



## The American Rescue Plan Act (ARPA) Improved Access to Affordable Coverage for Thousands of Colorado Consumers<sup>1</sup>

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<sup>2</sup> 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.

<sup>1</sup> Factsheet is based on information and data collected from *Connect for Health Colorado*. Data updated as of March 3, 2022.

<sup>2</sup> 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.



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- Because of ARPA's premium enhancements, approximately 16,400 customers qualified for  $\leq$ \$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.<sup>3</sup> This includes an estimated 25,500 individuals from Colorado.

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<sup>3</sup> Congressional Budget Office (2021). Reconciliation Recommendations of the House Committee on Ways & Means (revised Feb 17, 2021). Available at: <https://www.cbo.gov/system/files/2021-02/hwaysandmeansreconciliation.pdf>.