

Currently an estimated 18 million people in the United States are covered on an individual market plan.¹ While this has been an important step forward in providing adequate, affordable health plan options; we know weaknesses in current law need to be addressed. Repairs that help stabilize the individual market will help avoid drastic premium price hikes and ensure that people can purchase affordable plans with the healthcare services they need.

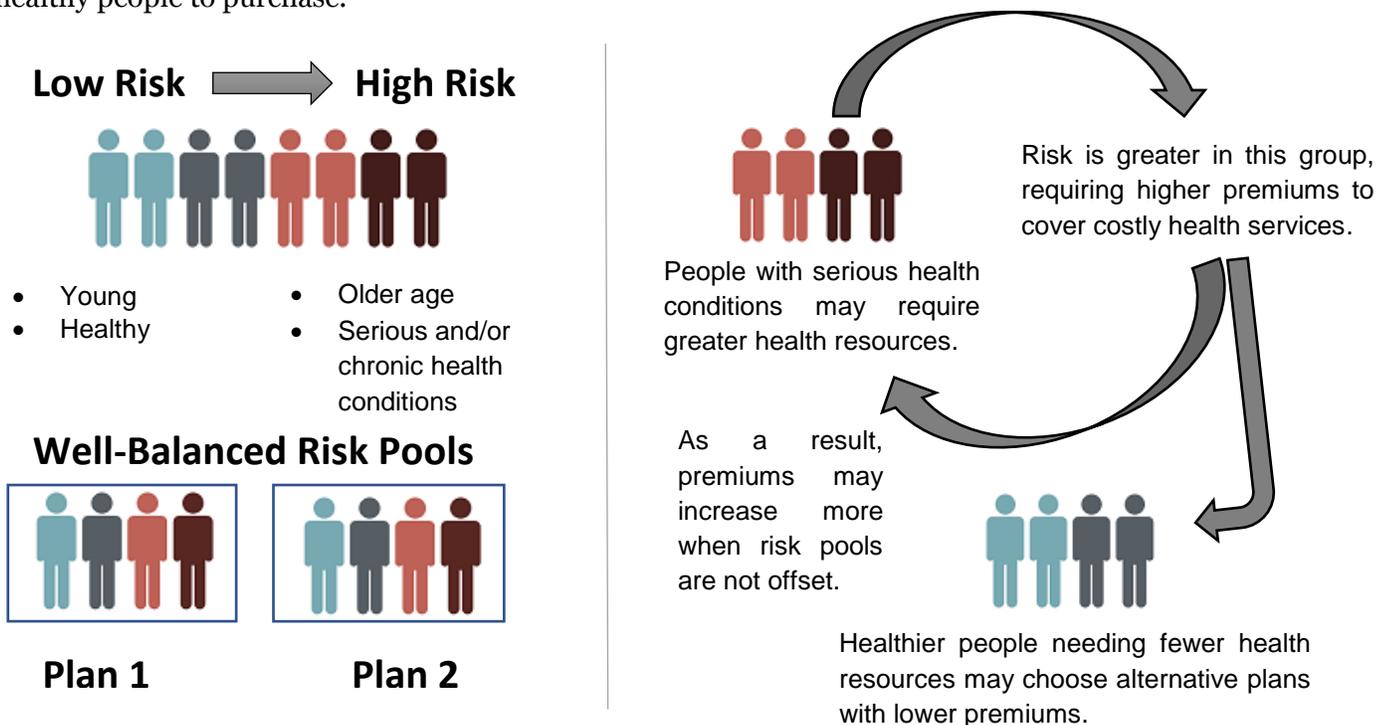
What are the issues?

Overall, the majority of our healthcare system is stable. Destabilizers affecting the individual market stem from:

- Challenges of having too few healthy, low-risk enrollees, aka “young invincibles”;
- A greater than expected number of high-risk enrollees with serious or chronic illnesses;
- Reduced outreach and funding to promote enrollment in the individual market;
- Executive order nudging agencies to waive enforcement of the individual mandate² and;
- Ongoing uncertainty about federal government plans to retain cost-sharing reductions payments to insurers that help subsidize out-of-pocket costs for low income populations.

What is a risk pool and why does it matter?

Initially, high risk pools were created to help finance coverage for people deemed uninsurable due to preexisting conditions. Generally speaking, the term high-risk pool refers to one or more plans with a greater proportion of high-risk or seriously ill people. When few healthy people enroll in these plans, the pool of low- and high-risk people needed to keep premium costs low becomes unbalanced. As a result, premiums may rise in these high risk pools and those plans become even less attractive for healthy people to purchase.



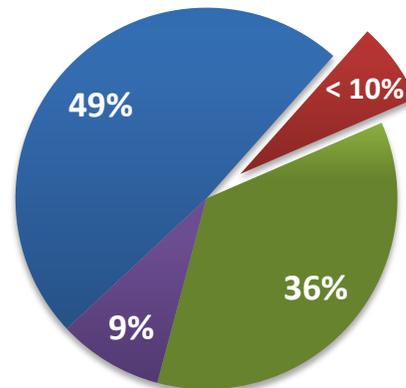
Who is affected?

Congress has now narrowed its focus on reforms to help stabilize the individual market affecting approximately 18 million people. These reforms are directed only towards the individual market depicted by the red slice in the pie chart below. Stabilization reforms should not have direct impact on the majority of people who have health insurance through Medicare, Medicaid or an employer group plan shown in the blue and green slices below.

U.S. Insurance Coverage by Market in 2015

- Employer Group Plan
- Individual market (Non-group)
- Medicare, Medicaid, other public plans
- Uninsured

Source: Kaiser Family Foundation, 2015.



The Department of Health and Human Services (HHS) has cut open enrollment period in half (from 90 to 45 days) and significantly scaled back funding for outreach and enrollment assistance for the upcoming plan year^{3,4}. The implications of these changes remain unclear; however, we can expect that fewer healthy people may enroll in the individual market. We will monitor the impact of these cuts as policymakers propose various solutions.

What we support

- Continued federal **cost-sharing reduction payments** to insurers that lower out-of-pocket costs (deductibles, coinsurance and copayments) for qualifying, lower-income enrollees.
- Efforts to encourage enrollment of healthy people in the individual market to balance the risk pool, including support for **outreach, navigation assistance and education**.
- **Increased state flexibility** for implementing insurance regulations that preserves ACA's preexisting condition, essential health benefits and other patient protections.

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1. Congressional Budget Office. The Budget and Economic Outlook: 2017 to 2027. January 2017. [Link](#).
 2. The White House Office of the Press Secretary. Executive Order Minimizing the Economic Burden of the PPACA Pending Repeal. January 20, 2017. [Link](#).
 3. Department of Health and Human Services. Patient Protection and Affordable care Act; Market Stabilization. [CMS-9929-F]. April 2017. [Link](#).
 4. Department of Health and Human Services. Policies Related to the Navigator Program and Enrollment Education for the Upcoming Enrollment Period. August 31, 2017. [Link](#).

ABOUT NATIONAL PATIENT ADVOCATE FOUNDATION

The National Patient Advocate Foundation, the advocacy affiliate of the Patient Advocate Foundation, represents patient voices, both the powerful stories of individuals and the collective needs of the community. Our staff and advocates work at the local, regional, and national level to promote equitable access to affordable, quality health care for people with serious and chronic illnesses. We are thought leaders in developing person-centered policies that promote communication, shared-decision making, quality care improvement, and safety-net services navigation supporting quality of life for all patients and caregivers.