

Fact Sheet

Characteristics of Americans Ages 50 to 64 in the Nongroup Health Insurance Market

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This fact sheet looks at characteristics of American older adults ages 50 to 64 in the nongroup (or individual) health insurance market.

Background

Although the majority of Americans ages 50 to 64 have health insurance coverage through an employer (group coverage) or a public program (such as Medicaid), 5.6 million (or 9 percent) purchase health insurance coverage on their own in the nongroup (or individual) health insurance market.¹ The Affordable Care Act (ACA) of 2010 enacted significant improvements to health insurance offered in the nongroup market, including the establishment of health insurance marketplaces, financial assistance to help people afford premiums and cost sharing (e.g., deductibles, coinsurance, and copayments), and consumer protections to improve access to comprehensive coverage. Consumers can purchase nongroup coverage either on the health insurance marketplaces or outside of such marketplaces (often referred to as “off-Marketplace”). This fact sheet reports on characteristics of adults ages 50 to 64 in the nongroup market (both on and off the Marketplace), including the demographics and health status of older enrollees. A companion fact sheet reports on older adult enrollment and coverage trends in the nongroup market.

Race and Ethnicity

The racial and ethnic makeup in the nongroup market is similar for both younger and older

adults. However, there is a larger share of White Non-Hispanics in the older nongroup market relative to the rest of the market. One-third of older adults ages 50 to 64 in the nongroup health insurance market, about 1.8 million people, are non-White (figure 1). This includes an estimated 0.8 million Hispanic (15 percent), 0.4 million Black Non-Hispanic (8 percent), and 0.5 million Asian (9 percent). The remaining two-thirds (67 percent or 3.8 million) of older adults are White Non-Hispanics, compared with 61 percent of all adults aged 18 to 64. However, there is significant variation in the racial and ethnic makeup of the

Key Take-aways

- **Older adults in the nongroup market represent a similar racial and ethnic makeup to the rest of the market.**
- **Most older adults in the nongroup market are working and are in good health.**
- **Only a small percentage of older adults with incomes just beyond eligibility for financial assistance are enrolled in nongroup coverage.**

*Aishwarya Agarwal also contributed to this paper.



nongroup market across states, with some states having far greater diversity than others (appendix). For example, the older nongroup market in Washington D.C. is over 50 percent Black and 14 percent Hispanic. In Hawaii, 34 percent of the market is Hispanic and 20 percent is Asian. At the same time, thirteen states have older nongroup populations that are over 90 percent white.

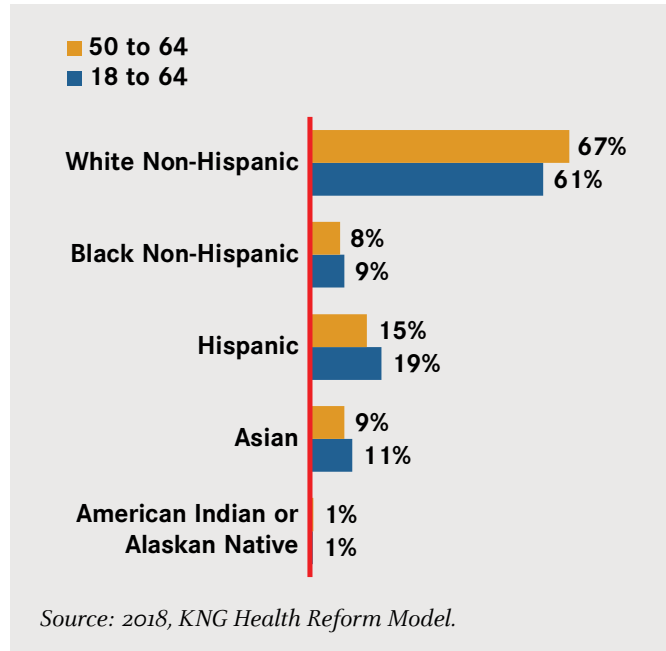
Employment Status

Most older adults with nongroup coverage (62 percent, or 3.5 million) are in the labor force and are working. About 35 percent (1.9 million) are not in the labor force, meaning they do not have a job and are not looking for one (figure 2). The remaining 3 percent (or about 145,000) are unemployed, meaning they do not have a job but are actively looking for work. The vast majority of those not in the labor force, more than 90 percent, report not working because they are either retired, have a disability/disabilities, or manage the home (homemakers; figure 2).

Income

Similar to other age groups, the vast majority of older nongroup enrollees, an estimated 90 percent, or 5 million older adults, have incomes below 400 percent of the federal poverty level (FPL)

FIGURE 1
Race and Ethnicity of Nongroup Enrollees Ages 50 to 64



threshold. People at this income level could qualify for financial assistance (premium tax credits and/or cost-sharing reduction subsidies available under the ACA). More than half (56 percent, or 3.1 million) of nongroup enrollees ages 50 to 64 have incomes below 250 percent FPL (figure 3).² Another third

FIGURE 2

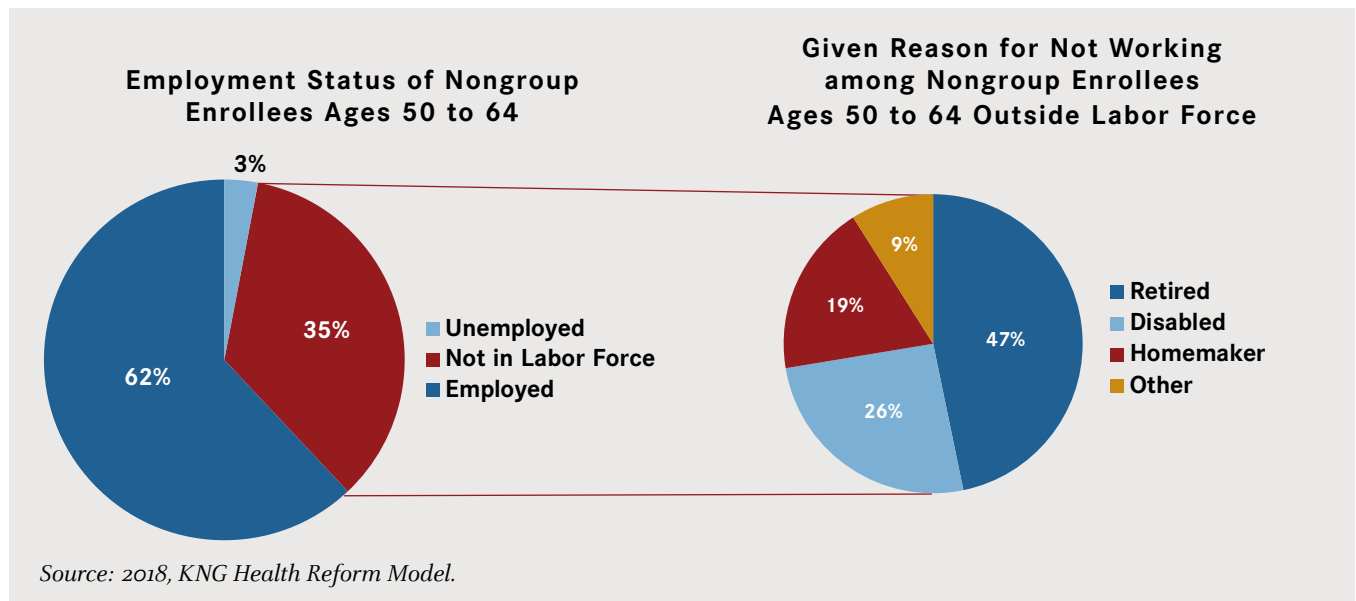
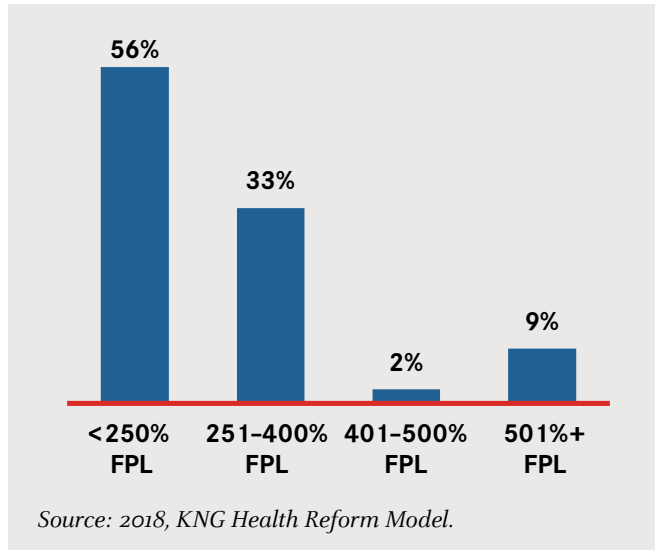


FIGURE 3
Income Distribution for Nongroup Enrollees
Ages 50 to 64

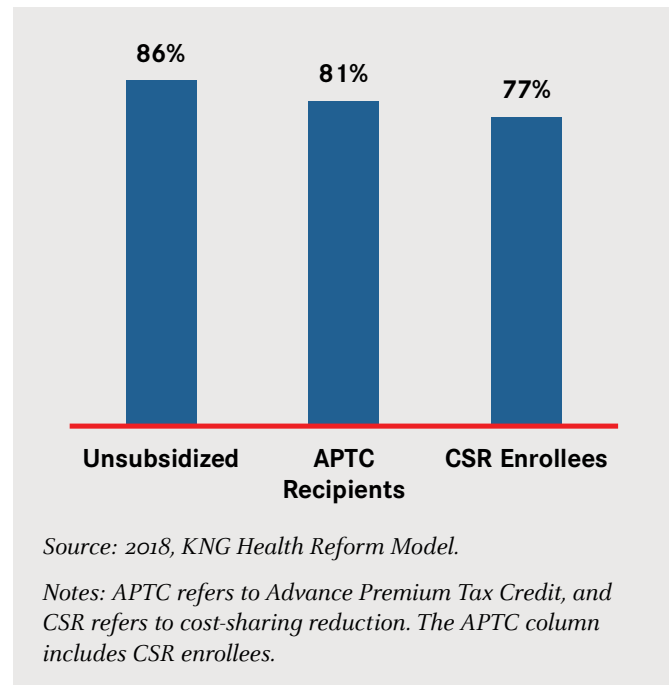


(1.8 million) have incomes between 250 percent and 400 percent FPL. A very small portion of older nongroup enrollees (0.1 million) have incomes just beyond 400 percent FPL. This is likely because premium assistance under the ACA (in the form of premium tax credits) is not available for people above 400 percent FPL; this is known as the “subsidy cliff”.

Health Status

The majority—68 percent, or nearly 3.8 million—of nongroup enrollees ages 50 to 64 are enrolled through the Marketplace. Most older Marketplace enrollees (82 percent, or 4.6 million) are in good,

FIGURE 4
Nongroup Enrollees Ages 50-64 in Good to
Excellent Health



very good, or excellent health. Older enrollees with incomes over 400 percent FPL that would make them ineligible for premium tax credits or cost-sharing reductions were the healthiest group, with 86 percent (0.5 million) reporting being in good or better health (figure 4). Those at income levels conferring eligibility for premium assistance (100 percent to 400 percent FPL) were the next healthiest (81 percent, or 2.5 million), followed by those at income levels eligible for cost-sharing reductions (77 percent, or 1.4 million).

Appendix

Race/Ethnicity of Adults Ages 50 to 64 in Nongroup Market, 2018

State	White Non-Hispanic	Black Non-Hispanic	Hispanic	Asian	American Indian or Alaskan Native	Total Nongroup Enrollment
United States	67%	8%	15%	9%	1%	5,587,336
Alabama	72%	22%	5%	2%	0%	78,686
Alaska	71%	1%	15%	10%	2%	6,647
Arizona	70%	2%	16%	10%	2%	88,689
Arkansas	86%	8%	4%	1%	0%	141,589
California	52%	4%	25%	16%	3%	884,878
Colorado	81%	2%	9%	6%	1%	85,368
Connecticut	68%	6%	15%	11%	0%	56,345
Delaware	66%	17%	11%	5%	0%	9,778
District of Columbia	27%	53%	14%	6%	0%	4,372
Florida	56%	9%	24%	12%	0%	705,437
Georgia	56%	28%	10%	5%	0%	144,029
Hawaii	40%	0%	34%	20%	4%	12,770
Idaho	88%	0%	8%	3%	1%	43,260
Illinois	76%	5%	6%	10%	2%	189,780
Indiana	92%	3%	2%	3%	0%	69,535
Iowa	94%	1%	3%	2%	1%	51,914
Kansas	88%	1%	3%	6%	1%	50,685
Kentucky	89%	6%	4%	2%	0%	45,015
Louisiana	65%	25%	7%	3%	0%	53,559
Maine	92%	0%	4%	4%	0%	34,001
Maryland	58%	22%	13%	6%	0%	77,119
Massachusetts	69%	3%	16%	11%	0%	116,830
Michigan	88%	4%	3%	4%	1%	163,015
Minnesota	91%	1%	3%	4%	1%	74,075
Mississippi	71%	26%	3%	1%	0%	48,079
Missouri	92%	4%	2%	2%	1%	117,181
Montana	92%	0%	4%	3%	0%	22,792
Nebraska	93%	2%	1%	3%	1%	42,634
Nevada	63%	5%	19%	11%	2%	42,167
New Hampshire	92%	0%	4%	4%	0%	37,382
New Jersey	52%	7%	23%	16%	0%	128,330
New Mexico	51%	1%	25%	20%	2%	27,201
New York	56%	7%	19%	16%	0%	138,772
North Carolina	68%	19%	9%	5%	0%	201,212
North Dakota	93%	0%	3%	2%	1%	19,512
Ohio	90%	4%	2%	3%	1%	135,055
Oklahoma	70%	5%	17%	8%	0%	57,052
Oregon	85%	1%	8%	5%	1%	81,144

State	White Non-Hispanic	Black Non-Hispanic	Hispanic	Asian	American Indian or Alaskan Native	Total Nongroup Enrollment
Pennsylvania	78%	7%	8%	6%	0%	211,531
Rhode Island	73%	1%	14%	11%	0%	17,712
South Carolina	70%	21%	6%	3%	0%	97,271
South Dakota	91%	0%	5%	2%	2%	26,103
Tennessee	81%	11%	5%	3%	0%	106,068
Texas	43%	10%	32%	16%	0%	393,298
Utah	85%	0%	10%	5%	1%	52,641
Vermont	91%	0%	6%	3%	0%	15,711
Virginia	61%	18%	14%	7%	0%	133,982
Washington	79%	3%	11%	6%	1%	104,274
West Virginia	93%	3%	3%	1%	0%	14,000
Wisconsin	91%	2%	2%	5%	0%	117,467
Wyoming	88%	0%	9%	3%	0%	11,389

Source: 2018, KNG Health Reform Model.

The data in this paper relies on the KNG Health Reform Model population file. This file combines many data sources, including the American Community Survey, the National Health Interview Survey, and the Current Population Survey. KNG Health also calibrates the file to be consistent with administrative data from the Centers for Medicare & Medicaid Services. This file allows for many types of integrated estimates that would not be possible with any single data source. However, many of this report's findings are modeled estimates that may vary from other published resources.

- 1 2018 data, KNG Health Reform Model. State-level data for the indicators used in this report are included in the Appendix of this paper. More nongroup market, small group market, and uninsured data is available at the state level on AARP DataExplorer (dataexplorer.aarp.org), an interactive data website developed by AARP Public Policy Institute.
- 2 \$12,140 for a one-person household in 2018.

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