People Who Will Get Insurance Through Exchanges Are Likely to Be As Healthy As Those Insured Through Employers

The population most likely to enter nongroup health insurance exchanges is less likely to smoke, be obese and have a number of chronic conditions than people who obtain insurance through employers, according to a new Urban Institute analysis funded by the Robert Wood Johnson Foundation.

Likely Nongroup Exchange Population

Likely Effects on Premiums

Premiums for people in the nongroup insurance market will reflect roughly the same health status as those who receive ESI, but premiums will still vary due to differences in administrative costs, benefits provided and cost-sharing required.

Competition among insurers should result in reasonable premiums, with any rate shock that occurs being a transitional phenomenon.

Health Characteristics of Likely Exchange Enrollees* vs. People with Employer-Sponsored Insurance (ESI)

*Those currently uninsured or already enrolled in nongroup coverage, earning above 138% of the federal poverty level, but who are without affordable employer offers.

Likely Nongroup Exchange Population

ESI Population

Nongroup Insurance (noun; also commonly called individual insurance coverage)

Health insurance coverage that insures individuals and families independently, rather than through an employer or other ‘group.’

Rate Shock (noun)

The concern that some people who currently have health insurance will see much higher premiums once the market becomes more accessible to those who have not been insured and who have health problems.