



November 14, 2015

## **Forecasting Enrollment and Subsidies in the ACA Exchanges**

Roundtable: Forecasting the Effects of  
Public Policies on Budgets and People

Association for Public Policy Analysis and Management  
Miami, Florida

Jessica S. Banthin, Deputy Assistant Director  
Health, Retirement, and Long-Term Analysis Division

# Relevant CBO Reports

---

- Cost estimate for H.R. 4872, Reconciliation Act of 2010 (Final Health Care Legislation) (March 20, 2010), [www.cbo.gov/publication/21351](http://www.cbo.gov/publication/21351).
- *Estimates for the Insurance Coverage Provisions of the Affordable Care Act Updated for the Recent Supreme Court Decision* (July 24, 2012), [www.cbo.gov/publication/43472](http://www.cbo.gov/publication/43472).
- *Updated Budget Projections: Fiscal Years 2013 to 2023* (May 14, 2013), [www.cbo.gov/publication/44172](http://www.cbo.gov/publication/44172).
- *Updated Estimates of the Effects of the Insurance Coverage Provisions of the Affordable Care Act* (April 14, 2014), [www.cbo.gov/publication/45231](http://www.cbo.gov/publication/45231).
- *Updated Budget Projections: 2015 to 2025* (March 9, 2015), [www.cbo.gov/publication/49973](http://www.cbo.gov/publication/49973).

# CBO's Estimates of Exchange Enrollment and Subsidies

- CBO usually updates its baseline projections three times a year; the spring baseline is the major update for the Affordable Care Act (ACA) Exchange.
- Types of changes
  - Changes in law
  - Changes in the economic forecast
  - Technical changes from new information, data, regulations, and changes in modeling assumptions
- This presentation focuses on five of those baseline estimates
  - March 2010, initial ACA estimate
  - July 2012, updated for the Supreme Court decision
  - May 2013, spring baseline
  - April 2014, spring baseline
  - March 2015, spring baseline

# Main Challenges in Forecasting Exchange Enrollment

---

- New program
- Duration of the phase-in period
- Effect of the individual mandate
- Supreme Court decision regarding Medicaid expansion

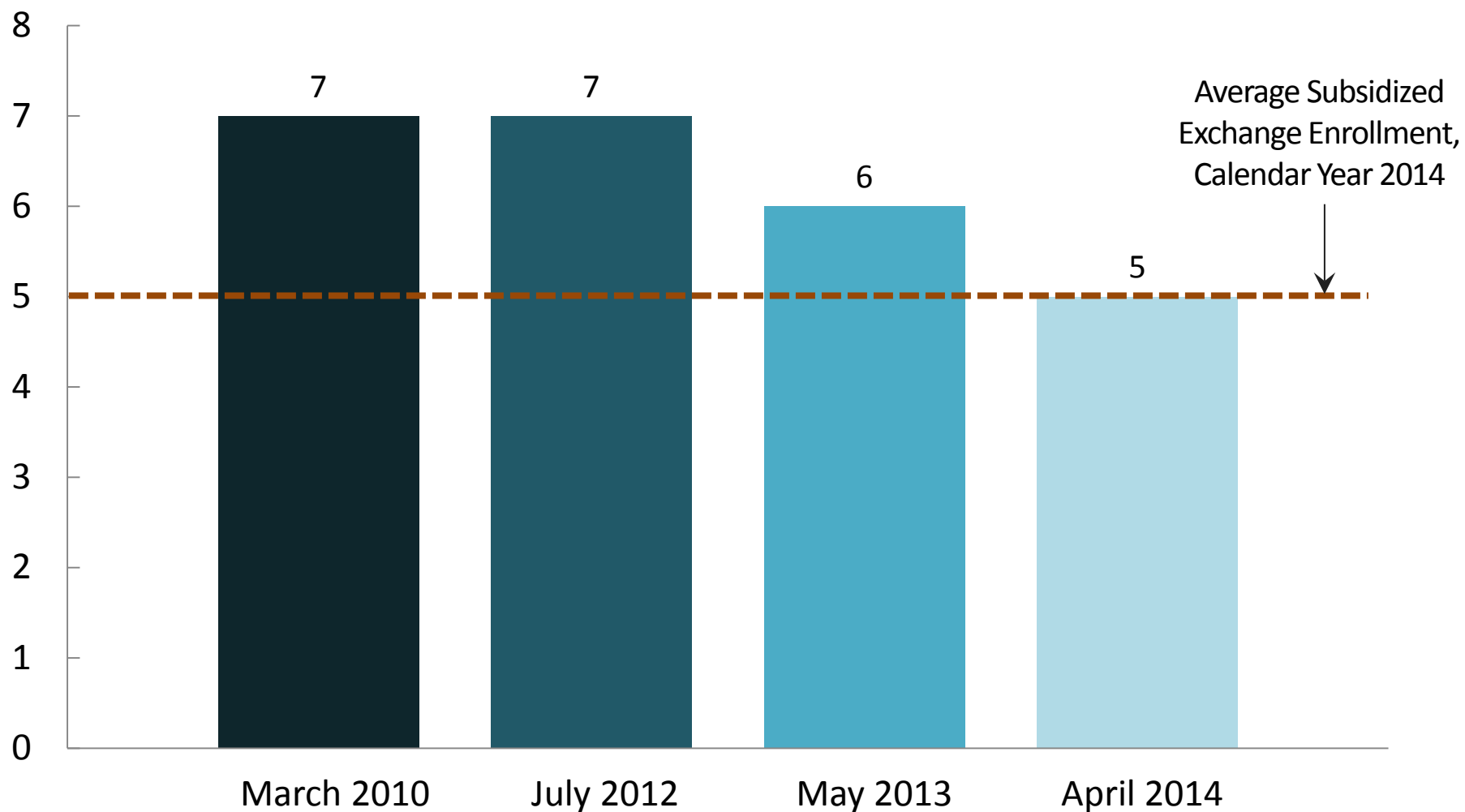
# CBO's Projections of Subsidized Exchange Enrollment

---

- Many people who obtain insurance through the exchanges receive federal subsidies, but some do not.
- The following figures focus on the number of subsidized enrollees.
- CBO's estimates of subsidized exchange enrollment are presented as average annual enrollment for the year.

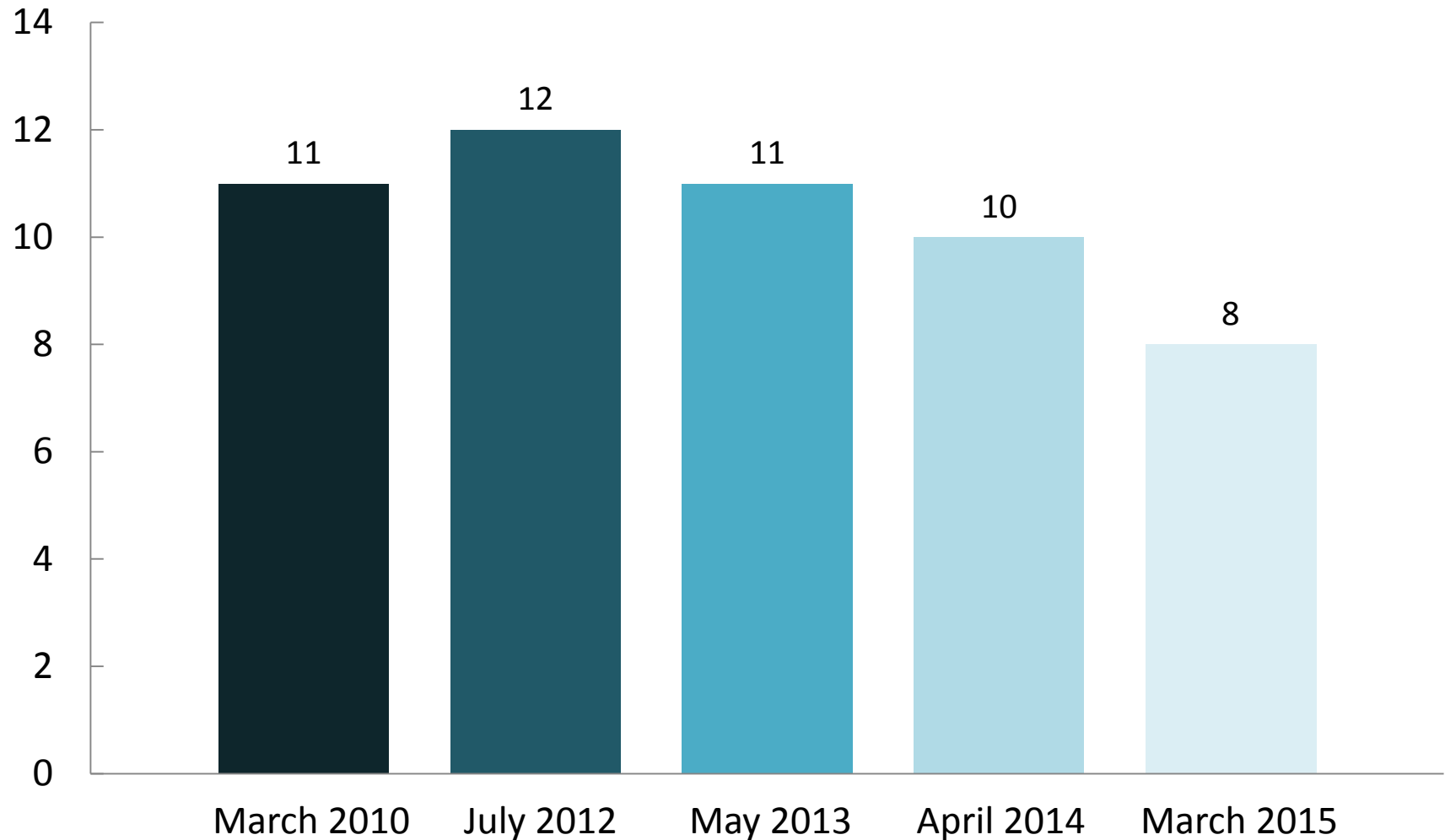
# CBO's Projections of Subsidized Exchange Enrollment in 2014 (Average for the year)

Millions of People



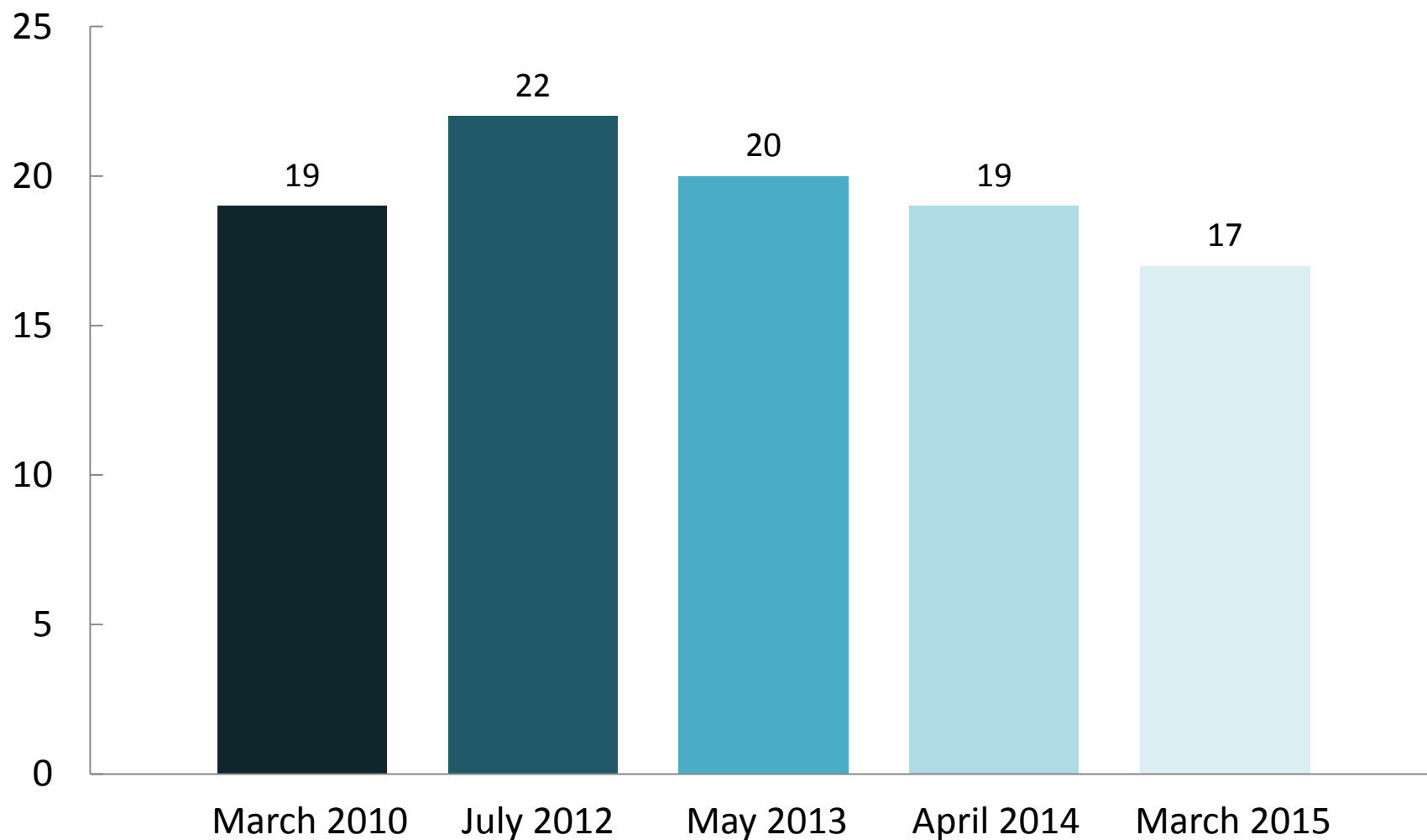
# CBO's Projections of Subsidized Exchange Enrollment in 2015 (Average for the year)

Millions of People



# CBO's Projections of Subsidized Exchange Enrollment in 2019 (Average for the year)

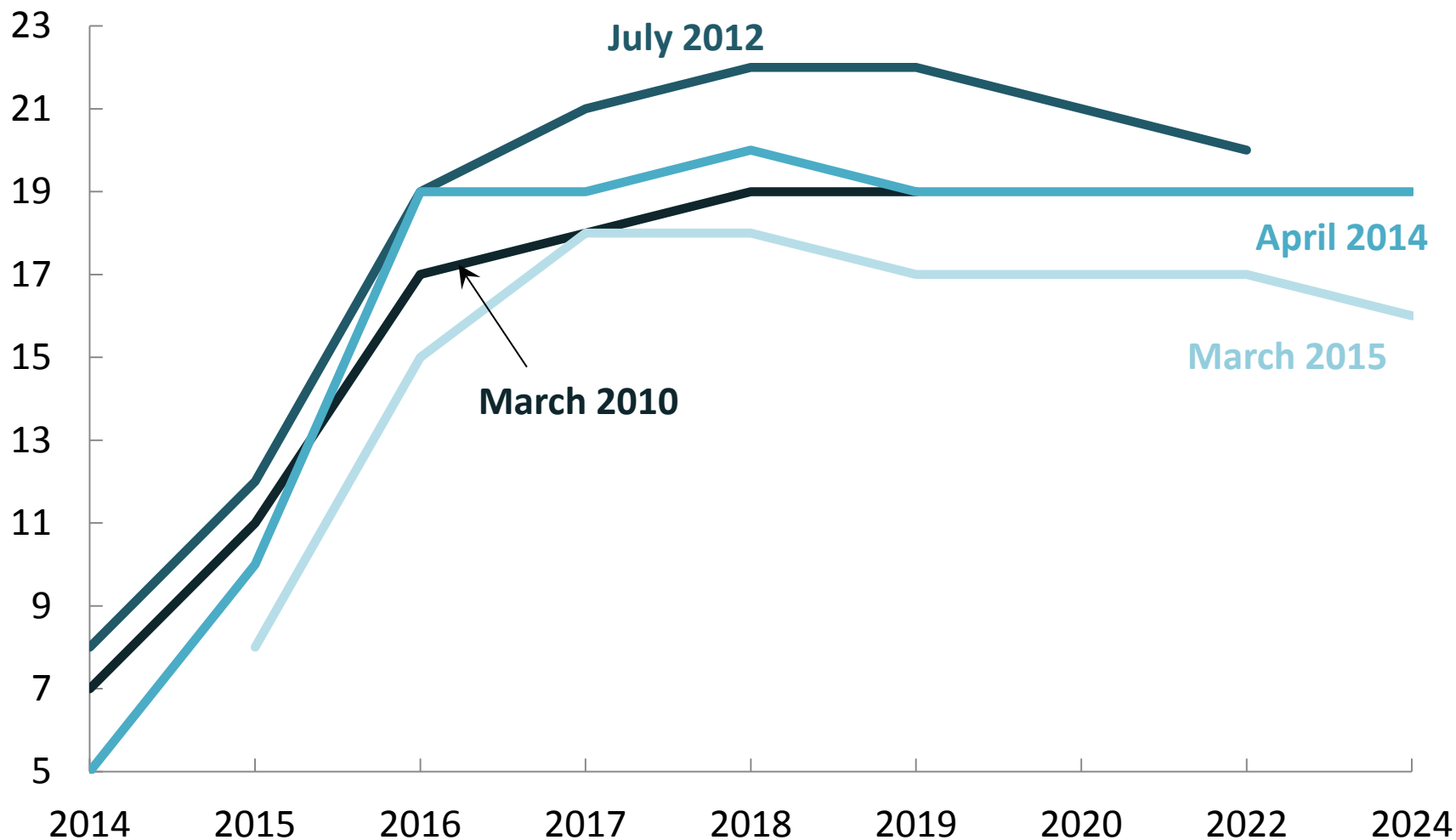
Millions of People





# Subsidized Exchange Enrollment Projections

Millions of People



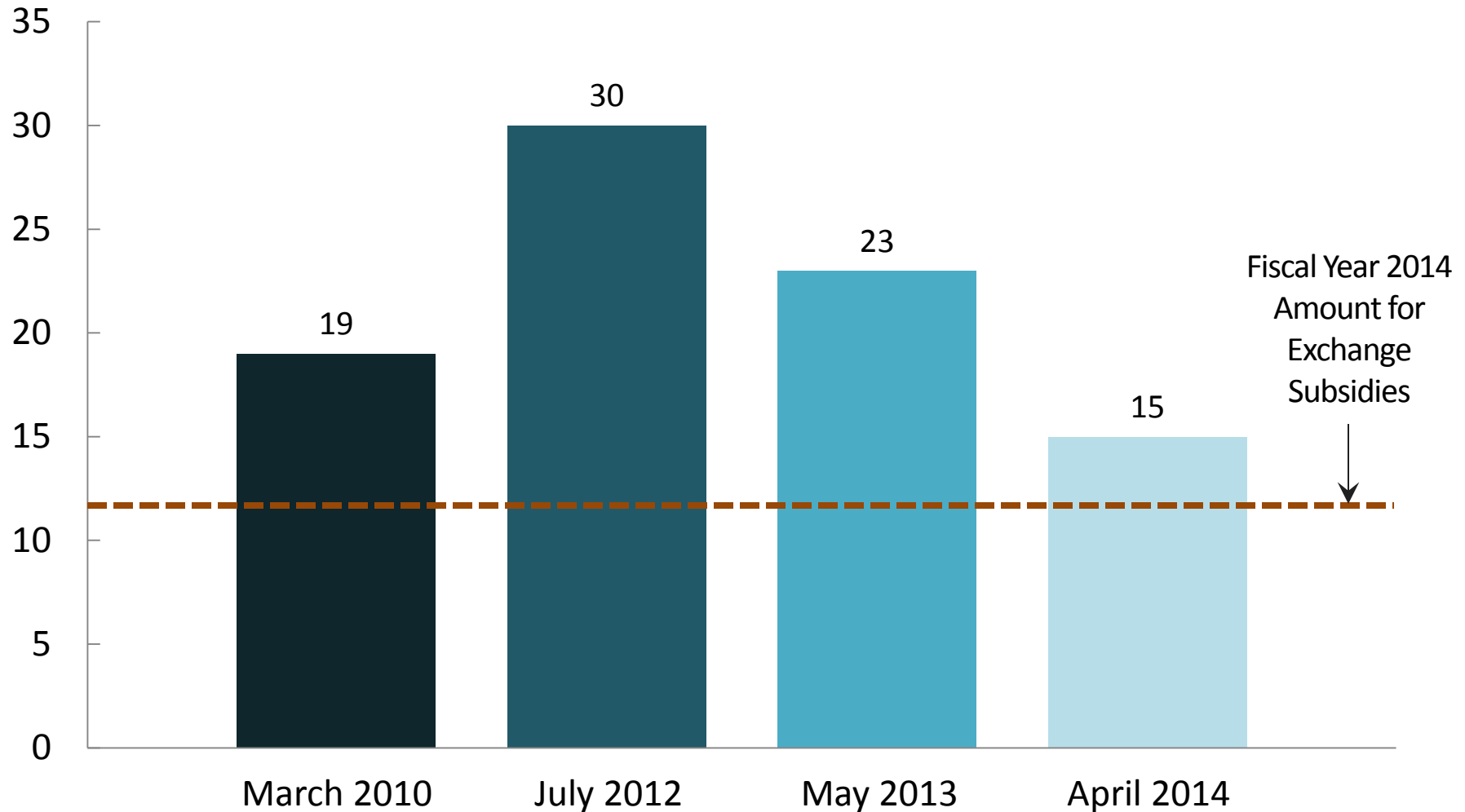
# Main Challenges in Forecasting Exchange Premiums and Subsidies

---

- Health status of new enrollees
- Continued slowdown in health care cost growth
- Extent of insurer participation in new program
- Characteristics of plans offered
- Income and age distribution of enrollees, which determines aggregate subsidies

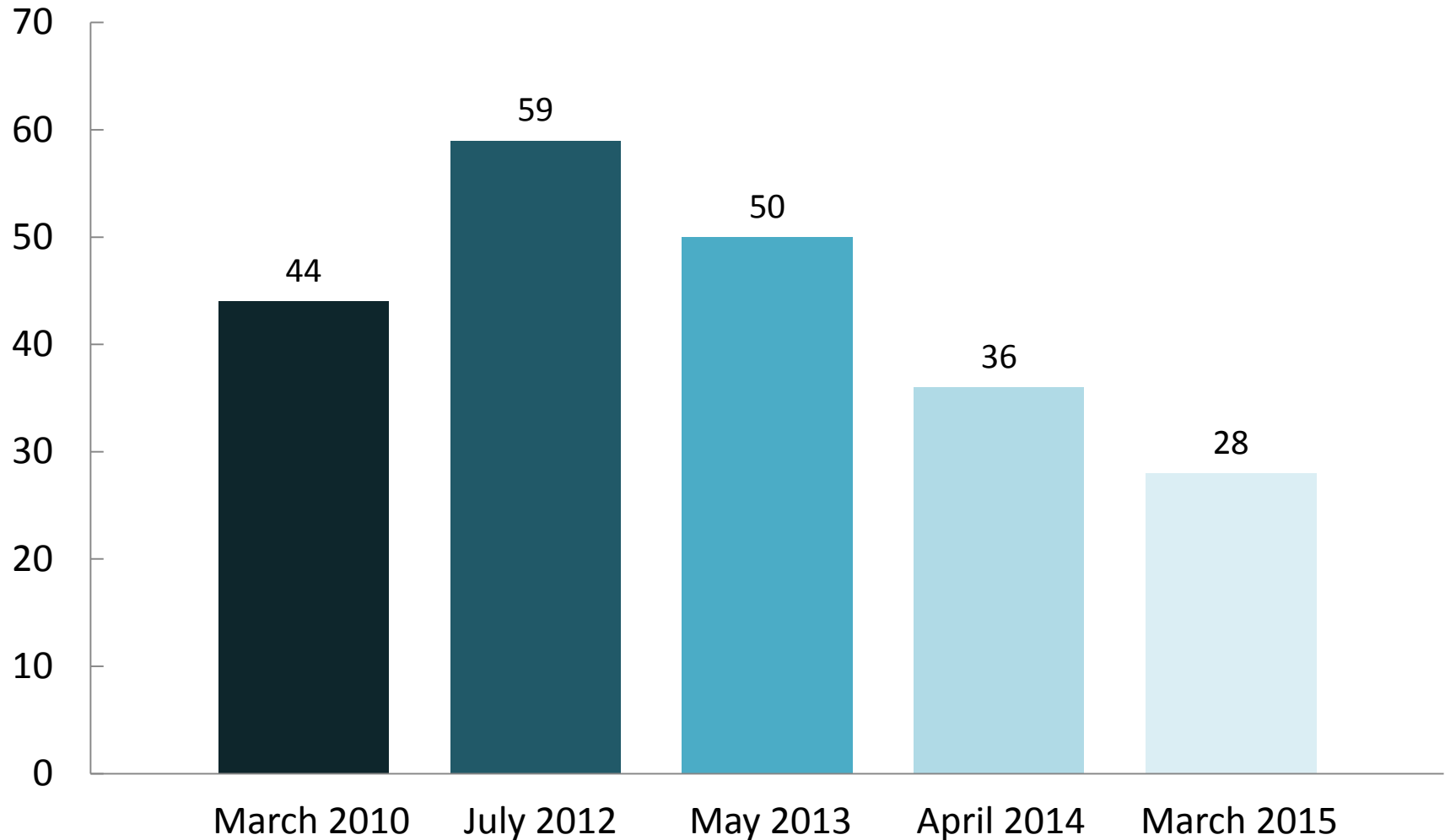
# CBO's Projections of Exchange Premium Tax Credits and Cost-Sharing Subsidies in 2014

Billions of Dollars



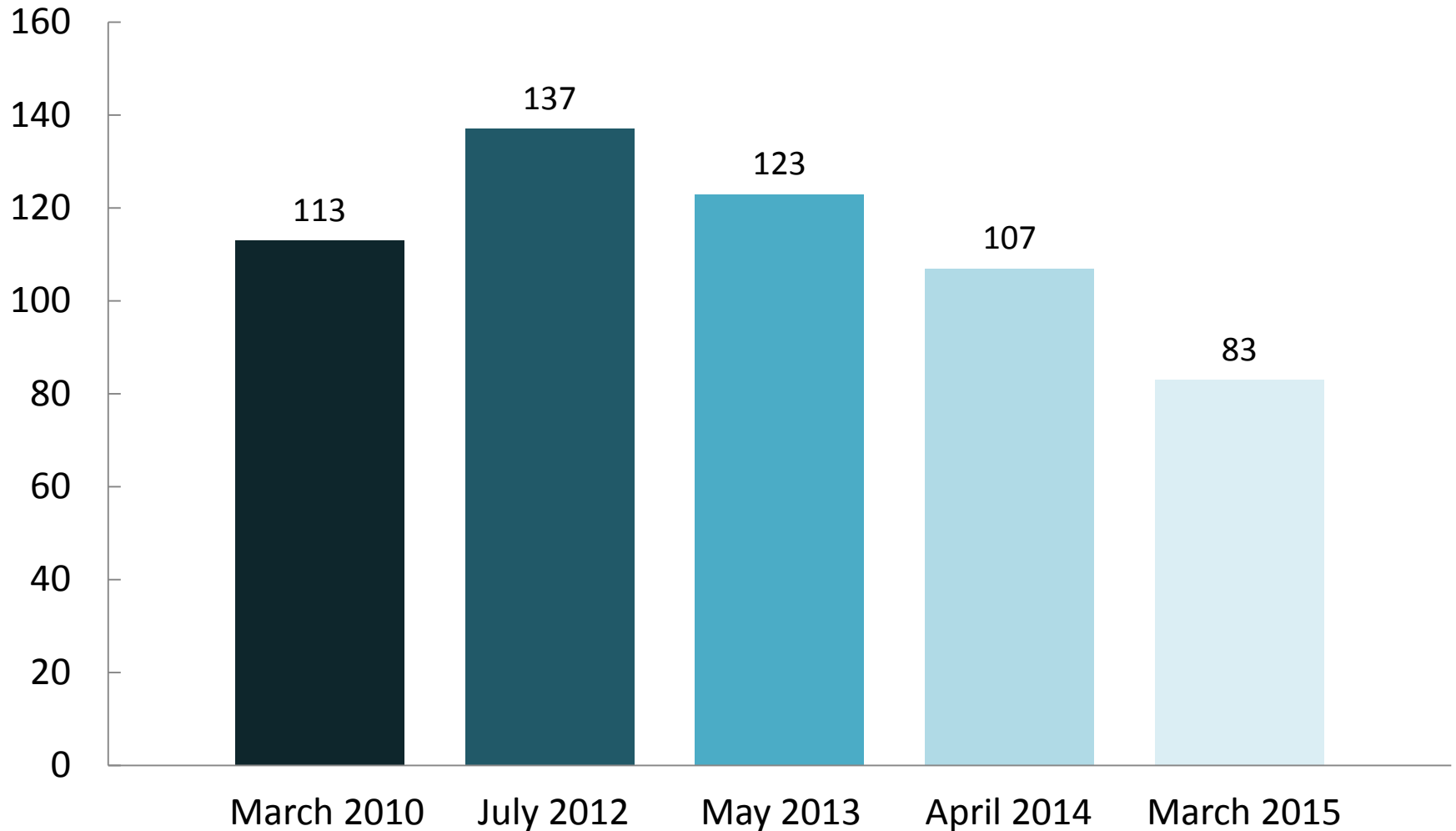
# CBO's Projections of Exchange Premium Tax Credits and Cost-Sharing Subsidies in 2015

Billions of Dollars



# CBO's Projections of Exchange Premium Tax Credits and Cost-Sharing Subsidies in 2019

Billions of Dollars



# Exchange Premium Tax Credits and Cost-Sharing Subsidies

Billions of Dollars

