

Fact Sheet

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

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This fact sheet analyzes characteristics of American adults ages 50 to 64 in the nongroup (or individual) health insurance market as of 2019, prior to enactment of the American Rescue Plan Act of 2021.

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), 5.4 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) as of 2019, before passage of the American Rescue Plan Act of 2021.² A companion fact sheet reports on older adult enrollment and coverage trends in the nongroup market.

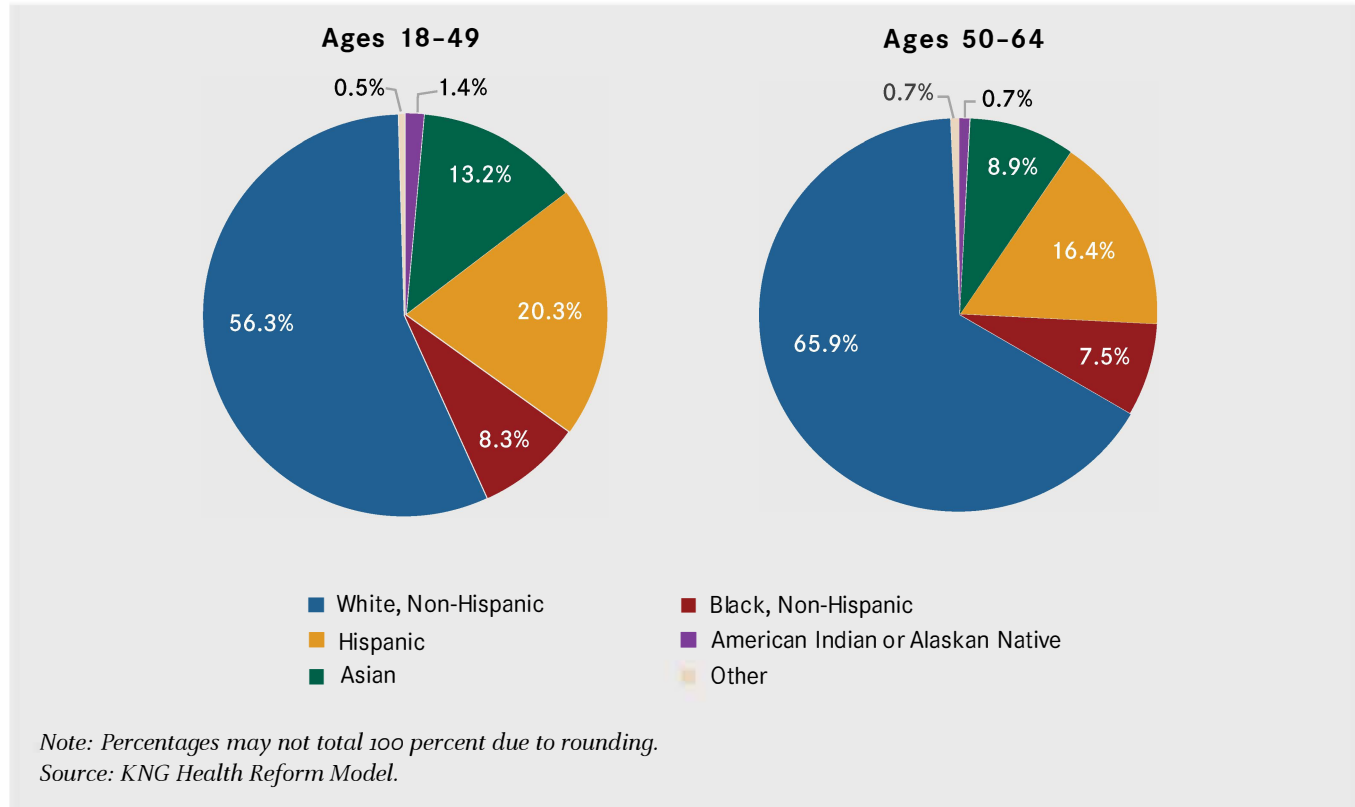
Race and Ethnicity

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).

Key Take-aways: Older Adults in the Nongroup Health Insurance Market

- **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 proportion of older adults with incomes just beyond eligibility for financial assistance were enrolled in nongroup coverage in 2019.**

FIGURE 1

Race and Ethnicity of Nongroup Enrollees by Age Group, 2019

This includes an estimated 0.9 million Hispanic (16 percent), 0.4 million Black Non-Hispanic (8 percent), and 0.5 million Asian (9 percent). The remaining two-thirds (66 percent or 3.5 million) of older adults are White Non-Hispanic, compared with 56 percent of all adults aged 18 to 49. However, there is significant variation in the racial and ethnic makeup of the 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 19 percent Hispanic. In Hawaii, 38 percent of the market is Hispanic and 22 percent is Asian. At the same time, eighteen states have older nongroup populations that are over 90 percent white.

Employment Status

Most older adults with nongroup coverage are in the labor force and are working (69 percent, or 3.6

million). About 29 percent (1.5 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 133,000) 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 are 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 89 percent, or 4.8 million older adults, have incomes below 400 percent of the federal poverty level (FPL) threshold.³ People at or below 400 percent of FPL could qualify for financial assistance to help pay for premiums (tax credits) under the ACA prior to enactment of the American Rescue Plan Act of

FIGURE 2

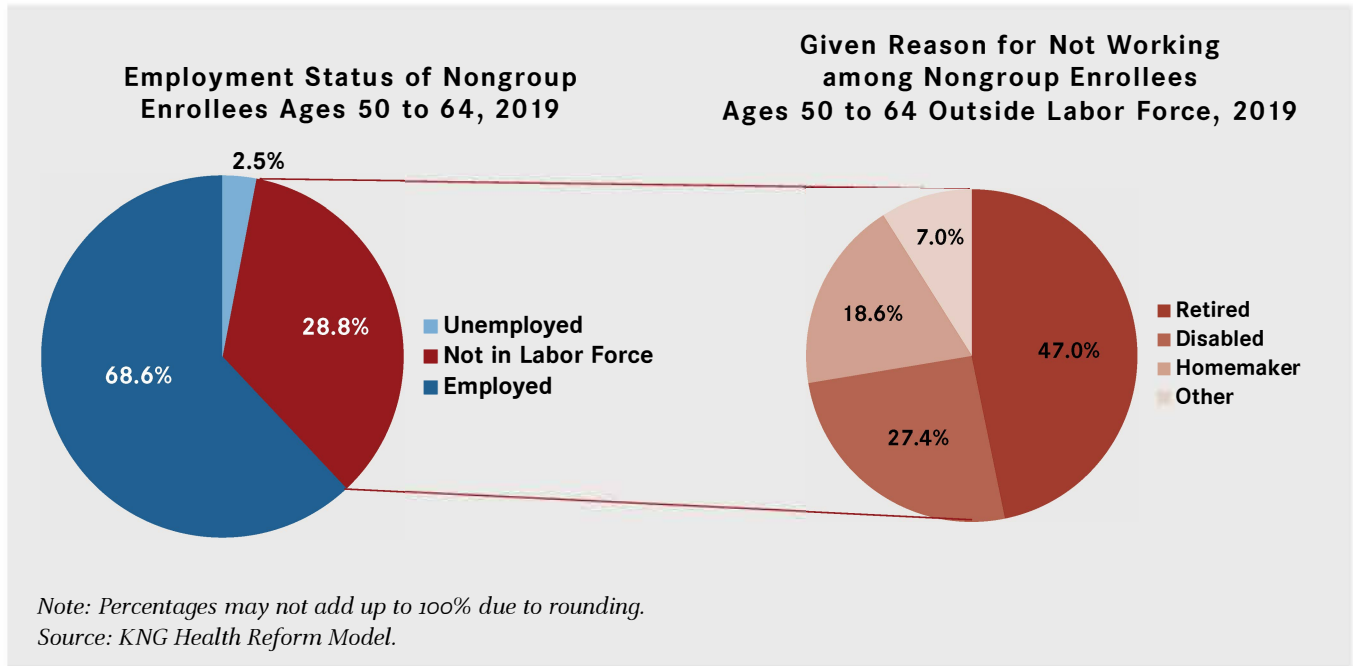
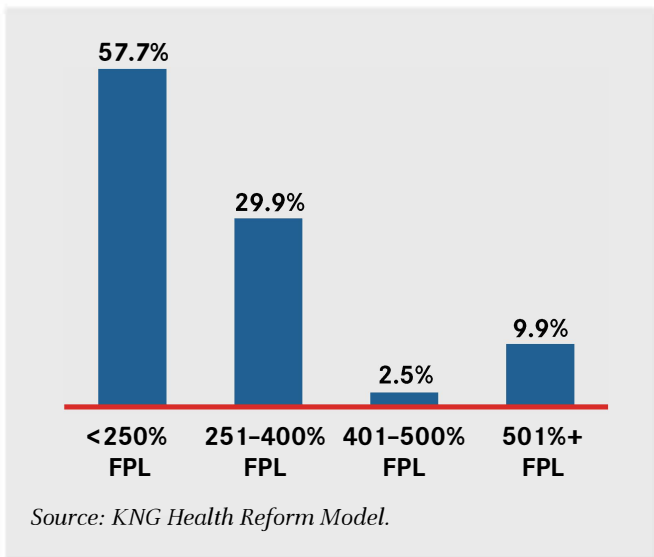
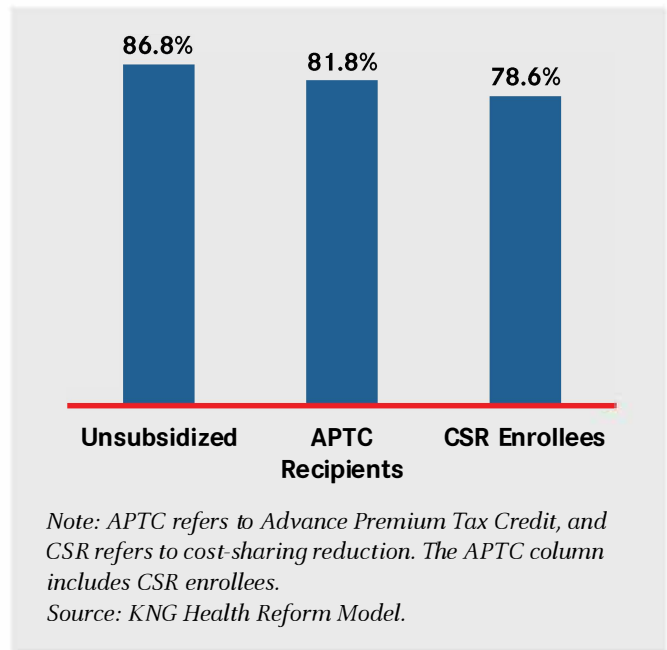


FIGURE 3
Income Distribution for Nongroup Enrollees Ages 50 to 64, 2019



2021. More than half (58 percent, or 3.1 million) of nongroup enrollees ages 50 to 64 have incomes below 250 percent of FPL (figure 3). People at this income level may qualify for financial assistance to help pay for cost-sharing. Nearly a third (1.6 million) have incomes between 250 percent and

FIGURE 4
Nongroup Enrollees Ages 50 to 64 in Good to Excellent Health, 2019



400 percent of FPL. A very small portion of older nongroup enrollees (0.1 million) have incomes just beyond 400 percent of FPL. This is likely because premium assistance under the ACA (in the form of

premium tax credits) was not available for people above 400 percent of FPL in 2019. This was known as the “subsidy cliff,” which was addressed by the American Rescue Plan Act of 2021 for years 2021 and 2022.⁴

Health Status

The majority—66 percent, or nearly 3.6 million—of nongroup enrollees ages 50 to 64 are enrolled through the Marketplace. Most older Marketplace enrollees (83 percent, or 2.9 million) are in good,

very good, or excellent health. Older nongroup enrollees with incomes too high to be eligible for premium tax credits or cost-sharing reductions in 2019 were the healthiest group, with 87 percent (0.8 million) reporting being in good or better health (figure 4). Those at income levels conferring eligibility for premium assistance in 2019 (100 percent to 400 percent of FPL) were the next healthiest (82 percent, or 2.5 million), followed by those at income levels eligible for cost-sharing reductions (79 percent, or 1.3 million).

Appendix

Race/Ethnicity of Adults Ages 50 to 64 in Nongroup Market, 2019

State	White Non-Hispanic	Black Non-Hispanic	Hispanic	Asian	American Indian or Alaskan Native	Total Nongroup Enrollment
United States	66%	7%	16%	9%	1%	5,375,630
Alabama	67%	23%	8%	3%	0%	74,348
Alaska	68%	1%	17%	14%	0%	6,975
Arizona	70%	2%	15%	11%	1%	84,104
Arkansas	82%	9%	7%	2%	0%	120,171
California	48%	3%	29%	19%	1%	869,020
Colorado	81%	3%	9%	7%	0%	81,236
Connecticut	81%	5%	8%	4%	0%	54,529
Delaware	67%	14%	13%	5%	0%	9,979
District of Columbia	20%	52%	19%	7%	1%	4,383
Florida	47%	8%	31%	12%	1%	741,928
Georgia	51%	27%	15%	6%	0%	150,551
Hawaii	35%	2%	38%	22%	2%	13,347
Idaho	90%	0%	5%	4%	0%	40,815
Illinois	83%	5%	3%	7%	2%	155,748
Indiana	92%	3%	1%	3%	1%	61,615
Iowa	96%	1%	1%	1%	1%	43,826
Kansas	93%	1%	2%	3%	1%	40,476
Kentucky	86%	6%	5%	2%	0%	41,088
Louisiana	62%	26%	9%	3%	0%	49,696
Maine	98%	0%	2%	1%	0%	31,831
Maryland	55%	22%	16%	6%	1%	77,541
Massachusetts	84%	3%	5%	4%	0%	133,591
Michigan	91%	4%	1%	3%	1%	142,269
Minnesota	93%	2%	2%	3%	1%	65,920
Mississippi	66%	28%	4%	2%	0%	49,907
Missouri	93%	4%	1%	3%	0%	95,394

State	White Non-Hispanic	Black Non-Hispanic	Hispanic	Asian	American Indian or Alaskan Native	Total Nongroup Enrollment
Montana	93%	0%	3%	3%	0%	21,204
Nebraska	96%	1%	2%	1%	1%	37,885
Nevada	66%	5%	17%	10%	2%	40,398
New Hampshire	97%	0%	1%	2%	0%	23,770
New Jersey	74%	6%	11%	7%	0%	134,423
New Mexico	49%	1%	26%	21%	2%	25,083
New York	73%	8%	9%	8%	0%	153,196
North Carolina	65%	17%	12%	6%	0%	195,312
North Dakota	94%	0%	1%	3%	2%	15,078
Ohio	92%	4%	1%	2%	1%	112,921
Oklahoma	63%	5%	22%	9%	1%	57,876
Oregon	84%	1%	8%	6%	1%	74,655
Pennsylvania	89%	5%	3%	2%	0%	204,841
Rhode Island	84%	2%	8%	5%	0%	18,851
South Carolina	65%	22%	9%	3%	0%	97,527
South Dakota	94%	1%	1%	4%	1%	19,048
Tennessee	75%	13%	8%	3%	0%	94,637
Texas	38%	8%	36%	15%	1%	409,214
Utah	86%	1%	7%	5%	1%	53,395
Vermont	97%	2%	1%	1%	0%	15,547
Virginia	57%	16%	19%	7%	0%	109,864
Washington	80%	1%	11%	7%	1%	95,203
West Virginia	91%	3%	4%	1%	0%	11,407
Wisconsin	95%	1%	1%	2%	0%	103,766
Wyoming	95%	0%	2%	2%	0%	10,239

The data in this paper rely 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 2019 data, KNG Health Reform Model. State-level data for the indicators used in this report are included in the Appendix of this paper.
- 2 The American Rescue Plan Act of 2021 temporarily expands ACA premium tax credits for 2021 and 2022.
- 3 The Federal Poverty Level (FPL) is \$12,490 for a one-person household in 2019.
- 4 The American Rescue Plan Act was signed into law in March 2021 and temporarily eliminated the subsidy cliff by making premium tax credits available to people with incomes above 400 percent of FPL. Enrollees will not have to pay more than 8.5% of their household income for benchmark silver plan premiums. These changes were made for 2021 and 2022.

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