percent



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

Medicaid and CHIP: Average Annual Percentage Change in Beneficiaries and Federal Subsidies, 2020 to 2029

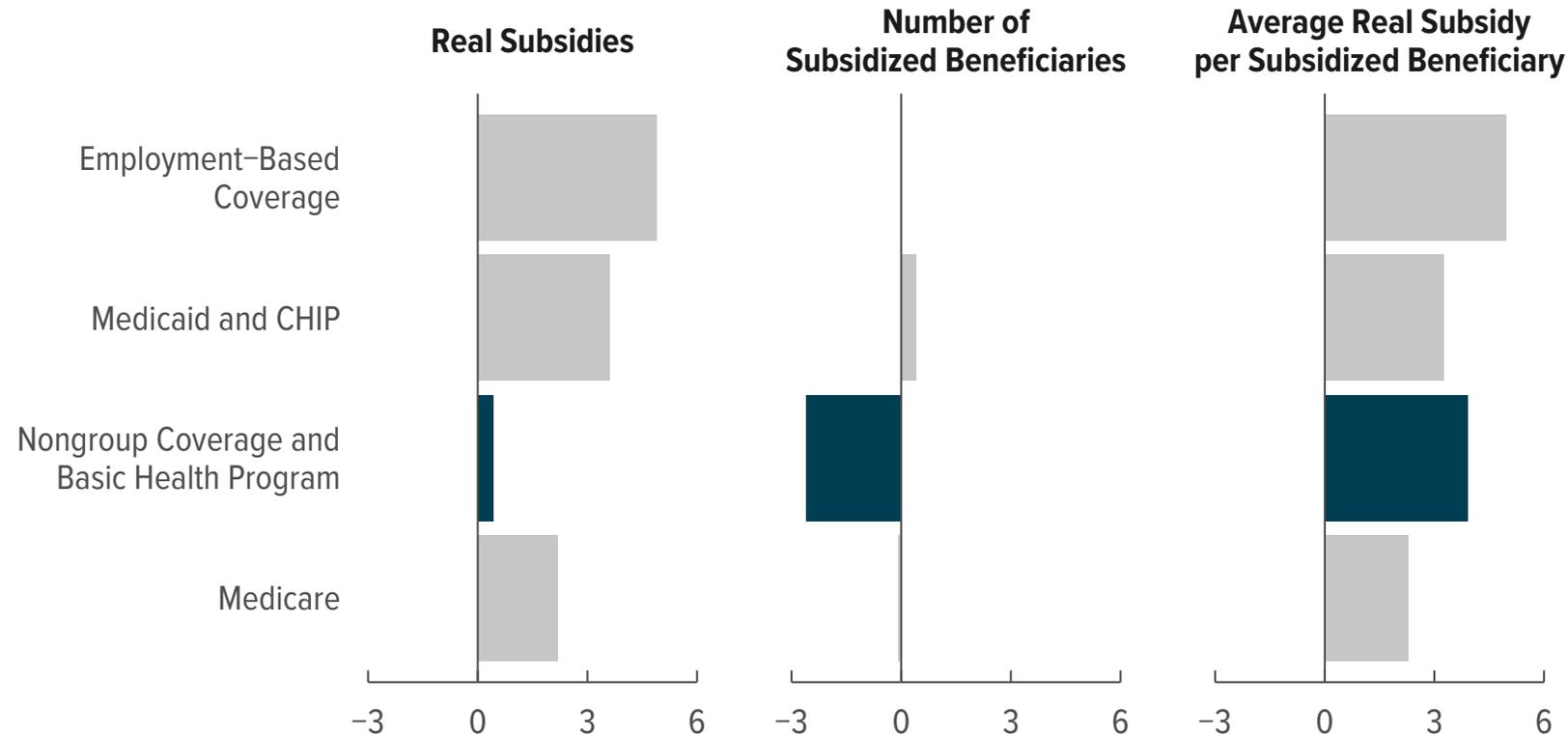
Percent



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

Nongroup Coverage and the Basic Health Program: Average Annual Percentage Change in Subsidized Beneficiaries and Federal Subsidies, 2020 to 2029

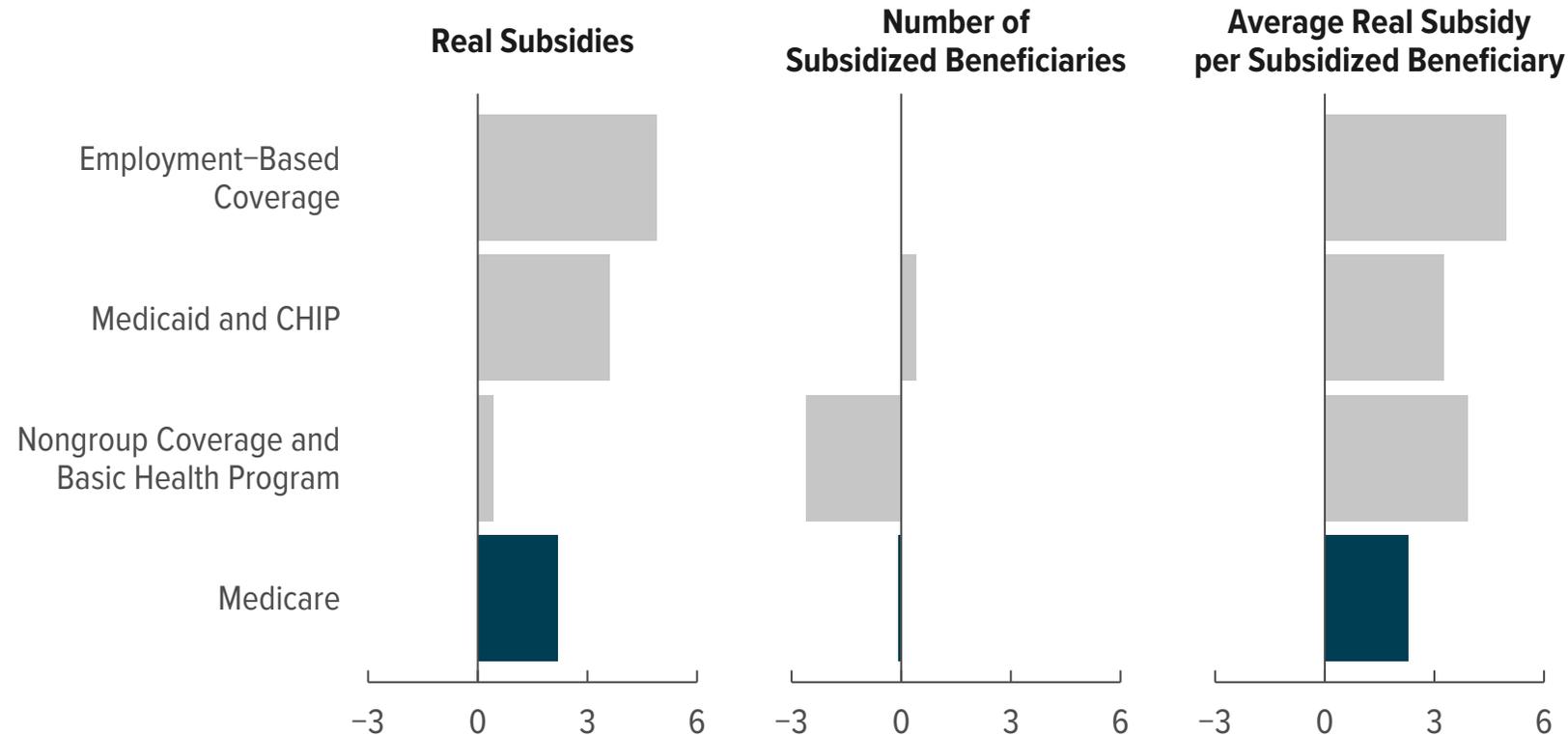
Percent



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.

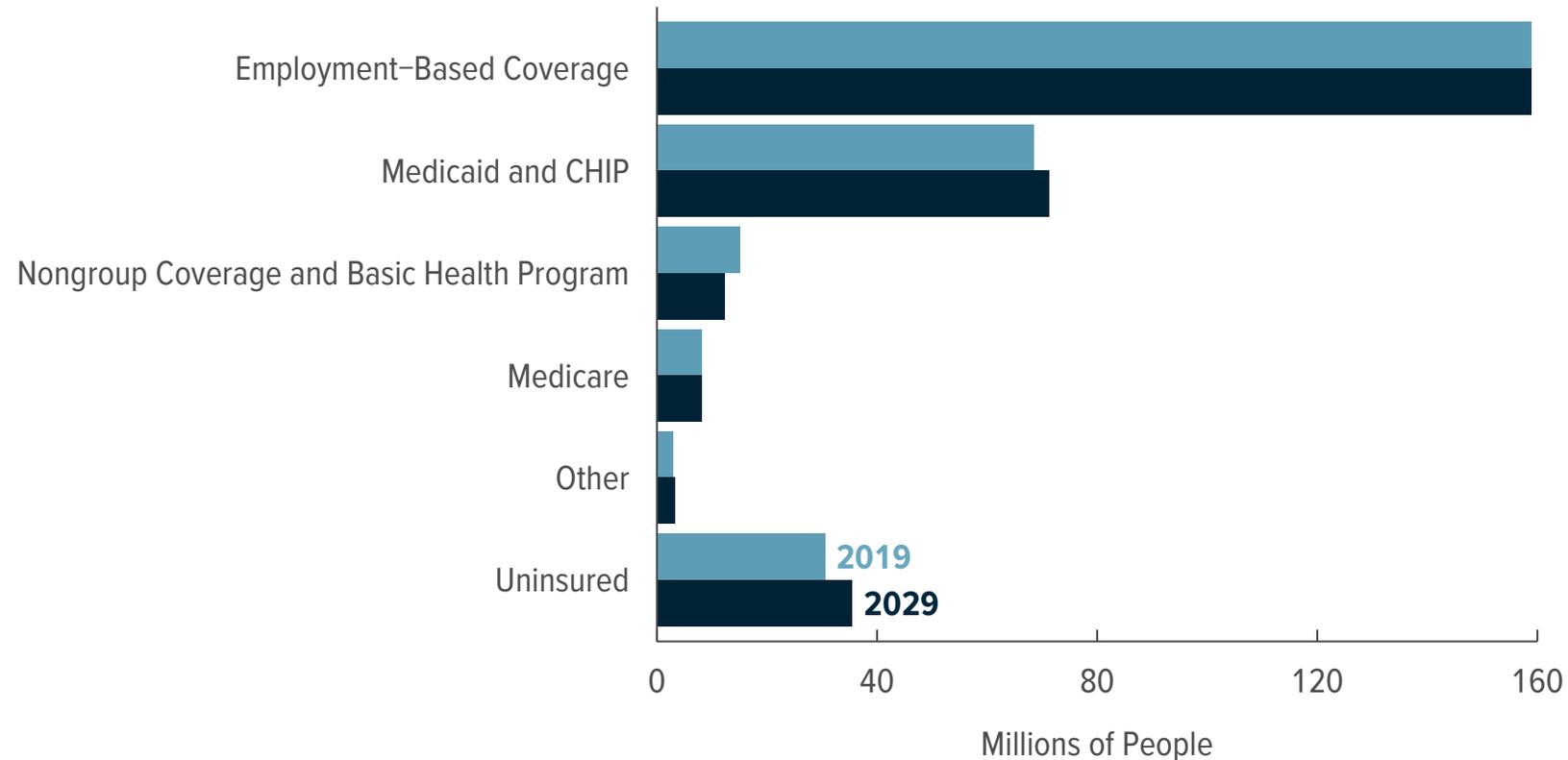
Medicare for People Under Age 65: Average Annual Percentage Change in Beneficiaries and Federal Subsidies, 2020 to 2029

Percent



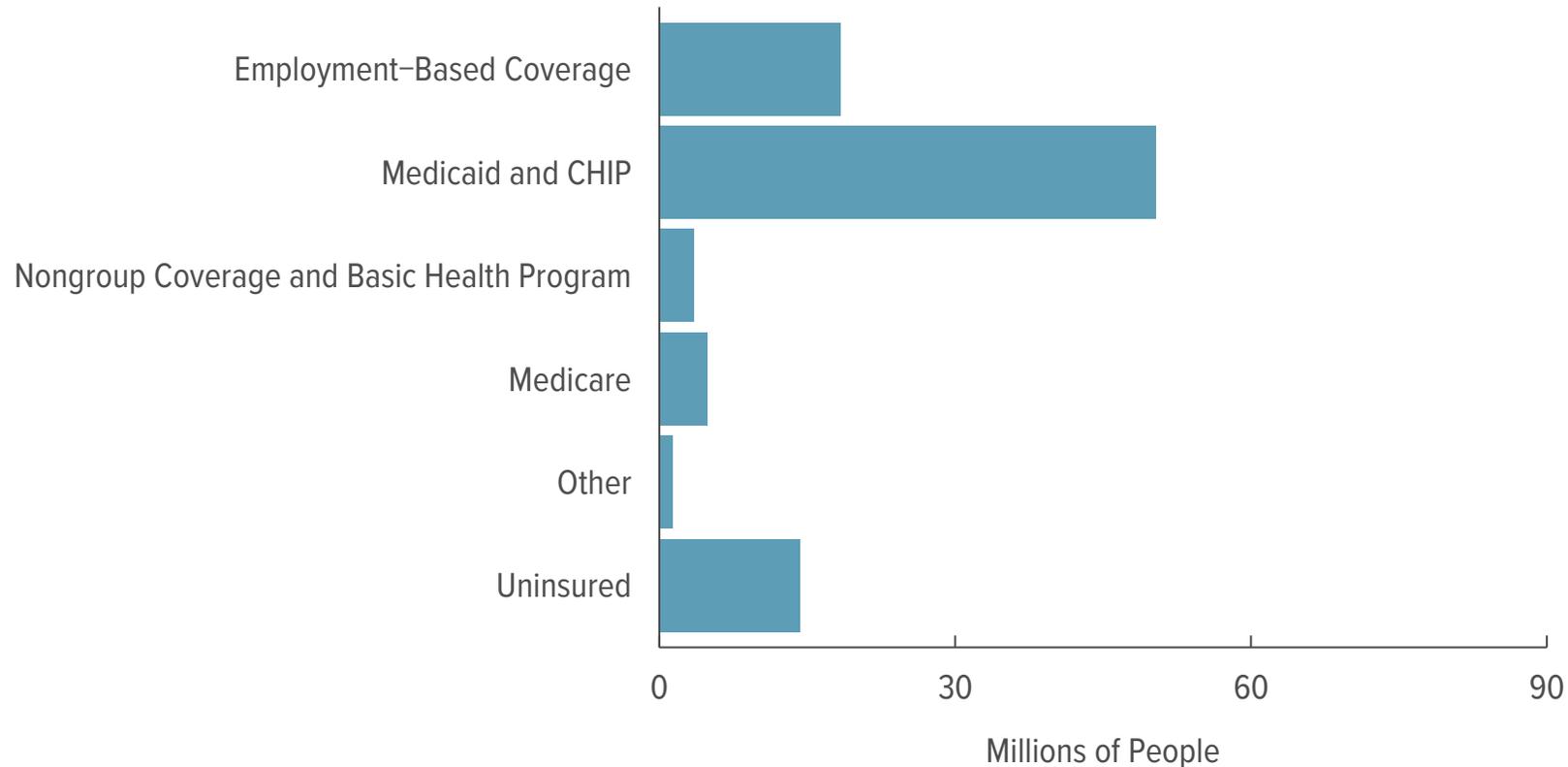
For Medicare, growth in the average real subsidy per beneficiary is projected to be slower than it is for private health insurance and for Medicaid and CHIP.

Health Insurance Coverage by Type



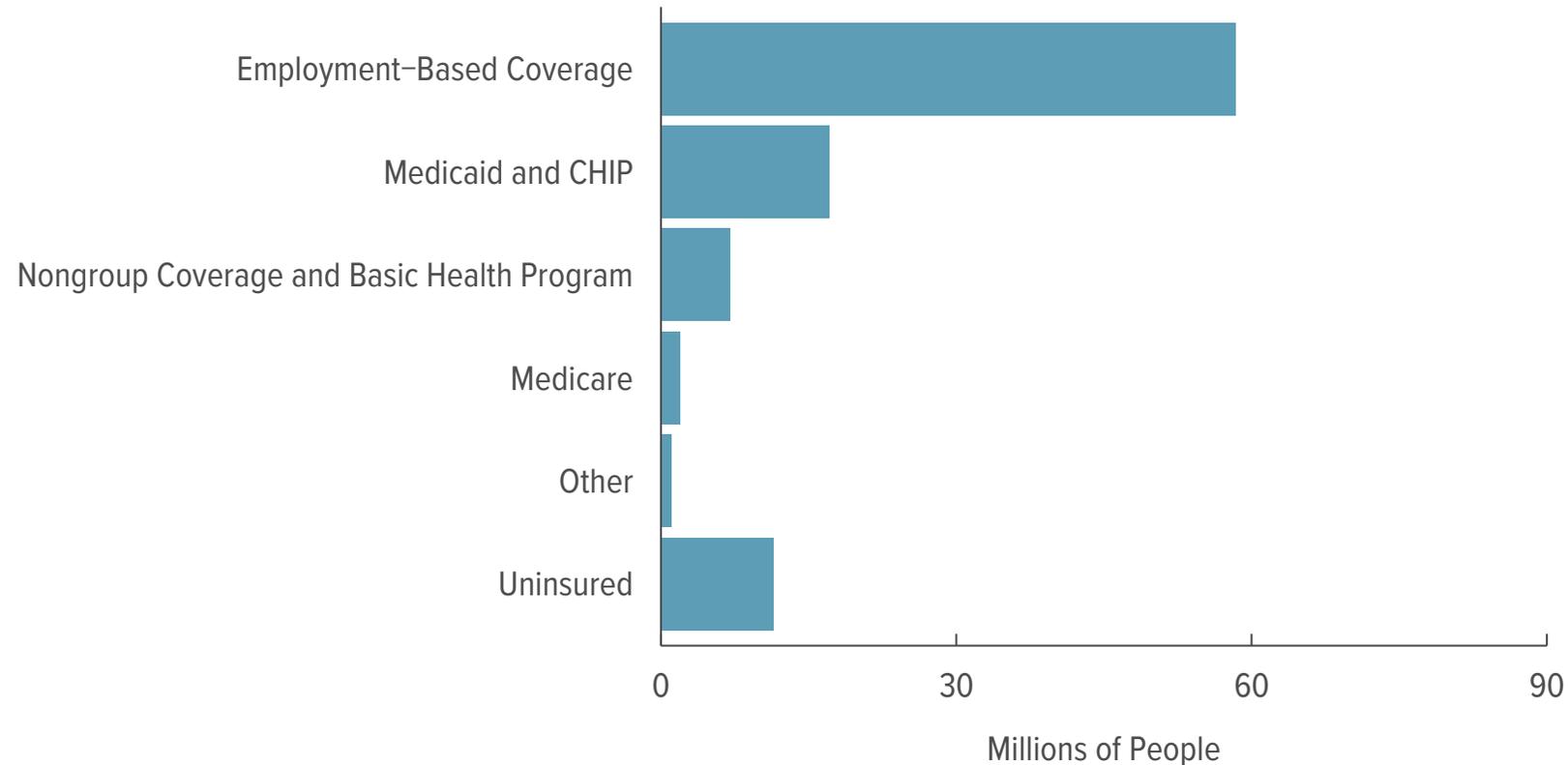
Of the 273 million people under age 65 in 2019, 159 million are projected to have coverage through an employer, and 30 million are projected to be uninsured.

Health Insurance Coverage for People With Income Less Than 150 Percent of the FPL, 2019



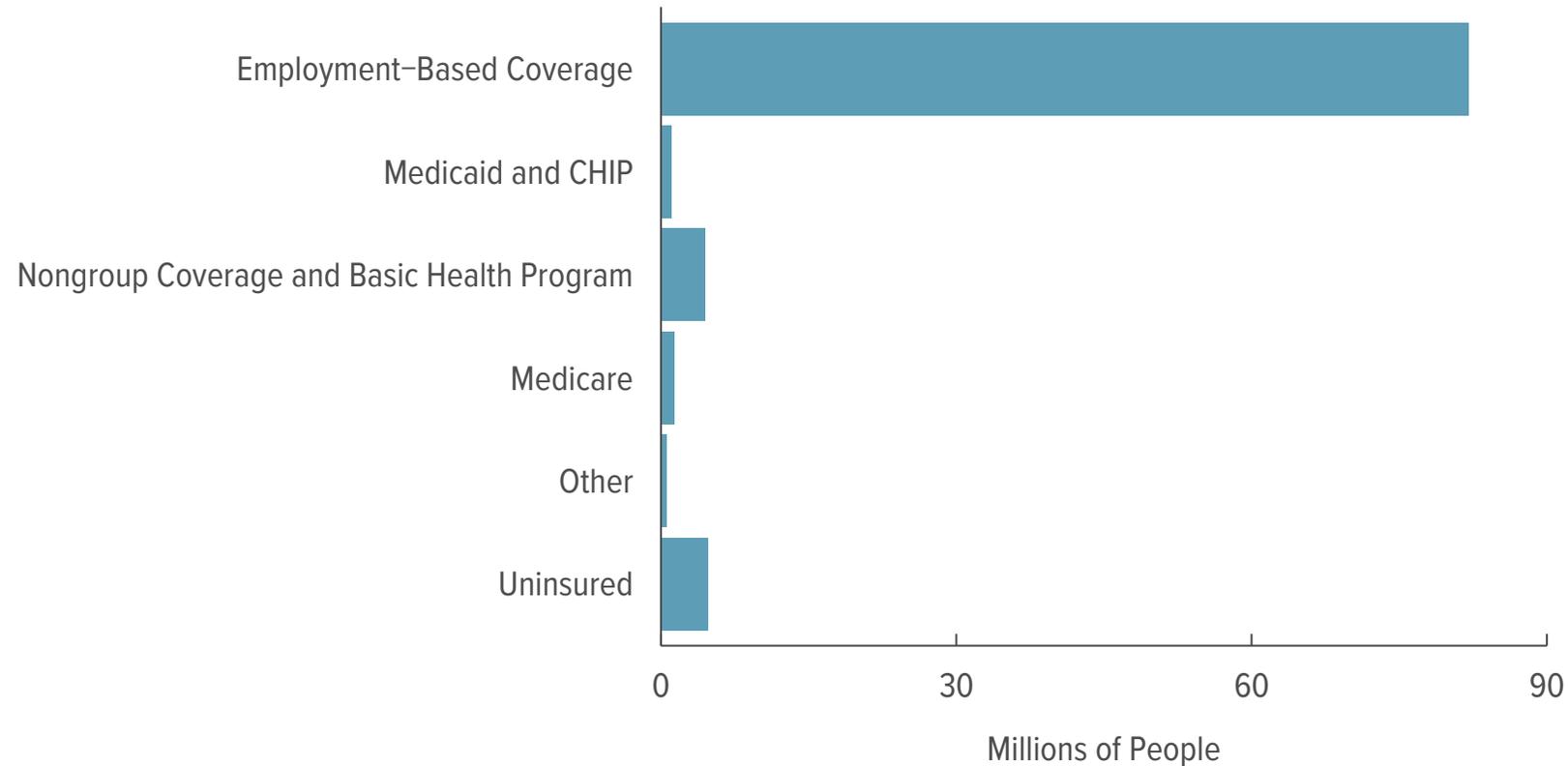
Of the 87 million people under age 65 with income below 150 percent of the federal poverty level (FPL) in 2019, 58 percent are estimated to be enrolled in Medicaid or CHIP.

Health Insurance Coverage for People With Income Between 150 Percent and 400 Percent of the FPL, 2019



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.

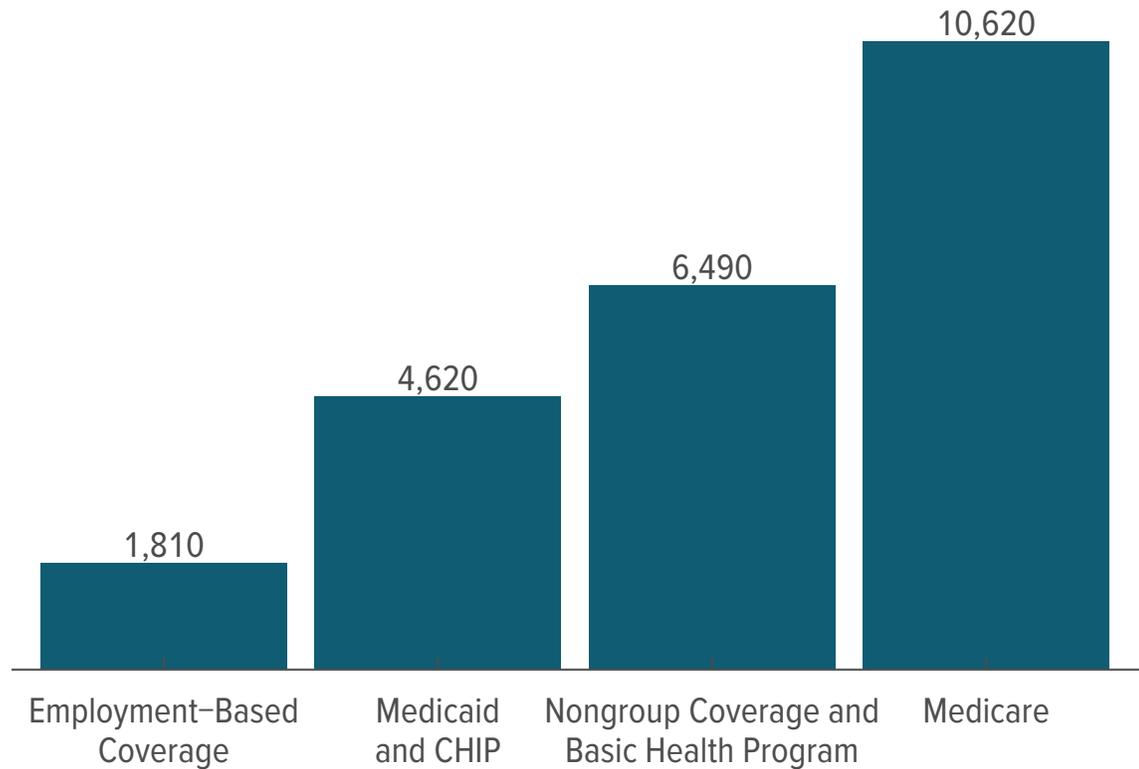
Health Insurance Coverage for People With Income Greater Than 400 Percent of the FPL, 2019



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.

Average Federal Subsidies for Recipients by Type of Health Insurance, Calendar Year 2019

Dollars

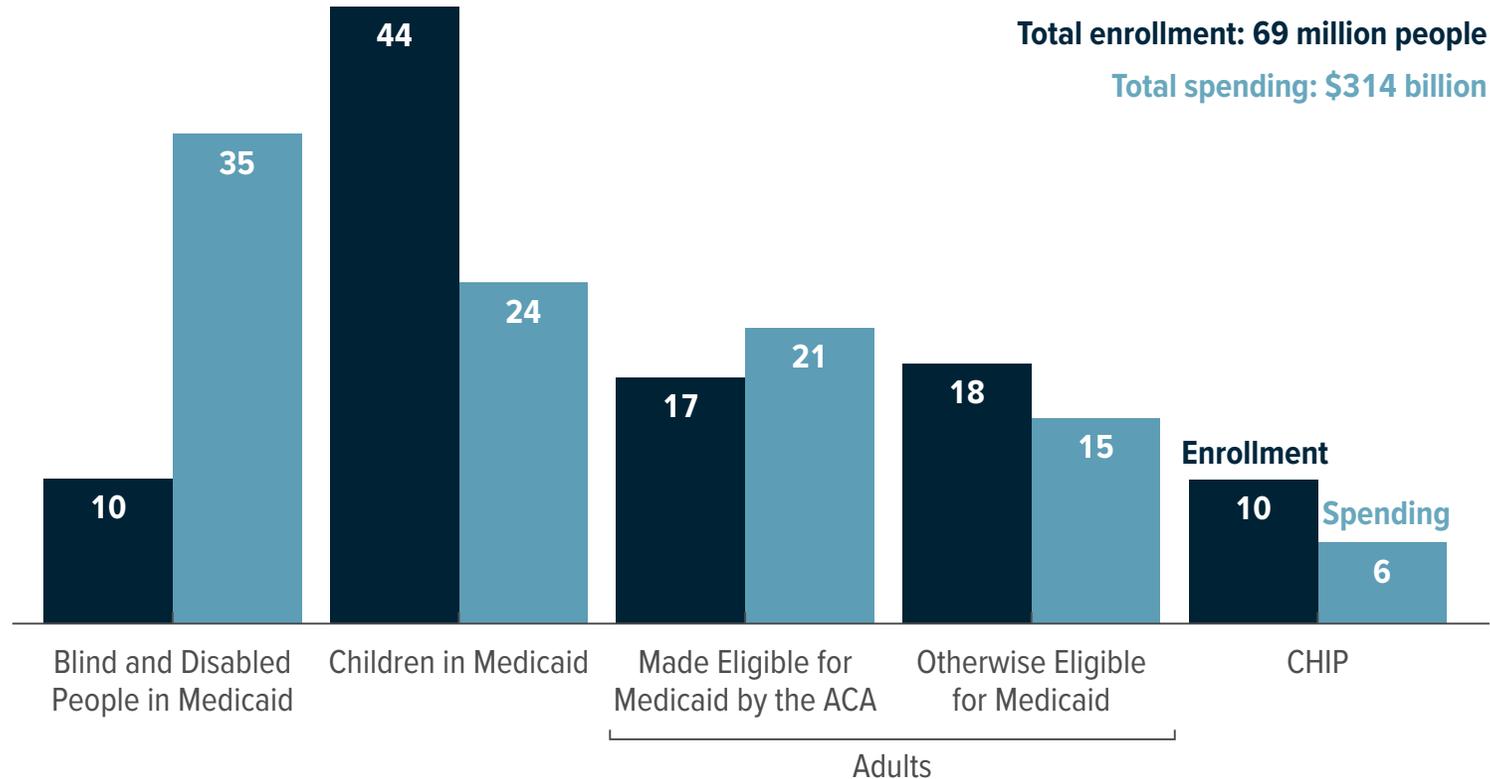


The average federal subsidy for health insurance costs per recipient varies substantially by type of health insurance. The variation occurs because the people who are eligible for each type of insurance differ by age, health status, income, and disability status; because the federal government subsidizes 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.

Share of Enrollment in and Spending for Medicaid and CHIP by Eligibility Category, 2019

Percentage of Total



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.

About This Document

This slide deck is posted on CBO's website, at www.cbo.gov/publication/55268.

For more details on the topic, see CBO's report titled *Federal Subsidies for Health Insurance Coverage for People Under Age 65: 2019 to 2029* (May 2019), www.cbo.gov/publication/55085.