

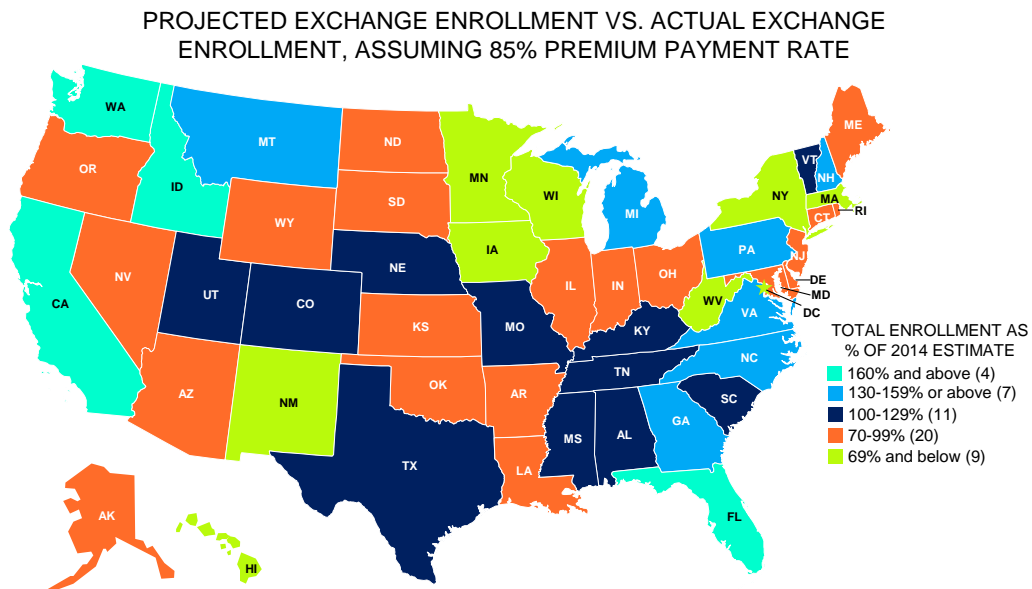


Exchange Enrollment Outpaces Expectations in 22 States

Analysis assumes 85 percent of enrollees pay first month's premium

A new analysis from Avalere Health finds that exchange enrollment meets or exceeds expectations in 22 states (44%), even after accounting for any attrition due to nonpayment of premiums. Assuming 15 percent of enrollees do not take the final enrollment step and pay their premiums, over 6.8 million people who enrolled through April 19 will have coverage effective as of May 1.

“The large uptick in enrollment in March and early April brought many states over the finish line in terms of projected enrollment for 2014,” said Caroline Pearson, Vice President at Avalere. “Even after accounting for potential non-payment, enrollment exceeds 100 percent of projections in nearly half of states.”



Avalere’s analysis compares exchange participation at the end of open enrollment to state projections based on the Congressional Budget Office (CBO) estimate that 6 million people would enroll in exchanges. Florida, California, and Idaho lead in enrollment compared to expectations, while Hawaii and the District of Columbia lag behind with less than 50 percent of expected enrollees paying their first month’s premium.

“Once again, the data paint a diverse and complex picture. Enrollment significantly beat expectations in some states but fell short in others,” said Elizabeth Carpenter, Director at Avalere. “Regional variation is a key feature of the current exchange marketplace, and it could impact carrier decisions to participate in some markets in 2015.”

State	Projected 2014 Enrollment	Actual Enrollment, through April 19	Enrollment, % of Projected	Estimated Enrollment After Premium Attrition	Attrition Enrollment, % of Projected ³	State Rank
Alabama	76,700	97,900	128%	83,200	109%	16
Alaska	15,700	12,900	82%	11,000	70%	41
Arizona	111,500	120,100	108%	102,100	92%	25
Arkansas ¹	48,500	43,400	90%	36,900	76%	38
California	641,500	1,405,100	219%	1,194,300	186%	2
Colorado	85,800	127,200	148%	108,100	126%	12
Connecticut	77,900	79,200	102%	67,300	86%	31
Dist. Of Col.	22,500	10,700	48%	9,100	40%	51
Delaware	12,300	14,100	114%	12,000	97%	23
Florida	421,300	983,800	234%	836,200	199%	1
Georgia	180,500	316,500	175%	269,100	149%	8
Hawaii	15,800	8,600	54%	7,300	46%	50
Idaho	35,000	76,100	217%	64,700	185%	3
Illinois	193,100	217,500	113%	184,900	96%	24
Indiana	127,700	132,400	104%	112,600	88%	30
Iowa ¹	43,000	29,200	68%	24,800	58%	45
Kansas	54,700	57,000	104%	48,500	89%	27
Kentucky	65,800	82,700	126%	70,300	107%	19
Louisiana	97,800	101,800	104%	86,500	88%	29
Maine	44,400	44,300	100%	37,600	85%	33
Maryland	81,000	67,800	84%	57,600	71%	40
Massachusetts	49,000	31,700	65%	26,900	55%	49
Michigan	151,100	272,500	180%	231,700	153%	6
Minnesota	75,500	50,500	67%	42,900	57%	47
Mississippi	52,100	61,500	118%	52,300	100%	22
Missouri	120,200	152,300	127%	129,500	108%	18
Montana	23,100	36,600	158%	31,100	135%	11
Nebraska	35,700	43,000	120%	36,500	102%	21
Nevada	44,600	45,400	102%	38,600	86%	32
New Hampshire	24,300	40,300	166%	34,200	141%	9

New Jersey	185,800	161,800	87%	137,500	74%	39
New Mexico	39,700	32,100	81%	27,300	69%	43
New York	643,100	370,500	58%	314,900	49%	48
North Carolina	197,700	357,600	181%	303,900	154%	5
North Dakota	11,700	10,600	91%	9,000	77%	36
Ohio	171,900	154,700	90%	131,500	76%	37
Oklahoma	73,100	69,200	95%	58,800	80%	35
Oregon	67,400	70,200	104%	59,700	89%	28
Pennsylvania ¹	180,000	318,100	177%	270,400	150%	7
Rhode Island	29,700	28,500	96%	24,200	82%	34
South Carolina	95,800	118,300	124%	100,600	105%	20
South Dakota	16,000	13,100	82%	11,100	70%	42
Tennessee	115,300	151,400	131%	128,600	112%	15
Texas	577,300	733,800	127%	623,700	108%	17
Utah	61,000	84,600	139%	71,900	118%	14
Vermont	26,600	38,000	143%	32,300	122%	13
Virginia	134,800	216,400	161%	183,900	136%	10
Washington ²	98,900	163,200	165%	163,200	165%	4
West Virginia	27,800	19,900	71%	16,900	61%	44
Wisconsin	207,300	139,800	67%	118,800	57%	46
Wyoming	11,300	12,000	106%	10,200	90%	26
Total	6,000,000	8,025,500		6,821,700		

¹Note: These estimates do not include Medicaid beneficiaries who may be enrolled in exchange plans via “premium assistance” models in Arkansas, Iowa, and Pennsylvania.

²Washington reported only enrollees who made their first month premium payment

³Assumes 85 percent of individuals who enroll pay first month’s premium based on public comments by health insurers participating in the exchange, which have indicated that 80 to 90 percent of applicants are paying premiums.

Methodology:

Avalere’s analysis incorporates the HHS enrollment figures released on May 1, 2014, as well as updated state-specific tracking from publicly-available resources in Colorado, Minnesota, and Oregon. 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.

Since enactment of the Affordable Care Act (ACA), Avalere has developed and continually refined an enrollment model that projects coverage over ten years at the state level. The model accounts for state decisions about whether to expand Medicaid. In addition to enrollment reports from the federal government, Avalere utilizes a range of data sources to account for local population demographics and experience. Such sources include data from the Congressional Budget Office (CBO), Centers for Medicare & Medicaid Services (CMS) on Medicaid Managed Care Enrollment Report and Medicare Enrollment, the Census Bureau's American Community Survey (ACS) and Current Population Survey (CPS), and the Urban Institute. Avalere also evaluates past program launches including the Medicare Part D Program and the Massachusetts exchange, known as the Health Connector.

For exchanges specifically, our model primarily examines local coverage and demographic information for the exchange-eligible population, which primarily includes the uninsured and non-group markets pre-2014. We also include some other modest shifts such as those out of employer coverage and those in states that previously had more generous Medicaid programs, planning to roll back eligibility to 138% of poverty and move these lives into the exchanges. Avalere assumes that seven states—Connecticut, Maine, New Jersey, New York, Rhode Island, Vermont, and Wisconsin—are shifting higher-income, adult Medicaid beneficiaries out of their Medicaid programs and into exchange coverage. It is unclear how quickly these states are making this transition, which could make the enrollment projections for these states appear higher than expected.

Avalere assumes 85 percent of people who choose a health plan will effectuate coverage by paying their first month's premium, based on public comments by health insurers participating in the exchange which have indicated that 80 to 90 percent of applicants are paying premiums.