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Centers for Medicare & Medicaid Services  
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## CMS NEWS

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### **Data Brief: 2016 Median Marketplace Deductible \$850, with Seven Health Services Covered Before the Deductible on Average**

In the more than six years since the enactment of the Affordable Care Act, our country has made tremendous progress in improving access to health coverage and health care. The data show this: [20 million people](#) have health coverage thanks to the Affordable Care Act, and for the first time in our nation's history, the uninsured rate last year fell [below 10 percent](#).

Part of this success is thanks to the Health Insurance Marketplace, where 11.1 million individuals had coverage as of March 2016. This issue brief provides new information about the coverage selected by Marketplace consumers in states using the HealthCare.gov platform for the 2016 coverage year. Specifically, the data show:

- **The median individual deductible for HealthCare.gov Marketplace policies in 2016 is \$850, down from \$900 in 2015.** Importantly, these figures account for the fact that many consumers qualify for financial assistance that lowers their deductibles based on their income. As with Marketplace premiums, many consumers' deductibles are well below the deductible that would apply without financial assistance, so ignoring financial assistance gives a misleading picture of what consumers actually pay.<sup>1</sup>
- **On average, Healthcare.gov Marketplace policies cover seven common health care services (most often generic drugs and primary care visits), in addition to preventive services, with no or low cost-sharing before consumers meet their deductibles.** This means that even accurately-measured deductibles present an incomplete picture of consumers' actual cost-sharing obligations, since deductibles do not apply to most consumers' most frequent health care needs.

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<sup>1</sup> All median deductible figures in this report are enrollment weighted.

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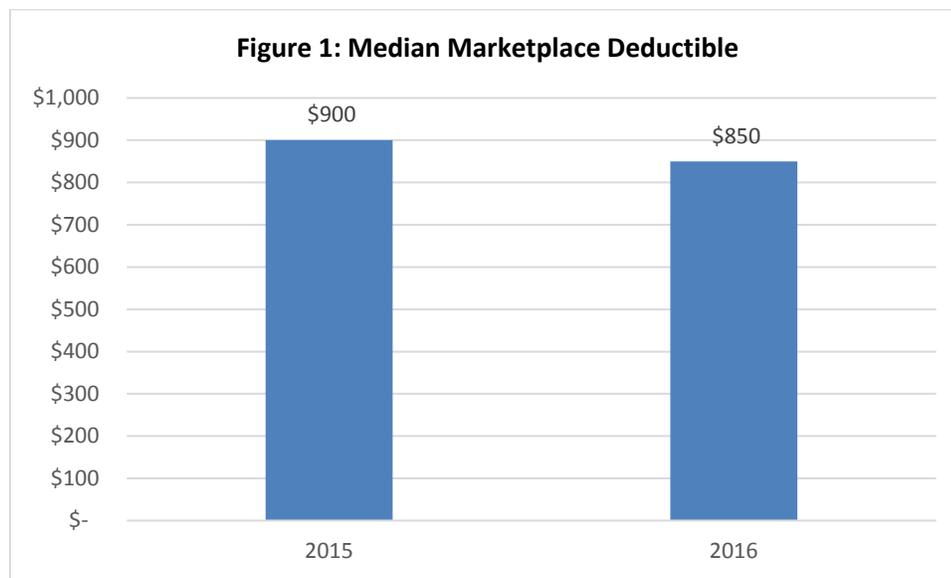
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Meanwhile, unlike many insurance policies sold before the Affordable Care Act was enacted, **all Marketplace plans have out-of-pocket limits that protect consumers from catastrophic costs.**

These findings on the moderate cost-sharing levels in Marketplace plans are consistent with other data showing that Marketplace policies are providing consumers with access to care and financial protection. For example, Marketplace consumers report accessing health services, including check-ups, physician services, and prescription drugs, at rates similar to consumers with employer-sponsored coverage, according to an [Urban Institute survey](#).

### Marketplace Plan Deductibles

A health plan's deductible is the amount the consumer needs to pay for certain health care services before the health insurance plan begins to pay. Deductibles can be an important factor in an individual's plan choice. In 2016, among all consumers purchasing HealthCare.gov Marketplace coverage, the median individual deductible is \$850. This is lower than the \$900 median deductible for 2015. (See Figure 1.)



These facts may seem surprising given anecdotes about Marketplace policies with very high cost sharing. However, those reports, which often focus on the highest-deductible plans in a market, ignore two important factors.

- **Financial assistance.** The figures in this analysis account for the fact that about 60 percent of 2016 HealthCare.gov Marketplace consumers qualify for financial assistance that reduces their deductibles, out-of-pocket maximums, and other cost-sharing obligations. For example, among consumers in silver plans who do not qualify for reduced cost sharing, the median deductible is \$3,000, whereas the median deductible for groups of silver plan enrollees who do receive assistances ranges anywhere from \$0 to \$2,500, depending on the consumers' household income. (See Table 1.) Just as examining Marketplace premiums without accounting for advance payment of premium tax credits gives a highly misleading picture of what consumers actually

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pay, examining cost sharing without taking into account cost-sharing reductions substantially exaggerates consumers' actual deductibles.

- **Consumer choice.** Rather than choosing bronze plans, which generally offer the lowest premiums, Marketplace consumers are overwhelmingly choosing silver plans, which generally have higher premiums, but lower cost sharing. Last year, HealthCare.gov rolled out new shopping tools that help consumers estimate their total cost of care across different policies (taking into account both premiums and cost sharing). These tools let consumers make informed tradeoffs between up-front costs and more comprehensive coverage.

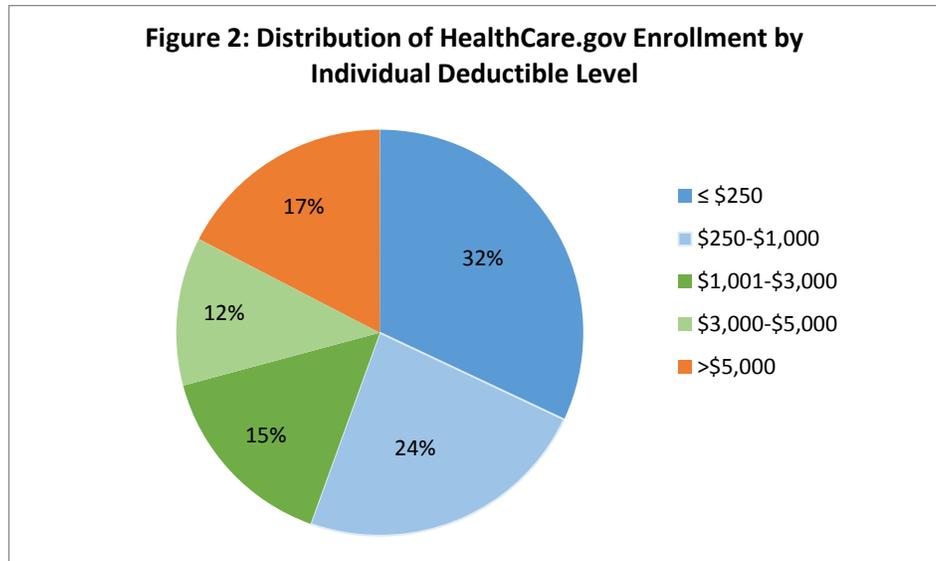
The net result of these factors is that about a third of HealthCare.gov Marketplace enrollees have deductibles less than or equal to \$250, and over half have deductibles below \$1000 in 2016. (Figure 2.)

	Median Enrollment Weighted Deductible (\$)		Share of Enrollment
	2015	2016	
Zero Cost Sharing*	0	0	0%
Silver - high cost-sharing assistance	100	0	33%
Platinum	250	0	1%
Silver - medium cost-sharing assistance	500	500	19%
Gold	1,000	1,000	6%
Silver - moderate cost-sharing assistance	2,500	2,500	9%
Silver - no cost-sharing assistance	3,000	3,000	12%
Bronze	5,750	6,300	21%
Catastrophic	6,600	6,850	1%
<b>Total</b>	<b>900</b>	<b>850</b>	<b>100%**</b>

\* Enrollees in zero-cost sharing plans are included in this analysis, but comprise less than half a percent of total Healthcare.gov Marketplace enrollment.

\*\*Totals do not add up to 100% due to rounding.

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**Covered Services Before the Deductible**

As we noted [last year](#), unlike other kinds of insurance, like automobile or homeowner’s insurance, many health insurance plans cover the costs of certain key services before someone meets their deductible. Not only do all plans cover preventive services such as cancer screenings, immunizations and well-child visits without cost-sharing, but most also cover commonly used health services either without cost-sharing or with low copayments, even if a consumer has not met the deductible. This means that even though a health plan has a deductible, it might not matter for the services used most frequently, like primary care visits or prescription drugs. In other words, just looking at the deductible – even after accounting for cost-sharing reductions – does not provide an accurate picture of Marketplace consumers’ access to care.

Similar to 2015, in 2016, on average, HealthCare.gov Marketplace policies cover seven services before the deductible, and approximately a third of HealthCare.gov Marketplace enrollees have policies that cover at least ten services before the deductible. (See Table 2 and Figure 3.) And the services most commonly covered before the deductible include the services typical consumers rely on most. (See Figure 4.)<sup>2</sup>

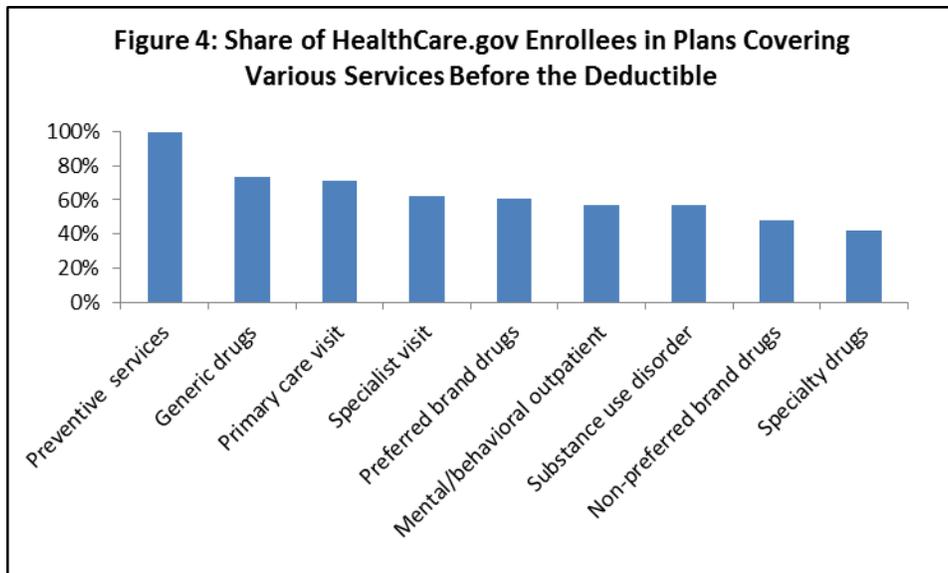
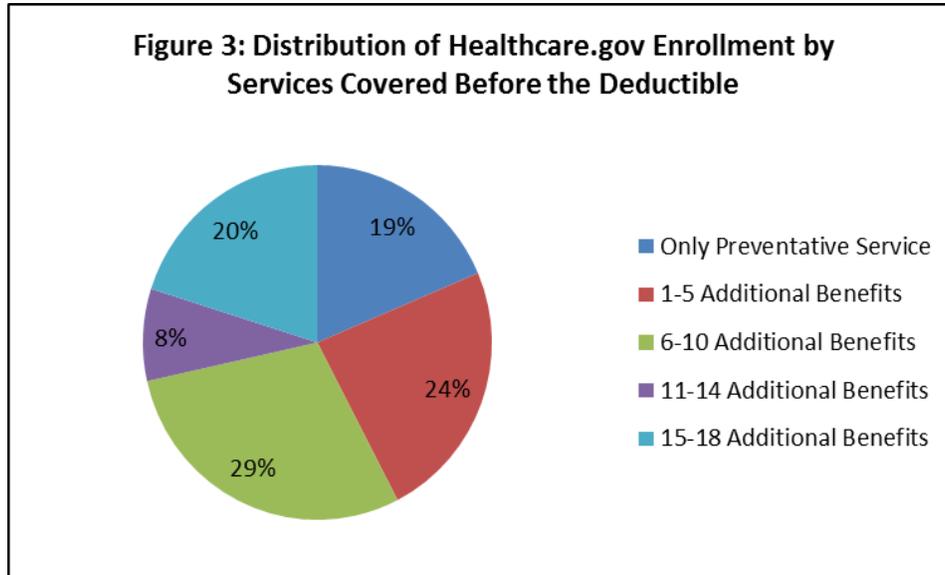
Table 2: Number of Additional (Non-Preventive) Services Covered Before the Deductible		
	Services	Share of Enrollment
<b>Platinum</b>	13.2	1%
<b>Silver - high cost-sharing assistance</b>	10.6	33%
<b>Silver - medium cost-sharing assistance</b>	8.9	6%
<b>Gold</b>	8.2	19%
<b>Silver - moderate cost-sharing assistance</b>	6.9	9%

<sup>2</sup> All plans are required to cover preventive services.

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<b>Silver - no cost-sharing assistance</b>	6.7	12%
<b>Bronze</b>	1.4	21%
<b>Total</b>	7.3	<b>100%*</b>

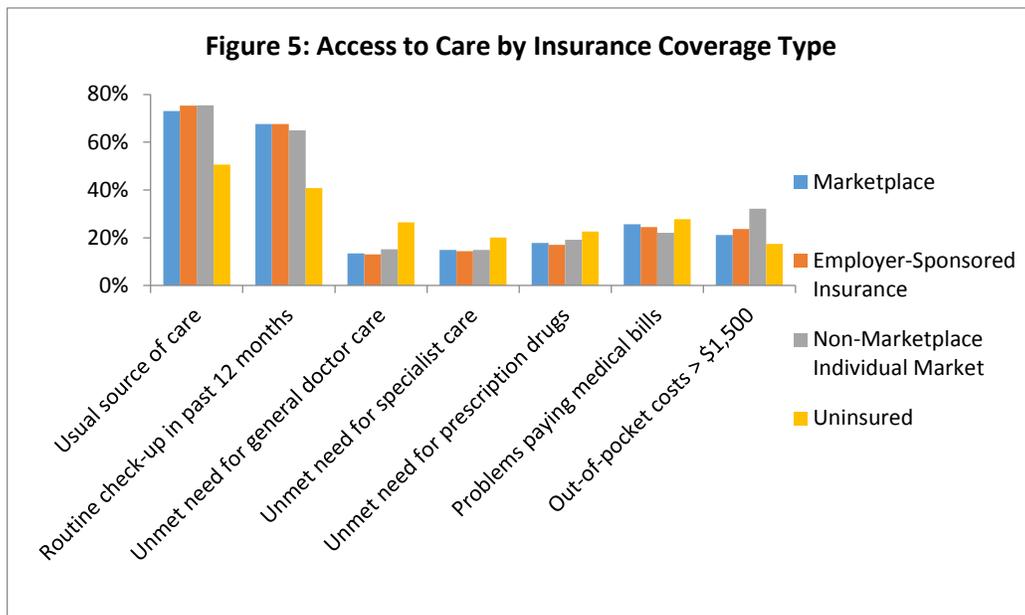
\*Totals do not add up to 100% due to rounding.



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**Access to care and financial protection**

The HealthCare.gov Marketplace plan data presented above help explain another important finding about Marketplace consumers: they appear to be using their coverage to access care at rates similar to consumers with coverage through their jobs. An [Urban Institute survey](#) found that across a range of measures of access to care and health-care related financial security, Marketplace consumers' experiences were generally not statistically distinguishable from those of consumers with employer coverage, while both groups reported far better access to care than those without health insurance in 2015. (See Figure 5.) In addition, [Census data](#) show that median total out-of-pocket costs (taking into account premiums, deductibles, and other cost sharing) for consumers purchasing health coverage through the individual market fell by 25 percent between 2013 and 2014, when the Health Insurance Marketplace and other individual market reforms in the Affordable Care Act took effect.



These data show that the promise of the Affordable Care Act is being realized for millions of Americans. It wasn't that long ago when too many of our friends and neighbors were locked out of health coverage because it was too costly or because of a preexisting condition. The Affordable Care Act changed that. It limited out-of-pocket costs, banned annual and lifetime dollar limits on essential health benefits, and guaranteed coverage of a set of core health services. This has given every American the peace of mind that their health coverage will be there when they need it.