



# Consumers Ages 50 to 64 Could See Higher Exchange Premiums Starting in 2023 Without 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 subsidy eligibility to individuals with income 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.<sup>1</sup> Avalere estimates that 5.1 million individuals 50 to 64 will be enrolled in the exchanges at the end of 2021, with millions benefitting from substantial costs savings as this population typically has the highest premiums due to age rating.<sup>2</sup>

With the ARPA tax credit enhancements set to expire on December 31, 2022, populations 50 to 64 are at greatest risk for having substantially higher exchange premiums, which could make health insurance unaffordable for many. If Congress makes the tax credit enhancements permanent, millions of older Americans would pay lower premiums and have better access to coverage.

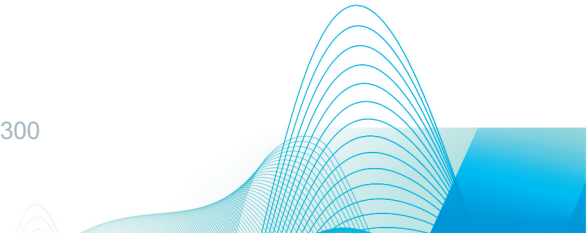
## Overview

To assess the impact of the ARPA premium subsidies, Avalere estimated reductions in exchange premiums and national coverage shifts for the 50 to 64 population due to ARPA premium subsidies in 2021 and 2022. Avalere also assessed the impact of making the enhanced premium subsidies permanent by estimating coverage shifts in 2030. Specifically, Avalere analyzed potential impacts of the latest subsidy enhancements under the ARPA, including:

- **Fully Subsidized Exchange Premiums for Low-Income Individuals:** For those not eligible for Medicaid, cap exchange premiums at \$0 for individuals with incomes up to 150% of the Federal Poverty Level (FPL) in 2021 and 2022.
- **Increased Existing APTCs:** Increase Advance Premium Tax Credits (APTCs) for individuals with income between 150% and 400% of FPL in 2021 and 2022.
- **Expanded Exchange APTC Eligibility and Implementing New Premium Caps:** Expand availability of exchange plan APTCs to individuals with incomes above 400% of the FPL, and cap maximum Affordable Care Act (ACA) premiums at 8.5% of FPL for individuals in 2021 and 2022.

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

<sup>2</sup> Exchange premiums may vary by a limited number of factors, including age. There is a 3:1 age rating limit.



# National and State Impacts

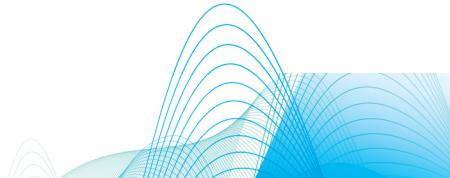
Across all states, ARPA premium reductions make accessing insurance more affordable for consumers ages 50 to 64 and reduce the number of uninsured in this potentially higher risk population. If the ARPA premium subsidy provisions listed above were made permanent, enrollment in the exchanges would continue to increase and the number of uninsured would continue to decrease in the population ages 50 to 64. Depending on individual income level, enhanced ARPA tax credits are estimated to save current exchange enrollees ages 50 to 64 between \$500 and \$4,701 per year on annual premiums after subsidies (Table 1).

**Table 1: Estimated Annual Premiums Savings and Enrollment, Ages 50-64, by Income Level, 2021**

Premium Savings and Enrollment	Annual Premium Savings and Enrollment, by Individual Income Level					
	100% to 150% of FPL	150% to 200% of FPL	200% to 250% of FPL	250% to 300% of FPL	300% to 400% of FPL	400% to 500% FPL
Annual Premium Savings*	\$500	\$976	\$1,282	\$1,445	\$1,163	\$4,701
End-of-Year Exchange Enrollment**	318,000	406,000	429,000	423,000	742,000	534,000

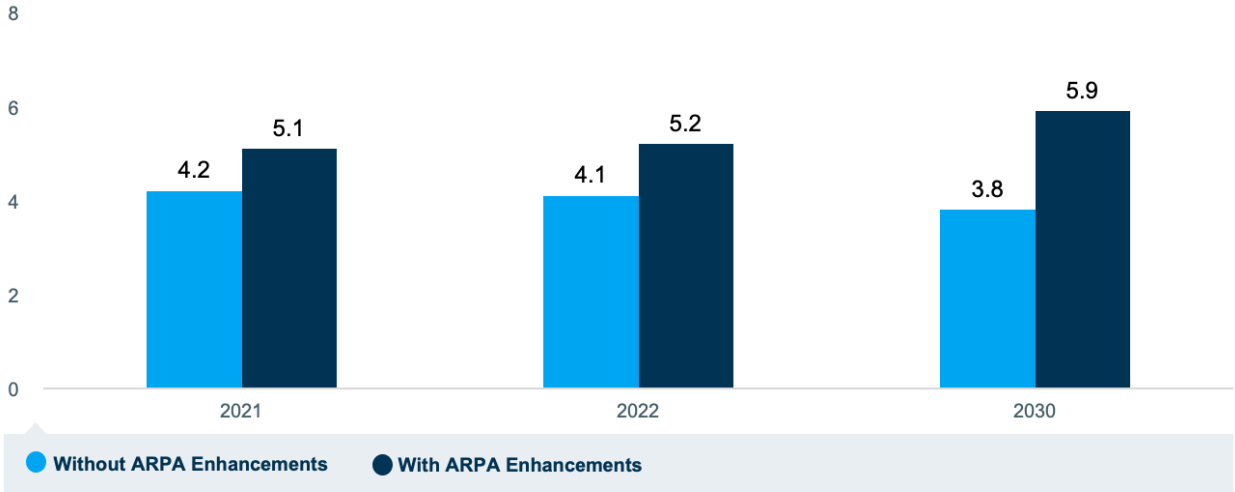
Source: Avalere analysis of 2021 Open Enrollment Period Public Use Enrollment File (PUF), Special Enrollment Period Reports (April - August 2021), and American Community Survey 2019 1-Year Sample.  
 Notes: \*AK and HI premiums are excluded. \*\*Avalere estimates there are 2.2M exchange enrollees 50-64 with incomes not elsewhere specified that were omitted from this table.

Avalere estimates that national enrollment in the exchanges for the population ages 50 to 64 will be approximately 1.1M higher in 2022 and 2.1M higher in 2030, if the ARPA premium subsidies are made permanent (Chart 1). Total end-of-year exchange enrollment for individuals 50 to 64 is estimated to be 5.1M at the end of 2021 and 5.2M at the end of 2022. Avalere’s estimates reflect historical enrollment trends, including mid-year enrollment attrition, enrollment during the 2021 Special Enrollment Period (SEP), and the estimated impact ARPA premium subsidies are likely to have on consumer behavior.



# Chart 1: Exchange Enrollment in Millions, 2021, 2022, and 2030, With and Without ARPA APTC Enhancements, Ages 50- 64

End-of-Year Exchange Enrollment (Millions)

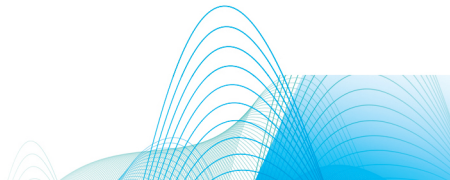


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Source: Avalere analysis of 2021 Open Enrollment Period Public Use Enrollment File (PUF), Special Enrollment Period Reports (April - August 2021), and American Community Survey 2019 1-Year Sample.

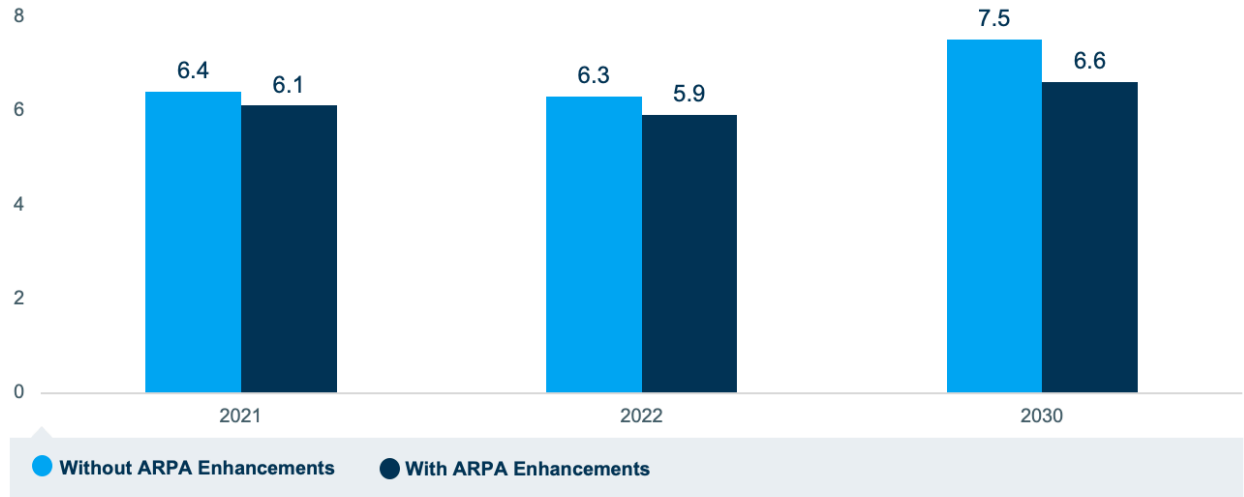
Note: Individuals qualifying for 100% premium subsidies under ARPA based on receiving Unemployment Insurance (UI) are not included in the analysis.

By making exchange coverage more affordable, Avalere estimates the ARPA premium subsidies will reduce the number of uninsured individuals ages 50 to 64 by approximately 400,000 in 2022 and as many as 900,000 in 2030, if the ARPA premium subsidies were made permanent (Chart 2). However, if ARPA tax credit provisions expire, exchange enrollees will face higher premiums for the 2023 plan year, which may lead to higher rates of uninsured. Consumers would learn about the impact to their 2023 premiums upon receipt of renewal letters they will receive by early November 2022.



## Chart 2: Uninsured in Millions, 2021, 2022, and 2030, With and Without ARPA APTC Enhancements, Ages 50-64

Uninsured Individuals (Millions)

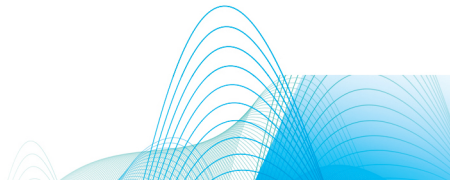


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Source: Avalere analysis of 2021 Open Enrollment Period Public Use Enrollment File (PUF), Special Enrollment Period Reports (April - August 2021), and American Community Survey 2019 1-Year Sample.

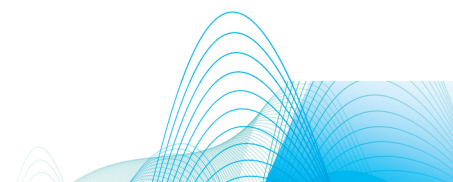
Note: Individuals qualifying for 100% premium subsidies under ARPA based on receiving Unemployment Insurance (UI) are not included in the analysis.

In addition to national-level coverage shifts, Avalere analyzed state-specific 2021 enrollment at the end of the Open Enrollment Period and at the end of the SEP, and estimated enrollment at the end of the calendar year. Open Enrollment includes individuals who renewed their coverage from the previous year and newly enrolled individuals. SEP enrollment is limited to additional individuals who enrolled in exchange coverage from February 15 to August 15. Accounting for enrollment attrition, Avalere estimates that a total of 5.1M individuals ages 50 to 64 will be enrolled at the end of 2021 (Table 2). Historically, exchange enrollment peaks during Open Enrollment and declines throughout the year as more individuals leave the exchanges than enter through traditional SEPs, which require consumers to demonstrate a mid-year qualifying event. However, in 2021, the 7-month-long, broad SEP allowed individuals to enroll mid-year without requiring a qualifying event and access the ARPA premium subsidies.



**Table 2: Exchange Enrollment, Ages 50-64, 2021**

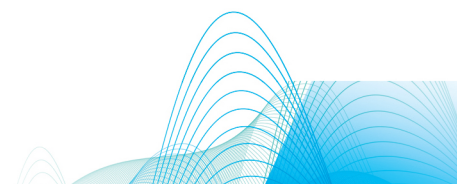
State	2021 Open Enrollment	2021 Special Enrollment	2021 End of Year Enrollment
National	4,602,000	1,079,000	5,064,000
AK	6,000	1,000	6,000
AL	65,000	16,000	68,000
AR	28,000	8,000	31,000
AZ	65,000	17,000	68,000
CA	643,000	141,000	729,000
CO	63,000	14,000	74,000
CT	47,000	10,000	51,000
DC	4,000	1,000	4,000
DE	10,000	2,000	12,000
FL	777,000	196,000	810,000
GA	183,000	50,000	193,000
HI	10,000	2,000	11,000
IA	27,000	7,000	30,000
ID	23,000	5,000	26,000
IL	122,000	22,000	123,000
IN	60,000	12,000	62,000
KS	34,000	8,000	37,000
KY	33,000	8,000	40,000
LA	36,000	7,000	34,000
MA	97,000	21,000	136,000
MD	59,000	13,000	67,000
ME	25,000	4,000	26,000
MI	112,000	20,000	115,000
MN	50,000	11,000	57,000
MO	88,000	21,000	92,000
MS	43,000	12,000	44,000
MT	18,000	3,000	18,000
NC	197,000	44,000	213,000
ND	7,000	2,000	8,000
NE	29,000	5,000	31,000
NH	21,000	4,000	23,000
NJ	108,000	24,000	123,000
NM	21,000	4,000	23,000
NV	31,000	7,000	34,000
NY	93,000	20,000	105,000
OH	90,000	21,000	98,000



OK	57,000	13,000	65,000
OR	58,000	9,000	63,000
PA	154,000	34,000	173,000
RI	12,000	3,000	13,000
SC	91,000	23,000	100,000
SD	11,000	3,000	13,000
TN	89,000	24,000	99,000
TX	451,000	138,000	523,000
UT	41,000	8,000	49,000
VA	98,000	20,000	108,000
VT	11,000	2,000	15,000
WA	88,000	19,000	96,000
WI	95,000	17,000	105,000
WV	10,000	2,000	11,000
WY	9,000	2,000	10,000

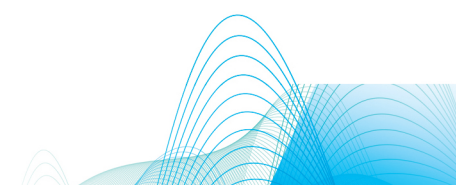
Source: Avalere analysis of 2021 Open Enrollment Period Public Use Enrollment File (PUF) and Special Enrollment Period Reports (2021).  
Note: SEP Enrollment for the 15 State-based Marketplace (SBM) States based on Avalere projected enrollment.

Beyond coverage shifts, Avalere estimated average exchange premiums costs, average reduction in annual premium costs, and total premium savings to demonstrate state-level consumer impact (Table 3). Nationally, annual out-of-pocket premiums for individuals ages 50 to 64 are expected to be reduced by \$954 (16%) on average in 2021 as a result of the ARPA subsidies. At the state level, savings vary from a low of \$341 in Delaware to a high of \$1,676 in West Virginia. Across all states, the total annual savings for consumers ages 50 to 64 is estimated to be \$4.8B in 2021. Total savings are forecast to be higher in 2022 since the ARPA premium subsidies will be available for a full 12 months, whereas they were not available until April 2021.



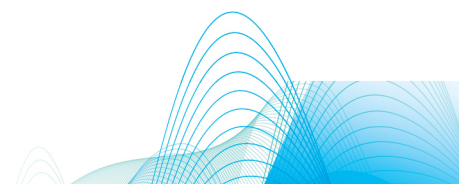
**Table 3: Average Pre-ARPA Premium, Average Reduction in Premiums, and Total Premium Savings, Ages 50 to 64, 2021**

State	Pre-ARPA Average Annual Subsidized Premium	Average % Reduction in Premiums	Average Dollar Reduction in Yearly Premiums	Total Annual Premium Savings (\$M)
National	\$5,951	16%	\$954	\$4,782
AK	\$7,417	15%	\$1,132	\$7
AL	\$7,858	13%	\$1,056	\$73
AR	\$5,117	17%	\$845	\$26
AZ	\$5,895	16%	\$941	\$65
CA	\$6,376	14%	\$880	\$625
CO	\$5,383	13%	\$690	\$49
CT	\$7,352	12%	\$898	\$46
DC	\$6,874	13%	\$917	\$4
DE	\$8,655	4%	\$341	\$4
FL	\$6,978	16%	\$1,084	\$898
GA	\$5,648	17%	\$977	\$193
HI	\$6,048	17%	\$1,017	\$11
IA	\$7,253	14%	\$1,015	\$30
ID	N/A	N/A	N/A	N/A
IL	\$6,324	17%	\$1,097	\$138
IN	\$6,201	16%	\$988	\$62
KS	\$6,478	16%	\$1,063	\$39
KY	\$5,842	17%	\$1,001	\$38
LA	\$7,165	19%	\$1,331	\$48
MA	\$4,866	16%	\$798	\$96
MD	\$5,635	10%	\$576	\$38
ME	\$6,311	14%	\$867	\$23
MI	\$5,041	14%	\$723	\$85
MN	\$4,680	16%	\$729	\$41
MO	\$7,085	15%	\$1,086	\$101
MS	\$6,146	16%	\$1,002	\$45
MT	\$4,944	17%	\$851	\$16
NC	\$7,042	15%	\$1,080	\$229
ND	\$5,038	17%	\$836	\$7
NE	\$7,344	16%	\$1,201	\$37
NH	\$4,569	17%	\$793	\$18
NJ	\$5,728	19%	\$1,061	\$127
NM	\$5,241	12%	\$604	\$14
NV	N/A	N/A	N/A	N/A
NY	\$6,973	16%	\$1,084	\$111



OH	\$5,675	13%	\$762	\$74
OK	\$6,691	16%	\$1,083	\$69
OR	\$5,565	16%	\$902	\$56
PA	\$6,579	14%	\$901	\$152
RI	\$4,919	16%	\$787	\$10
SC	\$6,205	15%	\$921	\$92
SD	\$6,768	18%	\$1,237	\$15
TN	\$5,966	15%	\$875	\$86
TX	\$5,610	17%	\$962	\$491
UT	\$4,792	15%	\$709	\$33
VA	\$5,940	18%	\$1,056	\$112
VT	\$9,678	16%	\$1,536	\$20
WA	\$5,750	12%	\$708	\$68
WI	\$6,746	13%	\$898	\$93
WV	\$8,792	19%	\$1,676	\$19
WY	\$7,552	22%	\$1,646	\$17

Source: Avalere analysis of 2021 Open Enrollment Period Public Use Enrollment File (PUF).  
N/A: ID and NV Exchanges do not report information necessary to derive these estimates.



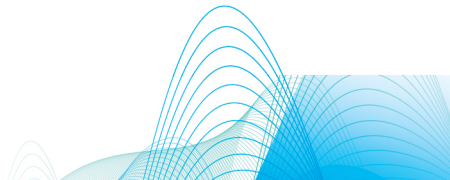


# State-Level Demographics

Avalere estimated the distribution of exchange enrollment by income level within each state for individuals ages 50 to 64 to demonstrate who will benefit from the ARPA enhanced premium subsidies. In many states, more than half of older exchange enrollees are projected to have reduced premiums in 2021 and 2022, while facing potentially higher premiums in 2023 if the premium subsidies expire (Table 4).

**Table 4: Percent of Exchange Enrollment by Income Level - Ages 50-64, 2021**

State	Percent of 50-64 Exchange Enrollment by Income Level						Other Income Levels
	100 to 150% of FPL	150 to 200% of FPL	200 to 250% of FPL	250 to 300% of FPL	300 to 400% of FPL	400% to 500% of FPL	
National	6%	8%	8%	8%	15%	11%	44%
AK	6%	1%	7%	8%	21%	9%	48%
AL	9%	10%	9%	11%	16%	7%	38%
AR	7%	7%	10%	6%	17%	11%	42%
AZ	5%	6%	8%	6%	16%	11%	48%
CA	5%	6%	8%	7%	15%	11%	49%
CO	4%	6%	6%	8%	16%	8%	51%
CT	3%	7%	4%	7%	16%	12%	51%
DC	0%	7%	1%	7%	6%	2%	78%
DE	6%	6%	7%	7%	8%	16%	50%
FL	8%	11%	10%	9%	14%	10%	38%
GA	8%	9%	10%	10%	13%	11%	39%
HI	4%	6%	6%	7%	15%	12%	51%
IA	4%	9%	7%	9%	19%	10%	42%
ID	9%	6%	9%	10%	13%	13%	41%
IL	5%	6%	8%	10%	14%	13%	44%
IN	5%	9%	9%	10%	13%	11%	43%
KS	8%	6%	8%	11%	18%	10%	38%
KY	5%	9%	10%	8%	15%	13%	40%
LA	5%	12%	9%	8%	14%	13%	39%
MA	3%	4%	5%	7%	15%	10%	57%
MD	3%	6%	6%	7%	15%	13%	50%
ME	4%	8%	12%	9%	15%	7%	44%
MI	6%	8%	10%	9%	16%	11%	40%
MN	4%	5%	7%	8%	17%	13%	47%
MO	9%	10%	9%	8%	13%	10%	41%

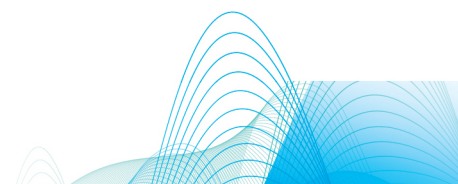


MS	12%	12%	14%	10%	9%	7%	36%
MT	6%	6%	5%	9%	16%	13%	47%
NC	8%	8%	10%	10%	17%	9%	38%
ND	7%	4%	13%	8%	16%	10%	42%
NE	6%	5%	18%	9%	15%	10%	37%
NH	5%	8%	8%	15%	15%	12%	37%
NJ	4%	6%	7%	8%	14%	9%	53%
NM	7%	12%	7%	7%	18%	11%	38%
NV	5%	6%	7%	8%	16%	12%	46%
NY	6%	6%	8%	8%	13%	10%	48%
OH	6%	8%	8%	7%	15%	12%	44%
OK	9%	8%	8%	9%	17%	10%	40%
OR	5%	7%	8%	7%	14%	10%	49%
PA	7%	7%	9%	10%	16%	12%	40%
RI	8%	12%	6%	3%	14%	12%	46%
SC	8%	8%	10%	10%	14%	11%	38%
SD	3%	18%	5%	11%	13%	7%	43%
TN	8%	9%	10%	8%	15%	11%	39%
TX	8%	11%	8%	7%	14%	10%	42%
UT	7%	10%	6%	10%	16%	12%	38%
VA	6%	8%	10%	9%	14%	9%	44%
VT	4%	8%	8%	8%	12%	9%	51%
WA	4%	7%	7%	7%	15%	10%	50%
WI	6%	8%	8%	11%	18%	11%	39%
WV	6%	10%	7%	14%	19%	11%	32%
WY	6%	7%	11%	4%	22%	10%	40%

Source: Avalere analysis of American Community Survey 2019 1-Year Sample

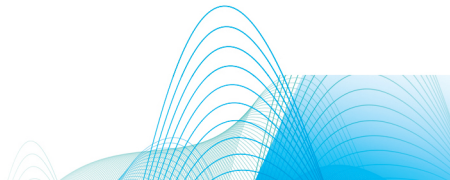
Note: Based on Avalere's analysis of ACS data, individuals with incomes not elsewhere classified were included in "Other Income Levels."

Avalere's analysis also identified key exchange population demographics, including gender, race, ethnicity, and urban/rural status for individuals ages 50 to 64 (Table 5). By reducing exchange premiums, the ARPA subsidies increase access for low- to moderate-income individuals, many of whom represent minority communities.



**Table 5: Exchange Enrollment Demographic Detail, Ages 50-64, 2021**

State	Gender		Race						Ethnicity	Geography*	
	Male	Female	Asian	Black	White	American Indian / Alaska Native	Native Hawaiian / Pacific Islander	Other	Hispanic	Rural	Urban
National	46%	54%	8%	7%	82%	0%	0%	3%	12%	18%	82%
AK	59%	41%	2%	0%	95%	1%	0%	3%	5%	50%	50%
AL	44%	56%	2%	20%	77%	0%	0%	1%	2%	28%	72%
AR	47%	53%	6%	10%	84%	0%	0%	0%	2%	38%	62%
AZ	44%	56%	3%	2%	92%	1%	0%	3%	15%	10%	90%
CA	47%	53%	22%	3%	68%	1%	0%	7%	20%	N/A	N/A
CO	48%	52%	3%	1%	94%	1%	0%	1%	9%	N/A	N/A
CT	42%	58%	4%	5%	88%	0%	0%	3%	7%	N/A	N/A
DC	53%	47%	6%	30%	53%	1%	0%	10%	17%	N/A	N/A
DE	41%	59%	4%	11%	85%	0%	0%	0%	1%	24%	76%
FL	43%	57%	4%	9%	84%	0%	0%	3%	28%	3%	97%
GA	45%	55%	12%	22%	64%	0%	0%	3%	7%	14%	86%
HI	44%	56%	40%	0%	52%	1%	7%	1%	3%	33%	67%
IA	51%	49%	5%	0%	95%	0%	0%	0%	3%	48%	52%
ID	50%	50%	2%	0%	92%	0%	0%	5%	7%	N/A	N/A
IL	45%	55%	8%	8%	82%	0%	0%	3%	8%	13%	87%
IN	46%	54%	2%	6%	91%	0%	0%	1%	4%	25%	75%
KS	47%	53%	4%	3%	92%	0%	0%	2%	6%	35%	65%
KY	46%	54%	2%	3%	94%	0%	0%	0%	1%	44%	56%
LA	45%	55%	4%	17%	78%	1%	0%	0%	2%	16%	84%
MA	48%	52%	6%	4%	88%	0%	0%	2%	5%	N/A	N/A
MD	46%	54%	14%	16%	67%	0%	0%	3%	7%	N/A	N/A
ME	44%	56%	2%	0%	97%	1%	0%	1%	1%	55%	45%
MI	45%	55%	3%	5%	91%	0%	0%	0%	2%	23%	77%
MN	51%	49%	4%	2%	94%	0%	0%	0%	1%	N/A	N/A
MO	45%	55%	4%	6%	89%	0%	0%	0%	2%	28%	72%
MS	41%	59%	3%	29%	68%	0%	0%	0%	1%	61%	39%
MT	45%	55%	0%	0%	100%	0%	0%	0%	0%	74%	26%
NC	45%	55%	4%	14%	80%	1%	0%	1%	4%	25%	75%
ND	50%	50%	0%	0%	94%	1%	5%	0%	2%	63%	37%
NE	42%	58%	6%	1%	92%	0%	0%	1%	4%	52%	48%
NH	48%	52%	3%	0%	96%	0%	0%	0%	1%	42%	58%
NJ	47%	53%	11%	7%	79%	0%	0%	3%	10%	N/A	N/A



NM	47%	53%	1%	3%	89%	2%	0%	5%	29%	31%	69%
NV	46%	54%	12%	6%	76%	1%	0%	5%	13%	N/A	N/A
NY	47%	53%	11%	10%	73%	0%	0%	6%	13%	N/A	N/A
OH	47%	53%	3%	5%	91%	0%	0%	0%	2%	21%	79%
OK	47%	53%	2%	3%	91%	2%	0%	1%	6%	41%	59%
OR	44%	56%	6%	1%	91%	1%	0%	1%	3%	21%	79%
PA	47%	53%	4%	4%	90%	0%	0%	1%	2%	N/A	N/A
RI	44%	56%	2%	6%	86%	0%	0%	5%	10%	N/A	N/A
SC	41%	59%	4%	14%	82%	0%	0%	0%	4%	18%	82%
SD	50%	50%	7%	1%	92%	0%	0%	0%	2%	65%	35%
TN	45%	55%	3%	10%	86%	0%	0%	0%	2%	27%	73%
TX	45%	55%	9%	9%	77%	1%	0%	5%	27%	12%	88%
UT	48%	52%	3%	0%	95%	0%	0%	1%	9%	16%	84%
VA	44%	56%	12%	16%	70%	0%	0%	2%	7%	13%	87%
VT	40%	60%	1%	2%	96%	0%	0%	0%	0%	N/A	N/A
WA	45%	55%	10%	1%	87%	0%	0%	1%	5%	N/A	N/A
WI	45%	55%	2%	1%	96%	1%	0%	1%	2%	38%	62%
WV	50%	50%	2%	2%	95%	0%	0%	1%	2%	41%	59%

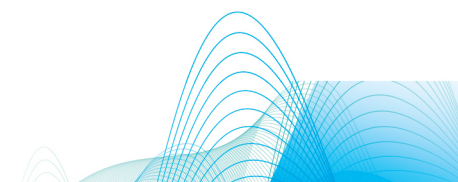
Source: Avalere analysis of 2021 Open Enrollment Period Public Use Enrollment File (PUF) and American Community Survey 2019 1-Year Sample  
Note: All race and ethnicity data are self-reported. \*Urban/rural is for all ages, as defined by HRSA, and is not reported for the 15 State-based Marketplace (SBM) States.

## Conclusion

For individuals ages 50 to 64, the ARPA premium subsidies can have a substantial impact on access to affordable coverage. Under current law, the ARPA premium subsidies are set to expire December 31, 2022, which would leave older individuals to face higher premiums in 2023 and potentially lose coverage altogether. The impact of higher premiums varies by key demographics, potentially leaving more vulnerable populations at increased risk of loss of coverage, particularly those below 150% of FPL and those in marginalized populations. By 2030, nearly a million additional people between ages 50 to 64 could be uninsured if the ARPA premium subsidy enhancements are not extended.

## Methodology

Avalere developed estimates of national and state-level coverage shifts and expected reductions in exchange plan premiums for the population ages 50 to 64 that could result from the ARPA premium subsidies in 2021 and 2022, as well as an extension of ARPA premium subsidies through 2030. To determine differences in premium totals for individuals ages 50 to 64 at the national and state level, Avalere calculated ARPA APTC amounts for select income bands (100% to 150%, 150% to 200%, 200% to 250%, 250% to 300%, 300% to 400%, and 400% to 500% of FPL) using the 2021 Open Enrollment Period Public Use Enrollment File



(PUF), Special Enrollment Period Reports (April – August 2021), and American Community Survey (ACS) data on health insurance coverage and income.

To produce estimates of shifts in coverage, Avalere used publicly available enrollment data from the Congressional Budget Office (CBO), Open Enrollment Period Public Use Enrollment File (PUF), Special Enrollment Period Reports (April – August 2021), American Community Survey (ACS) data on health insurance coverage by target market (Exchange Market, Employer-Sponsored Insurance, and the uninsured), and data from other relevant sources. Using differences in premiums with and without ARPA APTCs, as calculated under the premium analysis, Avalere applied CBO's assumptions on elasticity of demand with respect to consumer behavior to determine shifts from uninsured individuals and those with employer-sponsored insurance into the exchanges.

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