

NATIONAL

Average Consumer in the US Could See Higher Exchange Premiums in 2023 Without the Extension of ARPA Subsidies

On March 11, President Biden signed the American Rescue Plan Act (ARPA) of 2021. Among other provisions, ARPA temporarily increases exchange premium tax credits for individuals already eligible for assistance under the Affordable Care Act (ACA), and it extends eligibility to individuals with incomes over 400% of the federal poverty level (FPL), for 2021 and 2022. Under these provisions, approximately 18 million Americans now have access to lower-premium exchange plans—and approximately 8 million are newly eligible for lower premiums.¹

ARPA tax credit enhancements are set to expire on December 31, 2022. Congress can provide certainty to millions of Americans by adopting ARPA tax credits permanently. If Congress does not act, exchange enrollees will face higher out-of-pocket premiums for the 2023 plan year. Millions of Americans will see this impact on their premiums when they receive renewal letters by November 1, 2022.

AHIP commissioned Avalere Health to estimate out-of-pocket premiums for the average American in 2023 with and without extensions to ARPA premium tax credit enhancements. **Millions of consumers will face higher health care premiums if these enhanced tax credits are not made permanent.**

The analysis focuses on 3 typical Americans:²

1. 27-year-old individual earning \$19,191 per year (149% FPL)
2. 46-year-old individual earning \$41,860 per year (325% FPL)
3. 55-year-old couple earning \$70,551 per year (405% FPL)

These Americans would face annual premiums that are hundreds of dollars higher if these tax credit enhancements are not made permanent.

Increases in Monthly and Annual Out-of-Pocket Premiums if ARPA Lapses

27-Year-Old Individual	↑ \$66 Per Month	↑ \$795 Per Year
46-Year-Old Individual	↑ \$109 Per Month	↑ \$1,304 Per Year
55-Year-Old Couple	↑ \$761 Per Month	↑ \$9,130 Per Year

Broader Impact to Americans

Approximately 12 million Americans, (8.3 million from HealthCare.gov and 3.8 million from state based exchanges), enrolled in exchange coverage during the 2021 annual open enrollment period, which concluded on December 15, 2020.³ An additional 1.2 million Americans selected new plans through HealthCare.gov between February 15th and May 31st under the federal special enrollment period (SEP). That number will increase as the SEP continues through August 15, 2021.^{4,5}

1 Avalere Health. "Measuring Scope of COVID-19 Relief Coverage Expansion Provisions." Available [here](#).

2 Note that all consumer scenarios were non-smokers and were assumed to be enrolled on the second-lowest cost silver plan.

3 HHS. "HHS Announces the Largest Ever Funding Allocation for Navigators and Releases Final Numbers for 2021 Marketplace Open Enrollment." Available [here](#).

4 CMS. "2021 Federal Health Insurance Exchange Weekly Enrollment Snapshot: Final Snapshot." Available [here](#).

5 CMS. "2021 Marketplace Special Enrollment Report." Available [here](#).