

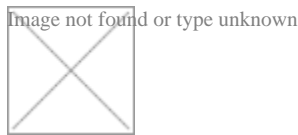


Weekly Checkup

Age Distribution of Exchange Enrollees Skewed Towards Adults Over 45

CONOR RYAN | FEBRUARY 5, 2014

The Department of Health and Human Services (HHS) detailed, in its most recent report on Health Insurance Marketplace enrollment, the age distribution of enrollees.^[1] In the absence of health status information, the age of enrollees is an important indication of future health care spending—young adults are generally low-cost, while adults near retirement tend to require more costly and more frequent medical treatment. If the pool of enrollees is more expensive than initially anticipated, insurance companies will need to raise premiums in order to cover their costs, which could lead to smaller gains in insured persons than the 25 million predicted by the Congressional Budget Office by 2016.^[2] The chart below compares the national age distribution of the population currently enrolled in the Health Insurance Marketplace to the population eligible to enroll.^[3] Halfway through the open enrollment period, the exchanges are enrolling adults over the age of 45 at much higher rates that might be expected from the eligible population. If this trend continues, the population of exchange enrollees could result in much higher medical costs than expected and increasingly expensive premiums. HHS is expected to release another enrollment report next week which could provide further insight.



^[1] Department of Health and Human Services, “Health Insurance Marketplace: January Enrollment Report,” ASPE Issue Brief, January 13, 2014, available at: http://aspe.hhs.gov/health/reports/2014/MarketPlaceEnrollment/Jan2014/ib_2014jan_enrollment.pdf