



The American Rescue Plan Act (ARPA) Improved Access to Affordable Coverage for Thousands of Maryland Consumers¹

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 180,000 enrollees.

Historic enrollment growth

ARPA's premium support drove Maryland's **highest ever enrollment** and second consecutive year of record growth, including more than 47,000 individuals who newly enrolled in coverage this year.

- Total enrollment increased by **more than 20,000—9% compared to 2021 open enrollment**.
- This includes **more than 16,000** middle-income individuals² who for the first time qualified for financial support—a **60% annual increase**.
- **Young adult enrollment (ages 18-34) surpassed 50,000**—a 7 percent increase from 2021.³
- Enrollment increases were particularly notable among the **over 7,600 individuals at 100-138% FPL**, an increase of 59% from 2021.

Substantial affordability support

Thanks to ARPA's premium assistance, **premium spending fell by an average of 47%, or more than \$80 per enrollee per month compared to 2021**.

In 2022:

- 3,474 enrollees will pay \leq \$1 per month for coverage.
- 28,501 enrollees will pay $<$ \$10 per month for coverage.
- 12,090 enrollees will pay $<$ \$25 per month for coverage.

¹ Factsheet is based on information and data collected from *Maryland Health Connect*. Data updated as of March 9, 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.

³ This gain was in part propelled by the implementation of a \$20 million state-funded subsidy program designed to encourage enrollment among young adults. Nearly 2/3 of young adults qualified for this additional subsidy, which lowered monthly premium costs by an additional \$40 per month. More than 10,000 of Maryland's new enrollees qualified for this program.



Affordability enhancements enable greater financial security and health protections for Maryland consumers.

Increased purchasing power

Affordability enabled **more than 18,000** households to “purchase up” in 2021, opting for plans that offer better financial protection from high out-of-pocket costs.

- ~83,000 individuals enrolled in gold plans, a 26% increase from 2021.
- Affordability of health plans also contributed to **growth in dental plan enrollment, which increased by over 66,000 or 29%** in 2022.

Major impact on communities of color

ARPA has especially benefited Maryland’s communities of color who are generally disproportionately impacted by a lack of access to routine care and by the pandemic economy.

- Enrollment among **Black individuals totaled 30,535, a 11% increase** from 2021.
- **Hispanic enrollees totaled 20,241, a 14% increase** from 2021.

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

Increased cost to consumers

Maryland estimates **that more than 142,000 enrollees** will see reduced or eliminated financial support without the ARPA’s tax credit enhancements.

- Consumer premium spending is estimated to **increase by an average of 47%, or more than \$80 per month** for Maryland’s enrollees.
- “Sticker shock” will begin as soon as September 2022, when customers begin to receive renewal notices for their insurance coverage.

Significant coverage losses

Over one million Americans are estimated to drop coverage if ARPA subsidies expire.⁴ This could **include a large portion of the 45,000 newly enrolled** in coverage through Maryland Health Connection.

- Enrollment losses will worsen the risk mix of insurance markets, which will further increase premium costs, exacerbating the impact of the lost financial support.
- In addition to dropping coverage, increased costs will drive many customers to “purchase down” to coverage with less robust benefits and fewer financial protections, eliminating the increased financial security enabled by ARPA.

⁴ 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>.