Protect Our Care Wisconsin: Marketplace & financial assistance

Posted on Thursday, Mar 25, 2021

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WISCONSIN — Eleven years ago, the Affordable Care Act (ACA) became the law of the land, and millions of people gained coverage and critical protections as a result. Among the many benefits of the health care law, the ACA introduced financial assistance to help people purchase comprehensive coverage on the individual marketplaces. The ACA marketplaces, along with the expansion of Medicaid, helped more than 20 million Americans gain coverage.

After four long years of Republican efforts to repeal and sabotage the ACA, President Biden and Democrats in Congress are now working to build on the strong foundation of the law to expand coverage, lower costs, and reduce racial disparities in health care. On March 11, President Biden signed the American Rescue Plan into law, historic legislation that includes the most significant health care expansion in a decade. The American Rescue Plan lowers premiums for people purchasing coverage through the marketplaces and expands access to financial assistance for more middle-class families.

Thanks To The ACA:

More than 11 million people have coverage through the individual market — and this number is growing. In 2020, 11.4 million people were covered by marketplace plans. This number is growing after President Biden opened a special enrollment period (SEP) in response to the COVID-19 pandemic; in just the first two weeks of the SEP, more than 206,000 Americans signed up for coverage.

Tax credits are available to help people afford coverage. Because of the ACA, most people getting coverage on the marketplace qualify for tax credits to help pay for coverage. 9.6 million of the ACA's 11.4 million marketplace enrollees receive premium tax credits.

Enrollees are guaranteed comprehensive coverage. Because of the ACA, insurers have to cover what are known as "essential health benefits," such as maternity care, prescription drugs, and substance and mental health. Additionally, these plans must cover preventive services — like flu shots, cancer screenings, contraception, and mammograms – at no cost to consumers. People who purchase ACA plans are also protected from annual and lifetime limits, and they cannot be charged more for having a pre-existing condition.

How The American Rescue Plan Will Further Expand Coverage, Lower Costs On The ACA Marketplaces:

Increasing financial assistance on the ACA marketplaces means more people will be able to get the affordable coverage they need during the pandemic. In addition to lowering costs for the nine million people currently receiving financial assistance on the marketplace, the American Rescue plan makes generous subsidies available to 14.9 million uninsured people, according to estimates from the Biden administration. Per the New York Times: "For someone earning over $51,000, new subsidies could lower premiums by as much as $1,000 a month in the country's most expensive markets." Experts have confirmed that as many as 25 million Americans stand to benefit from these changes.

• **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. 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.

• **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. An estimated 3.4 million people earn too much to qualify for subsidies and remain uninsured.

According to estimates from the Center on Budget and Policy Priorities, under the American Rescue Plan:

• 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. The Biden administration estimates that four out of five enrollees will be able find a plan for $10 or less per month after tax credits.

• **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. Families USA estimates that more than four million uninsured workers relying on unemployment insurance stand to benefit from this extension of premium subsidies.