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

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

### Broader Impact to Pennsylvanians

Nearly 338,000 Pennsylvanians enrolled in exchange coverage during the 2021 annual open enrollment period, which concluded on December 15, 2020. Over 41,000 Pennsylvanians newly enrolled between February 15th and June 21st under a special enrollment period (SEP). That number will likely increase as the state’s SEP continues through August 15, 2021.3,4

<table>
<thead>
<tr>
<th></th>
<th>Increases in Monthly and Annual Out-of-Pocket Premiums if ARPA Lapses</th>
</tr>
</thead>
<tbody>
<tr>
<td>27-Year-Old Individual</td>
<td>$66 Per Month, $789 Per Year</td>
</tr>
<tr>
<td>46-Year-Old Individual</td>
<td>$109 Per Month, $1,304 Per Year</td>
</tr>
<tr>
<td>55-Year-Old Couple</td>
<td>$1,068 Per Month, $12,816 Per Year</td>
</tr>
</tbody>
</table>

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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.
4 Pennie one-pager on the impact of the American Rescue Plan. Available [here](#).