

Protect Our Care: Democrats in congress pass vital pandemic relief, most significant health care reform in a decade

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Washington, DC — Today, Democrats in the House passed the Senate version of the American Rescue Plan, sending desperately needed pandemic relief and historic health care reform to President Biden's desk. The American Rescue Plan includes measures to lower health care costs, expand coverage, and address inequities in care. In response, Joe Zepecki, Protect Our Care Wisconsin State Director, issued the following statement:

“Congressional Democrats just delivered a historic victory in the battle against COVID-19. The American Rescue Plan has broad bipartisan support across the country because it will put money into the pockets of families struggling with the health and economic consequences of the pandemic, ensure more people get vaccinated, and help safely reopen schools and the economy. After years of Republican attacks on the Affordable Care Act, the American Rescue Plan also includes the most significant health care reform in more than a decade, building on the ACA to provide lower health insurance premiums for millions, get more Americans covered, and help address racial inequities. While Republicans continue to oppose desperately needed pandemic relief, Democrats have delivered on their promises to pass policies that will have a huge impact on the daily lives of Americans.”

BACKGROUND:

The American Rescue Plan Will Expand Coverage, Dramatically Reduce

Health Care Costs For Americans

As part of the American Rescue Plan, Democrats included major provisions to lower health care costs and expand coverage, building on the strong foundation of the Affordable Care Act (ACA). This legislation will lower premiums for people purchasing coverage through the ACA marketplaces and expand access to financial assistance for more middle-class families. Additionally, the American Rescue Plan includes robust financial incentives for the 14 states that have not yet implemented Medicaid expansion.

Making health insurance more affordable and accessible is especially important as the country continues to battle the coronavirus pandemic and millions have lost their jobs and their health insurance. Measures to increase affordability also reduce racial disparities in health care access. Despite significant progress after the implementation of the ACA, Black and Hispanic adults are [more likely](#) than white adults to have low incomes and face financial barriers to receiving care.

Lower Costs:

Increasing financial assistance on the ACA marketplaces means more people will be able to get the affordable coverage they need during the pandemic. Similar legislation previously passed by the House would lower costs for more than [10 million Americans](#) and provide affordable options for uninsured Americans at a time when access to health care is paramount. The Congressional Budget Office estimates that [1.3 million uninsured people](#) will gain coverage as a result of these provisions alone.

- **Guarantee coverage that costs less than 8.5 percent of income.** This legislation lowers the cost of premiums for Americans purchasing coverage through the ACA marketplaces, ensuring enrollees have the option to purchase health care for less than 8.5 percent of their income for the next two years.
- **Make coverage more affordable** by temporarily expanding the eligibility for premium tax credits above 400 percent of the federal poverty level — [roughly](#) \$51,000 for a single person or \$105,000 for a family of four. Under current law, families earning just above 400 percent of the federal poverty level spend an average of [15 percent](#) of their incomes on health insurance. According to [estimates](#) from the Center on Budget and Policy Priorities:
 - The average 45-year-old earning \$60,000 will save \$86 in monthly premiums.
 - A 60-year-old couple with a household income of \$75,000 will save \$1,389 in

monthly premiums.

- A family of four with a household income of \$120,000 will save \$595 in monthly premiums.
- **Improve affordability for low- and middle-income Americans** by increasing the size of the tax credits for all income brackets for the next two years. This [means](#) a typical family of four with a household income of \$75,000 will save \$248 on monthly premiums, while a single adult earning \$30,000 will save \$110 per month.
- **Eliminate premiums** in the exchanges for people earning up to 150 percent of the federal poverty level (roughly \$19,000 for a single person and \$39,000 for a family of four) and for those receiving unemployment insurance in 2021.

Expanded Coverage:

In addition to providing affordable coverage options for millions of uninsured Americans through the ACA, the American Rescue Plan provides robust financial incentives for the [14 states](#) that have not yet implemented Medicaid expansion. Research confirms that Medicaid expansion increases access to care, improves financial security, and leads to better health outcomes. Medicaid expansion has played a vital role in reducing racial disparities in health care access and has served as a critical safety net during the pandemic.

An estimated [four million uninsured adults](#) — including 640,000 frontline workers— could gain coverage if the remaining holdout states adopted expansion. Importantly, people of color make up nearly [60 percent](#) of this group.