



AMERICAN RESCUE PLAN: LOWERED HEALTH INSURANCE PREMIUMS FOR MIDDLE-CLASS AMERICANS

DON'T LET LOWER PREMIUMS EXPIRE ON DECEMBER 31, 2022

To protect and strengthen the middle class, the American Rescue Plan (ARP), signed into law by President Biden on March 11, 2021, lowered premiums for millions of Americans with health insurance through exchange marketplaces, such as DC Health Link. This relief for middle-class Americans is set to expire on December 31, 2022. If Congress doesn't extend the relief, researchers estimate that health insurance premiums will substantially increase for millions of middle-class Americans, making health insurance unaffordable, and forcing millions to become uninsured.

FAILING TO EXTEND HEALTH INSURANCE PREMIUM RELIEF WHAT'S AT STAKE

If Congress does not extend the American Rescue Plan's lower premiums for middle-class Americans:



- In DC, many African American families, Latino families, and other members of DC's diverse community will lose affordable health coverage.
- On average, District residents pay \$468/month **less** for health insurance under ARP and will lose that savings. Annually, DC residents will pay \$5,615 more for health insurance premiums.
- ***\$36 million per year in health insurance premium savings will no longer be available to residents.***
- Premiums as low as ***\$11/month*** for quality coverage will no longer be available to DC residents.
- District residents 55 years-old and older paying on average \$407/month now for health insurance will have \$920/month premiums.
- The financial hit will be on sole proprietors, entrepreneurs and people who work for employers that don't offer health insurance coverage.
- Thousands of District residents will become uninsured.

In the words of a DC Health Link customer...

"The American Rescue Plan was a life changer. It made health care access much more affordable.

Before the American Rescue Plan, I was so worried about being able to make my monthly health insurance premiums, which were the equivalent of half my rent. Because of the American Rescue Plan, my premiums went down more than \$600 per month. My co-pays and coinsurance also became more affordable. Before the American Rescue Plan, I had to make many personal sacrifices because rent and health insurance premiums ate up so much of my budget. The American Rescue Plan took away a lot of anxiety and stress. Now, I feel like I can breathe again." – Barbara B

This is not the time to take away health insurance premium relief from the middle class

Relief During Record Inflation: When the American Rescue Plan was signed into law in March 2021, the nation's economy was responding to a global pandemic. The economic effects are even more severe now. In May 2022, the Consumer Price Index for all urban consumers rose 8.6% over the last year, the largest 12-month increase since 1981. The largest contributors to increases in the indexes are gasoline, shelter, and food. Over the past 12 months, rent prices have skyrocketed 25.5% nationally. The need for relief for middle-class families is now greater than ever.



**Current average gas price per gallon in DC - UP
\$5.24 (2022) vs. \$3.21 (2021)**



**Current average monthly grocery bill in DC – UP
\$486 (2022) vs. \$424 (2021)**

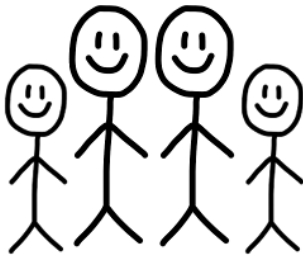


**Current average monthly rent for one-bedroom apartment in DC - UP
\$2,427 (2022) vs. \$2,247 (2021)**

Health insurance premium relief should be extended

In the words of a DC Health Link customer...

"When my monthly payments went down, I was able to pay off a number of important bills That's really important to me because I don't want to ruin my credit." – Margaret J.



ARP Impact on Families

Profile: Family of 4

Monthly Premiums: \$1,200 (ARP) v. \$1,600 (full price premiums)

Deductible: \$4,000 v. \$7,500

Impact: Thanks to the American Rescue Plan, this DC family was able to switch from a Bronze to a Silver Plan. This family **SAVES \$4,800/year in premiums and SAVES \$3,500** on their deductible. Total annual savings for this family—**\$8,300**.

Lower Premiums under the American Rescue Plan have been a lifeline for DC’s Middle-Class Families and residents

In the words of a DC Health Link customer...

“After the passage of the American Rescue Plan, I worked with a DC Health Link customer service representative and found that I could afford better coverage and pay even less, enrolling in a Silver level plan in which I pay about \$120 per month in health insurance premiums. I worry less at the end of every month because I know that if I get sick or need to see a doctor, I won’t face an overwhelming financial burden....” – Ross G.

Monthly Premium for a 30-year-old resident earning \$30,000/year*		
Monthly premium before ARP	Monthly premium after ARP	Annual Savings
\$193 (7.7% of income)	\$83 (3.3% of income)	\$1,320

Monthly Premium for a 60-year-old earning \$60,000/year*		
Monthly premium before ARP	Monthly premium after ARP	Annual Savings
\$827 (16.7% of income)	\$425 (8.5% of income)	\$4,824

* Based on 2022 enrollment in the Second Lowest Cost Silver Plan on DC Health Link

BY MAKING THE ARP LOWER PREMIUMS FOR HEALTH INSURANCE PERMANENT:



- Congress can help save America’s middle class!
- Nationally health insurance premiums will decrease by 10% due to a younger risk pool for people and families with individual health insurance.
- Nationally 4.1 million people will become newly insured.
- Nationally an additional 8.3 million people will get lower monthly premiums.

(Source Oliver Wyman Aug 2021 Analysis)