Consumers in Arapahoe County 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 people in Arapahoe County in 2023 with and without extensions to ARPA premium tax credit enhancements. **Thousands of Coloradans will face higher health care premiums if these enhanced tax credits are not made permanent.**

The analysis focuses on 3 typical Coloradans: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 Coloradans would face annual premiums that are hundreds of dollars higher if these tax credit enhancements are not made permanent.

### Broader Impact to Coloradans

Approximately 180,000 Coloradans enrolled in exchange coverage during the 2021 annual open enrollment period, which concluded on December 15, 2020. Approximately 20,000 additional Coloradans selected new plans between February 8th and June 7th under the state’s special enrollment period (SEP). That number will increase as the SEP continues through at least August 15, 2021.³,⁴

| Increases in Monthly and Annual Out-of-Pocket Premiums if ARPA Lapses |
|-----------------------------|-----------------------------|-----------------------------|
| **27-Year-Old Individual**  | **$66** Per Month           | **$788** Per Year           |
| **46-Year-Old Individual**  | **$109** Per Month          | **$1,312** Per Year         |
| **55-Year-Old Couple**      | **$664** Per Month          | **$7,968** Per Year         |

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