

About 1.6M drop-outs from health law coverage this year

June 30 2016, by Ricardo Alonso-Zaldivar



In this Oct. 6, 2015, file photo, the HealthCare.gov website, where people can buy health insurance, is displayed on a laptop screen in Washington. The Obama administration says about 1.6 million people who signed up for coverage in 2016 under the president's health care law had dropped out by the end of March. The 2016 sign-up season ended Jan. 31 with about 12.7 million people initially signed up for private insurance through the health law's markets. But not all had sealed the deal by paying their premiums.(AP Photo/Andrew Harnik, File)

About 1.6 million people who signed up for coverage this year under

President Barack Obama's health care law dropped out by the end of March, according to administration figures released late Thursday.

The report from the Health and Human Services department said some 11.1 million people were still signed up. But that's a drop of nearly 13 percent from the 12.7 million who initially enrolled for subsidized private coverage this year. Those dropouts failed to seal the deal by paying their premiums.

The pattern of attrition is not new, and has been seen each year since customers began receiving health law coverage in 2014. However, this year the administration had been trying to do a better job of weeding out problem applications while sign-up season was still underway.

"The drop off is maybe a tad higher than expected, given that they dropped people as they went along," said Larry Levitt, an expert on the health care law with the nonpartisan Kaiser Family Foundation. "But it's in the range of reasonable results."

The administration said a retention rate of 87 percent is in line with its goal of about 10 million still signed up at the end of this year. Also, some of the dropouts are likely to have switched to another kind of coverage, such as an employer plan.

Although the health law's online insurance markets are now working smoothly, there's still concern that the overall program may not be stable.

Enrollment has been lower than hoped for, and customers turned out to be sicker than expected. Some major insurance companies have cut back their participation, and 13 of 23 nonprofit insurance co-ops created under the law have folded. Premiums for 2017 are expected to be significantly higher.

The health care law offers subsidized private insurance through online markets like HealthCare.gov, also called exchanges. More than 8 out of 10 customers get financial help with their monthly premiums, and nearly 6 in 10 get additional aid for out-of-pocket costs such as deductibles and copayments.

Combined with a Medicaid expansion for low-income people, Obama's law has reduced the nation's uninsured rate to a historic low of about 9 percent.

Among the presidential candidates, Democrat Hillary Clinton says she would build on the health care law, taking additional steps to increase enrollment and reduce costs for consumers. Republican Donald Trump would repeal it, but his replacement plan is little more than an outline and it remains unclear how many people would be covered, or how much it would cost.

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