



## The American Rescue Plan Act (ARPA) Improved Access to Affordable Coverage for Thousands of Rhode Island 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 lowered cost and expanded access to health insurance for tens of thousands of individuals enrolled in coverage through HealthSource RI.

#### Historic enrollment growth

ARPA's premium support drove Rhode Island's highest enrollment since 2019—31,422 individuals enrolled in coverage for 2022, including 9,824 new enrollees.

- Total enrollment grew by 4.7% compared to the same period last year.
- Enrollment includes 2,060 middle-income individuals who for the first time could qualify for financial support.<sup>2</sup>

#### Substantial affordability support

Thanks to ARPA's premium assistance, premium costs fell by an average of \$51 per person per month compared to 2021.

- 11% of enrollees will pay  $\leq$ \$1 per month for coverage.
- 24% of enrollees will pay  $<$ \$10 per month for coverage.
- 28% of enrollees will pay  $<$ \$25 per month for coverage.

### Affordability enhancements enable greater financial security and health protections for Rhode Islanders.

#### Increased purchasing power

Affordability enabled 1,208 households to “purchase up” since 2021, opting for silver or gold plans that offer better protection from unexpected out-of-pocket costs.

- Because of ARPA's premium enhancements, 2,414 qualified for  $<$ \$1/mo. silver plans.
- 669 individuals moved from bronze to silver or gold plans from 2021 to 2022.

<sup>1</sup> Factsheet is based on information and data collected from *HealthSource RI*. Data updated as of February 25, 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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- 482 individuals moved from silver to gold plans from 2021-2022.
  - 1,208 individuals selected a plan at a higher metal tier from 2021 to 2022.
    - Enrollment in bronze plans dropped by 8.4% from 2021 to 2022.
    - Enrollment in gold plans grew by 17.00% from 2021 to 2022.

**The expiration of ARP premium affordability measures will dramatically raise premiums, disrupt markets, hamper our ability to effectively transition consumers from Medicaid to QHP during unwinding, and increase the number of uninsured, with Rhode Islanders feeling the impacts as soon as October 2022.**

### **Increased cost to consumers**

Rhode Island estimates that 26,679 enrollees will see reduced or eliminated financial support if the ARP's affordability enhancements expire. "Sticker shock" will begin as soon as October 2022, when customers begin to receive renewal notices for their insurance coverage.

- Premium spending by HealthSource RI enrollees may increase by an average of \$51 per member per month, a 70.8% increase from 2022.
- Increased costs will likely lead to thousands of coverage losses, worsening risk mix, and further exacerbating premium increases. This will drive consumers to drop coverage or "purchase down" to coverage with less robust benefits and fewer financial protections.