An Evaluation of the Affordability of ACA Health Insurance Exchange Coverage

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ABSTRACT

The Affordable Care Act established state-level marketplaces where individuals could obtain health insurance coverage. This project will evaluate the performance of these state marketplaces after ten years of operation. My research peers and I have compared differences across states in various characteristics, such as enrollment and health plan competition. We have developed a repository for research literature that addresses multiple outcomes of these mechanisms and a visual representation of such findings. Our main objective was to identify features associated with the success of the marketplaces in providing health insurance and, consequently, necessary healthcare services to the population.
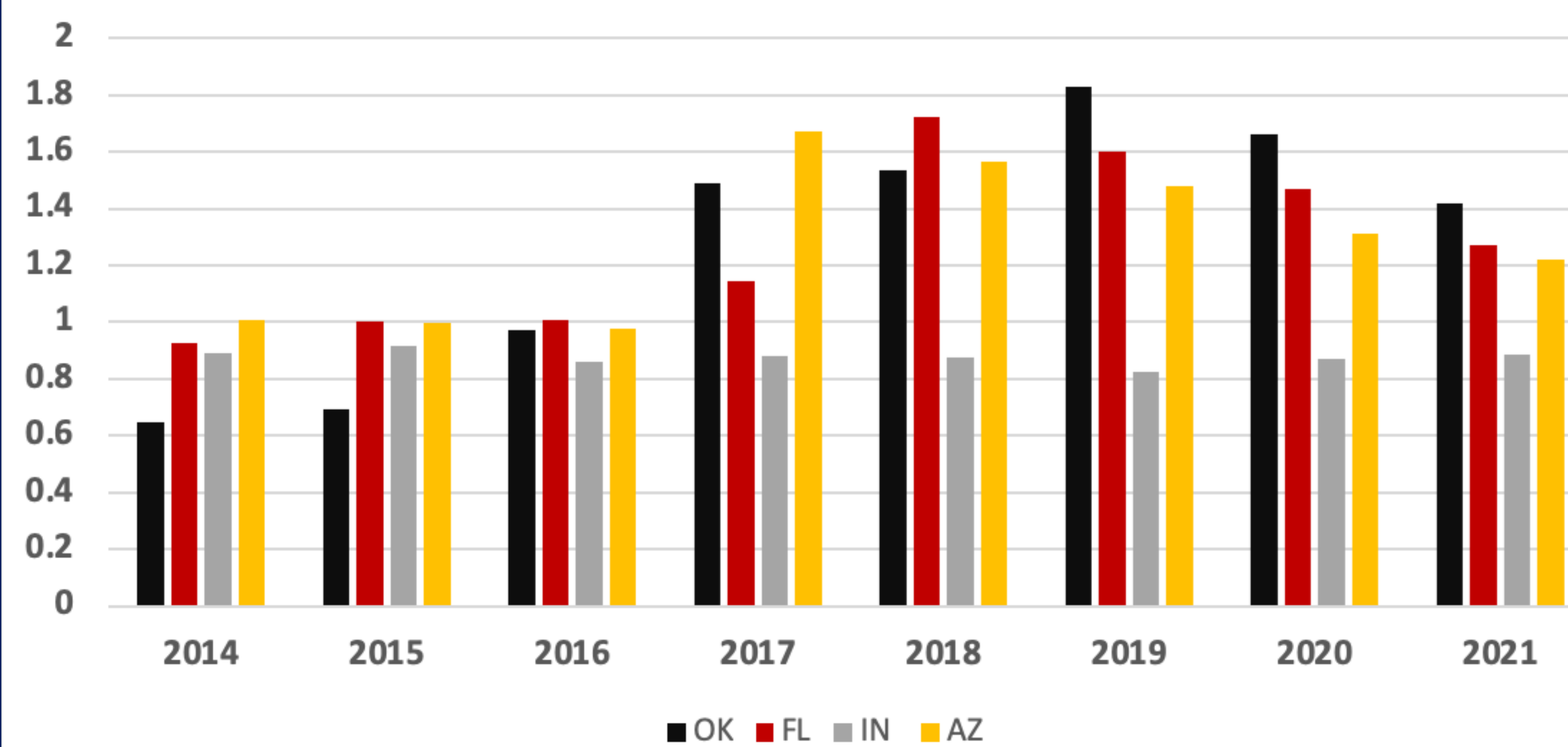
INTRODUCTION

The purpose of this research is to evaluate the different factors that may contribute to the number of insurers (premiums) - in the ACA Exchange - across states and counties of the United States. Factors researched by my fellow peers include demographics (urban/rural), unemployment, ethnicity, and . My contribution to this research involved evaluating and analyzing the relationship between insurance premiums and income, more specifically, the variance of 40-year-old enrollees of silver plans based on their income throughout the years from 2014 to 2021. This research strives to collect data on different variables throughout past years in order to notice any possible trends not yet come to surface.

METHOD

Regarding the execution of this research, two sets of data were crucial findings: income per capita and the number of households with the silver plan premium by year and county. After finding such datasets, a database was created to calculate a premium-to-income ratio to analyze the variables further. Once calculated, a pivot chart and table were implemented to facilitate the analysis of the ratio (y-axis) by filtering through states and counties throughout the years 2014-2021 (x-axis). With the results displayed in the chart, we can analyze potential trends in silver plan premiums for 40-year-olds regarding income across counties in the United States.

10-Year Premium/Income Ratio
Average Silver Plans for 40-year-olds

Legend: OK, FL, IN, AZ

ACKNOWLODGEMENT

REFERENCES

U.S. Bureau of Labor Statistics. (2023, March 2). U.S. Bureau of Labor Statistics. Retrieved March 4, 2023, from https://www.bls.gov/

RESULTS

The graph created allowed us to visualize significant and interesting trends. As displayed, the premium-to-income for 40-year-old adults remained somewhat constant in the first three years of data; however, a steep increase in the ratio in most states in the exchange began, reaching its peak between 2017 and 2019. This boom signifies silver plans between these years grew more expensive. Average state income did not vary significantly over this time period, suggesting that the trend in premium/income largely reflects changes in the cost of coverage. Therefore, the main effects on the ratio came from the number of issuers (premiums) offered across counties, implying that a potential decrease in the number of issuers may have resulted in those high prices. Fortunately, for the past few years, there has been a gradual decrease in the premium-to-income ratio, implying a potential rise in issuers in the market, resulting in more affordable plans. Furthermore, this analysis opens a new discussion on stability. As coverages become more affordable, can we take it as an indicator that the exchanges are stabilizing?

DISCUSSION

The increase in the premium-to-income ratio between 2017 and 2019 opens a literature review involving reasons for the potential exit of issuers in the market between those years. In addition, we are also searching for per capita income data to amplify the extent of this project.
This research project is ongoing. My collaboration involves one of many additional variables being explored - by my peers and other researchers involved - that may also impact the exchange.
We are hopeful that the findings of this evaluation will serve as a great informational source for individuals and families with healthcare insurance coverage in the exchange.