State-based Marketplace Experiences with the American Rescue Plan Act (ARPA)

September 13, 2021
About the State Health Exchange Leadership Network

The National Academy for State Health Policy (NASHP) is a nonpartisan forum of state policymakers leading innovative solutions to today’s health policy concerns.

NASHP is home to the State Health Exchange Leadership Network, a consortium of state leaders and staff dedicated to operation of the state-based health insurance marketplaces (SBMs).

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¹SBM data presented in this analysis based on reports from 12 states operating SBMs: California, Connecticut, the District of Columbia, Idaho, Maryland, Massachusetts, Minnesota, Nevada, New Jersey, New York, Pennsylvania, Rhode Island, Washington
The Health Insurance Marketplaces are an essential piece of the coverage continuum

The pandemic underscored...

- When employment fluctuates, Marketplace coverage is stable – ensuring people have access to coverage
- The importance of the 3 M’s – Medicaid, Marketplaces and Medicare – working in tandem to keep uninsured rates low
- Affordable, accessible health coverage and care is critical

Marketplaces rapid response...

- Since March 2021, over 2.5 M individuals have enrolled in coverage through the health insurance marketplaces¹
- SBMs ensure continued access to coverage by:
  - Opening special enrollment periods
  - Increasing outreach investments and efforts
  - Coordinating with sister agencies, like unemployment
  - Negotiating with carriers to encourage greater flexibilities

ACA created the coverage infrastructure and the American Rescue Plan Act’s (ARPA) APTC enhancements increased affordability for millions of Americans

- Cost is cited as the #1 barrier prohibiting individuals from enrolling in marketplace coverage
- ARPA has resulted in significant savings
  - SBMs report up to 66% in average monthly premium savings for subsidized households

**Post-ARPA Reduction in Average Monthly Premium (by Household)**

- **Since ARPA:**
  - 10 SBMs report that over 50% of their enrollees pay less than $100/month for coverage
  - 6 report that over a quarter of enrollees pay $1 or less per month

*Data include unsubsidized households, including those that had not proactively elected into ARPA’s APTCs; NJ data represents federal ARPA and state subsidy*
ARPA’s subsidy enhancements are improving affordability for key populations

- ARPA has resulted in needed financial support to individuals and families across states and income levels.
- SBMs report notable savings in SBM premiums among >55 year-olds; 9 states report average premium reductions of over $50/ month

<table>
<thead>
<tr>
<th>% Reduction in Average Household Premium Post-ARPA*</th>
<th>&lt;250% FPL</th>
<th>250-400% FPL</th>
<th>&gt;400% FPL</th>
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<tr>
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<tr>
<td>WA</td>
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<td>-37.1%</td>
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</tr>
</tbody>
</table>

Over 50% premium reduction

*Data include unsubsidized households, including those that had not proactively elected into ARPA’s APTCs; NJ data represents federal ARPA and state subsidy
**Includes subsidized households only
ARPA’s enhanced subsidies allow marketplace consumers to buy higher value coverage

- Increased affordability allows consumers choice to purchase plans based on their value, better insulating families from out-of-pocket costs

- 12 SBMs report that at least a quarter of post-ARPA enrollees are electing silver-level qualified health plans
  - 5 SBMs report over 50% of new enrollees have elected a silver plan
Long term enhanced marketplace premium support provides needed stability for families and insurance markets

- The COVID-19 pandemic is predicted to have reverberating effects on both the U.S. healthcare system and the economy for years to come.
  - Marketplaces will remain an important and reliable coverage source, especially as families navigate a shifting economy.
- Commitment to lowering coverage costs provides financial security individuals & families can count on
- Sustained policies (i.e., permanent extension of APTC enhancements) will promote premium affordability
  - By 2022, a permanent expansion of ARPA’s APTC enhancements is estimated to lead to:¹
    - 4.4 M fewer uninsured
    - 5.1 M additional marketplace enrollees
    - A 15% reduction in marketplace premiums