Fact Sheet

South Dakota's Health Coverage Affordability Gap

The Affordable Care Act made significant improvements, but older South Dakotans still face affordability challenges.

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Many South Dakotans without access to health insurance through an employer or a public program rely on the nongroup (individual) health insurance market.

26,103

older adults are enrolled in the nongroup market.

While most adults ages 50 to 64 have health insurance through an employer or public program (such as Medicaid), 26,103 older South Dakotans purchase coverage on their own in the nongroup health insurance market. The share of older adults in the nongroup market has grown over time.

9,410

older nongroup enrollees get their insurance through the Marketplace.

Older South Dakotans can enroll in nongroup coverage either through the state's Health Insurance Marketplace (created under the Affordable Care Act) or directly from an insurer or agent/broker (off-Marketplace). Federal subsidies that lower premiums and out-of-pocket costs are available to people with certain incomes who enroll through the Marketplace.

$11,254

is the average unsubsidized Silver plan premium for older nongroup enrollees.

The average annual unsubsidized Silver plan* premium for South Dakotans ages 50 to 64 in the nongroup market is $11,254. Older adults not eligible for federal subsidies pay the full premium, which can be up to three times higher than for younger adults. Premium costs can consume a significant share of income for many older adults.

62.9%

of older nongroup enrollees have coverage that is unaffordable.

High premiums and out-of-pocket costs relative to one's income can make coverage unaffordable. 62.9% of older nongroup enrollees in South Dakota face unaffordable health coverage.**

68%

of older nongroup enrollees do not get financial help with coverage costs.

32% of older nongroup enrollees in South Dakota receive federal subsidies to help with health care costs, while 68% do not. As health coverage costs have risen, the share of unsubsidized older adults has been growing smaller.

15.6%

of older nongroup enrollees delayed medical care due to cost in the past year.

Unaffordable coverage can lead to poor health outcomes due to deferred or forgone care. 15.6% of older nongroup enrollees in South Dakota report delaying care due to cost in the past year, and 11.0% needed but could not afford medical care in the past year.

14.0%

of older nongroup enrollees had issues paying medical bills in the past year.

Many older nongroup enrollees in South Dakota report problems with paying medical bills. 14.0% report issues paying bills in the last 12 months, while 25.5% report currently paying bills that are overdue. 8.3% report being unable to pay bills entirely.

8.68%

of adults ages 50 to 64 are uninsured.

Unaffordable health care costs contribute to higher uninsured rates. While the ACA significantly lowered the uninsured rate for older adults, 8.68% of older South Dakotans remain uninsured (as of 2019).

* Health plans come in four metal levels (Platinum, Gold, Silver, Bronze) based on how consumers and their plan split health care costs. Most consumers purchase Silver plans, which usually fall in the middle in terms of costs for the consumer. Average premiums are the weighted average of the lowest-cost Silver premiums offered to unsubsidized Marketplace and off-Marketplace enrollees.

** Affordability is based on the consumer's income level and percentage of income that their premiums or out-of-pocket costs represent. For more details, see www.aarp.org/nongroup.

Note: 2018 data unless otherwise noted. Sources: KNG Health Reform Model 2019 (a microsimulation model developed by KNG Health Consulting, LLC) and American Community Survey (ACS).

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