

## **New Data Shows Affordable Care Act Enrollment Exceeded Insurance Company Projections**

Over the past several months, Republican staff on the House Committee on Oversight and Government Reform have been contacting health insurance companies participating in the Affordable Care Act exchanges to request data about initial enrollment projections, as well as actual enrollment since October 1. Although there are problems with the methodology they used (described below), several conclusions can be drawn from the data provided by insurance companies to date.

### **Overall Enrollment Exceeded Projections**

Thirteen insurance companies provided the Oversight Committee with data on projected and actual enrollment. The new data obtained by the Committee shows that actual enrollment exceeded insurance company projections by 4.0%. This result was achieved despite significant challenges with federal and state websites. The data provided by these insurance companies already removed individuals whose plans were canceled because they did not pay first-month premiums.

<b>Projected Enrollment</b>	<b>Actual Enrollment</b>	<b>Difference</b>
3,639,784	3,785,753	+ 4.0%

### **Enrollment Exceeded Projections for Key Age Group of 18 to 34 Year Olds**

Ten insurance companies provided data to the Oversight Committee broken down by age group. The new data from these insurance companies shows that enrollment among adults age 18 to 34 exceeded projections by nearly 11% and represented the single largest proportion of new enrollees at nearly 27%.

<b>Age Group</b>	<b>Projected Enrollment</b>	<b>Actual Enrollment</b>	<b>Difference</b>
<b>18 - 34</b>	817,548 25.9%	906,608 26.7%	+ 10.9 % + 0.8%

The data also shows that enrollment exceeded projections in all age groups except for children and teenagers age 0 to 17.

## **Enrollment Exceeded Projections in Most States**

Twelve insurance companies provided data on projected and actual enrollment broken down by state. Based on this data, enrollment exceeded projections in 17 of the 31 states for which the Committee obtained data. Notably, some of the largest enrollment increases occurred in Republican-controlled states that were hostile to the Affordable Care Act, indicating that there is extremely strong demand in these states for quality, affordable insurance. (States in which data was collected for only one insurance company are listed anonymously to avoid disclosing information unique to that company.)

<b>State</b>	<b>Projected v. Actual Enrollment</b>
(State with Data from One Insurer)	+ 479.2%
(State with Data from One Insurer)	+ 397.8%
<b>Ohio</b>	+ 240.0%
(State with Data from One Insurer)	+ 182.4%
(State with Data from One Insurer)	+ 176.0%
<b>Colorado</b>	+ 124.5%
(State with Data from One Insurer)	+ 112.1%
<b>Delaware</b>	+ 86.5%
<b>Virginia</b>	+ 84.6%
<b>Pennsylvania</b>	+ 62.8%
<b>California</b>	+ 58.7%
(State with Data from One Insurer)	+ 55.8%
(State with Data from One Insurer)	+ 46.8%
<b>Arizona</b>	+ 35.8%
(State with Data from One Insurer)	+ 27.8%
<b>Texas</b>	+ 7.3%
<b>Florida</b>	+ 4.8%
<b>Oklahoma</b>	- 25.9%
<b>Illinois</b>	- 30.2%
(State with Data from One Insurer)	- 35.3%
(State with Data from One Insurer)	- 38.5%
(State with Data from One Insurer)	- 39.5%
<b>District of Columbia</b>	- 42.4%
<b>Oregon</b>	- 42.6%
<b>North Carolina</b>	- 44.8%
<b>Maryland</b>	- 46.4%
<b>Utah</b>	- 49.6%
(State with Data from One Insurer)	- 55.2%
(State with Data from One Insurer)	- 55.4%
(State with Data from One Insurer)	- 61.2%
(State with Data from One Insurer)	- 77.6%

## **Methodological Problems with Oversight Committee Data Request**

- **The Committee did not obtain data from all insurance companies in the exchanges.**  
The Committee obtained no data from any insurance companies in Alaska, Idaho, Massachusetts, Minnesota, North Dakota, Rhode Island, South Dakota, Vermont, or Wyoming. In other states, the Committee requested data from some, but not all, insurance companies, and as a result obtained data relating to less than 10% of enrollees in those states.
- **The Committee did not collect data on off-exchange enrollments.**  
Under the Affordable Care Act, insurance companies are required to treat on-exchange and off-exchange enrollments as a single risk pool in each state when setting 2015 premium rates.<sup>1</sup> Off-exchange enrollments are extensive and may skew younger than on-exchange enrollments.<sup>2</sup> CBO estimates that 5 million people enrolled in ACA compliant plans outside of the exchanges.<sup>3</sup> The Blue Cross Blue Shield Association reports that 1.7 million off-exchange customers enrolled between October 1 and March 1.<sup>4</sup> Similarly, Cigna reports that more than 40% of its ACA-compliant enrollments are in plans outside exchanges.<sup>5</sup>
- **Conclusions about risk adjustment, reinsurance, and risk corridor programs are premature.** Insurance companies have limited claims data at this time. As a result, they noted in their submissions to the Committee that any projections regarding revenues from the risk adjustment, reinsurance, and risk corridor programs are preliminary and subject to change between now and 2015, when payments are made.<sup>6</sup>
  - **The risk adjustment program is budget neutral by statute.**  
Suggestion that regulatory changes will result in greater costs to the taxpayer are inaccurate.
  - **The reinsurance program is fully funded through a fee on insurers.**  
Set by statute at \$10 billion for 2014, \$6 billion in 2015, and \$4 billion in 2016, payments may not exceed the amounts collected from insurers.<sup>7</sup>
  - **CBO projects that the risk corridor program will be budget neutral.**  
After considering changes to the risk corridor formula in March, CBO concluded in April: “CBO believes that the Administration has sufficient flexibility to ensure that payments to insurers will approximately equal payments from insurers to the federal government, and thus that the program will have no net budgetary effect over the three years of its operation.”<sup>8</sup>

## ENDNOTES

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<sup>1</sup> Assistant Secretary for Planning and Evaluation, Department of Health and Human Services, *Health Insurance Marketplace: Summary Enrollment Report for the Initial Annual Open Enrollment Period* (May 1, 2014) (online at [http://aspe.hhs.gov/health/reports/2014/MarketPlaceEnrollment/Apr2014/ib\\_2014apr\\_enrollment.pdf](http://aspe.hhs.gov/health/reports/2014/MarketPlaceEnrollment/Apr2014/ib_2014apr_enrollment.pdf)).

<sup>2</sup> *New Data from eHealth Price Index Points to Off-Exchange Enrollment Trends as Open Enrollment Draws to a Close*, MarketWatch (Mar. 25, 2014) (online at [www.marketwatch.com/story/new-data-from-ehealth-price-index-points-to-off-exchange-enrollment-trends-as-open-enrollment-draws-to-a-close-2014-03-25](http://www.marketwatch.com/story/new-data-from-ehealth-price-index-points-to-off-exchange-enrollment-trends-as-open-enrollment-draws-to-a-close-2014-03-25)).

<sup>3</sup> Congressional Budget Office, *Updated Estimates of the Effects of the Insurance Coverage Provisions of the Affordable Care Act* (Apr. 2014) (online at [www.cbo.gov/sites/default/files/cbofiles/attachments/45231-ACA\\_Estimates.pdf](http://www.cbo.gov/sites/default/files/cbofiles/attachments/45231-ACA_Estimates.pdf)).

<sup>4</sup> *The Missing Millions in the Obamacare Enrollment Total*, National Journal (Apr. 3, 2014) (online at [www.nationaljournal.com/health-care/the-missing-millions-in-the-obamacare-enrollment-total-20140403](http://www.nationaljournal.com/health-care/the-missing-millions-in-the-obamacare-enrollment-total-20140403)).

<sup>5</sup> *Cigna Predicts 116,000 ACA-Compliant Plan Enrollees for Years as Earnings Rise*, Modern Healthcare (May 1, 2014) (online at [www.modernhealthcare.com/article/20140501/NEWS/305019985/cigna-makes-little-mention-of-aca-in-reporting-positive-quarter](http://www.modernhealthcare.com/article/20140501/NEWS/305019985/cigna-makes-little-mention-of-aca-in-reporting-positive-quarter)).

<sup>6</sup> See, e.g., Letter from [Name Redacted], Counsel for [Insurance Company Name Redacted], to Chairman Darrell Issa, House Committee on Oversight and Government Reform (May 16, 2014) (“Final calculation of risk corridor payments has not been made and will not be made until the Second Quarter of 2015. At this point, the Company is projecting a very small receivable, on the order of approximately [Amount Redacted], from the risk corridor program. This projection is subject to change.”).

<sup>7</sup> Kaiser Family Foundation, *Explaining Health Care Reform: Risk Adjustment, Reinsurance, and Risk Corridors* (Jan. 22, 2014) (online at <http://kff.org/health-reform/issue-brief/explaining-health-care-reform-risk-adjustment-reinsurance-and-risk-corridors>).

<sup>8</sup> Congressional Budget Office, *Updated Estimates of the Effects of the Insurance Coverage Provisions of the Affordable Care Act* (April 2014) (online at [www.cbo.gov/sites/default/files/cbofiles/attachments/45231-ACA\\_Estimates.pdf#page=22](http://www.cbo.gov/sites/default/files/cbofiles/attachments/45231-ACA_Estimates.pdf#page=22)).