

# States predict more insurance customers

Kelly Kennedy, USA TODAY 12:35 p.m. EDT August 20, 2013

WASHINGTON — Estimates from 19 states operating health insurance exchanges to help the uninsured find coverage show that at least 8.5 million will use the exchanges to buy insurance, a USA TODAY survey shows. That would far outstrip the federal government's estimate of 7 million new customers for all 50 states under the 2010 health care law.

USA TODAY contacted the 50 states, and 19 had estimates for how many of their uninsured residents they expect will buy through the exchanges. About 48 million Americans were uninsured in 2011, according to the Kaiser Family Foundation.

"For the most part, that's a very good thing," said Paul Ginsburg, president of the Center for Studying Health System Change. "First, these are people who need health insurance. And second, the scenario that only sick people will enroll is less likely."

Under the law, also known as the Affordable Care Act, people without health insurance provided by their employers, the government or their parents will have to buy insurance on the exchanges, which are websites where they can compare prices and choose policies. They will pay a fine if they decline to buy the insurance.

To stay financially viable, insurers need healthy people to help round out the costs of those with chronic conditions. The non-partisan Congressional Budget Office did its own research to determine 7 million people would enroll for the 2014 exchanges.

California alone said it expected to sign up 5.3 million people.

"I am not aware of any enrollment expectations that may have been set," said Melissa Fox, a spokeswoman for the Pennsylvania Insurance Department. Pennsylvania is allowing the federal government to create its exchange.

To diversify the health of the pool, the Department of Health and Human Services has targeted three states where half of uninsured people ages 18 to 35 live: Texas, Florida and California.

The states said they made their estimates based on how many individuals are uninsured and aren't likely to become insured by an employer, what insurers in their states expect and conversations with HHS about reasonable goals.

"It's not a positive development for the Republican opponents who would like to see this fail," Ginsburg said. "But it's still very early in the process."

Opponents of the law say 7 million new people will buy insurance, but they may be the wrong people to keep costs down. "They could sign up 7 million sick people," said Michael Cannon, director of health policy studies for the Cato Institute, a libertarian think-tank opposed to the law. "It will be hard to sign 7 million that are healthy."

It's also possible that many new insurance customers may simply shift from getting insurance through employers who drop their health insurance coverage when they realize their employees can buy affordable insurance on the exchanges, said Ed Haislmaier, senior research fellow at the conservative Heritage Foundation. According to the CBO, 2 million fewer people may receive their insurance through their employers in 2014.

Ginsburg said more people may sign up for the exchanges because not all of the states are expanding Medicaid to adults who make less than 137% of the federal poverty level. Adults in that category who make at least 100% of the federal poverty level are eligible for subsidies through the exchanges.

"Having a target and having a metric to reach that target is important," HHS Secretary Kathleen Sebelius told USA TODAY. "I'm optimistic we'll have millions of people sign up. We've been working a long time on this." Last week, Sebelius announced \$67 million in grants to groups across the country that will spread the word to potential insurance customers about the law and the exchanges.

The open enrollment for new insurance customers in the exchanges starts Oct. 1 and ends March 31, 2014. States either created their own exchanges, have a partnership exchange with the federal government or defaulted and had the federal government created an exchange for them.