

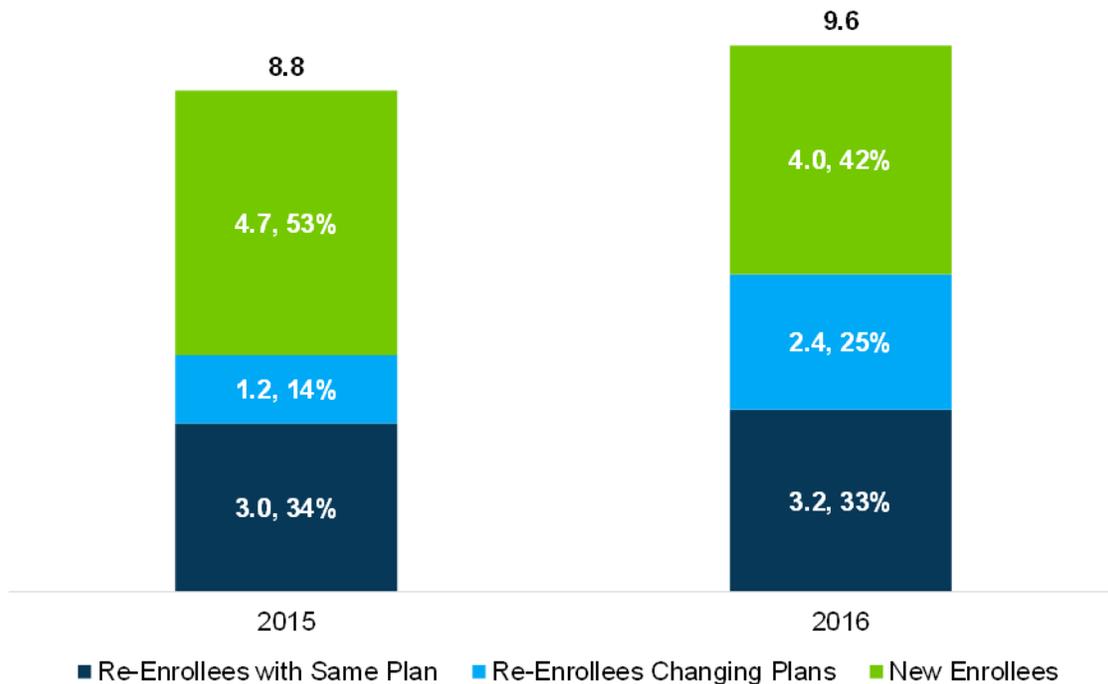
Only 33 Percent of Exchange Enrollees in 2016 Kept Their Same Plan from 2015

One third of those who enrolled in a health insurance plan on Healthcare.gov this year picked the same plan as last year, according to a new analysis from Avalere. In total, 3.2 million of the 9.6 million exchange shoppers in 2016 kept their previous plan.

An additional 2.4 million people--25 percent of all Healthcare.gov shoppers--selected a different plan from their 2015 choice. More than forty percent were new enrollees to the market.

Between individuals coming in and out of the market in a given year and those who switch plans, the majority of people in exchanges are enrolled in their plans for one year or less. This degree of plan switching in exchanges is distinct from other markets. For instance, Medicare beneficiaries are more likely to choose a plan and stick with it from year to year, even in spite of increases in premiums.

Exchange Enrollment by Enrollee Type, 2015 - 2016



“These data underscore how turbulent enrollment in the exchange market has been,” said Caroline Pearson, senior vice president at Avalere. “Significant annual turnover is challenging for plans aiming to manage enrollees’ health and patients seeking continuity of care.”

It is likely that some exchange enrollees are leaving the market for other sources of insurance, including Medicaid or employer coverage, particularly because most exchange enrollees are low-income. In 2016, 66 percent of individuals selecting a plan on Healthcare.gov had incomes



at or below 200 percent of federal poverty. Indeed, significant academic research has found that low-income households generally experience significantly more income volatility throughout the year. Furthermore, those who remain in the market are frequently re-shopping to find a lower premium plan.

“Exchange consumers are extremely price sensitive,” said Elizabeth Carpenter, senior vice president at Avalere. “As premiums change from year to year, consumers shop around for the best deal. This may lower monthly costs, but may disrupt care continuity.”

Methodology

Avalere examined the exchange enrollment data released in the ASPE [Health Insurance Marketplaces 2015 Open Enrollment Period: March Enrollment Report](#) and [Health Insurance Marketplaces 2016 Open Enrollment Period: Final Enrollment Report](#). Avalere assumed that automatic re-enrollees were re-enrolled in the same plan and grouped them with active re-enrollees who remained in the same plan. Avalere used the Kaiser Family Foundation [To Switch or Not to Switch: Are Medicare Beneficiaries Switching Drug Plans to Save Money?](#) to compare the propensity of enrollees to switch to Medicare and the [Low-Income Households and Income Volatility](#) report by the University of Washington Evans School of Public Affairs to demonstrate inherent volatility among the low income population.

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