

Fact Sheet

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

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This fact sheet analyzes enrollment and coverage trends 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.

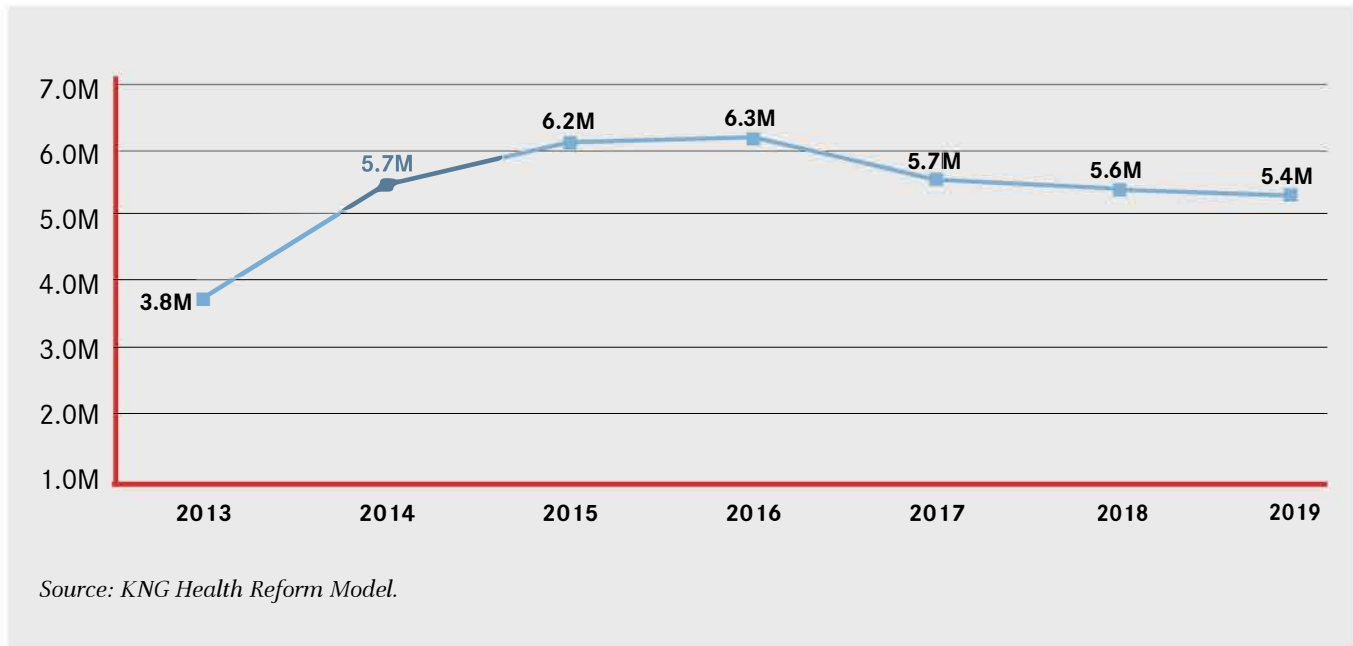
Background

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.² 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 enrollment and coverage trends of adults ages 50 to 64 in the nongroup market, as of 2019, prior to expansion of premium tax credits enacted in the American Rescue Plan Act of 2021. Trends reported here will likely change starting in 2021 as a result of that legislation. A companion fact sheet

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

- **Older adults rely heavily on the nongroup health insurance market.** In 2019, nine percent of Americans ages 50 to 64 (5.4 million) were enrolled in the nongroup market.
- **Older adults make up a disproportionately high and growing share of this market.** The nongroup market has been getting older over time, as the proportion of adults ages 50 and older has increased.
- **Because of the ACA, the uninsured rate among older adults has fallen 34 percent since 2013** as coverage increased in the nongroup market.
- **Trends shifted starting in 2017, reflecting market uncertainty, reduced outreach, and federal policy changes.** After 2016, the uninsured rate among older adults ages 50 to 64 increased slightly and nongroup enrollment decreased.

FIGURE 1

Enrollment of Adults Ages 50 to 64 in the Nongroup Market, 2013-2019

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 three years, however, enrollment among older adults fell nearly 15 percent. As of 2019, 5.4 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 32 percent of all adults ages 18 to 64, they are a disproportionate share of the nongroup market, accounting for 42 percent of all adults ages 18 to 64 enrolled in the nongroup market in 2019. This share has grown over time. The percentage

of older adults ages 50 to 64 enrolled in the nongroup market increased from 6.2 percent (3.8 million) to 8.8 percent (5.4 million) between 2013 and 2019, compared to a 4.2 percent (5.6 million) to 5.2 percent (6.9 million) increase among adults ages 18 to 49 for the same time period.

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 Plan Types

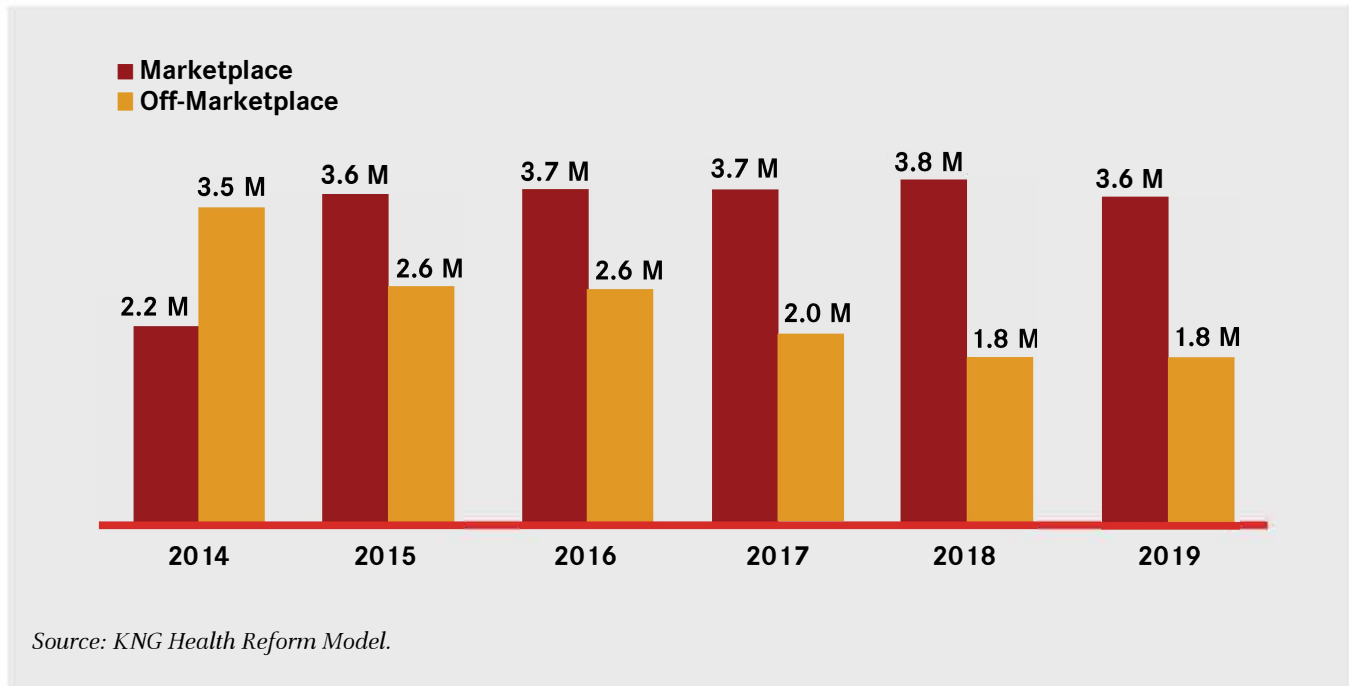
Bronze Plans: lowest premiums, highest out-of-pocket costs

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

FIGURE 2
Enrollment of Adults Ages 50 to 64 in Nongroup Market by Type of Enrollee, 2014–2019



Marketplace and 3.5 million (62 percent) were enrolled off-Marketplace. With rising health care costs, older adults enrolling in nongroup coverage increasingly enrolled in Marketplace plans between 2014 and 2018, though Marketplace enrollment dropped in 2019 (figure 2). In 2019, 3.6 million (66 percent of) older nongroup enrollees enrolled on the Marketplace and 1.8 million (34 percent) enrolled off-Marketplace. A similar enrollment trend was observed among younger adults ages 18 to 49.³

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 18 percent in Arkansas to a high of 86 percent in Virginia. 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.⁴

Since the ACA was implemented, silver plans have been the most popular plan type on the marketplaces. Silver plans have relatively moderate premiums and out-of-pocket costs, and federal cost-sharing reductions are only available 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.⁵ Since then, more older and younger Marketplace enrollees have shifted away from silver plans (figure 3).

Uninsured Rate

After enactment of the ACA, the uninsured rate fell significantly among both younger and older adults (figure 4). Between 2013 and 2019, the uninsured rate among older adults ages 50 to 64 fell an overall 34 percent, from 14.2 percent to 9.4 percent.⁶ The most significant drop occurred between 2013 and 2016, when the uninsured rate among adults ages

FIGURE 3
Marketplace Metal Level Selections by Age Group, 2017-2019

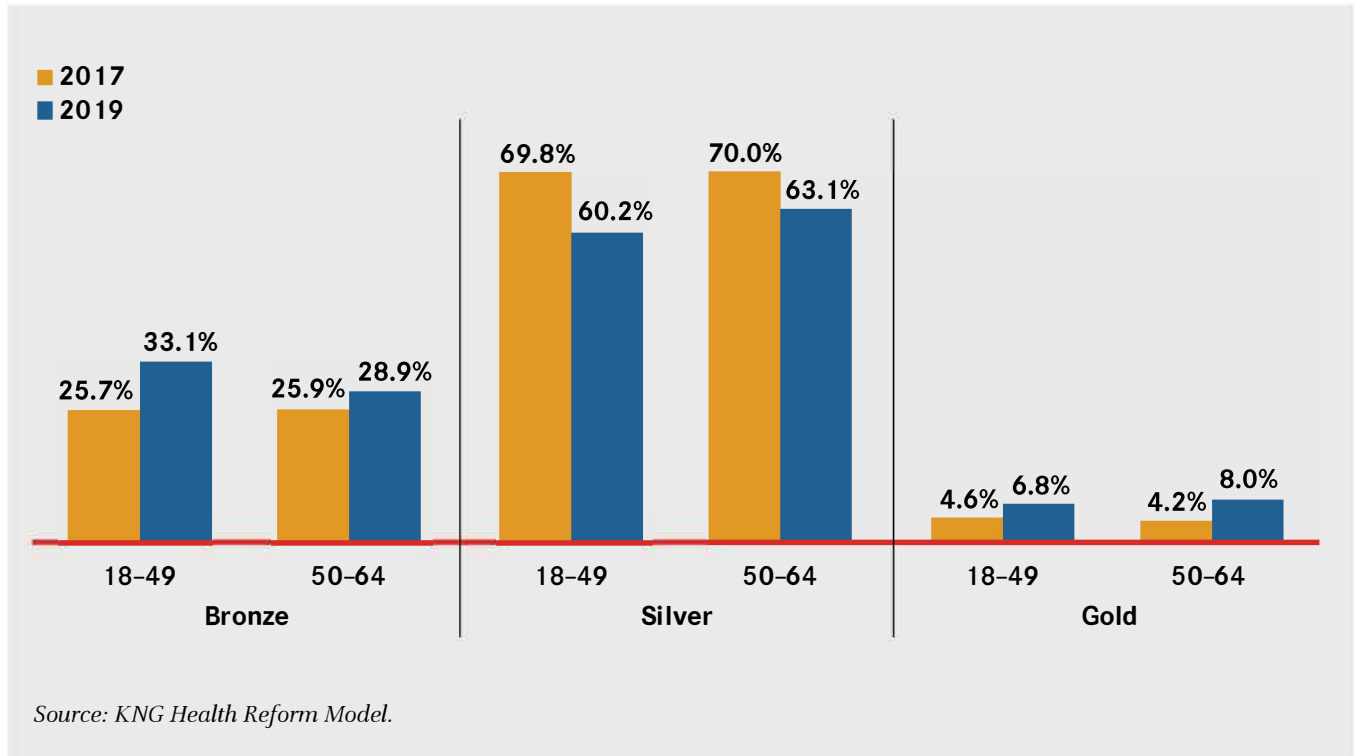
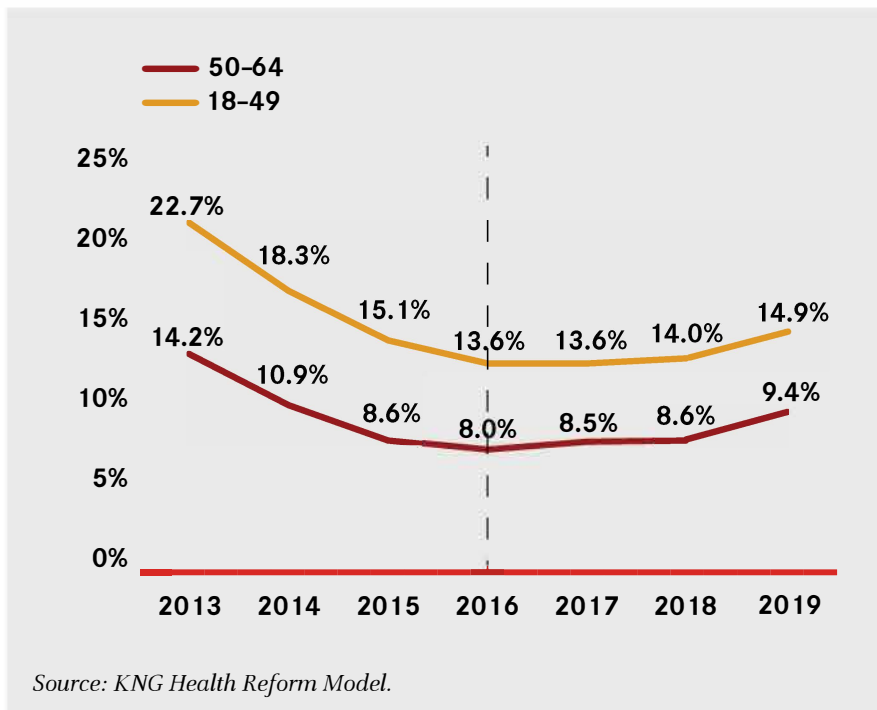


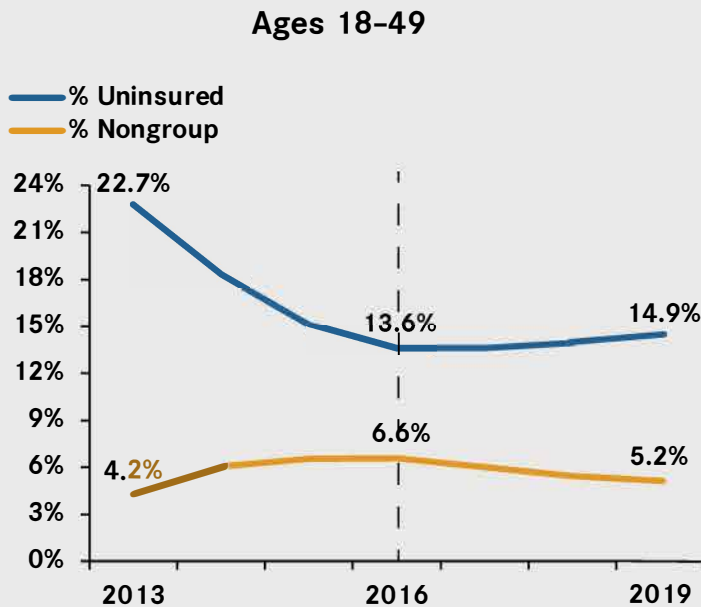
FIGURE 4
Uninsured Rate by Age Group, 2013-2019



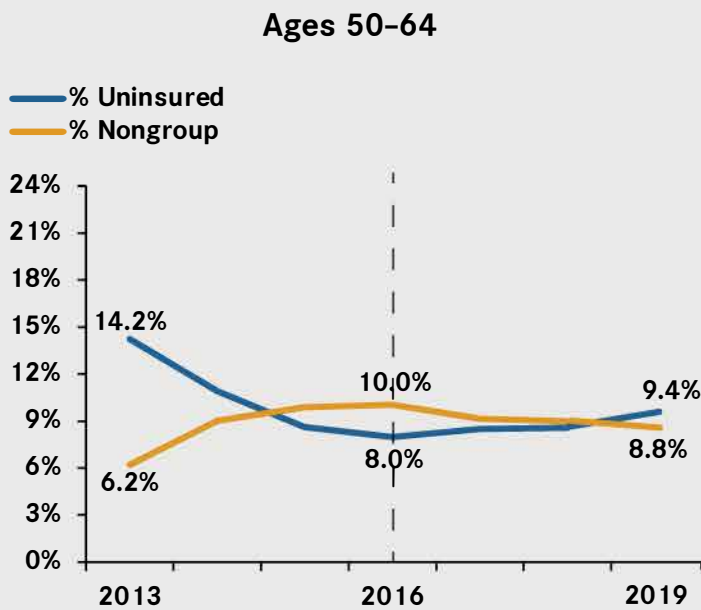
50 to 64 fell 44 percent, from 14.2 percent in 2013 to 8 percent in 2016.

Coverage expansion since the ACA occurred primarily through nongroup market reforms, Medicaid expansion, and the extension of dependent coverage to adults up to age 26. Between 2013 and 2019, the overall increase in the share of older adults with nongroup coverage (2.6 percentage point increase) equaled over half of the decline in the uninsured rate among this group (4.8 percentage point decrease). For younger adults, the increases in nongroup participation were much smaller relative to the overall coverage gains (figure 5). This suggests that the ACA's improvements to

FIGURE 5
Uninsured vs. Nongroup Coverage Rates by Age Group, 2013-2019



Source: KNG Health Reform Model.



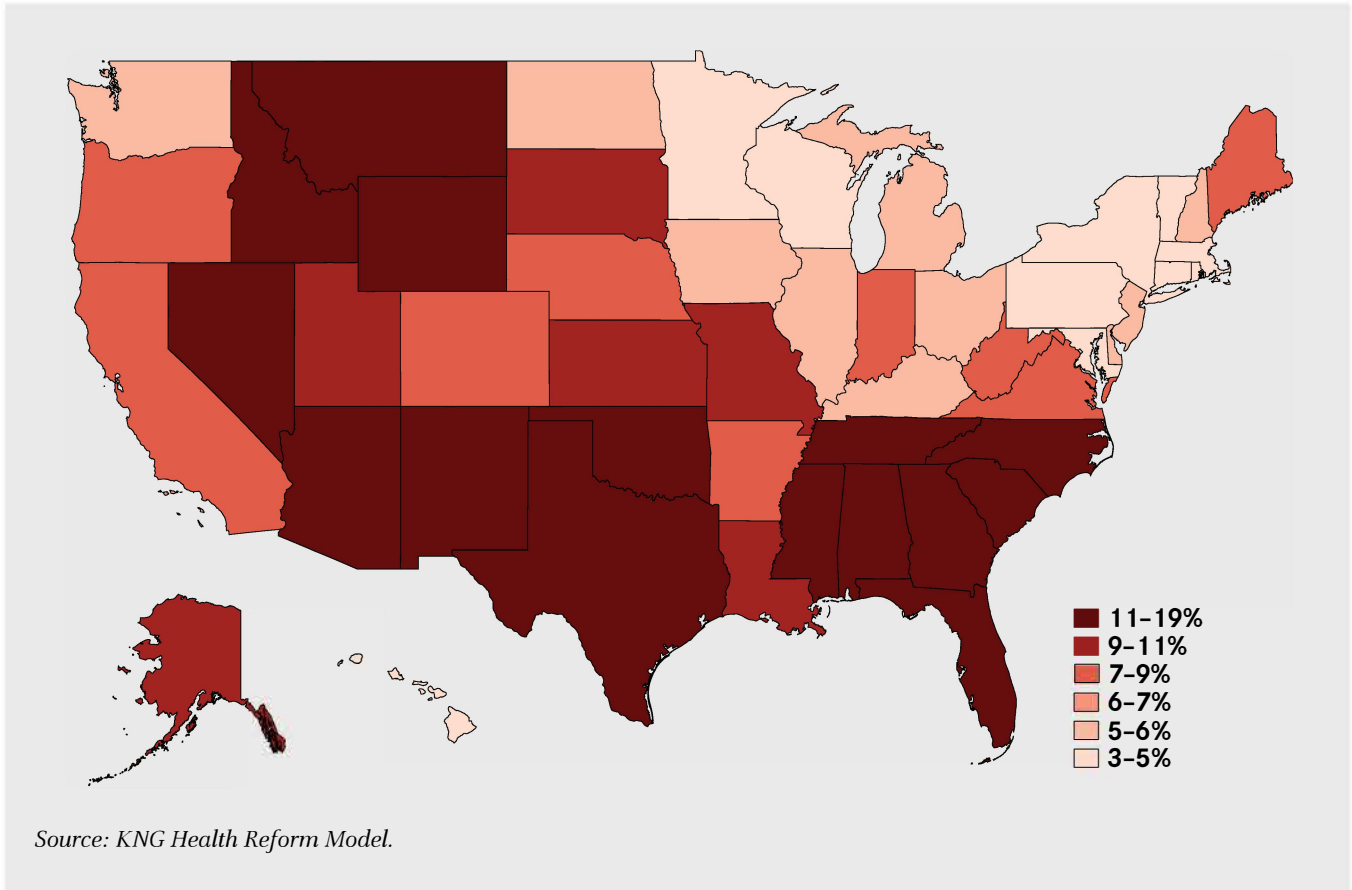
Source: KNG Health Reform Model.

nongroup health coverage were key drivers of coverage gains for older adults.

Since 2016, nongroup enrollment among adults ages 50 to 64 has declined and the uninsured rate has risen, from 8 percent in 2016 to 9.4 percent in 2019. This reversal in coverage gains may be attributable to premium increases in the nongroup market and policy changes between 2017 and 2019. An important factor in 2017 premium increases was the expiration of the ACA's federal transitional reinsurance program.⁷ 2018 and 2019 enrollment changes were likely attributable to market instability caused by public debate around repeal of the ACA and the individual mandate penalty, significant reductions in federal funding for Marketplace enrollment outreach and advertising, and other federal policy changes that discouraged enrollment in subsidized health coverage.⁸

There is also a lot of state variation in the uninsured rate among adults ages 50 to 64, with a high of 18.7 percent in Texas and a low of 2.8 percent in Rhode Island and Massachusetts in 2019 (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.⁹

FIGURE 6
State Variation in Uninsured Rate Among Adults Ages 50 to 64, 2019



Appendix

As of 2019, there were 60.9 million adults ages 50 to 64 living in the United States, 9 percent (or 5.4 million) of whom were enrolled in the nongroup market. Of these enrollees, 3.6 million

(or 66 percent) were enrolled on-Marketplace, while 1.8 million (or 34 percent) were enrolled off-Marketplace. Table 1 shows these differences in nongroup enrollment and structure by state.

TABLE 1

Nongroup Enrollment among Older Adults Ages 50 to 64, by Market and State, 2019

State	Total Population of Adults 50 to 64	Total Adults 50 to 64 in Nongroup Market	% of Adults 50 to 64 Enrolled in Nongroup Market	On-Marketplace		Off-Marketplace	
				Total #	% (of 50 to 64 nongroup market)	Total #	% (of 50 to 64 nongroup market)
United States	60,856,474	5,375,631	9%	3,551,026	66%	1,824,604	34%
Alabama	926,670	74,348	8%	48,650	65%	25,697	35%
Alaska	128,307	6,975	5%	4,749	68%	2,225	32%
Arizona	1,222,562	84,104	7%	55,193	66%	28,911	34%
Arkansas	607,827	120,171	20%	21,984	18%	98,187	82%
California	7,070,527	869,021	12%	510,868	59%	358,153	41%
Colorado	992,007	81,236	8%	41,931	52%	39,305	48%
Connecticut	742,596	54,530	7%	41,215	76%	13,314	24%
Delaware	184,806	9,979	5%	7,536	76%	2,444	24%
District of Columbia	99,212	4,383	4%	2,741	63%	1,643	37%
Florida	4,361,987	741,928	17%	533,228	72%	208,700	28%
Georgia	1,948,231	150,551	8%	121,593	81%	28,958	19%
Hawaii	251,347	13,348	5%	7,582	57%	5,765	43%
Idaho	319,754	40,815	13%	26,532	65%	14,282	35%
Illinois	2,344,056	155,748	7%	99,781	64%	55,966	36%
Indiana	1,233,284	61,615	5%	50,375	82%	11,240	18%
Iowa	587,622	43,826	7%	18,895	43%	24,931	57%
Kansas	525,589	40,476	8%	27,253	67%	13,223	33%
Kentucky	802,531	41,088	5%	25,545	62%	15,543	38%
Louisiana	809,300	49,696	6%	30,786	62%	18,910	38%
Maine	297,031	31,831	11%	24,600	77%	7,232	23%
Maryland	1,169,402	77,541	7%	41,864	54%	35,677	46%
Massachusetts	1,397,175	133,591	10%	90,482	68%	43,108	32%
Michigan	1,972,803	142,269	7%	92,646	65%	49,623	35%
Minnesota	1,058,886	65,920	6%	41,033	62%	24,887	38%
Mississippi	544,540	49,907	9%	23,624	47%	26,283	53%
Missouri	1,179,088	95,394	8%	69,332	73%	26,062	27%
Montana	200,553	21,204	11%	15,685	74%	5,519	26%
Nebraska	353,382	37,885	11%	23,699	63%	14,186	37%

State	Total Population of Adults 50 to 64	Total Adults 50 to 64 in Nongroup Market	% of Adults 50 to 64 Enrolled in Nongroup Market	On-Marketplace		Off-Marketplace	
				Total #	% (of 50 to 64 nongroup market)	Total #	% (of 50 to 64 nongroup market)
Nevada	550,157	40,398	7%	26,796	66%	13,601	34%
New Hampshire	302,237	23,770	8%	16,317	69%	7,453	31%
New Jersey	1,798,109	134,424	7%	86,404	64%	48,020	36%
New Mexico	364,447	25,083	7%	17,713	71%	7,370	29%
New York	3,616,290	153,196	4%	86,466	56%	66,731	44%
North Carolina	1,977,730	195,312	10%	146,923	75%	48,389	25%
North Dakota	132,542	15,078	11%	5,768	38%	9,309	62%
Ohio	2,224,309	112,921	5%	71,675	63%	41,246	37%
Oklahoma	675,314	57,876	9%	42,151	73%	15,726	27%
Oregon	745,827	74,655	10%	49,474	66%	25,182	34%
Pennsylvania	2,575,468	204,841	8%	140,819	69%	64,022	31%
Rhode Island	220,210	18,851	9%	12,930	69%	5,921	31%
South Carolina	987,254	97,527	10%	68,622	70%	28,905	30%
South Dakota	168,160	19,048	11%	8,524	45%	10,524	55%
Tennessee	1,264,379	94,637	7%	69,982	74%	24,654	26%
Texas	4,788,994	409,214	9%	298,637	73%	110,577	27%
Utah	455,675	53,395	12%	34,351	64%	19,043	36%
Vermont	133,473	15,547	12%	9,626	62%	5,921	38%
Virginia	1,582,016	109,864	7%	94,553	86%	15,311	14%
Washington	1,335,856	95,203	7%	64,844	68%	30,360	32%
West Virginia	335,290	11,407	3%	9,529	84%	1,878	16%
Wisconsin	1,185,499	103,766	9%	82,282	79%	21,484	21%
Wyoming	106,162	10,239	10%	7,237	71%	3,002	29%

Source: KNG Health Reform Model

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 Data in this report are from 2013-2019 and come from KNG Health Reform Model, 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.
- 2 The American Rescue Plan Act of 2021 temporarily expands ACA premium tax credits for 2021 and 2022. Data reported in this paper are from 2019; as such, they do not include these expanded subsidies.
- 3 The nongroup market for adults ages 18 to 49 consisted of 3.1 million people in the Marketplace and 5 million people off the Marketplace in 2014; by 2019, the proportions had reversed, with 4.7 million people in Marketplace plans and 2.3 million off the Marketplace in 2019.

- 4 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>.
- 5 This practice is often referred to as “silver loading.”
- 6 Among all adults ages 18 to 64, the uninsured rate dropped 34 percent between 2013 and 2019.
- 7 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-insurerparticipation-in-the-affordable-care-acts-health-insurance-marketplaces/>.
- 8 Other policy changes that may have affected 2018 and 2019 nongroup enrollment decreases include changes in policies and proposals relating to immigration, deportation, and enforcement of the public charge rule. See Finegold K. et al, “Trends in the U.S. Uninsured Population, 2010-2020”, Assistant Secretary for Planning and Evaluation, United States Department of Health and Human Services, Issue Brief, Feb 11, 2021. Accessible at: <https://aspe.hhs.gov/system/files/pdf/265041/trends-in-the-us-uninsured.pdf>.
- 9 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/>.

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