



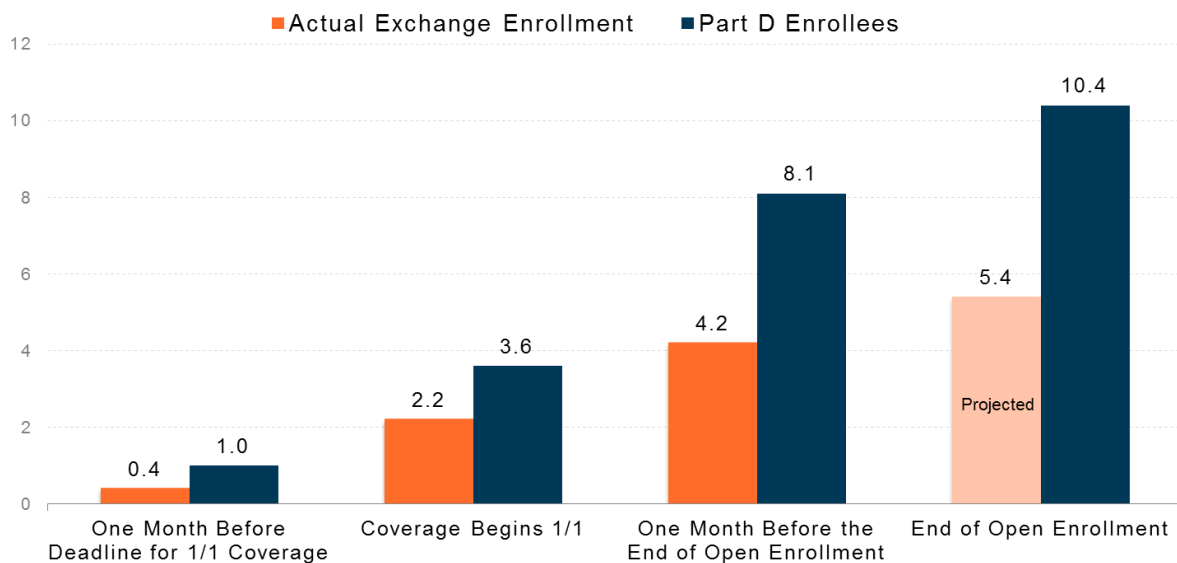
## Avalere Exchange Enrollment Update: Nationwide Enrollment Tracking toward 5.4M by the End of March; Enrollment in Federally-Run Exchanges Is Accelerating

New Avalere analysis finds that exchange enrollment is on track to reach 5.4 million by the end of March when open enrollment is set to end. That number falls short of current Congressional Budget Office (CBO) estimates that six million people will enroll in exchanges in 2014.

“The Administration is conducting aggressive outreach in March in an effort to boost enrollment. However, success of exchanges in 2014 will depend less on the size of the market and more on the risk profile of enrollees,” said Caroline Pearson, vice president at Avalere Health.

The federal government announced yesterday that 4.2 million individuals had enrolled in exchanges through February. By comparison, when the Medicare Part D program began in 2006, 22 percent of voluntary enrollees signed-up in the final month of coverage. If exchanges follow the same pattern, Avalere projects that 1.2M people would enroll in coverage in the month of March.

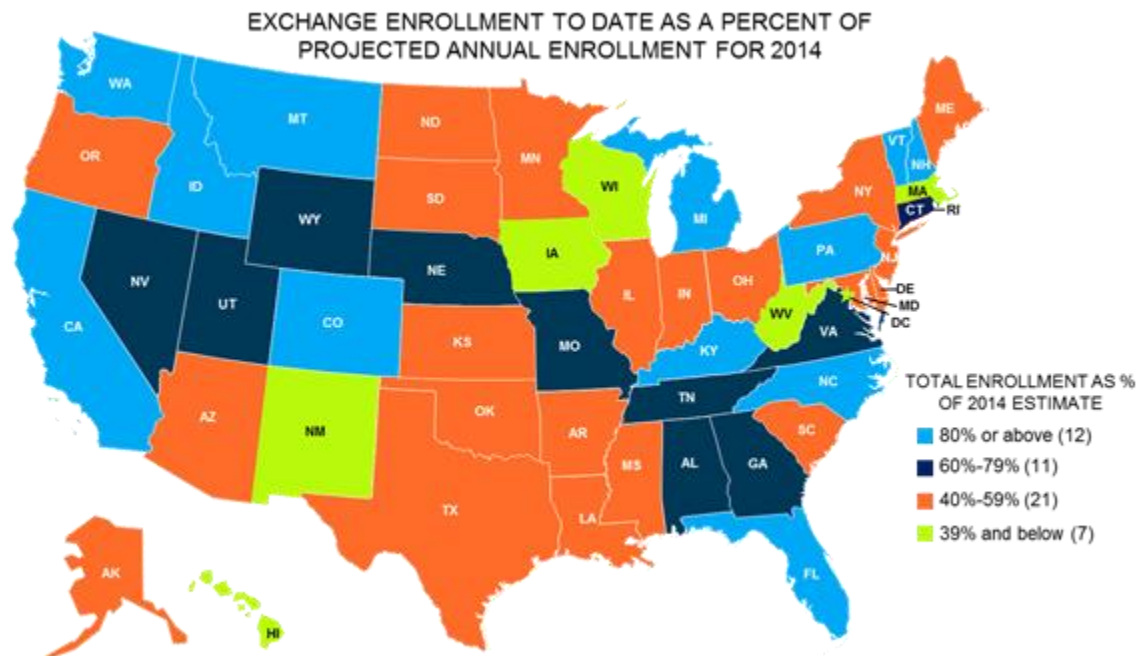
PROJECTED EXCHANGE ENROLLMENT PATTERN BASED ON PART D VOLUNTARY ENROLLMENT EXPERIENCE (IN MILLIONS)



At the state level, exchange progress remains highly variable compared to state-specific enrollment projections for 2014. In both January and February, enrollment in federally run exchanges increased faster than enrollment in state-based exchanges, as federal exchanges recovered from early setbacks caused by Healthcare.gov. California, Florida, Idaho, North

Carolina, and Washington lead the states in terms of enrollment, having enrolled more than the number of people expected to sign-up for exchange coverage in 2014. Meanwhile, the state-based exchanges of Hawaii, DC, and Massachusetts—each of which have struggled with website IT problems—trail the nation in enrollment relative to projections.

“In recent months, enrollment in federally run exchanges has caught-up to the initial enrollment surge in many state-based exchanges. The federal marketplaces have been fixed and now surpass some states in terms of ease of consumer access, eligibility and functionality,” said Dan Mendelson, CEO of Avalere Health.



State	Projected 2014 Enrollment	Actual Enrollment as of February	Total Enrollment, As Percentage of Projected
Alabama	77,000	55,000	72%
Alaska	16,000	6,700	43%
Arizona	111,000	57,600	52%
Arkansas*	48,000	27,400	57%
California	642,000	868,900	135%
Colorado	86,000	83,500	97%
Connecticut	78,000	57,500	74%
Delaware	12,000	6,500	53%
District of Columbia	23,000	6,200	28%
Florida	421,000	442,100	105%
Georgia	180,000	139,400	77%

Hawaii	16,000	4,700	30%
Idaho	35,000	43,900	125%
Illinois	193,000	113,700	59%
Indiana	128,000	65,000	51%
Iowa*	43,000	15,300	36%
Kansas	55,000	29,300	54%
Kentucky	66,000	54,900	83%
Louisiana	98,000	45,600	47%
Maine	44,000	25,400	57%
Maryland	81,000	38,100	47%
Massachusetts	49,000	13,000	27%
Michigan	151,000	144,600	96%
Minnesota	76,000	32,000	42%
Mississippi	52,000	25,600	49%
Missouri	120,000	74,500	62%
Montana	23,000	22,500	97%
Nebraska	36,000	25,600	72%
Nevada	45,000	28,500	64%
New Hampshire	24,000	21,600	89%
New Jersey	186,000	74,400	40%
New Mexico	40,000	15,000	38%
New York	643,000	299,800	47%
North Carolina	198,000	200,500	101%
North Dakota	12,000	5,200	45%
Ohio	172,000	78,900	46%
Oklahoma	73,000	32,900	45%
Oregon	67,000	38,800	58%
Pennsylvania*	180,000	159,800	89%
Rhode Island	30,000	18,900	64%
South Carolina	96,000	55,800	58%
South Dakota	16,000	6,800	43%
Tennessee	115,000	77,900	68%
Texas	577,000	295,000	51%
Utah	61,000	39,900	65%
Vermont	27,000	24,300	91%
Virginia	135,000	102,800	76%
Washington	99,000	107,300	109%
West Virginia	28,000	10,600	38%
Wisconsin	207,000	71,400	34%
Wyoming	11,000	6,800	60%
<b>Total</b>	<b>6,000,000</b>	<b>4,200,000</b>	<b>70%</b>

\* Note: These estimates do not include Medicaid beneficiaries who may be enrolled in exchange plans via “premium assistance” models in Arkansas, Iowa, and Pennsylvania.

**Methodology:**

Avalere Health reviewed monthly enrollment numbers for individuals who voluntarily enrolled in Medicare stand-alone prescription drug plans and aligned the milestones of the Part D initial open enrollment period with those of the initial open enrollment period for exchanges. We then applied the trajectory of voluntary enrollment in Part D to the February exchange enrollment numbers to project total exchange enrollment at the end of March 2014. Medicare Part D open enrollment ran from November 15, 2005 to May 15, 2006. Exchange open enrollment runs from October 1, 2013 to March 31, 2014.

Avalere's analysis incorporates the HHS enrollment figures released on March 11, 2014, as well as updated state-specific tracking from publically-available resources. Enrollment projections are based on Avalere's projections for enrollment distribution by state at the end of 2014 applied to the CBO's February enrollment projection of 6 million. This approach assumes smooth implementation across states; that is, eligible populations take up coverage at similar rates across states.