

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

September 13, 2021



# About the State Health Exchange Leadership Network

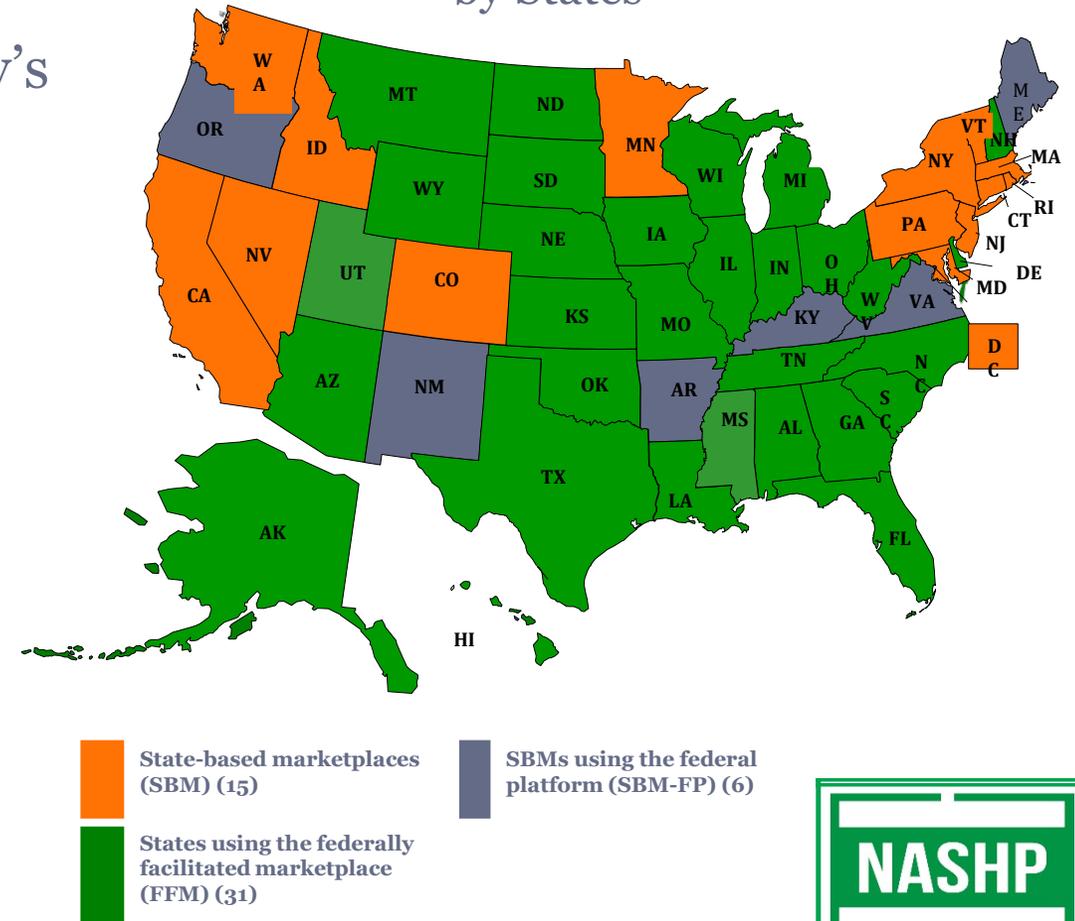
The National Academy for State Health Policy (NASHP) is a nonpartisan forum of state policymakers leading innovative solutions to today's health policy concerns.

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).

For additional information, please contact Hemi Tewarson, Executive Director, NASHP, [htewarson@nashp.org](mailto:htewarson@nashp.org)

*<sup>1</sup>SBM 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*

Health Insurance Marketplace Models by States



# 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...

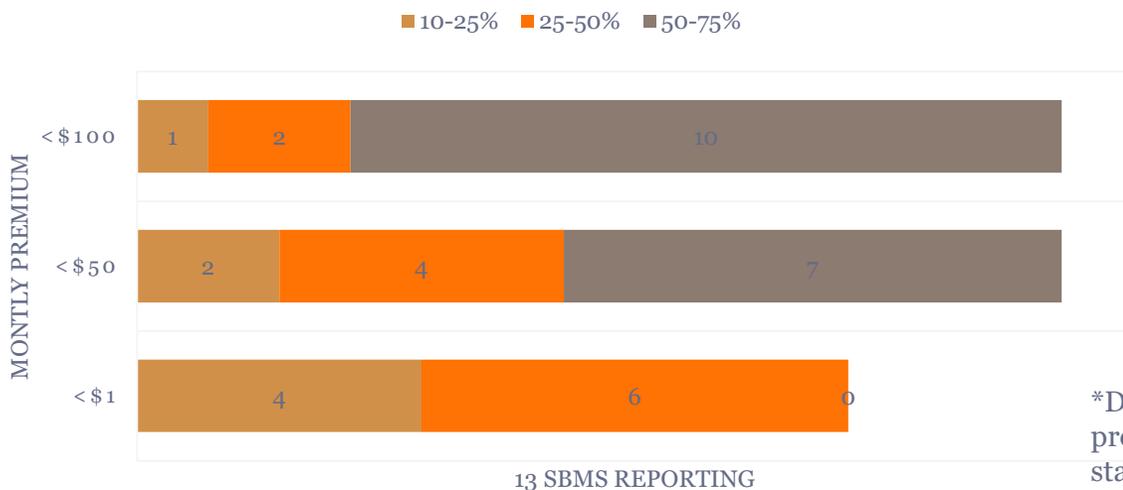
- Since March 2021, **over 2.5 M individuals** have enrolled in coverage through the health insurance marketplaces<sup>1</sup>
- SBMs ensure continued access to coverage by:
  - Opening special enrollment periods
  - Increasing outreach investments and efforts
  - Coordinating with sister agencies, like unemployment
  - Negotiating with carriers to encourage greater flexibilities

<sup>1</sup>The Centers for Medicare and Medicaid Services (CMS). **More than 2.5 Million Americans Gain Health Coverage During Special Enrollment Period.** <https://www.cms.gov/newsroom/press-releases/more-25-million-americans-gain-health-coverage-during-special-enrollment-period>

# 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

## PROPORTION OF ENROLLEES WITH MONTHLY PREMIUMS OF \$100 OR LESS\*



## 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

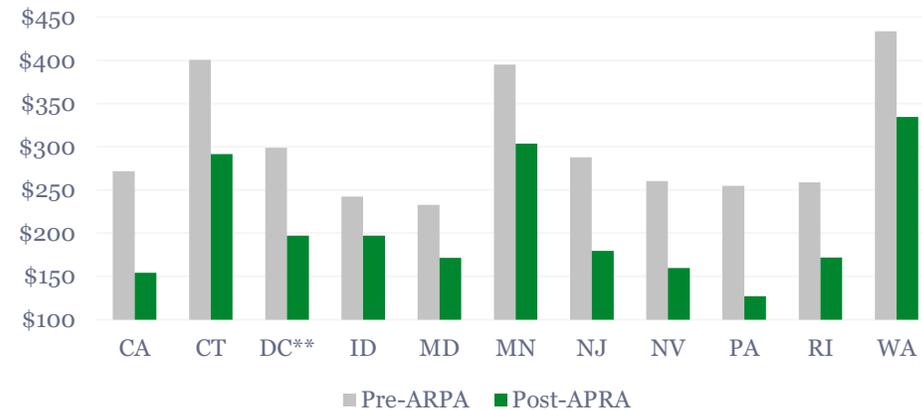
\*Data include unsubsidized households, including those that had not proactively elected into ARPA's APTCs; NJ data represents federal ARPA and state subsidy

# 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

% Reduction in Average Household Premium Post-ARPA*			
	<250% FPL	250-400% FPL	>400% FPL
CA	-50.3%	-38.5%	-29.3%
CT	-42.7%	-33.9%	
DC	-44.1%**	-45.7%**	-22.3%
ID	-45.1%	-26.8%	
MD	-53.6%	-34.1%	-12.0%
MA	-15.2%	-29.2%	-23.5%
MN	-56.0%	-38.8%	-24.5%
NJ	-64.4%	-48.5%	-30.7%
NV	-55.8%	-52.6%	-31.7%
NY	-50.7%	-31.4%	-36.7%
PA	-77.8%	-61.5%	-44.5%
RI	-64.3%	-38.9%	-15.6%
WA	-51.8%	-37.1%	-27.0%
Over 50% premium reduction			

Average Monthly Premium, >55 years of age\*



\*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:<sup>1</sup>
    - 4.4 M fewer uninsured
    - 5.1 M additional marketplace enrollees
    - A 15% reduction in marketplace premiums

<sup>1</sup> Bantlin, J., Buettgens, M., Simpson, M., et al. (2021) What If the American Rescue Plan's Enhanced Marketplace Subsidies Were Made Permanent? Estimates for 2022. The Urban Institute. [https://www.urban.org/sites/default/files/publication/104072/what-if-the-american-rescue-plans-enhanced-marketplace-subsidies-were-made-permanent-estimates-for-2022\\_0.pdf](https://www.urban.org/sites/default/files/publication/104072/what-if-the-american-rescue-plans-enhanced-marketplace-subsidies-were-made-permanent-estimates-for-2022_0.pdf)