



Avalere's Take: Exchange Open Enrollment Figures 9.6 Million Have Enrolled So Far

With less than a month to go in 2015 exchange open enrollment, the Department of Health and Human Services (HHS) today released new estimates of sign-ups to date. But where do we really stand? Avalere addresses a few of the tough questions and offers some observations as the close of open enrollment on February 15 approaches.

How many people have enrolled? 9.6 million. According to the latest enrollment reports, approximately [7.2 million people](#) have picked a plan so far during the 2015 open enrollment period through the federal exchange (FFM). Another 2.4 million have selected or been automatically enrolled through state-based exchanges using their own technology platforms, bringing total nationwide plan selections to 9.6 million. At the end of open enrollment last year, [just over 8 million](#) people had chosen insurance through exchanges nationwide. In short, at least 1.6 million more people have selected a plan so far during 2015 open enrollment than did by the end of open enrollment in 2014. Notably, these data represent individuals who have picked a plan and do not account for attrition that will occur as some applicants fail to pay the first month's premium or drop out of coverage throughout the year.

How does this compare to prior projections? 2.4 million to meet the CBO's goal. Earlier this week, the Congressional Budget Office (CBO) downgraded its 2015 exchange enrollment projection from 13 million to 12 million. While the change was not unexpected, the decrease was modest relative to the Administration's comparatively low prediction of 9.1 million. Importantly, the CBO estimate represents the average number of people who have effectuated coverage throughout 2015. As such, it appears unlikely that enrollment will reach 12 million, unless there is a massive surge in applications in the final weeks of open enrollment.

How many of the sign-ups are new enrollees? 3 million. The latest data from HHS finds that approximately 3 million new enrollees in the federal exchange (42 percent of total enrollment) had picked a plan. The remaining 4.2 million (or 58 percent) were consumers re-enrolling. This split is likely to shift in favor of new enrollees as the open enrollment period comes to a close, now that most automatic re-enrollments have been completed.

How are the states stacking up? Enrollment in exchanges has shifted dramatically toward FFM states. State-based exchanges now make up approximately 7 percent less of the exchange market than in 2014. Most dramatically, California, the largest state by exchange enrollment in 2014, has seen its share of the national exchange plan selections drop by 4.9% compared to 2014 and now has fallen behind Florida in total plan selections. In fact, at least eight states have fewer plan selections today than at the end of open enrollment in 2014. By contrast, several other states have significantly increased their share of the total exchange selections including Missouri, Indiana, Virginia, and Florida.

Who is signing up? In the [enrollment analysis](#) released in December 2014, Avalere noted that exchanges largely enrolled “easy-to-reach” populations in 2014, including sicker, older, lower-income, and non-Hispanic populations. By contrast, exchanges will need to enroll harder-to-reach populations in 2015. So far, exchanges are making some limited progress toward this goal, particularly for Hispanic enrollees. As of January 16, Hispanics make up 10 percent of the federal exchange enrollees so far in 2015, compared to 7 percent in 2014. Meanwhile, women continue to outpace men for enrollment, and enrollment for young invincibles continues to lag behind last year—although HHS points out that this demographic enrolled disproportionately late in last year’s open enrollment period.

Where will exchange enrollment stand at the end of 2015? Given process to date, it seems safe to say that exchange enrollees will hit the Administration’s goal of 9.1 million paid enrollees by the end of 2015 open enrollment; however, enrollment is likely to fall short of the Congressional Budget Office’s latest prediction of 12 million enrollees. Not all consumers choosing a plan will effectuate coverage, and others may stop paying premiums. In addition, other enrollees will join the market through special enrollment periods throughout the year. In total, Avalere is sticking to its late-2014 predictions that exchange enrollment will settle around 10.5 million by the end of 2015.

###

Avalere continues to analyze the implementation of exchanges nationwide and the impact on the health industry. Experts are available for comment as the end of 2015 open enrollment approaches and in reaction to HHS enrollment reports. Please contact Frank Walsh at fwalsh@gymr.com or (504) 309-5164 if you would like to speak with an expert at Avalere Health.

Avalere Health is a strategic advisory company whose core purpose is to create innovative solutions to complex healthcare problems. Based in Washington, D.C., the firm delivers actionable insights, business intelligence tools and custom analytics for leaders in healthcare business and policy. Avalere’s experts span 180 staff drawn from Fortune 500 healthcare companies, the federal government (e.g., CMS, OMB, CBO and the Congress), top consultancies and nonprofits. The firm offers deep substance on the full range of healthcare business issues affecting the Fortune 500 healthcare companies. Avalere’s focus on strategy is supported by a rigorous, in-house analytic research group that uses public and private data to generate quantitative insight. Through events, publications and interactive programs, Avalere insights are accessible to a broad range of customers. For more information, visit avalere.com, or follow us on Twitter @avalerehealth.