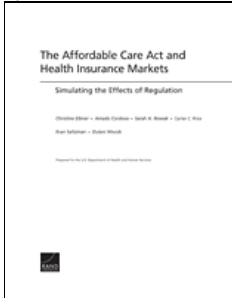


The Affordable Care Act and Health Insurance Markets

Simulating the Effects of Regulation

by [Christine Eibner](#), [Amado Cordova](#), [Sarah A. Nowak](#), [Carter C. Price](#), [Evan Saltzman](#), [Dulani Woods](#)



The Affordable Care Act changes the rating regulations governing the nongroup and small group markets while simultaneously encouraging enrollment through a combination of subsidies, tax credits, and tax penalties. In this report, the authors estimate the effects of the Affordable Care Act on health insurance enrollment and premiums for ten states (Florida, Kansas, Louisiana, Minnesota, New Mexico, North Dakota, Ohio, Pennsylvania, South Carolina, and Texas) and for the nation overall, with a focus on outcomes in the nongroup and small group markets. The authors also consider the implications of two decisions confronting states: whether to expand their Medicaid programs to cover all adults with incomes below 138 percent of the federal poverty level and whether to merge or combine their small group and nongroup risk pools. The authors conclude that the Affordable Care Act will lead to an increase in insurance coverage and higher enrollment in the nongroup market. However, data limitations and uncertainties about insurer behavior make estimates uncertain, particularly when considering outcomes for the nongroup market. They find that the law has little effect on small group premiums and find large variation in the effects for nongroup premiums across states. The analysis suggests that comparisons of average premiums with and without the Affordable Care Act may overstate the potential for premium increases.

Related Topics: [Health Care Costs](#), [Health Insurance Markets](#), [Medicaid](#), [Patient Protection and Affordable Care Act](#), [United States](#)

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