

## URBAN INSTITUTE ANALYSIS: MANDATE WOULD AFFECT FEW AMERICANS DIRECTLY

*Report finds that 94 percent of the population would not be required to newly purchase health insurance or face a penalty*

PRINCETON, N.J. – As the U.S. Supreme Court hears arguments regarding the Affordable Care Act’s (ACA) individual mandate—the requirement that individuals either have health insurance or pay a fine—an analysis released today shows that 94 percent of the U.S. population would *not* be required to *newly purchase* health insurance or face a penalty.

Prepared by researchers at the Urban Institute and funded by the Robert Wood Johnson Foundation, the analysis shows that six percent of the total U.S. population (7% of those under 65) could be subject to penalties if they did not purchase health insurance. While a small percentage of the population would be directly affected by the mandate, the requirement to purchase insurance would have a profound effect on keeping premiums affordable and coverage accessible for people who buy insurance themselves.

Researchers used the Urban Institute’s Health Insurance Policy Simulation Model to estimate the number of Americans potentially subject to the mandate; identify their insurance status absent the ACA; and simulate eligibility for Medicaid, exchange-based premiums, and cost-sharing subsidies.

The analysis shows:

- 33 percent of the U.S. population under age 65 would be explicitly exempt from the individual responsibility requirement, most because their incomes fall below the tax filing threshold. Most of these people already have health insurance through an employer, the private market, or public coverage programs.
- 58 percent of the U.S. population under age 65 are potentially subject to the individual responsibility requirement but are already insured through an employer, the individual market, or public coverage programs and therefore would not face penalties.
- Three percent of the U.S. population under age 65 are potentially subject to the individual responsibility requirement and are uninsured, but would be eligible for Medicaid, so they could receive coverage at no or low cost and not face penalties.
- Four percent of the U.S. population under age 65 are potentially subject to the individual responsibility requirement and are uninsured, but would be eligible for exchange subsidies to obtain insurance. If they did so, they would not face penalties.
- Three percent of the U.S. population under age 65 (2% of the total population) are potentially subject to the individual responsibility requirement, are currently uninsured and not offered financial assistance under the ACA. These people could face a penalty if they did not obtain insurance.

“The analysis shows that while a small number of people would be directly affected by the individual responsibility requirement, the overall benefit to the population would be large. Insurance markets would be more stable and premiums for insurance that people buy themselves

would be 10 to 20 percent lower than without a mandate,” said the Urban Institute’s Linda J. Blumberg, who led the analysis.

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