The American Rescue Plan Act (ARPA) Improved Access to Affordable Coverage for Thousands of Colorado Consumers

The American Rescue Plan both increased premium assistance and eliminated the cliff at which middle-income Americans no longer qualified for financial assistance.

Unless Congress acts, these needed affordability supports will expire at the end of this year.

ARPA drove record enrollment and lowered costs for 155,000 enrollees.

Historic enrollment growth
2022 marked Connect for Health Colorado’s highest enrollment on record. 198,000 individuals enrolled in coverage during the recently completed open enrollment season, including 24,000 individuals who newly enrolled in coverage this year.

- This is an increase of 19,000 or 10% compared to the same period last year.
- This includes an estimated 26,000 middle-income individuals who for the first time could qualify for financial support.

Substantial affordability support
Thanks to ARPA’s premium assistance, annual premium expenses fell by an average of 30% or $900 per customer compared to 2021.

In 2022:

- 9% of enrollees will pay ≤$1 per month for coverage.
- 12% of enrollees will pay <$10 per month for coverage.
- 16% of enrollees will pay <$25 per month for coverage.

Affordability enhancements enable greater financial security and health protections for Colorado’s consumers.

Increased purchasing power
Since ARPA took effect, greater affordability enabled some Colorado households to “purchase up”, opting for silver or gold plans that offer better financial protection from high out-of-pocket costs.

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1 Factsheet is based on information and data collected from Connect for Health Colorado. Data updated as of March 3, 2022.
2 Defined as households >400% of the federal poverty level (FPL) which include individuals making over $54,360 per year or over $111,000 for a family of four.
Because of ARPA’s premium enhancements, approximately 16,400 customers qualified for ≤$1/month silver plans.

- Enrollment in silver plans grew by 8% since ARPA took effect.
- Enrollments in CSR eligible plans grew by 10% since ARPA took effect.
- Enrollments in gold plans grew by 121% since ARPA took effect.

The expiration of ARPA premium affordability measures will dramatically raise premiums, disrupt markets, and increase the number of uninsured, with Colorado’s consumers feeling the impacts as soon as September.

Increased cost to consumers

Connect for Health Colorado estimates that 155,000 or 76% of enrollees will see reduced or eliminated financial support without ARPA’s tax credit enhancements.

Annual spending on premiums is estimated to increase by an average of $830 or 39%. This includes average annual increases of:

- $1,300 or 47% per year for enrollees between the ages of 55 and 64
- $1,750 or 45% for enrollees above the 400% FPL
- $830 or 114% for enrollees below 250% FPL

Significant coverage losses

Over one million Americans are estimated to drop coverage if ARPA subsidies expire. This includes an estimated 25,500 individuals from Colorado.

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