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The Affordability of Employer Sponsored Care and the ACA Exchange Health Care Plans

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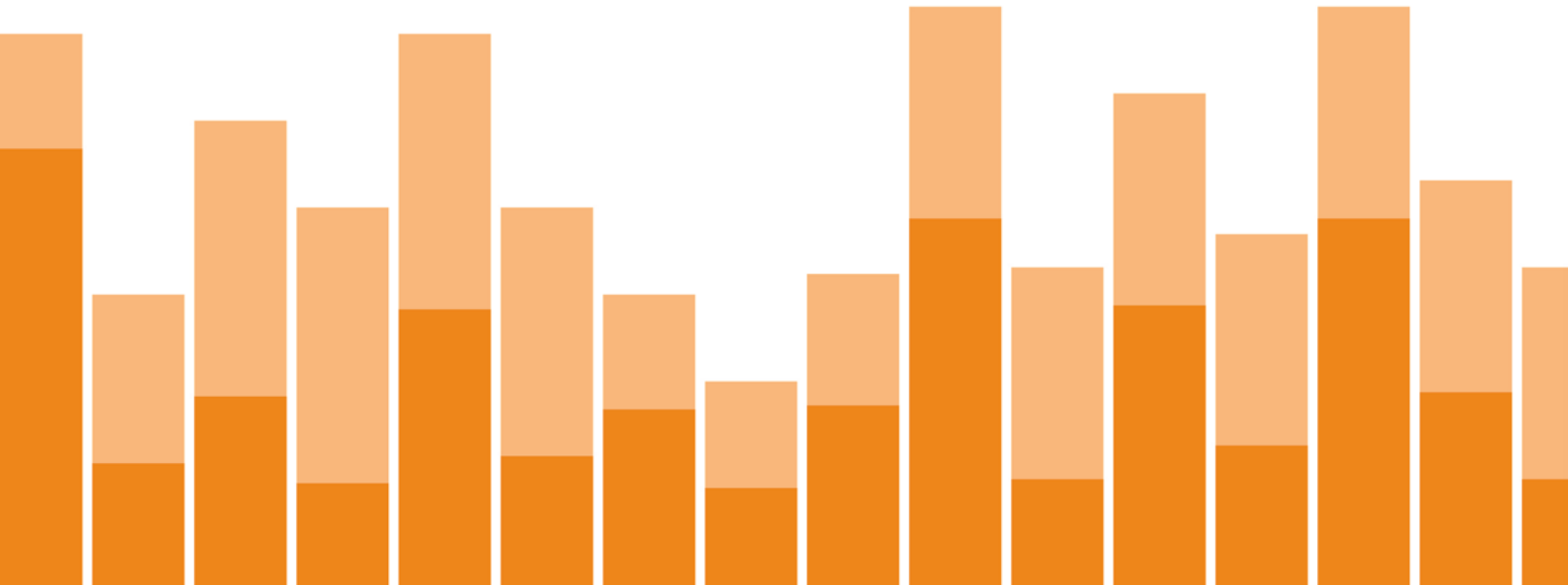

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Executive Summary

Employer based health care, which is the primary source of health insurance for 169 million Americans, is becoming less affordable. Despite recent promises of expanded coverage, a growing number of Americans will face serious financial challenges in paying for health care in the years ahead.

- Even now, under the Affordable Care Act's own definition, over 105 million Americans will find plans in the ACA's public exchanges to be "unaffordable" when both premiums and deductibles are taken into account.

This number could grow even higher if the Supreme Court finds that federal exchanges cannot provide subsidies in the upcoming *King vs. Burwell* case. One recent study found that such a decision could cause the average cost of ACA exchange coverage in 34 states to jump by an average of $3,086 for over 9.3 million people, 85.6 percent of who would drop the coverage because of the cost increase.[1]

For those with employer sponsored health plans, the affordability problem is increasingly a challenge as well.

- Over 13 million employees with employer based coverage – 3.0 million with individual coverage, and 10.4 million with family plans – are now facing the prospect of "unaffordable" health care.

For decades, employer sponsored care has been seen as an affordable and reliable form of health care for employees and their families. In recent years, cost pressures, exacerbated by the taxes and regulations in the ACA, have put new restrictions on employer based care, making that care less likely to be an affordable option in the future. Furthermore, lifestyle choices by Americans, coupled with our inefficient delivery system, mean that prices are likely to continue to increase, worsening the health care affordability crisis.

There are a number of causes for the decline in affordability. The rapid increase in health care costs from 1998 to 2005 encouraged employers to shift some costs to employees to incentivize them to become better health care consumers and help hold down costs. Yet, even with these actions and the recent slowdown in health care costs, employer costs are still growing twice as fast as inflation.[2] More recently, the ACA's high-cost excise tax is also acting as a catalyst to shift costs to employees, as predicted by the Congressional Budget Office (CBO). As CBO wrote in a letter to Senator Evan Bayh (D-IN) during consideration of the ACA, employees will be seeing increased health care expenses "through some combination of greater cost sharing ... more stringent benefit management, or coverage of fewer services."[3] CBO was perfectly correct in its prediction.

These trends are already having real impacts on millions of Americans. If they continue, health care in the US will become dramatically less affordable until and unless we see significant changes in health and lifestyle practices by patients, as well as significant changes in the delivery system. Unless policy-makers take steps to address this issue, we face the prospect of increasing numbers of Americans being mandated to purchase "unaffordable" levels of health care, both in the once affordable employer based health system and in the new ACA exchanges.

Introduction

Although the Affordable Care Act has expanded coverage to millions of Americans, its limited tools for cost control will likely not constrain health care cost growth without more profound changes in policy. As a result, costs are becoming increasingly problematic for both those purchasing plans through the public exchanges and for some employees. A recent Kaiser Family Foundation poll found that 24 percent of the uninsured said they would remain uninsured because they could not find affordable coverage on the ACA exchanges.[4] A New York Times/CBS News poll found that 46 percent of respondents described the affordability of basic medical care as a hardship for them and their family, up from 36 percent in 2013.[5] Another poll, from Gallup, found that 41 percent of Americans are dissatisfied with the cost of their health care.[6] Employees, or recipients of employer sponsored care, on the other hand, are generally less dissatisfied with the cost of their health care. Just 23.4 percent are dissatisfied with the premium they pay for coverage, and 27.2 percent are dissatisfied with the deductibles they pay when receiving care.[7] As this study will show, these numbers are likely to change for the worse, as health care affordability questions are increasingly affecting recipients of employer sponsored health care, and will impact those in the ACA exchanges as well.

The Cost of Employer Sponsored Plans

Under the ACA, large employers must offer affordable health care coverage to full-time employees. Coverage is deemed to be not "affordable" according to the ACA if the employee's share of the annual premium for self-only coverage is greater than 9.5 percent of their annual household income.[8] An employer plan must cover at least 60 percent of total allowed costs to meet the ACA's minimum value requirement,[9] and offer "substantial" coverage for in-patient hospitalization services or physician services (or both).[10] Employer plans are also required to offer certain preventive care services on a no-cost basis to participants,[11] and a range of additional benefits, such as the age-26 adult dependent coverage requirement and no annual or lifetime limits on essential health benefits.[12]

Although employers have shielded employees from much of the increase in health care costs from 2008 to 2013, the employee share of average annual health insurance premiums for employer sponsored single coverage increased by $278, from $721 to $999, or 38.6 percent,[13] while the average income of a full-time year-round worker rose only 8.8 percent over the same period.[14] The employee share of average annual health insurance premiums for family coverage also increased by $902, from $3,354 to $4,565, or 22.6 percent,[15] while average family incomes rose only 6.3 percent.[16] While some employers–about 10 percent of large employers–offer plans where lower-wage employees contribute a lower percentage of the premium than higher-wage employees to help mitigate the cost for low-wage employees, most do not.[17]

At the same time, the number of employees with deductibles has increased since 2008, as has the size of the average deductible. These developments have resulted in higher out of pocket expenses for up to 19 percent of covered employees.[18] From 2008 to 2013, the average deductible for a traditional PPO family plan increased from $1,344 to $1,854, or 37.9 percent,[19] while the percentage of families with annual out-of-pocket maximums of $5,500 or more rose from less than 36 percent in 2008 to 49 percent in 2013.[20]

Increased deductibles mean that half the employees in families with the average annual family income of $94,000 could spend up to $10,100 per year on both premiums and deductibles, or 10.8 percent of their income, which is above the ACA's affordability standard; what's worse, families with just one earner could spend up to 15.6 percent of their income on health care.[21] Full-time year-round employees with single coverage could be paying 8.5 percent or more on health care.[22] For lower-income employees, these percentages could be even higher. Given these increased levels of cost-sharing for employer sponsored coverage, it is not surprising that around 14 percent of employees say their access to affordable health care coverage has declined.[23]

The Affordability of Employer Sponsored Plans

In 2013, 169.0 million Americans were covered by employer sponsored health insurance.[24] Of these 169.0 million Americans, 76.4 million are adult-nonelderly private-sector employees who could potentially find the average cost of employer sponsored health plans "unaffordable" according to the official definition of the term,[25] depending on their individual or family incomes. The 76.4 million consists of 15.7 million employees who purchase insurance as individuals, and 60.7 million employees living in 27.3 million families (see discussion on families below). [26] While the vast majority of individual employees (96.7 percent) have their own employer sponsored coverage, about 30 percent of those living in families are covered as a dependent and are less likely to be concerned about the affordability of their coverage. Although the vast majority of these employees currently find employer coverage affordable, for some employees their share of the average premium for employer sponsored health insurance exceeds 9.5 percent of their total income.[27]

Individual Coverage Affordability:

In 2013, the average employee share of the premium for employer sponsored single coverage cost less than 9.5 percent of income for 96.2 percent of the 15.7 million adult-nonelderly private-sector employees who are living as individuals. However, 3.0 million employees who are living as individuals, or 19.1 percent, faced an average single premium *and* deductible that could consume 9.5 percent or more of their individual income. Of these 3.0 million employees:

- 2.7 million, or 90.3 percent, had their own employer sponsored coverage: Another 290,000 were covered as a dependent on someone else's employer sponsored coverage and would not necessarily be looking for their own; 828,000 were ages 18 to 25;
- These 3.0 million employees worked an average 45 weeks per year, 38 hours per week, and they all made less than $34,100 per year; their average hourly pay was $9.81;
- Over half worked in five occupations: office and administrative support jobs (16.1 percent), sales and related positions (13.5 percent), food preparation and serving related positions (9.1 percent), production jobs (8.6 percent), and transportation and material moving jobs (7.1percent);

- Over half worked in four industries: retail trade (19.1percent), health care and social assistance (14.4percent), accommodations and food services (11.4 percent), and administrative support and waste management services (6.7 percent); and
- 2.5 million, or 83.3 percent, worked for just one employer in 2013. 40.8 percent reported working for an employer with 1,000 or more employees.

Affordability of Average Employer-Sponsored Health Care Coverage		
	Individuals	**Families**
Number of Employees	15.7 million	27.3 million family heads
Number of Covered Lives	15.7 million	88.2 million
Number With Affordable Premiums	15.1 million	22.6 million families/74.1 million covered lives
Number With Unaffordable Premiums	598,000	4.7 million families/14.1 million covered lives
Percent of Employees/Families with Unaffordable Premiums	3.8%	17.2%
Number With Affordable Premiums *and* Deductibles	12.7 million	16.9 million families/56.8 million covered lives
Number With Unaffordable Premiums *and* Deductibles	3.0 million	10.4 million families/31.4 million covered lives
Percent of Employees/Families with Unaffordable Premiums and Deductibles	19.1%	38.1%

Family Coverage Affordability:

A number of employees who have their own employer sponsored health insurance may be responsible for providing their families with coverage, yet may find that coverage unaffordable when compared to their family incomes. In 2013, there were 27.3 million adult-nonelderly private-sector employees who were family heads or married spouses with employer sponsored coverage that could potentially find the average cost of employer sponsored family coverage as unaffordable given their family income.[28]

The average employee share of the premium for employer sponsored family coverage cost less than 9.5 percent of family income for 82.8 percent adult-nonelderly private-sector employees with families (22.6 million). However, the average employee premium for family coverage accounted for more than 9.5 percent of family income for 4.7 million employees (17.2 percent). Further, 10.4 million employees with families, or 38.1 percent, faced an average family premium *and* deductable that could consume 9.5 percent or more of their family income. These 10.4 million employees:

- Worked an average 48 weeks per year, 40 hours per week, and their median family income was $48,700 per year, however, 20 percent had family incomes of $63,300 or more, and they all made less than $72,800;

- Almost half worked in four occupations: office and administrative support jobs (1.8 million/17.5 percent), production jobs (1.1 million/11.1 percent), sales and related positions (1.1 million/10.3 percent), and transportation and material moving jobs (850,000/8.2 percent);
    - However, 679,000 employees, or 6.6 percent, were in management occupations, and 442,000, or 4.3 percent, were in business and financial operations positions;
- One-half worked in three industries: health care and social assistance (1.8 million/17.7 percent), manufacturing (1.8 million/17.2 percent), and retail (1.5 million/14.1 percent);
- 9.3 million, or 89.4 percent, worked for just one employer in 2013: In addition, 1.1 million worked for 2 or more employers, and 41.6 percent reported working for an employer with 1,000 or more employees; and
- 4.3 million (41.2 percent) are single parents: 3.7 million (36.0 percent) are married with children; and 2.4 million (22.8 percent) are married with no children.

Although employee premium contributions are generally not an ACA compliance issue,[29] a significantly higher percentage of employees who need family coverage are likely to find the combined premium *and* deductible unaffordable compared to employees who just need single coverage (38.1 percent vs. 19.1 percent). A significant percentage of employees who need family coverage are also in management occupations compared to employees who just need single coverage (6.6 percent vs. 4.4 percent), and they are more likely to work in the manufacturing industry (17.2 percent vs. 11.3 percent).

The Cost of ACA Public Exchange Plans

In 2014, the average annual premium for individuals who purchased plans on the ACA federally-facilitated exchanges with premium subsidies was $828 for a silver plan *after* the premium subsidy was applied.[30] These subsidies are designed to ensure that exchange participants do not find the premiums alone trip the affordability standard. However, the annual premium varied from $684 for someone earning $17,235 per year, to $2,316 for someone earning $28,725 per year, to $4,140 for someone earning $46,075 or more per year.[31] Cost-sharing subsidies are also available for individuals with incomes below $29,175 (250 percent of the federal poverty level (FPL) in 2014).[32] For individuals with incomes from $11,490 to $17,235 (100 to 150percent of FPL), the average deductible after cost sharing subsidies was $217 in 2014, and the average out-of-pocket maximum was $1,107.[33] However, for individuals with incomes from $22,980 to $28,725 (200 to 250 percent of FPL), the average deductible after cost sharing subsidies was $2,342 in 2014, and the average out-of-pocket maximum was $4,683.[34]

This means that 1.9 million individuals with an annual income of around $28,000 could spend up to $4,600 per year on health care, or 16 percent of their income. Given these costs for coverage in the ACA exchanges, it is not surprising a recent Transamerica survey found 11 percent of the uninsured said they did not obtain health insurance in 2014 because it was too expensive, and another 27 percent said that paying the tax penalty and health expenses on their own was less costly than paying for health insurance.[35]

The Affordability of ACA Public Exchange Plans

In 2013, there were 137.4 million nonelderly adult Americans with incomes above the federal poverty level that could potentially find the average cost of health insurance in the ACA public exchanges unaffordable depending on their income level.[36] Although nearly all of these adults would find the average ACA premium for a silver plan costs less than 9.5 percent of their individual income, 105.5 million people, or 76.8 percent, face an average ACA premium *and* deductable that could consume more than 9.5 percent of their individual income. The large number of people is due to the fact that the average deductible for an ACA silver plan was $3,030 for individuals with incomes above $28,725. Compared to the average employer plan, some of the most popular health care plans sold on the ACA's public exchanges have significantly higher deductibles and out-of-pocket expenses.[37]

For the 20.2 million nonelderly adult Americans *with no health insurance* who might seek coverage on the public exchanges:

- 11.5 million (56.9 percent) faced an average ACA premium *and* deductable that could consume more than 9.5 percent of their individual income–for 7.4 million (36.6 percent), the average ACA premium *and* deductable could consume 15.5 percent or more of their individual income.
    - Almost 96 percent of the 11.5 million worked in 2013: 73.0 percent were private-sector wage and salary workers, 18.3 percent were self-employed, and 8.7 percent worked for the government or armed forces;
    - Almost half worked in five occupations: construction jobs (1.3 million/10.9 percent); sales and related positions (1.2 million/10.4 percent); management occupations (1.2 million/10.4 percent); office and administrative support jobs (1.1 million/9.2 percent); and transportation and material moving jobs (1.0 million/8.8 percent); and
    - One-third worked in three industries: construction (1.6 million/13.7 percent); retail (1.3 million/11.3 percent); and health care and social assistance (1.0 million/9.2 percent).
- 9.4 million (46.5 percent) of the 20.2 million nonelderly adult Americans with no health insurance would find the average employer sponsored coverage affordable and the average ACA plan unaffordable, while 8.8 million (43.6 percent) would the average ACA plan affordable and the average employer sponsored coverage unaffordable; 2.0 million would find both types of coverage unaffordable.

For the 12.5 million people *with directly purchased health insurance* who might also seek coverage on the public exchanges:

- 9.4 million (75.2 percent) faced an average ACA premium *and* deductable that could consume more than 9.5 percent of their individual income: for 4.6 million (36.8 percent), the average ACA premium *and* deductable could consume 15.5 percent or more of their individual income;
    - 93 percent of the 9.4 million worked in 2013; 65.5 percent were private-sector wage and salary workers; 24.5 percent were self-employed; and 10.0 percent worked for the government or armed forces;
    - Over one-third worked in just three occupations: management occupations (1.6 million/17.0 percent); sales and related positions (1.1 million/11.7 percent); and health practitioner and technical occupations (683,000/7.3 percent);
    - About one-third worked in three industries: health care and social assistance (1.1 million/11.7 percent), professional, scientific, and technical service jobs (974,000/10.4 percent); and retail (868,000/9.2 percent).

Although survey results suggest there is an affordability gap for middle income Americans purchasing coverage on the ACA exchanges,[38] these results, which look at the combined affordability of the average ACA exchange premium and deductible after all the subsidies are taken into account, suggests affordability will be an issue for over three quarters of exchange participants.

Affordability of Average ACA Exchange Health Care Coverage	
	Individuals
Number of People	137.4 million
Number With Affordable Premiums	137.4 million
Number With Unaffordable Premiums	None for average cost of ACA plan with subsidy
Percent of Individuals With Unaffordable Premiums	0.0%
Number With Affordable Premiums *and* Deductibles	31.9 million
Number With Unaffordable Premiums *and* Deductibles	105.5 million
Percent of Individuals with Unaffordable Premiums *and* Deductibles	76.8%

Conclusion

Despite recent promises of expanded coverage, a growing number of Americans will face serious financial challenges in paying for health care in the years ahead. Under the ACA's own definition, over 105 million Americans will find plans in the ACA's public exchanges to be "unaffordable" when both premiums and deductibles are taken into account, as well as over 13 million employees with employer based coverage.

The prospect of "unaffordable" health care in both employer sponsored care and the public exchanges presents a real challenge for individuals, employers, and policymakers alike. The erosion of affordable plans because of cost pressures, new taxes, and regulations could be reducing, rather than expanding, affordable option in the future. Other problematic factors include poor lifestyle choices, and an inefficient delivery system, which put costs on an upward spiral.

The extent of the affordability problem heightens the need for both policy and delivery system responses. Going forward, we need a marketplace featuring transparency and driven by quality of patient outcomes. The affordability challenge demonstrates that neither the employer based programs nor the public exchanges are delivering on these goals. The American system is still searching for a mechanism that can deliver a better foundation for health care in the future.

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Appendix

One survey found the median household income of uninsured Americans ($37,300) was more than that of newly insured Americans ($33,200), and less than that of continuously insured (insured pre-mandate and currently insured) Americans ($75,200), suggesting a potential affordability gap for middle income Americans purchasing coverage on the ACA exchanges.[39]

It is important to note that premiums and deductibles in the ACA exchanges vary widely across the U.S. and the averages used in this report will understate and overstate the affordability of ACA coverage in some states. Moreover, from 60 to 80 percent of the plans in many of the ACA exchanges are high-deductible plans as issuers try to keep premiums down.[40] Unlike most employer plans, 63 percent of the silver plans offered on the ACA exchanges subjected some or all prescription drug benefits to the deductible, and about one-third of all exchange plans did the same for primary-care and specialist visits.[41]

Endnotes

[1] Linda J. Blumberg, Matthew Buettgens, John Holahan, The Implications of a Supreme Court Finding for the Plaintiff in King vs. Burwell: 8.2 Million More Uninsured and 35percent Higher Premiums, Robert Wood Johnson Foundation, January 2015.

[2] In 2013, business health care spending rose 3.8 percent compared to 1.6 percent for all consumer prices less health care.

[3] Congressional Budget Office, Letter to Senator Evan Bayh, An Analysis of Health Insurance Premiums Under the Patient Protection and Affordable Care Act, November 30, 2009, available at: http://www.cbo.gov/sites/default/files/ 11-30-premiums.pdf.

[4] Mary Agnes Carey, A Quarter Of Uninsured Say They Can't Afford To Buy Coverage, Kaiser Family Foundation, November 21, 2014.

[5] Elisabeth Rosenthal, "How the High Cost of Medical Care Is Affecting Americans," New York Times, December 18, 2014.

[6] Andrew Dugan, "As ACA Takes Effect, Majority OK With Personal Health Costs," Gallup, December 5, 2014.

[7] Adele Shartzer and Sharon K. Long, QuickTake: Nonelderly Workers with ESI Are Satisfied with Nonfinancial Aspects of Their Coverage but Less Satisfied with Financial Aspects, Urban Institute, Health Reform Monitoring Survey, September 4, 2014.

[8] 77 Fed. Reg. 30377.

[9] 77 Fed. Reg. 30377.

[10] IRS Notice 2014-69.

[11] 75 Fed. Reg. 41726. What preventive care services employers are required to cover is open-ended. They are determined by the U.S. Preventive Services Task Force and the Advisory Committee on Immunization Practices as well as the Health Resources and Services Administration with no provisions for input from employers, no cost disclosure requirements, and no cost/benefit analysis.

[12] 75 Fed. Reg. 27122 and 37188.

[13] Kaiser Family Foundation, Employer Health Benefit Plans, 2014 Annual Survey, Exhibit 6.3. The employer share for single coverage increased by $902 from $3,983 in 2008, to $4,885 in 2013, three times the increase in the employee's share of the premium.

[14] Census Bureau, Table P-37. Full-Time, Year-Round All Workers by Mean Income and Sex: 1955 to 2013, available at: http://www.census.gov/hhes/www/income/data/historical/people/2013/p37AR.xls.

[15] Kaiser Family Foundation, Employer Health Benefit Plans, 2014 Annual Survey, Exhibit 6.4. The employer share for family coverage increased by $2,461 from $9,325 in 2008, to $11,786 in 2013, two times the increase in the employee's share of the premium.

[16] Census Bureau, Table F-6, Regions--Families (All Races) by Median and Mean Income 1953 to 2013, available at: http://www.census.gov/hhes/www/income/data/historical/families/2013/f06AR.xls.

[17] Ten percent of large employers have plans where lower-wage employees contribute a lower percentage of the premium that higher-wage employees. Kaiser Family Foundation, Employer Health Benefit Plans, 2014 Annual Survey, Exhibit 6.27.

[18] From 2008 to 2013, the percentage of employees in employer sponsored health care plans with deductibles increased from 59 percent to 78 percent (Kaiser Family Foundation, Employer Health Benefit Plans, 2014 Annual Survey, Exhibit 7.2).

[19] Kaiser Family Foundation, Employer Health Benefit Plans, 2008 Annual Survey, Exhibit 7.10; and 2013 Annual Survey, Exhibit 7.14.

[20] Kaiser Family Foundation, Employer Health Benefit Plans, 2008 Annual Survey, Exhibit 7.28; and 2013 Annual Survey, Exhibit 7.35.

[21] Census Bureau, Family Income, Table F-12, available at: http://www.census.gov/hhes/www/income/data/historical/families/. Average income of families with one earner ($64,755), and sum of Kaiser data for family coverage (employee share of premium, $4,565, plus out-of-pocket maximum of $5,500).

[22] Kaiser Family Foundation, "Employer Health Benefits, 2013 Annual Survey," Exhibits 6.3 and 6.4, August 20, 2013; and Census Bureau, "Table P-38. Full-Time, Year-Round Workers by Median Earnings and Sex," available at http://www.census.gov/hhes/www/income/data/historical/people/. Median earnings of full-time employees calculated as the weighted average of the medians for men and women.

[23] Transamerica Center for Health Studies, One Year In: Americans Respond to the Affordable Care Act, September 2014. Although the question was asked of "continuously insured" Americans, most of those them are employed.

[24] Jessica C. Smith and Carla Medalia, Health Insurance in the United States: 2013, Census Bureau, P60-250, September 2014. This paper uses Census Bureau data and therefore uses the Census Bureau estimate of the total number of Americans covered by employer sponsored health care - 169.0 million. However, according to the National Health Expenditure data, 169.9 million Americans are covered by employer sponsored care.

[25] The measure "unaffordable" used in this report is based on the ACA's 9.5 percent standard as applied to either an individual's income for single coverage, or to an employee's family income for family coverage.

[26] Unless otherwise noted, the rest of the data in this section are from an AHPI analysis of Census Bureau data. There are 40.6 million people under 18 who are covered by employer sponsored health benefits, 99.8 percent of whom are covered as a dependent. There are also 13.0 million people over 64 years old who are covered by employer sponsored health benefits, however, they are also eligible for Medicare if they find the employer's coverage unaffordable. There is another 16.7 million people covered by who didn't work in 2013, 17.4 million government employees, and 4.9 million self-employed who are also covered by employer sponsored health benefits.

[27] The measure "unaffordable" used in this report is based on the ACA's 9.5 percent standard as applied to either an individual's income for single coverage, or to an employee's family income for family coverage.

[28] AHPI analysis of Census Bureau data. Specifically, the 30.1 million includes adult-nonelderly private-sector employees who are family heads with their own employer sponsored coverage and married spouses with their own employer sponsor coverage whose other spouse is covered as a dependent.

[29] Under the ACA and IRS regulations, If an employee's share of the premium for employer sponsored coverage would cost the employee more than 9.5percent of that employee's annual household income, the coverage is not considered affordable for that employee. Because employers generally will not know their employees' household incomes, employers can take advantage of one or more of the three affordability safe harbors set forth in the final regulations that are based on information the employer will have available, such as the employee's Form W-2 wages or the employee's rate of pay (79 Fed. Reg. 8544).

[30] Amy Burke, Arpit Misra, and Steven Sheingold, Premium Affordability, Competition, and Choice in the Health Insurance Markplace, 2014, Department of Health and Human Resources, June 18, 2014, Table 2. The average annual premium before the subsidy was $4,140 for a silver plan. In 2014, there were 36 federally-facilitated ACA exchanges.

[31] Amy Burke, Arpit Misra, and Steven Sheingold, Premium Affordability, Competition, and Choice in the Health Insurance Markplace, 2014, Department of Health and Human Resources, June 18, 2014, Tables 1 and 2.

[32] Kelly Brantley, Hillary Bray, and Caroline Pearson, Analysis of Benefit Design in Silver Plan Variations, Avalere Health, June 2014, Figures 3 and 4.

[33] Kelly Brantley, Hillary Bray, and Caroline Pearson, Analysis of Benefit Design in Silver Plan Variations, Avalere Health, June 2014, Figures 3 and 4.

[34] Kelly Brantley, Hillary Bray, and Caroline Pearson, Analysis of Benefit Design in Silver Plan Variations, Avalere Health, June 2014, Figures 3 and 4.

[35] Transamerica Center for Health Studies, One Year In: Americans Respond to the Affordable Care Act, September 2014.

[36] AHPI analysis of Census Bureau data. This section of the report focuses on adult-nonelderly adults with incomes above the federal poverty level because if a person's income is below the poverty level they are not eligible for a premium subsidy in the exchanges, and would most likely be enrolled in Medicaid Those aged 65 or more years would be automatically enrolled in Medicare.

[37] In 2014, 65 percent of plans sold on the public exchanges were "silver" plans and 20percent were "bronze" plans (Kaiser Family Foundaton, Marketplace Enrollees by Metal Level, April 2014, available at: http://kff.org/other/state-indicator/marketplace-enrollees-by-metal-level-2014/). In 2014, the average single deductible for a silver plan was $2,907 compared just $843 for an employer PPO plan, while the average single annual out-of-pocket maximum for a silver plan was $5,730 compared just $3,011 for an employer plan (Kaiser Family Foundation, Employer Health Benefit Plans, 2014 Annual Survey, Exhibits 7.7 and 7.37; and HealthPocket, Deductibles, Out-Of-Pocket Costs, and the Affordable Care Act, December 12, 2013, available at: http://www.healthpocket.com/healthcare-research/infostat/2014-obamacare-deductible-out-of-pocket-costs#.VLWe1iujNJx).

[38] Transamerica Center for Health Studies, One Year In: Americans Respond to the Affordable Care Act, September 2014.

[39] Transamerica Center for Health Studies, One Year In: Americans Respond to the Affordable Care Act, September 2014.

[40] In 2015, a "high deductible health plan" is defined by the IRS as a health plan with an annual deductible that is not less than $1,300 for self-only coverage or $2,600 for family coverage, and the annual out-of-pocket expenses (deductibles, co-payments, and other amounts, but not premiums) that do not exceed $6,450 for self-only coverage or $12,900 for family coverage.

[41] Bob Herman, High-deductible plans dominate next open enrollment, Modern Healthcare, November 13, 2014.