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## Coverage in the Private Health Insurance Market

Americans obtain health insurance through a variety of methods and from different sources. People may get insurance through the private sector or from a government source, or individuals may go uninsured.

### Private Health Insurance Market

The private health insurance market includes both the group market (largely made up of employer-sponsored insurance, or ESI) and the non-group market (commonly referred to as the individual market, see **Figure 1**). Private health insurance does not include government sources of coverage, such as Medicare or Medicaid.

**Figure 1. Private Health Insurance Sources of Coverage**

Private health insurance market	Group market	Small-group market	Inside SHOP exchanges
		Large-group market	Outside SHOP exchanges
	Non-group market	Inside the individual exchanges	
		Outside the individual exchanges	

**Source:** Congressional Research Service (CRS).

**Notes:** SHOP = Small Business Health Options Program. A SHOP exchange is where small businesses can purchase small-group insurance and apply for small business health insurance tax credits.

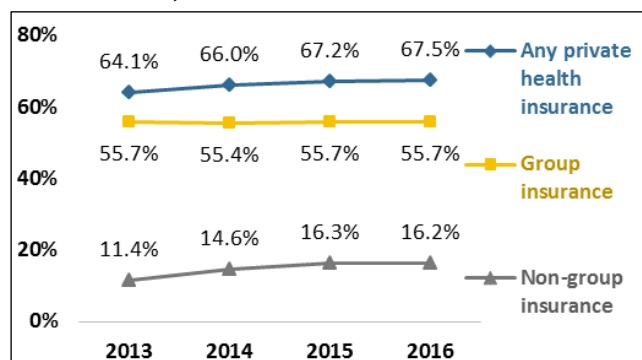
The dynamic nature of health insurance coverage results in nuanced estimates of coverage, which often depend on the time frame being measured. For example, at the time of the measurement, an individual may indicate having Medicare coverage only. However, when measuring coverage in the past year, that same individual may indicate having had private insurance coverage for part of the year and Medicare for part of the year. People also may have multiple sources of coverage simultaneously within a time frame (e.g., Medicare and supplemental private health insurance at the time of interview); thus, estimates by type of coverage are not always mutually exclusive.

This In Focus primarily uses estimates from the Census Bureau's Current Population Survey Annual Social and Economic Supplement (CPS ASEC) to provide estimates of coverage in the private health insurance market for 2013-2016. The CPS ASEC measures any coverage and type of health insurance coverage for all or part of the year.

### Private Health Insurance Coverage

Private health insurance is the predominant source of health insurance coverage in the United States. In 2016, 67.5% of the U.S. population (216.2 million people) had private coverage through either the group or the non-group market during all or part of the year (see **Figure 2**).

**Figure 2. Private Health Insurance Coverage in the United States, 2013-2016**



**Source:** U.S. Census Bureau, Current Population Survey, 2014, 2015, 2016 and 2017 Annual Social and Economic Supplements.

**Notes:** Coverage is measured during all or part of the year. The estimates by type of coverage are not mutually exclusive; people can be covered by more than one type of health insurance during the year.

### Group Insurance

Group health insurance is typically offered by employers and is divided into small-group and large-group segments. The distinction between the small-group and large-group markets is defined by the size of the employer or other organization purchasing a group plan. Most states define *small group* as businesses having 50 or fewer employees and *large group* as businesses having more than 50 employees.

A majority of Americans obtain health coverage through the group market. In 2016, 55.7% of the U.S. population (178.5 million people) had group coverage during all or part of the year (see **Figure 2**). The CPS ASEC does not further differentiate between small-group and large-group coverage.

### Non-group Insurance

Consumers who are not associated with a group can obtain health coverage by purchasing it directly from an insurer in the non-group insurance market. In general, the non-group market enrolls many people who do not receive coverage from an employer and who are otherwise ineligible for public insurance programs, such as Medicare or Medicaid.

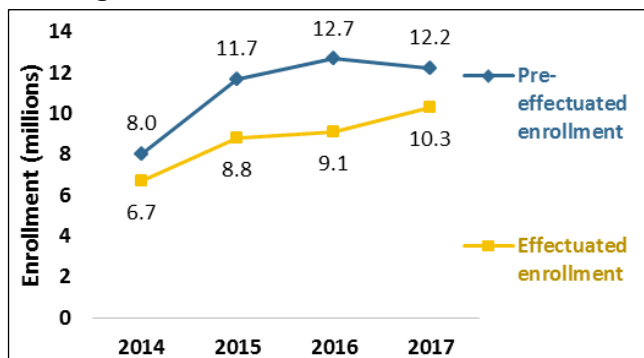
In 2016, 16.2% of the U.S. population (52.0 million people) had non-group coverage during all or part of the year (see **Figure 2**).

### Health Insurance Exchanges

The Patient Protection and Affordable Care Act's (ACA's; P.L. 111-148, as amended) individual health insurance exchanges (marketplaces where individuals may purchase coverage for themselves or their families) are part of the non-group health insurance market. Generally, plans offered in the exchanges are known as Qualified Health Plans (QHPs). QHPs undergo an additional certification process compared to other plans in the non-group market. Accordingly, non-group plans often are categorized as either "inside the exchanges" or "outside the exchanges" (see **Figure 1**). QHPs can, however, be offered both inside the exchanges and outside the exchanges.

This In Focus uses administrative data from the Department of Health and Human Services (HHS) and the Centers for Medicare & Medicaid Services (CMS) to provide estimates of coverage inside the individual exchanges (see **Figure 3**). Data on exchange enrollment often are released in stages, pre-effectuated and effectuated enrollment. Pre-effectuated enrollment is the number of individuals who have selected a plan. Effectuated enrollment is the number of individuals who have selected a plan *and* have submitted the first premium payment for a plan. Pre-effectuated enrollment estimates are generally provided at the end of an Open Enrollment Period (OEP) but may include enrollment associated with a Special Enrollment Period (SEP) that directly follows an OEP. Effectuated enrollment estimates are generally provided throughout the year.

**Figure 3. Enrollment in the Health Insurance Exchanges, 2014-2017**



**Source:** Administrative data from HHS and CMS.

**Notes:** The pre-effectuated enrollment estimate for 2014 is during the 2014 OEP (October 1, 2013-March 31, 2014) and an SEP that ran through April 19, 2014. The effectuated enrollment estimate for 2014 is as of October 15, 2014. The pre-effectuated enrollment estimate for 2015 is during the 2015 OEP (November 15, 2014-February 15, 2015) and an SEP that ran through February 22, 2015. The effectuated enrollment estimate for 2015 is as of December 31, 2015. The pre-effectuated enrollment estimate for 2016 is during the 2016 OEP (November 1, 2015-February 1, 2016). The effectuated enrollment estimate for 2016 is for the "end of the year." The pre-effectuated enrollment estimate for 2017 is during the 2017 OEP (November 1, 2016-January 31, 2017). The effectuated enrollment estimate for 2017 is as of March 15, 2017, for individuals with effectuated coverage for February 2017.

During the 2017 OEP, pre-effectuated enrollment in the exchanges was 12.2 million individuals (see **Figure 3**). Effectuated enrollment for February 2017 coverage in the exchanges was 10.3 million individuals (see **Figure 3**).

The 2018 OEP is currently underway and is to run from November 1, 2017 to December 15, 2017. CMS will likely provide enrollment estimates during OEP.

### Other Data Estimates of Private Health Insurance Coverage

Estimates of private health insurance coverage can be obtained from a number of reputable data sources. Data sources may focus on particular aspects of the private health insurance market. Data sources also may produce different estimates because they may vary in terms of methodology, questions, and time frames. **Table 1** provides summary information for selected data sources.

**Table 1. Selected Data Sources for Coverage Estimates in the Private Health Insurance Market**

Data Source	Summary
Agency for Healthcare Research and Quality's (AHRQ's) Medical Expenditure Panel Survey—Insurance Component (IC)	Provides estimates on the number and types of ESI plans offered by employers, benefits associated with these plans, annual premiums, annual contributions by employers and employees, eligibility requirements, and employer characteristics in a calendar year at the state and national level.
Centers for Disease Control and Prevention's National Health Interview Survey (NHIS)	Provides estimates of private health insurance coverage averaged throughout a calendar year. Early estimates do not differentiate between group and non-group coverage. Provides estimates of exchange coverage.
Centers for Medicare and Medicaid Services (CMS)	Provides pre-effectuated and effectuated enrollment estimates for the health insurance exchanges.
Kaiser Family Foundation/Health Research and Education Trust (KFF/HRET) Employer Health Benefits Survey	Provides detailed look at trends in ESI coverage. Provides estimates of large- (defined as 200+ employees) and small-group (defined as 3-199 employees) markets in a calendar year.
U.S. Census Bureau's American Community Survey (ACS)	Provides estimates of private health insurance coverage averaged over the past 1 year, 3 years, or 5 years. Provides estimates at state, county, and congressional district levels.
U.S. Census Bureau's Current Population Survey Annual Social and Economic Supplement (CPS ASEC)	Provides estimates of private health insurance coverage during the last calendar year. Differentiates between group and non-group coverage.

**Source:** CRS compilation of data sources.

**Notes:** This is not a comprehensive list of data sources for coverage estimates in the private health insurance market or a comprehensive discussion of the advantages and disadvantages of each data source.

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