

## Fact Sheet

# Enrollment and Coverage Trends for Americans Ages 50 to 64 in the Nongroup Health Insurance Market

Jane Sung and Olivia Dean  
AARP Public Policy Institute

Asha Saavoss and Robert C. Saunders\*  
KNG Health Consulting

This fact sheet looks at enrollment and coverage trends of older American 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.<sup>1</sup> 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 enrollment and coverage trends of adults ages 50 to 64 in the nongroup market, including those enrolling on and off the marketplaces. A companion fact sheet reports on characteristics of older adults in the nongroup market.

## Nongroup Enrollment

The ACA led to a significant increase in enrollment of older adults in the nongroup market. Although only 3.8 million older adults ages 50 to 64 were enrolled in the nongroup market in 2013, that figure rose to a high of 6.3 million older adults by 2016. Over the following two

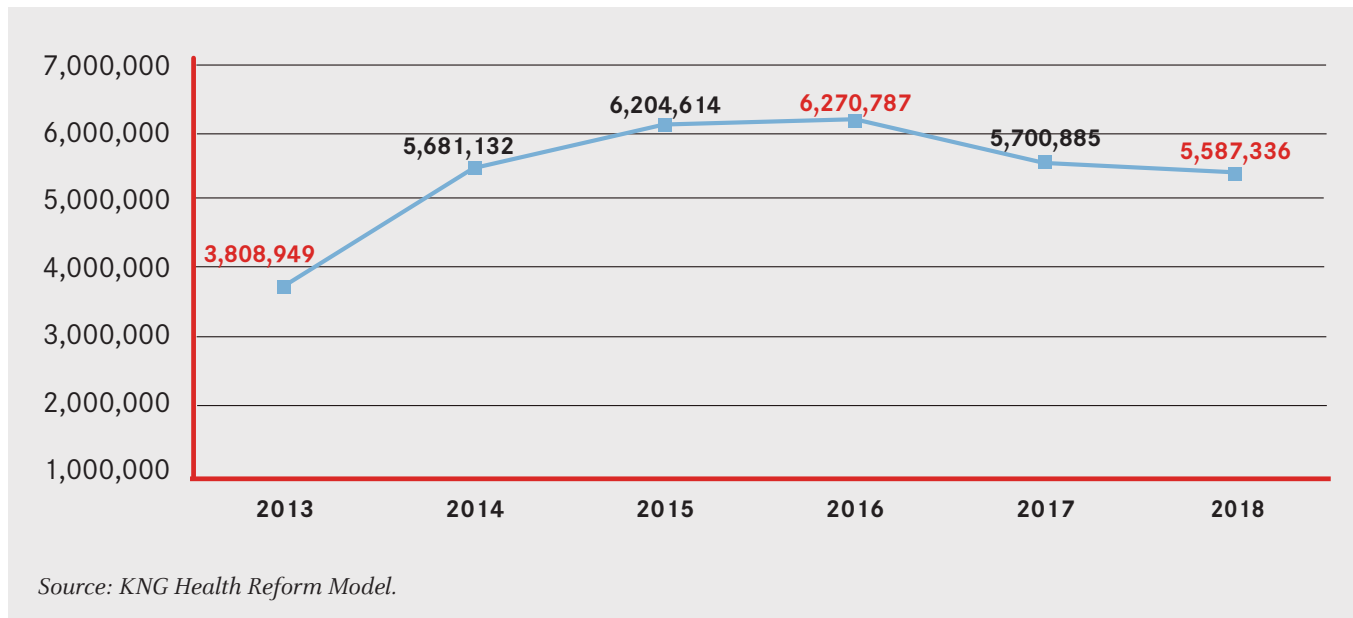
## Key Take-aways

- **Older adults rely heavily on the nongroup health insurance market.** Nine percent of Americans ages 50 to 64 (5.6 million) are enrolled in the nongroup market.
- **Older adults make up a disproportionately high share of this market.** The nongroup market is also getting older over time, as the proportion of adults ages 50 to 64 is growing.
- **Because of the ACA, the uninsured rate among older adults has fallen 39 percent since 2013** as coverage has increased in the nongroup market.
- **Trends shifted in 2017 and 2018, reflecting market uncertainty and federal policy changes.** Between 2016 and 2018, the uninsured rate among older adults ages 50 to 64 increased slightly and nongroup enrollment decreased.

\*Julia Sheriff and Aishwarya Agarwal also contributed to this paper.



**FIGURE 1**  
**Enrollment of Adults Ages 50 to 64 in the Nongroup Market**



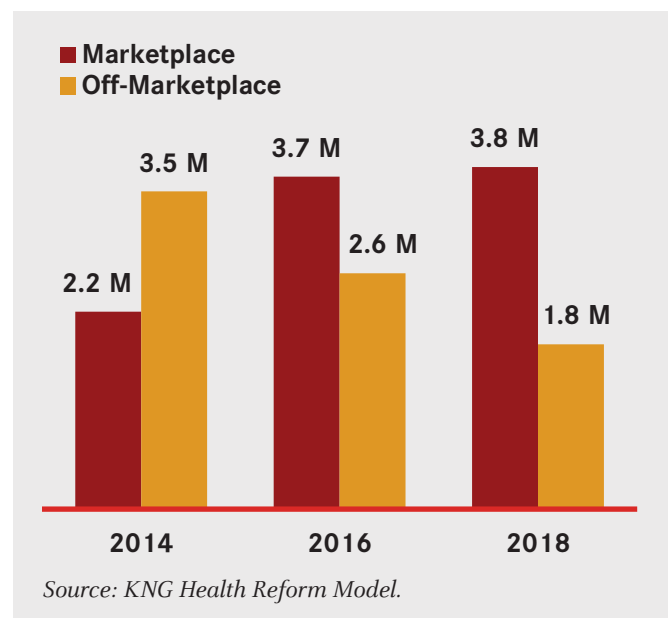
years, however, enrollment fell nearly 11 percent. As of 2018, 5.6 million older adults are enrolled in the nongroup market (figure 1). The number of total adults ages 18 to 64 enrolled in the nongroup market follows a similar trend.

While adults ages 50 to 64 make up 31 percent of the total adult population, they are a disproportionate share of the nongroup market, accounting for 43 percent of all adults enrolled in the nongroup market in 2018. This share is also growing with time. The percentage of older adults ages 50 to 64 enrolled in the nongroup market increased from 6.2 percent (3.8 million) to 9 percent (5.6 million) between 2013 and 2018, compared to a 4.2 percent (5.6 million) to 5.4 percent (7.4 million) increase among adults ages 18 to 49 for the same time period (figure 2).

People obtaining nongroup coverage can purchase health insurance either on or off marketplaces in each state, but financial assistance (premium tax credits and cost-sharing reduction subsidies) are available only for coverage on the marketplaces. In 2014, most older nongroup enrollees were enrolled off-Marketplace (and thus did not receive financial assistance). 2.2 million (38 percent) of older nongroup enrollees were enrolled on the Marketplace and 3.5 million (62 percent) were

enrolled off-Marketplace. As health care costs have risen, older adults enrolling in nongroup coverage have increasingly been more likely to enroll in an off-Marketplace plan (figure 2). By 2018, 3.8 million (67 percent of) older nongroup enrollees enrolled

**FIGURE 2**  
**Adults Ages 50 to 64 Enrolled in Nongroup Market**



on the Marketplace and 1.8 million (33 percent) enrolled off-Marketplace. A similar enrollment trend was observed among all adults ages 18 to 64.<sup>2</sup>

There is also substantial state variation in the share of older nongroup enrollees enrolling on-Marketplace versus off-Marketplace. The share of older nongroup enrollees obtaining coverage on the Marketplace ranges from a low of 16 percent in Arkansas to a high of 88 percent in Georgia. This variation is attributable to differences between states in market factors such as insurer participation and provider concentration, as well as state decisions regarding Medicaid expansion and allowing health plans that do not comply with ACA requirements.<sup>3</sup>

Since the ACA was implemented, silver plans have been the most popular plan type on the marketplaces. This may be because they have relatively moderate premiums and out-of-pocket costs and cost-sharing reductions are only available

**Marketplace Plan Types**

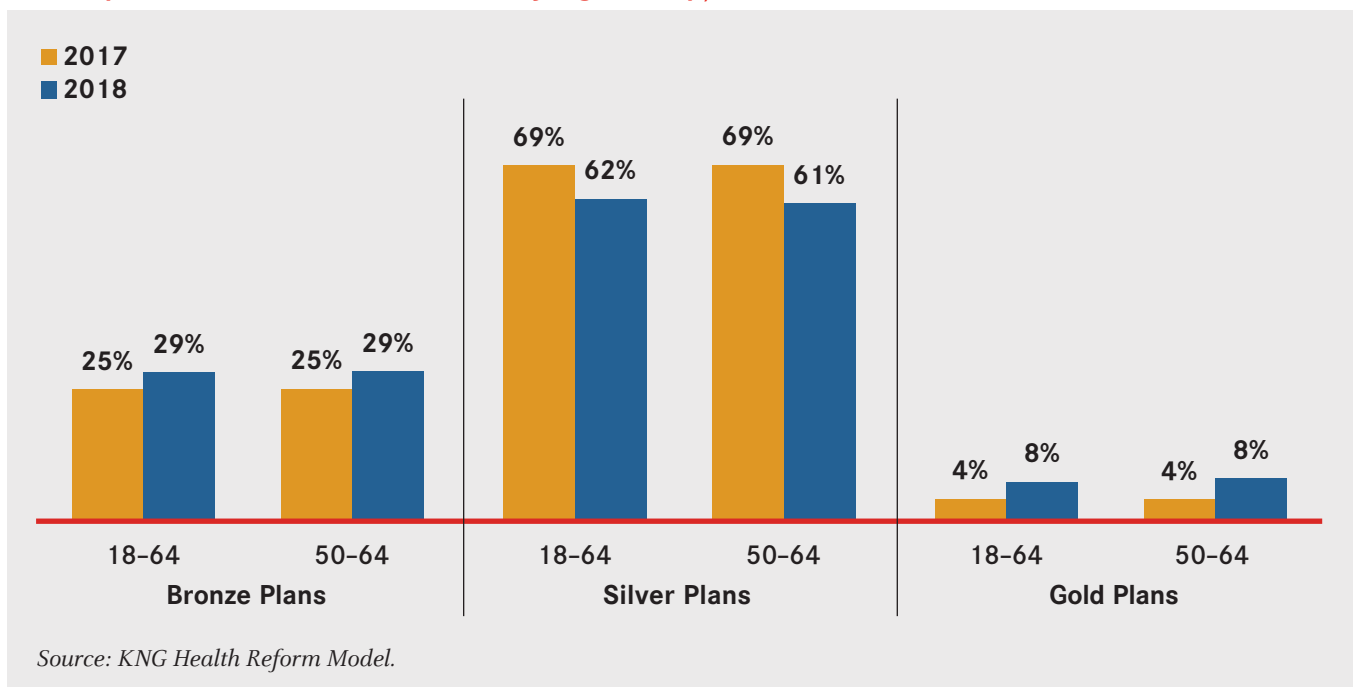
- Bronze Plans:** lowest premiums, highest out-of-pocket costs
- Silver Plans:** moderate premiums, moderate out-of-pocket costs
- Gold Plans:** high premiums, low out-of-pocket costs
- Platinum Plans:** highest premiums, lowest out-of-pocket costs

to silver plan enrollees. In 2017, the federal government stopped payments to health insurers to cover the cost of cost-sharing reductions, and some states responded by allowing insurers to load these costs only onto marketplace silver plan premiums, which led to higher premium tax credits.<sup>4</sup> Since then, more older and younger Marketplace enrollees have shifted away from silver plans (figure 3).

**Uninsured Rate**

Since enactment of the ACA, the uninsured rate fell significantly among both younger and older adults. This coverage expansion occurred primarily through nongroup market reforms, Medicaid expansion, and the extension of dependent coverage to adults

**FIGURE 3**  
**Marketplace Metal Level Selections by Age Group, 2017-2018**



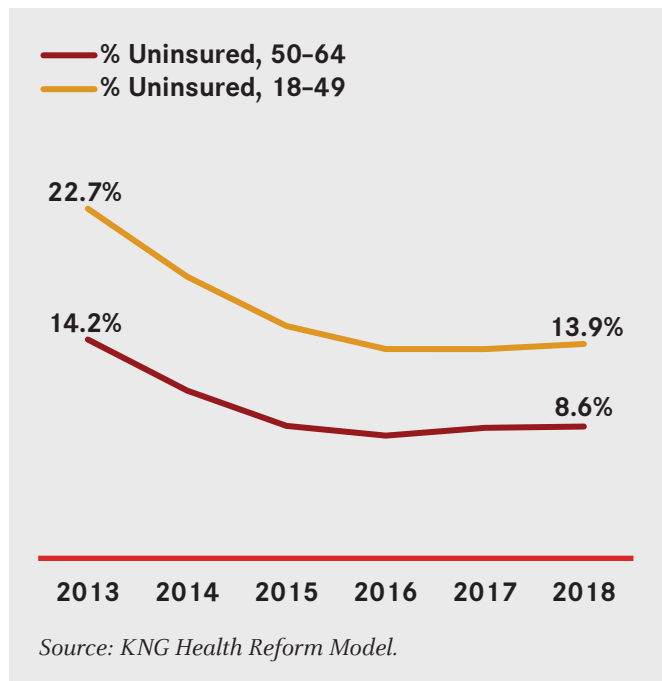
up to age 26. Among older adults ages 50 to 64, the uninsured rate fell 39 percent between 2013 and 2018, from over 14 percent in 2013 to less than 9 percent in 2018 (figure 4).<sup>5</sup>

For older adults, the increase in nongroup coverage (3 percentage point increase) equaled about half of the decline in the uninsured rate (6 percentage point decrease). For younger adults, the increases in nongroup participation were much smaller relative to the overall coverage gains. This suggests that the ACA’s improvements to nongroup health coverage were key drivers of coverage gains for older adults (figure 5).

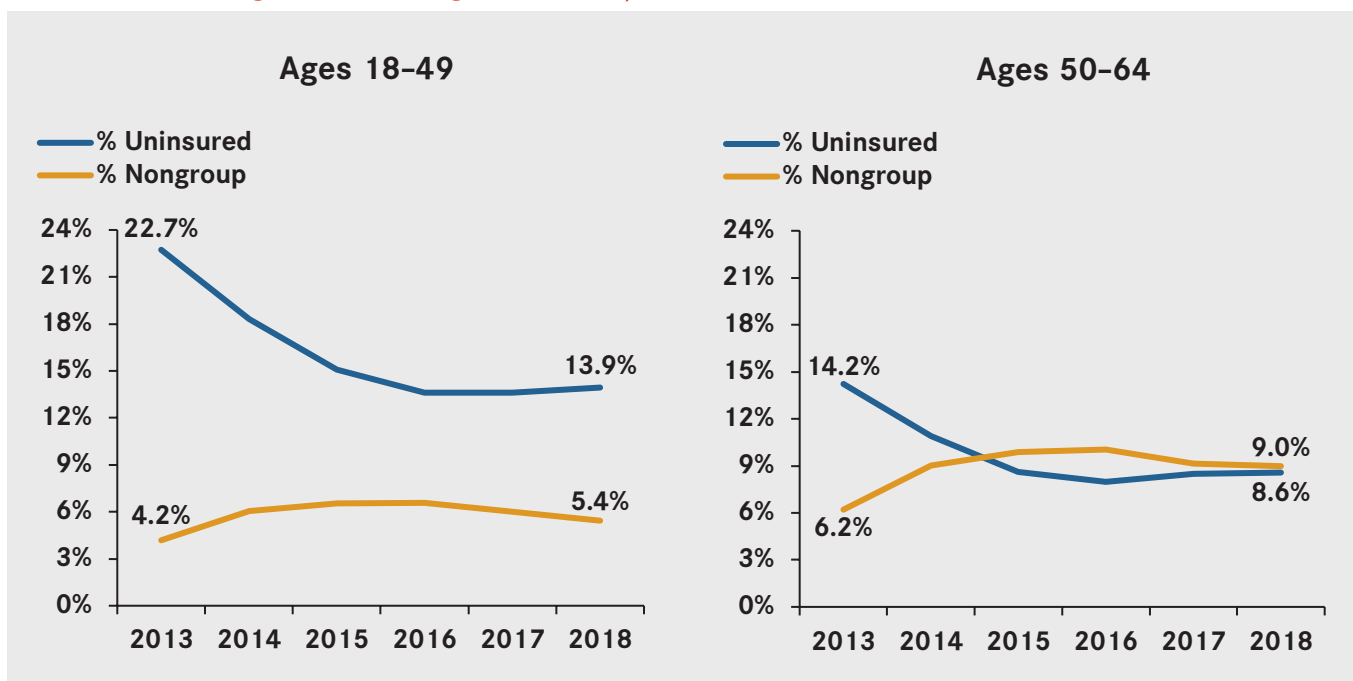
As older nongroup enrollment began to decline in 2016, the uninsured rate among adults ages 50 to 64 also began to increase, growing from 8 percent to 9 percent between 2016 and 2018. These reversals may be attributable to premium increases in the nongroup market in 2017 and 2018. An important factor in 2017 premium increases was the expiration of the ACA’s federal transitional reinsurance program.<sup>6</sup> 2018 premium increases were likely attributable to market instability caused by public debate around repeal of the ACA and the individual mandate penalty, halting of federal payments to

insurers for cost-sharing reductions, and significant reductions in federal funding for Marketplace enrollment outreach and advertising.<sup>7</sup>

**FIGURE 4**  
**Uninsured Rate by Age Group, 2013–2018**



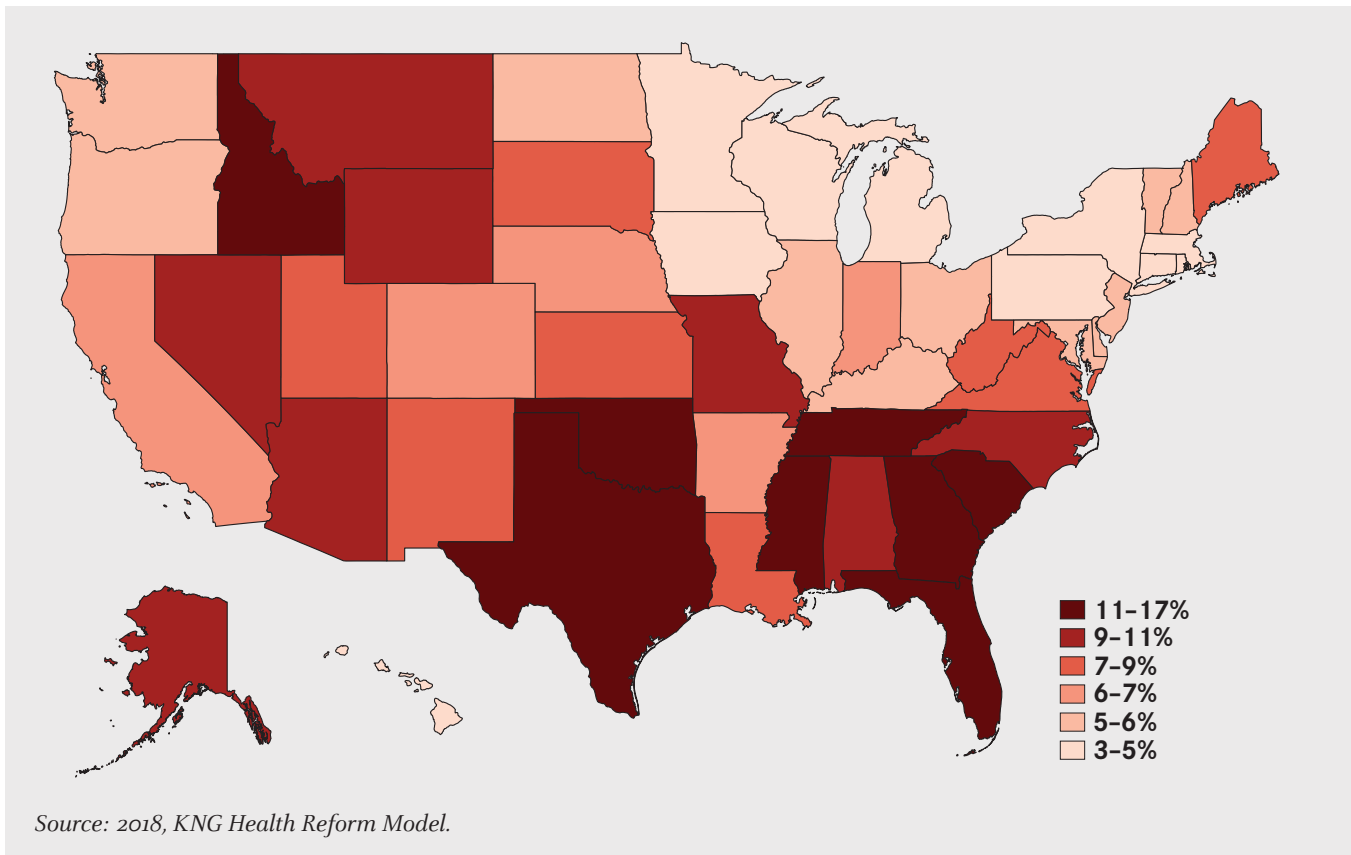
**FIGURE 5**  
**Insurance Coverage of Adults Ages 18 to 64, 2013–2018**



There is also a lot of state variation in the uninsured rate among adults ages 50 to 64, with a high of 17 percent in Texas and a low of 3 percent in D.C., Rhode Island, and Massachusetts in 2018 (figure 6).

In addition to differences in nongroup enrollment, this variation can be attributable to population differences and state decisions around expanding the Medicaid program under the ACA.<sup>8</sup>

**FIGURE 6**  
**State Variation in Uninsured Rate Among Adults Ages 50 to 64, 2018**



## Appendix

TABLE 1

## Nongroup Enrollment among Older Adults Ages 50 to 64, by Market and State, 2018

State	Total Adults 50 to 64	Total Adults 50 to 64 in Nongroup	% of Adults 50 to 64 in Nongroup	Adults 50 to 64 on-marketplace		Adults 50 to 64 off-marketplace	
				Total #	% (of 50 to 64 nongroup market)	Total #	% (of 50 to 64 nongroup market)
<b>United States</b>	61,877,511	5,587,336	9%	3,769,932	67%	1,817,403	33%
<b>Alabama</b>	942,476	78,686	8%	51,431	65%	27,254	35%
<b>Alaska</b>	133,013	6,647	5%	4,811	72%	1,837	28%
<b>Arizona</b>	1,235,632	88,689	7%	56,356	64%	32,334	36%
<b>Arkansas</b>	633,547	141,589	22%	23,141	16%	118,448	84%
<b>California</b>	7,411,839	884,878	12%	515,188	58%	369,690	42%
<b>Colorado</b>	1,031,854	85,368	8%	41,429	49%	43,939	51%
<b>Connecticut</b>	754,068	56,345	7%	44,850	80%	11,495	20%
<b>Delaware</b>	188,432	9,778	5%	8,287	85%	1,492	15%
<b>District of Columbia</b>	101,014	4,372	4%	3,056	70%	1,316	30%
<b>Florida</b>	4,397,014	705,437	16%	527,617	75%	177,820	25%
<b>Georgia</b>	1,915,545	144,029	8%	126,679	88%	17,349	12%
<b>Hawaii</b>	252,142	12,770	5%	7,245	57%	5,525	43%
<b>Idaho</b>	321,574	43,260	13%	27,783	64%	15,477	36%
<b>Illinois</b>	2,444,803	189,780	8%	112,060	59%	77,720	41%
<b>Indiana</b>	1,255,743	69,535	6%	58,933	85%	10,603	15%
<b>Iowa</b>	600,547	51,914	9%	21,270	41%	30,644	59%
<b>Kansas</b>	544,384	50,685	9%	31,381	62%	19,304	38%
<b>Kentucky</b>	812,487	45,015	6%	27,364	61%	17,651	39%
<b>Louisiana</b>	832,976	53,559	6%	35,607	66%	17,952	34%
<b>Maine</b>	312,406	34,001	11%	29,368	86%	4,634	14%
<b>Maryland</b>	1,189,701	77,119	6%	42,322	55%	34,798	45%
<b>Massachusetts</b>	1,392,068	116,830	8%	88,022	75%	28,809	25%
<b>Michigan</b>	2,035,812	163,015	8%	103,781	64%	59,233	36%
<b>Minnesota</b>	1,079,818	74,075	7%	45,351	61%	28,724	39%
<b>Mississippi</b>	549,137	48,079	9%	23,232	48%	24,847	52%
<b>Missouri</b>	1,222,751	117,181	10%	79,555	68%	37,626	32%
<b>Montana</b>	213,779	22,792	11%	16,325	72%	6,467	28%
<b>Nebraska</b>	364,977	42,634	12%	25,497	60%	17,137	40%
<b>Nevada</b>	555,142	42,167	8%	28,793	68%	13,375	32%
<b>New Hampshire</b>	325,817	37,382	11%	19,558	52%	17,823	48%
<b>New Jersey</b>	1,794,781	128,330	7%	97,503	76%	30,827	24%
<b>New Mexico</b>	378,697	27,201	7%	19,708	72%	7,493	28%
<b>New York</b>	3,602,352	138,772	4%	86,959	63%	51,813	37%
<b>North Carolina</b>	2,009,313	201,212	10%	158,082	79%	43,130	21%

State	Total Adults 50 to 64	Total Adults 50 to 64 in Nongroup	% of Adults 50 to 64 in Nongroup	Adults 50 to 64 on-marketplace		Adults 50 to 64 off-marketplace	
				Total #	% (of 50 to 64 nongroup market)	Total #	% (of 50 to 64 nongroup market)
North Dakota	145,252	19,512	13%	6,781	35%	12,732	65%
Ohio	2,296,352	135,055	6%	83,946	62%	51,109	38%
Oklahoma	694,291	57,052	8%	42,989	75%	14,064	25%
Oregon	785,187	81,144	10%	53,742	66%	27,402	34%
Pennsylvania	2,614,445	211,531	8%	162,256	77%	49,274	23%
Rhode Island	216,455	17,712	8%	13,400	76%	4,312	24%
South Carolina	988,315	97,271	10%	71,164	73%	26,106	27%
South Dakota	173,891	26,103	15%	9,410	36%	16,693	64%
Tennessee	1,294,042	106,068	8%	75,664	71%	30,405	29%
Texas	4,826,723	393,298	8%	309,846	79%	83,451	21%
Utah	462,169	52,641	11%	35,823	68%	16,818	32%
Vermont	142,057	15,711	11%	12,629	80%	3,082	20%
Virginia	1,625,338	133,982	8%	115,835	86%	18,147	14%
Washington	1,389,084	104,274	8%	73,032	70%	31,243	30%
West Virginia	339,736	14,000	4%	11,669	83%	2,331	17%
Wisconsin	934,948	117,467	13%	95,311	81%	22,156	19%
Wyoming	113,580	11,389	10%	7,894	69%	3,495	31%

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 Data in this report are from 2018 and come from KNG Health Reform Model 2019, a microsimulation model developed by KNG Health Consulting, LLC. 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](http://dataexplorer.aarp.org)), an interactive data website developed by AARP Public Policy Institute.
- 2 The nongroup market for adults ages 18 to 64 consisted of 5.3 million people in the Marketplace and 8.5 million people off the Marketplace in 2014; by 2018, the proportions had reversed, with 8.9 million people in Marketplace plans and 4.1 million off the Marketplace in 2018.
- 3 For an explanation of factors and state decisions affecting differences amongst state marketplaces, see Holahan J., Wengle E., and Elmendorf C., "Marketplace Premiums and Insurer Participation: 2017-2020", Brief, Urban Institute, January 15, 2020. Accessible at: <https://www.urban.org/research/publication/marketplace-premiums-and-insurer-participation-2017-2020>
- 4 This practice is often referred to as "silver loading."
- 5 Among all adults ages 18 to 64, the uninsured rate dropped 38 percent between 2013 and 2018.
- 6 Section 1341 of the ACA established a transitional reinsurance program to stabilize nongroup market premiums for 2014-2016. Expiration of the program was one key factor in insurers increasing premiums for 2017. See Cox C., et al, "2017 Premium Changes and Insurer Participation in the Affordable Care Act's Health Insurance Marketplaces", Kaiser Family Foundation,

*Issue Brief*, Nov 01, 2016. Accessible at: <https://www.kff.org/health-reform/issue-brief/2017-premium-changes-and-insurer-participation-in-the-affordable-care-acts-health-insurance-marketplaces/>

- 7 For an explanation of factors contributing to 2018 premium increases and an explanation of factors and state decisions affecting differences amongst state marketplaces, see Holahan J., Wengle E., and Elmendorf C., “Marketplace Premiums and Insurer Participation: 2017-2020”, Brief, Urban Institute, January 15, 2020. Accessible at: <https://www.urban.org/research/publication/marketplace-premiums-and-insurer-participation-2017-2020>
- 8 Garfield, R., Orgera K., Damico A., “The Coverage Gap: Uninsured Poor Adults in States that Do Not Expand Medicaid”, Issue Brief, Kaiser Family Foundation, January 14, 2020. Accessible at: <https://www.kff.org/medicaid/issue-brief/the-coverage-gap-uninsured-poor-adults-in-states-that-do-not-expand-medicaid/>

Fact Sheet 651, March 2020

© AARP PUBLIC POLICY INSTITUTE  
601 E Street, NW  
Washington DC 20049

Follow us on Twitter @AARPolicy  
on facebook.com/AARPolicy  
[www.aarp.org/ppi](http://www.aarp.org/ppi)

For more reports from the Public Policy  
Institute, visit <http://www.aarp.org/ppi/>.

<https://doi.org/10.26419/ppi.00099.002>

