



DEFT'S 2024 INDIVIDUAL AND FAMILY PLAN SHOPPING AND SWITCHING STUDY EXECUTIVE RESEARCH BRIEF

What's Next for the IFP Market: Profit or Peril?

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2.29.2024

Deft Research recently published the 2024 Individual and Family Plan Shopping and Switching Study. This national market research report of over 2,500 IFP members examines all aspects of consumer shopping and plan choice during the most recent OEP. This year's report details how new and existing IFP members alike navigated the OEP with respect to how they shopped for coverage, the rates they switched plans, and how they felt about the plan selection experience. With the IFP market in the midst of an explosion in enrollment, fueled in part by the influx of former Medicaid members, the Individual and Family Plan Shopping and Switching Study looks to help keep industry stakeholders up to date on what's happening and what may come next.

This Executive Research Brief will examine a few interesting points from the broader report as it relates to the growth of the IFP market and what the future may hold.

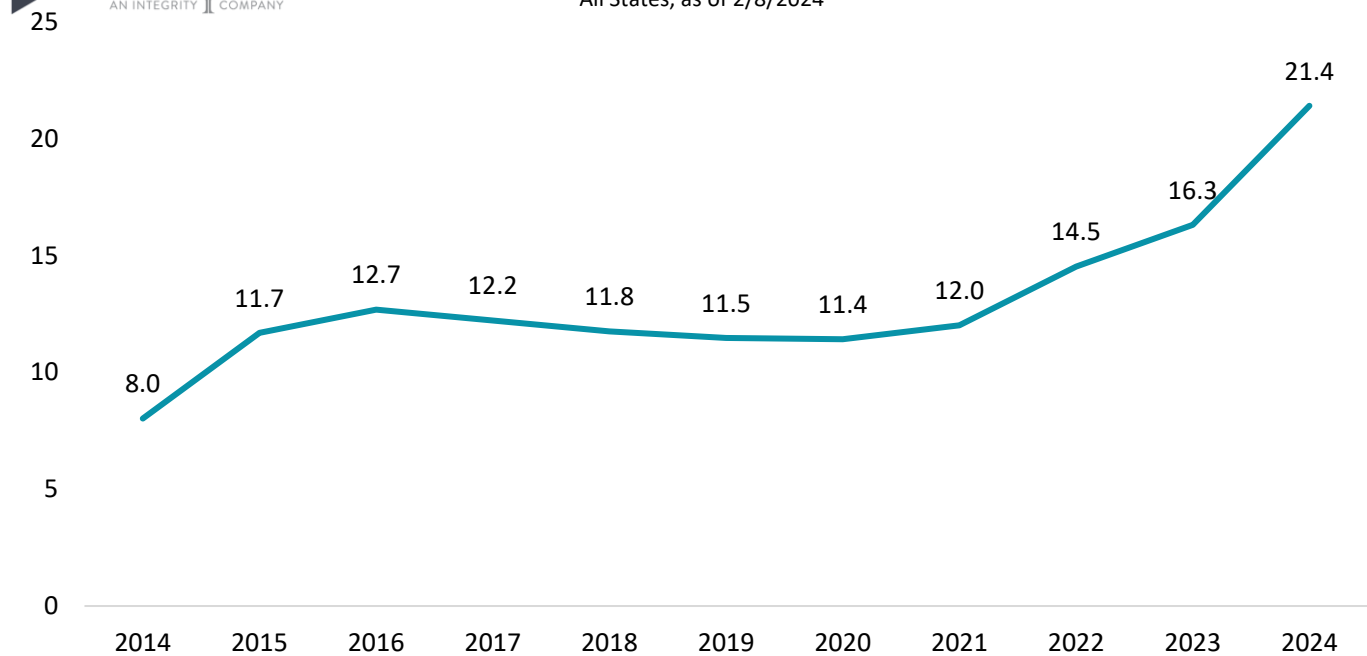
Armed with the insights from this study, carriers, agencies, and sales organizations will have a better grasp of the strategies to pursue and the tactics to implement as we progress from winter design planning to spring marketing ideation, and finally, to fall sales execution. For more information on the rest of the report please contact your Deft Research Client Services associate or email info@deftresearch.com.

What a difference a few short years can make.

During the early years of the IFP market, with its spiraling premiums and insurers running for the hills, the current state of the market was likely an unimaginable outcome for many observers. For much of the past decade, it seemed that the 2016 high-water mark of 12.7 million on-exchange enrollees could remain indefinitely. But after IFP consumers, especially those who weren't subsidy-eligible, took their medicine in the form of early premium hikes the market began to stabilize.

OEP MARKETPLACE PLAN SELECTIONS (IN MILLIONS) BY YEAR¹

All States, as of 2/8/2024



1. Data compiled by Charles Gaba, <https://acasignups.net/>

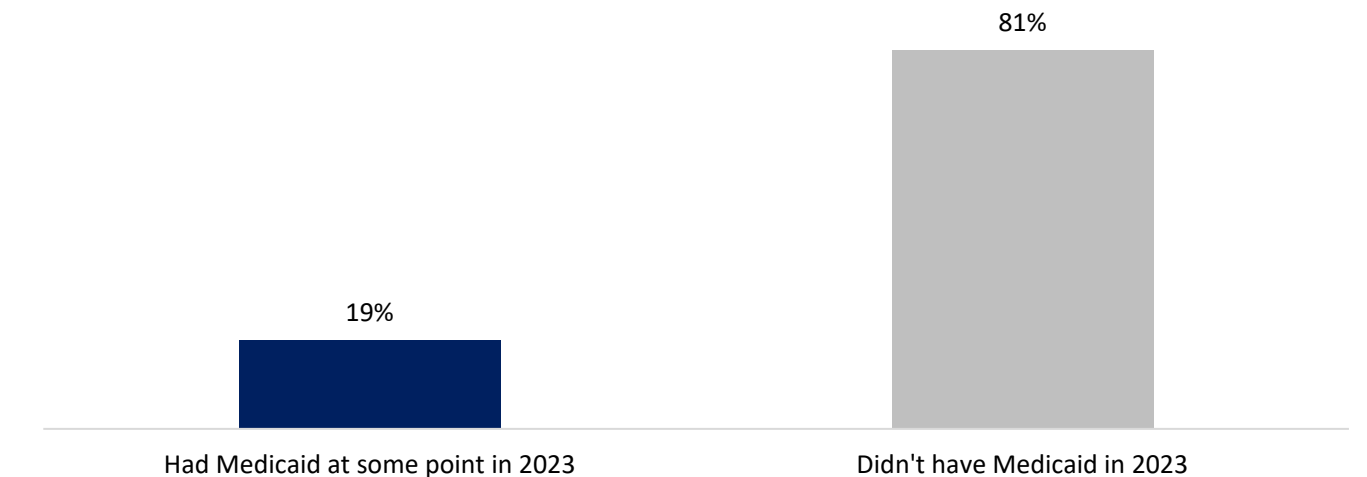
The stability provided by those early premium hikes set the stage for expanded subsidies to supercharge affordability, making IFP enrollment more attractive than ever before and contributing to a rush of new membership in the plan year 2022-2023 OEPs as shown in the chart above.

That is, until the most recent OEP, when enrollments easily blew past the 20 million signups milestone.

The chart below displays that nearly one in five IFP members we surveyed this last OEP reported previous Medicaid enrollment, contributing to a five-million-member jolt of new on-exchange plan selections for 2024. With Medicaid unwinding barely reaching its halfway point there may still be millions more soon-to-be IFP consumers waiting in the wings.

2023 MEDICAID STATUS

Base: 2024 IFP Insured, n=2,570



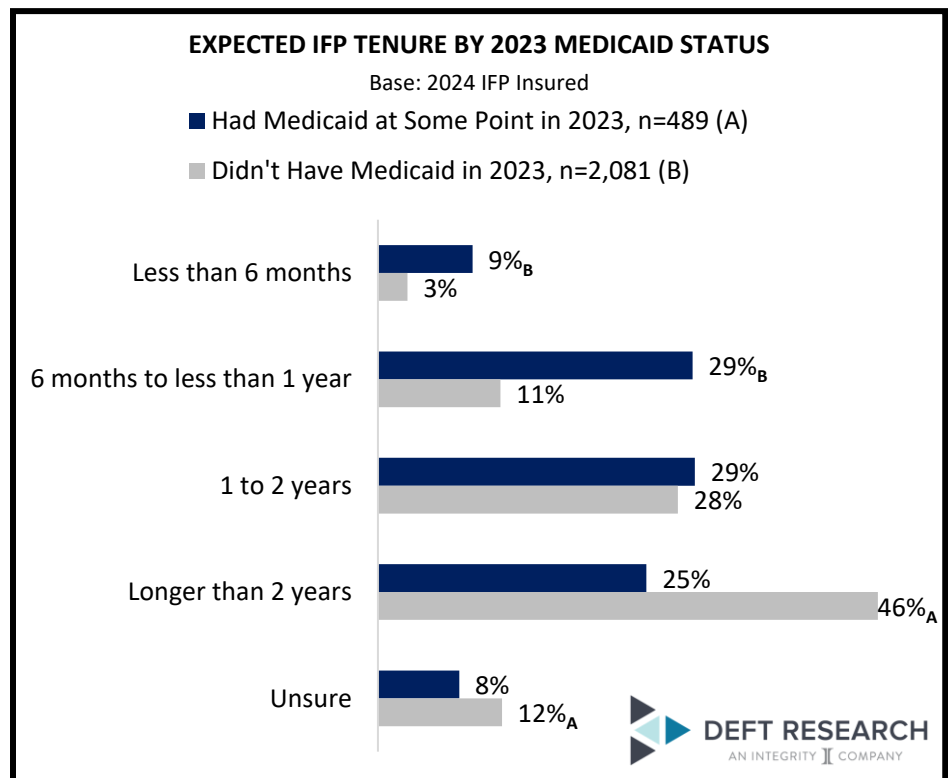
Easy come, easy go?

While the IFP market has experienced unprecedented growth and stability, there may be trouble lurking on the horizon. The fate of the subsidy expansion that has helped fuel so much of the IFP market's growth remains unknown, with its end-of-year 2025 cutoff date approaching. Up to this point, the IFP market has shown itself to be resilient despite being a political hot potato from its inception. But with time running out next year, the program once again faces an uncertain future.

By the end of 2025, a decision to act or let the subsidy expansion expire will need to be made. Expiration of the enhanced subsidies is a possibility that could rapidly reverse much of the IFP market's growth by unraveling the premium assistance levels that IFP consumers have enjoyed since mid-year 2021. Those who decide to remain in the market may be frustrated by higher premiums or lower-quality coverage.

In a time of routine political brinksmanship, it's unlikely that a decision will be reached any time soon. Still, even if the subsidy expansion is extended or made a permanent fixture, the influx of IFP enrollees may slow to a trickle or even reverse after the Medicaid unwinding ends.

Only a quarter of IFP members coming from Medicaid anticipate being enrolled in any IFP coverage for longer than two years. After paying little to nothing in terms of premiums and costs for care while on Medicaid, these consumers may be viewing their IFP coverage as a stopgap until another (hopefully better) source of coverage becomes available. The extent to which former Medicaid, now IFP, consumers leave the market altogether may be a question of how many end up gaining access to another affordable coverage option.



Regardless of what the future holds for the IFP market, preparation will be critical to success. Having a handbook detailing the health insurance attitudes, beliefs, and behaviors of today's IFP consumers will help stakeholders of all types make well-informed decisions about how to respond.

Don't miss these offerings related to the 2024 Individual and Family Plan Shopping and Switching Study:

- [Commercial Group and ICHRA Study](#) can help you expand on the ICHRA findings of the 2024 Individual and Family Plan Shopping and Switching Study and details how both current commercial group members and those already in an ICHRA feel about ACA coverage.
- [Individual and Family Plan Digital Tools Study](#) provides an in-depth look at all aspects of digital healthcare, including online shopping, portal management, e-brokers, virtual care, and virtual-first plans to help prepare you for the increasingly digital future of health insurance.
- For those also in the Medicare market, the [Medicare Shopping and Switching Study](#) is the sister study to the 2024 Individual and Family Plan Shopping and Switching Study and a must-have to understand the senior health insurance market and what led consumers to switch this last AEP.

Keep the insights coming all year with our syndicated studies.

Our **2024 Commercial Market Insights Service** studies for the Individual Under 65 Market include:

- [Individual and Family Plan Shopping and Switching Study](#) examines the traditional OEP enrollment period, the channels that best connected with consumers, and how these individuals shopped for coverage.
- [Commercial Group and ICHRA Study](#) illuminates how current commercial group members feel about a potential move to ACA coverage and compares these experiences to those already in ACA coverage through ICHRA.
- [Individual and Family Plan Digital Tools Study](#) gives an in-depth look at all aspects of digital healthcare, including online shopping, portal management, e-brokers, virtual care, and virtual-first plans.
- [Individual and Family Plan Member Experience Study](#) identifies the experiences that either inflate or depress loyalty so that carriers can hold onto ACA members.

The **2024 Senior Market Insights Service** includes the following studies:

- [National Dual Eligible Benefit Design Conjoint Study](#) examines tradeoffs between supplemental benefit preferences, amounts, and purses to identify what Dual Eligible consumers value the most.
- [National Dental Benefit Design Conjoint Study](#) identifies the tradeoffs that consumers are willing to make based on their current dental needs in either an embedded dental plan or standalone.
- [Medicare Shopping and Switching Study](#) highlights what made members venture to new products during this past AEP.
- [National Part D Addendum Study](#) provides insight into seniors' price sensitivity to drug plan changes and how that may influence migration from standalone Part D to MAPD.
- [Dual Eligible Acquisition Study](#) provides insights into how seniors with Medicaid eligibility (D-SNP or otherwise) shop and consider new coverage.
- [Medicare Open Enrollment Period and Disenrollment Prevention Study](#) focuses on the experiences that keep members loyal during the "redo" period.
- [Medicare Age-In Study](#) shows the products, channels, and enrollment preferences of the next generation of boomer eligibles.
- [AEP Gut Check Study](#) examines the pain points carriers and agents must address as we near the AEP.
- [Dual Eligible Retention Study](#) helps to better understand the member experience carriers, agencies, and consultants need to consider to win with this fastest growing segment of the Medicare space.
- [Medicare Digital Tools Study](#) gives an in-depth look at how seniors use digital tools for product selection, navigation, and accessing healthcare.
- [Medicare Member Experience Study](#) shows what causes attrition, switching intention, and lower CAHPS scores.