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What If the American Rescue Plan Act Premium Tax Credits Expire?

Coverage and Cost Projections for 2023

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Summary

The American Rescue Plan Act of 2021 (ARP) increased premium tax credits (PTCs) for Marketplace coverage and extended eligibility for PTCs to people with incomes above 400 percent of the federal poverty level (FPL). Consequently, Marketplace enrollment reached a record high during the 2022 open enrollment period (OEP), which ended in January. However, these enhancements are set to expire after 2022. We find that if they are not extended, 3.1 million more people will be uninsured in 2023, and Marketplace enrollees will spend hundreds of dollars more per person on premiums. Unless legislation extending the enhanced PTCs also raises revenue, we estimate that extending the enhanced PTCs will increase the federal deficit by $305 billion over 10 years. If Congress wishes to extend the PTCs, acting by midsummer would give the Marketplaces, insurers, and outreach programs time to prepare for the 2023 OEP, which begins this November.

Introduction

The ARP included two major changes designed to expand access to affordable health insurance coverage for people who enroll in the Marketplace amid continued public health and economic uncertainty from the COVID-19 pandemic. It enhanced PTCs for people previously eligible for subsidies and expanded eligibility for subsidies to individuals and families previously ineligible because their incomes were greater than 400 percent of FPL (table 1). With these changes, everyone eligible for Marketplace subsidies whose income is below 150 percent of FPL is entitled to a free silver health plan. Because of these reductions in household premiums, Marketplace enrollment has increased to record levels. By the end of the 2022 Marketplace OEP in January 2022, 2.5 million more people had made plan selections than after the 2021 OEP.[1]

About US Health Reform—Monitoring and Impact

With support from the Robert Wood Johnson Foundation, the Urban Institute has undertaken US Health Reform—Monitoring and Impact, a comprehensive monitoring and tracking project examining the implementation and effects of health reforms. Since May 2011, Urban Institute researchers have documented changes to the implementation of national health reforms to help states, researchers, and policymakers learn from the process as it unfolds. The publications developed as part of this ongoing project can be found on both the Robert Wood Johnson Foundation's and Urban Institute Health Policy Center's websites.

TABLE 1

Subsidy Schedules If the Enhanced Premium Tax Credits Are Extended and If the Enhanced Premium Tax Credits Expire, 2023

	Premium Tax Credit Percentage-of-Income Limits for Benchmark Coverage (%)	
Income (% of FPL)	**Enhanced PTCs are extended**	**Enhanced PTCs expire**
< 138	0.0	2.07
138–150	0.0	3.10–4.14
150–200	0.0–2.0	4.14–6.52
200–250	2.0–4.0	6.52–8.33
250–300	4.0–6.0	8.33–9.83
300–400	6.0–8.5	9.83
400–500	8.5	na
500–600	8.5	na
600+	8.5	na

Sources: Internal Revenue Service; US Department of Health and Human Services; and American Rescue Plan Act of 2021, Pub. L. No. 117-2.

Notes: PTCs are premium tax credits. FPL is federal poverty level. na is not applicable; people with incomes in this range will be ineligible for PTCs if the enhanced PTCs expire. Percentage-of-income caps applied in 2023. For the "enhanced PTCs expire" scenario, caps are for 2021 and are indexed each year; the actual caps that would be in place in 2023 without the enhanced PTCs are unknown, but annual adjustments to the caps have been modest.

However, the ARP's enhanced PTCs are set to expire after 2022. Extending them would require congressional legislation, such as the Build Back Better Act considered in 2021. Without extension, Marketplace enrollment will most likely fall and the number of people uninsured will increase. Moreover, the enhanced PTCs could have an even larger effect on health coverage than the additional 2.5 million plan selections that occurred during the 2022 Marketplace OEP for several reasons: First, health policy changes often take several years to reach their full impacts, and the temporary nature of the ARP's PTC enhancements may have discouraged some people from enrolling. Permanent enhanced PTCs would likely increase Marketplace enrollment further in future years. Second, Medicaid enrollment has risen to record numbers during the public health emergency (PHE), mainly because of a provision of the Families First Coronavirus Response Act that prohibited state Medicaid programs from disenrolling beneficiaries during the PHE (Buettgens and Green 2022). After the PHE expires, we estimate that more than 14 million people will lose Medicaid coverage.[2] Policymakers are concerned

that many people losing Medicaid will become uninsured. The Marketplace would be the only affordable coverage option for many of those losing Medicaid, so extending the enhanced PTCs would increase the likelihood that such people will successfully sign up for Marketplace plans, rather than becoming uninsured.

In this brief, we estimate health coverage and costs in 2023 both with and without extension of the ARP's enhanced PTCs. We find the following:

- If the enhanced PTCs expire, 3.1 million more people will be uninsured.
- If the enhanced PTCs are not extended, individuals and families enrolled in the Marketplaces or other nongroup coverage will pay hundreds of dollars more per person each year in premiums. People eligible for PTCs with incomes between 150 and 400 percent of FPL would pay more than $1,000 more per person for a silver plan. People with incomes above 400 percent of FPL who would lose PTC eligibility would pay roughly $2,000 more per year.
- The non-Hispanic Black population, young adults, and people with incomes between 138 and 400 percent of FPL will experience the largest coverage losses if the enhanced PTCs expire.
- Enhancing PTCs will increase the federal deficit by $305 billion over 10 years.

Estimating health coverage for 2023 using 2022 data is particularly complex given the massive changes in health coverage in those two years due to the potential losses of Medicaid coverage after the PHE expires and continued uncertainty about the pandemic and economic recovery. In a separate report, we describe in detail how we updated our model to include new data from the 2022 OEP and estimated the impact of Medicaid enrollment changes after the PHE (Buettgens and Banthin, forthcoming).

Methods

We produce our estimates using the Urban Institute's Health Insurance Policy Simulation Model (HIPSM), a detailed microsimulation model of the health care system designed to estimate the cost and coverage effects of proposed health care policy options (Buettgens and Banthin 2020). The model simulates household and employer decisions and models the way changes in one insurance market interact with changes in other markets. HIPSM is designed for quick-turnaround analyses of policy proposals. It can be rapidly adapted to analyze various new scenarios—from novel health insurance offerings and strategies for increasing affordability to state-specific proposals—and can describe the effects of a policy option over several years. Results from HIPSM simulations have been favorably compared with actual policy outcomes and other respected microsimulation models (Glied, Arora, and Solís-Román 2015).

We updated the model using state-level Marketplace enrollment from the 2022 OEP snapshot released by the Centers for Medicare & Medicaid Services.[3] By comparing those enrollment estimates with estimated Marketplace enrollment before the enhanced PTCs, we measured how the demand for

Marketplace coverage increased in each state as a result of enhancing PTCs. We found substantial variation across states that has important implications for our results.

We estimated the increase in Marketplace coverage as a result of losses of Medicaid enrollment after the PHE expires using our recently updated estimates of Medicaid enrollment in 2022 and 2023 (Buettgens and Green 2022). We describe the details of our methodology in a separate report (Buettgens and Banthin, forthcoming).

Results

If the enhanced PTCs expire, we estimate that 8.5 million people will be enrolled in Marketplace coverage with PTCs in 2023, 4.9 million fewer people than if the enhanced PTCs were extended (table 2). That represents a 36.7 percent decrease. Most enrollees in nongroup coverage with incomes above 400 percent of FPL will lose eligibility for PTCs if the enhanced PTCs expire, increasing the number of unsubsidized nongroup enrollees by 1.0 million. About 15.0 million people will have nongroup coverage if the enhanced PTCs expire, a decrease of 3.9 million (20.8 percent).

TABLE 2

Coverage Distribution of the Nonelderly Population If the Enhanced Premium Tax Credits Are Extended and If the Enhanced Premium Tax Credits Expire, 2023

	Enhanced PTCs Are Extended	Enhanced PTCs Expire	Change	
	1,000s of people	1,000s of people	1,000s of people	Percent
Insured (MEC)	**249,982**	**246,717**	**-3,265**	**-1.3**
Employer	151,839	152,520	681	0.4
Private nongroup	18,895	14,973	-3,922	-20.8
Basic Health Program	1,014	1,013	0	0.0
Marketplace with PTC	13,419	8,491	-4,929	-36.7
Full-pay nongroup	4,462	5,469	1,007	22.6
Medicaid/CHIP	70,560	70,536	-24	0.0
Other public	8,688	8,688	0	0.0
Uninsured (no MEC)	**28,451**	**31,716**	**3,265**	**11.5**
Uninsured	25,960	29,086	3,126	12.0
Noncompliant nongroup	2,490	2,630	139	5.6
Total	**278,432**	**278,432**	**0**	**0.0**

Source: Urban Institute Health Insurance Policy Simulation Model, 2022.
Notes: PTC is premium tax credit. MEC is minimum essential coverage. CHIP is Children's Health Insurance Program. The full-pay nongroup category includes people who pay full price for Marketplace coverage and people who purchase nongroup plans outside the Marketplace.

If the enhanced PTCs expire, we estimate 3.1 million more people will be uninsured, an increase of 12.0 percent relative to extending the PTCs. Not all people who gained eligibility for Marketplace coverage with PTCs under the ARP were previously uninsured; some had employer-sponsored coverage, and the number of people with such coverage would increase by 681,000 if the enhanced PTCs were to expire. That represents an increase of only 0.4 percent. We estimate that enrollment in

Medicaid and the Children's Health Insurance Program will decrease slightly, particularly among children. As fewer parents enroll in the Marketplaces, fewer family members eligible for Medicaid and the Children's Health Insurance Program will enroll in those programs.

Health coverage in 2023 will differ substantially from that in 2022 for reasons besides enhanced PTCs. Our estimates represent health coverage in an average month of 2023 after states have fully processed their Medicaid enrollment in the 14 months following the PHE's expiration.[4] At the time of writing, the PHE will likely extend into at least the first six months of 2022, and significant coverage transitions will likely occur throughout most of 2023. We estimate that Medicaid enrollment will fall by more than 14 million in 2023 (Buettgens and Green 2022). If the enhanced PTCs were extended, more people losing Medicaid coverage would be eligible for PTCs and all those eligible would pay less in premiums, reducing potential losses of health coverage as Medicaid enrollment falls.

Changes in the Uninsured Population by Income

Extending the enhanced PTCs would have the biggest impact on uninsured people with incomes between 200 and 400 percent of FPL. If the PTCs were to expire, the number of uninsured people in this group would increase by 1.1 million, or 17.7 percent, in 2023 (table 3). The uninsurance rate among them would rise from 9.1 to 10.7 percent.

The increase in the share of uninsured people with incomes between 138 and 200 percent of FPL would be nearly as large (16.6 percent) if the PTCs were to expire. However, fewer people have incomes in this range, so 634,000 more people would be uninsured. The corresponding uninsurance rate would increase from 13.0 to 15.2 percent.

TABLE 3

Characteristics of the Uninsured Nonelderly Population If the Enhanced Premium Tax Credits Are Extended and If the Enhanced Premium Tax Credits Expire, 2023

	Enhanced PTCs Are Extended		Enhanced PTCs Expire		Change	
Characteristics	1,000s of people	Uninsurance rate	1,000s of people	Uninsurance rate	1,000s of people	Percent
Income group						
Below 138% of FPL	12,071	14.0	13,159	15.3	1,089	9.0
Between 138 and 200% of FPL	3,815	13.0	4,450	15.2	634	16.6
Between 200 and 400% of FPL	6,501	9.1	7,650	10.7	1,149	17.7
Above 400% of FPL	3,574	3.9	3,828	4.2	254	7.1
Race and ethnicity						
American Indian/Alaska Native	526	10.9	585	12.1	59	11.3
Asian and Pacific Islander	1,490	9.5	1,611	10.2	120	8.1
Black, non-Hispanic	2,950	8.6	3,472	10.1	522	17.7
Hispanic	9,689	19.1	10,380	20.5	690	7.1
Other	338	6.3	373	7.0	36	10.6
White, non-Hispanic	10,968	6.5	12,666	7.6	1,698	15.5
Age group						
0–18	2,689	3.4	2,821	3.6	132	4.9
19–34	10,592	14.8	12,087	16.9	1,495	14.1
35–54	9,966	11.2	11,135	12.6	1,169	11.7
55–64	2,713	6.9	3,044	7.8	331	12.2

Source: Urban Institute Health Insurance Policy Simulation Model, 2022.
Notes: PTCs are premium tax credits. FPL is federal poverty level.

Many people with incomes above 400 percent of FPL will lose eligibility for PTCs if the enhanced PTCs expire. Consequently, we estimate about 254,000 more people with such incomes will be uninsured, an increase of 7.1 percent. Because people with incomes above 400 percent of FPL are much more likely to have health insurance than people with lower incomes, the uninsurance rate for this income range would increase from 3.9 to 4.2 percent.

Enhanced PTCs also affect the coverage of people with incomes below 138 percent of FPL. If the enhanced PTCs were to expire, people with incomes in this range would lose access to zero-premium silver plans, and the number of uninsured people would increase by 1.1 million, or 9.0 percent. The uninsurance rate at these low incomes would increase from 14.0 to 15.3 percent. This loss of coverage would occur almost exclusively in states that have not expanded Medicaid. Some people in these states who will lose coverage if the enhanced PTCs expire will have incomes below the FPL, which is the lower limit of PTC eligibility, when we estimate eligibility using income reported at a point in time in survey data (which is subject to error).[5] Workers with low incomes often experience income volatility during the year, making it difficult to predict their taxable income for the following year when applying for PTCs. People with annual incomes below the FPL are not required to reconcile their PTCs at tax time, so they are protected from owing money to repay tax credits if their annual incomes end up being too low to qualify for PTCs. Further, evidence shows some people with incomes below the FPL received

Marketplace PTCs even before the ARP (Lurie and Pearce 2019). Because Marketplace enrollees with low incomes do not have to pay premiums under the enhanced PTCs, their enrollment in the Marketplace is likely more common now. Buettgens and Banthin (forthcoming) contains additional details about our methodology.

Changes in the Uninsured Population by Age

If the enhanced PTCs expire, young adults will experience the largest coverage losses. We estimate the number of uninsured young adults (ages 19 to 34) will increase by 1.5 million, or 14.1 percent, relative to extending the enhanced PTCs (table 3). The uninsurance rate among such adults would rise from 14.8 to 16.9 percent. The number of uninsured adults ages 35 to 54 would increase by 1.2 million, or 11.7 percent, increasing their uninsurance rate from 11.2 to 12.6 percent. The number of uninsured adults ages 55 to 64 would rise by just over 300,000, or 12.2 percent. Because this age group is much smaller and more likely to have insurance coverage than younger adults, the group's uninsurance rate would increase from 6.9 to 7.8 percent.

Because of high levels of eligibility for Medicaid and the Children's Health Insurance Program, expiration of the enhanced PTCs would have a much smaller effect on children's coverage: just over 100,000 more children would be uninsured, an increase of 4.9 percent. Children's uninsurance rate will remain low with or without extension of the enhanced PTCs (3.4 percent with versus 3.6 percent without the enhanced PTCs).

Changes in the Uninsured Population by Race and Ethnicity

If the enhanced PTCs are not extended, the largest percent increase in the uninsured population will occur among non-Hispanic Black people: 17.7 percent, or 522,000 more uninsured people (table 3). The uninsurance rate among non-Hispanic Black people would rise from 8.6 to 10.1 percent.

If the enhanced PTCs expire, the number of uninsured non-Hispanic white people will increase by 15.5 percent, slightly less than the change in the uninsured share of the non-Hispanic Black population. Because they constitute a much larger population, we estimate 1.7 million more non-Hispanic white people will be uninsured if the enhanced PTCs expire. The group's uninsurance rate would remain much lower than that for non-Hispanic Black people but would rise from 6.5 to 7.6 percent.

Hispanic people will see the smallest percent change in the uninsured population—an increase of 7.1 percent—if the PTCs expire. That is largely due to restrictions on PTC eligibility based on immigration status. If the enhanced PTCs expire, 690,000 more Hispanic people will be uninsured. The group would continue to have an uninsurance rate close to 20 percent.

The uninsured share of American Indians/Alaska Natives would increase by 11.3 percent, and the uninsured share of the Asian/Pacific Islander population would increase by 8.1 percent if the enhanced PTCs were to expire.

Changes in Household Spending

We estimate that households with nongroup coverage would pay substantially more in premiums, on average, if the enhanced PTCs were to expire. This is true at all income levels. If the PTCs expire, people eligible for PTCs with incomes below 150 percent of FPL, who previously were eligible for free silver plans, will have to pay premiums for silver coverage (table 1), costing them an average of $457 more per person each year (table 4).[6] People eligible for PTCs with incomes between 150 and 400 percent of FPL would pay $1,045 more per person each year. Without the enhanced PTCs, people with incomes above 400 percent of FPL are ineligible for subsidies, so those losing PTC eligibility would see the largest annual increase in premiums: $2,003 per person. Decreases in Marketplace enrollment without the enhanced PTCs would worsen the risk pool and raise premiums, so even people ineligible for PTCs would pay $712 more in premiums per person. These estimates are based on the characteristics of simulated enrollees with and without extension of the enhanced PTCs. In addition to differences in the applicable percentage-of-income limits for benchmark coverage (table 1), the estimates reflect differences in the incomes, ages, and family sizes of enrollees in each income group.

TABLE 4

Average Household Premium per Person with Nongroup Coverage If the Enhanced Premium Tax Credits Are Extended and If the Enhanced Premium Tax Credits Expire, 2023

Limited to non–tobacco users with silver plans

	Enhanced PTCs are extended	Enhanced PTCs expire	Change
Marketplace with PTC and income below 150% of FPL	$0	$457	$457
Marketplace with PTC and income between 150 and 400% of FPL	$768	$1,813	$1,045
Marketplace with PTC and income above 400% of FPL	$4,928	$6,931	$2,003
Unsubsidized nongroup	$5,837	$6,549	$712

Source: Urban Institute Health Insurance Policy Simulation Model, 2022.

Notes: PTC is premium tax credit. FPL is federal poverty level.

State Estimates

We include state-level estimates of the impact of extending the enhanced PTCs in the appendix. Table A.1 shows the state distribution of the 3.9 million people who will lose nongroup coverage if the enhanced PTCs expire. States with the largest losses include nonexpansion states such as Florida, Georgia, and Texas, which saw large enrollment growth in 2022 with the enhanced PTCs. On the other hand, states such as Massachusetts and New York that had their own enhanced PTC programs or a Basic Health Program before the ARP would have the smallest losses in coverage, because those programs will continue even if the enhanced PTCs expire.

Table A.2 shows the state distribution of the 3.1 million people who would become uninsured if the enhanced PTCs were to expire. We again see large changes in states like Florida, Georgia, and Texas and small changes in Massachusetts and New York.

Tables A.3 and A.4 show the changes in federal and state spending on acute care for the nonelderly if the PTCs expire. The federal government would pay less in all states. States that had enhanced PTC programs before the ARP would pay more because enhanced federal PTCs lowered state costs.

Impact on the Federal Deficit

To prevent the enhanced PTCs from expiring, Congress would have to pass legislation extending them. If this legislation does not also increase revenues, we estimate the federal deficit will increase by about $25.3 billion in 2023 (table 5). Over 10 years, the increase would be $305.0 billion. This change has several components: First and foremost, if the enhanced PTCs are extended, federal spending on premium tax credits will increase by $28.1 billion in 2023. Second, federal spending on reinsurance programs would be slightly lower ($200 million less). Third, we estimate that the reduction in the number of uninsured people would save the federal government about $1.6 billion in uncompensated care spending, mainly from Medicare disproportionate share hospitals. Fourth, Medicaid spending would increase by a tiny amount because of slightly higher enrollment, increasing total federal spending on health care by $26.4 billion. Fifth, enhanced PTCs make the Marketplace more attractive to some workers, so 681,000 would leave their employer plans if the PTCs were extended (table 2). What their employers were paying in tax-free premium contributions would become taxable income for workers, so the federal government would collect $1.0 billion more in payroll and income taxes in 2023.

TABLE 5

Federal Health Care Spending for the Nonelderly Population If the Enhanced Premium Tax Credits Are Extended and If the Enhanced Premium Tax Credits Expire, 2023

Billions of dollars

	2023			2023–32		
	Enhanced PTCs expire	Enhanced PTCs are extended	Change	Enhanced PTCs expire	Enhanced PTCs are extended	Change
Spending on health care services						
Medicaid and CHIP	386.8	386.8	0.0	4,644.1	4,644.4	0.3
Marketplace PTC	64.8	92.9	28.1	777.9	1,115.2	337.4
Reinsurance	1.5	1.3	-0.2	18.5	16.1	-2.4
Uncompensated care	29.7	28.1	-1.6	340.4	322.5	-17.9
Total	**482.8**	**509.2**	**26.4**	**5,780.8**	**6,098.3**	**317.4**
Changes in revenue						
Income and payroll tax effect of ESI change	nc	nc	1.0	nc	nc	12.4
Total	**nc**	**nc**	**25.3**	**nc**	**nc**	**305.0**

Source: Urban Institute Health Insurance Policy Simulation Model, 2022.

Notes: PTC is premium tax credit. CHIP is Children's Health Insurance Program. ESI is employer-sponsored insurance. nc is not calculated; only tax differences (income and payroll) due to changes in ESI spending are reported (not overall tax levels). Uncompensated care represents demand for care by the uninsured. At the federal level, about half the change in demand resulting from a decrease in the number of uninsured people would automatically be realized as federal savings to Medicare disproportionate share hospitals.

Discussion

We estimate that if Congress does not extend the ARP's enhanced PTCs beyond 2022, more than 3 million more people will be uninsured in 2023. Groups with the greatest losses in health coverage would include people with incomes between 138 and 400 percent of FPL, non-Hispanic Black people, and young adults. In addition to experiencing coverage losses, people who already had nongroup coverage before the ARP will spend hundreds of dollars more per person on health insurance premiums each year if the enhanced PTCs are not extended. If legislation extending PTCs does not also raise revenue, we estimate that enhancing PTCs will increase the federal deficit by $25.3 billion in 2023 and $305.0 billion over 10 years.

If the PTCs are not extended, losses of access to more affordable health coverage will come at a crucial time, when millions of people will be losing Medicaid after the PHE expires. At the time of writing, the PHE is set to expire in April 2022. However, the administration has indicated that it will give states 60 days' notice before the PHE ends, which would require extension for at least an additional three months. After the end of the PHE, states have 14 months to resume normal Medicaid eligibility processing, so the resulting losses of Medicaid coverage could extend well into 2023,[7] after the 2023 Marketplace OEP ends. People losing Medicaid and gaining eligibility for PTCs after the OEP would have to enroll during special enrollment periods; because enrollment outreach is concentrated during the annual OEP, this may result in lower take-up of Marketplace coverage, which would result in more people becoming uninsured. A growing body of literature shows that having health coverage has many positive effects, such as decreased mortality and increased financial security (Caswell and Waidmann 2019; Goldin, Lurie, and McCubbin 2019; Hu et al. 2016; Miller, Johnson, and Wherry 2021).

State policy decisions will have the largest role in determining both how many people will lose Medicaid after the PHE and how many of those losing Medicaid will become uninsured (Buettgens and Green 2022). Those gaining PTC eligibility will need to know that they are eligible, and more will enroll if the process is easy. New Centers for Medicare & Medicaid Services guidance encourages states to take steps like automatically transferring contact and eligibility information to the Marketplaces and working with community-based organizations and other health coverage stakeholders to improve assistance with enrollment in coverage.[8] We estimated the new Marketplace enrollment for each state after the PHE expires based on historical Marketplace take-up rates and whether a state runs its own Marketplace (Buettgens and Banthin, forthcoming), but other factors may affect this unprecedented situation.

Several health policy issues will not be addressed solely through extending the enhanced Marketplace PTCs. First, though Medicaid expansion is likely the most important decision a state can

make to increase health coverage (Simpson et al 2021), 12 states still have not expanded Medicaid under the Affordable Care Act, and expansion continues to be an active issue in many states. Some have proposed a federal solution that would extend Marketplace PTC eligibility to people who would gain eligibility if their state were to expand Medicaid (Holahan et al. 2021). Second, the ARP enhanced PTCs but did not increase cost-sharing reductions, so out-of-pocket health care spending remains an issue for many households eligible for PTCs (Blumberg et al. 2021). Increasing cost-sharing reductions could improve the affordability of Marketplace coverage and further increase Marketplace enrollment. Lastly, the "family glitch" continues to affect families. Under the Affordable Care Act, as currently interpreted, if a family member is offered single coverage that is deemed affordable, the entire family is ineligible for subsidized coverage in the Marketplaces (Buettgens and Banthin 2021). However, the administration recently proposed an administrative change to address this issue.[9]

If Congress wishes to extend the enhanced PTCs, it would be best to do so soon. The 2023 Marketplace OEP starts in November. If enhanced PTCs are not extended in the first half of 2022, insurers may not have time to adjust their final premium bids for 2023, which could lead to a disconnect between the expected and actual risk pools. Consequently, Marketplace premiums will likely be overstated. This would increase federal PTC and reinsurance costs and would lower coverage take-up for the minority of nongroup enrollees not covered by PTCs. Further, if the enhanced PTCs are not extended until September or October, federal and state governments will have limited time to update enrollment systems and plan outreach, which could result in lower enrollment.

Appendix. State-Level Data

TABLE A.1

Changes in Nongroup Market Enrollment, by State, 2023

State	Enhanced PTCs are extended (1,000s of people)	Enhanced PTCs expire (1,000s of people)	Change (1,000s of people)	Percent change
Alabama	249	188	-61	-24
Alaska	24	20	-4	-17
Arizona	304	259	-45	-15
Arkansas	119	92	-27	-23
California	2,465	2,203	-262	-11
Colorado	321	286	-36	-11
Connecticut	149	138	-11	-7
Delaware	42	32	-10	-24
District of Columbia	21	19	-2	-8
Florida	2,864	1,998	-866	-30
Georgia	797	512	-285	-36
Hawaii	39	34	-6	-14
Idaho	89	71	-18	-20
Illinois	487	452	-35	-7
Indiana	220	193	-27	-12
Iowa	115	104	-11	-10
Kansas	136	111	-25	-19
Kentucky	123	69	-54	-44
Louisiana	160	95	-64	-40

State	Enhanced PTCs are extended (1,000s of people)	Enhanced PTCs expire (1,000s of people)	Change (1,000s of people)	Percent change
Maine	71	62	-9	-13
Maryland	262	231	-31	-12
Massachusetts	374	364	-11	-3
Michigan	422	349	-73	-17
Minnesota	312	288	-24	-8
Mississippi	169	116	-53	-31
Missouri	288	213	-75	-26
Montana	66	58	-9	-13
Nebraska	116	92	-24	-20
Nevada	146	117	-29	-20
New Hampshire	64	54	-10	-16
New Jersey	364	274	-90	-25
New Mexico	71	64	-8	-11
New York	1,205	1,176	-29	-2
North Carolina	771	569	-201	-26
North Dakota	48	41	-6	-13
Ohio	362	284	-78	-22
Oklahoma	205	128	-77	-38
Oregon	192	174	-18	-9
Pennsylvania	513	453	-60	-12
Rhode Island	43	42	-1	-2
South Carolina	342	233	-109	-32
South Dakota	54	43	-11	-20
Tennessee	336	242	-94	-28
Texas	2,036	1,269	-767	-38
Utah	276	246	-30	-11
Vermont	37	33	-4	-10
Virginia	387	330	-56	-15
Washington	309	278	-31	-10
West Virginia	33	22	-11	-34
Wisconsin	257	219	-38	-15
Wyoming	42	35	-7	-17
Total	**18,895**	**14,973**	**-3,922**	**-21**

Source: Urban Institute Health Insurance Policy Simulation Model, 2022.

Note: PTCs are premium tax credits.

TABLE A.2

Changes in the Uninsured Population and Uninsurance Rates, by State, 2023

	Enhanced PTCs Are Extended		Enhanced PTCs Expire		Change	
State	1,000s of people	Uninsurance rate	1,000s of people	Uninsurance rate	1,000s of people	Percent
Alabama	435	10.6	482	11.8	48	11.0
Alaska	82	11.3	85	11.7	3	3.6
Arizona	726	11.6	759	12.1	33	4.6
Arkansas	207	8.1	231	9.0	24	11.7
California	3,343	9.7	3,578	10.4	235	7.0
Colorado	448	9.1	473	9.6	25	5.5
Connecticut	185	6.2	188	6.3	3	1.6
Delaware	54	6.7	61	7.6	7	13.2
DC	52	8.4	52	8.5	0	0.6
Florida	2,071	11.9	2,583	14.9	513	24.8
Georgia	1,134	11.9	1,397	14.7	263	23.2
Hawaii	104	8.5	106	8.6	2	2.0
Idaho	160	10.3	172	11.1	12	7.8
Illinois	977	9.1	996	9.2	19	2.0
Indiana	443	7.9	463	8.2	20	4.4
Iowa	129	5.0	136	5.3	7	5.2
Kansas	301	12.0	320	12.8	19	6.1
Kentucky	225	6.0	276	7.4	51	22.7
Louisiana	359	9.2	416	10.7	57	16.0
Maine	42	4.0	50	4.8	9	20.9
Maryland	372	7.1	389	7.4	17	4.6
Massachusetts	233	4.2	236	4.3	4	1.5
Michigan	444	5.7	506	6.5	61	13.8
Minnesota	241	5.1	260	5.5	19	8.0
Mississippi	299	12.1	350	14.1	51	17.0
Missouri	370	7.2	434	8.4	64	17.4
Montana	73	8.4	79	9.2	7	9.0
Nebraska	106	6.5	119	7.3	13	12.7
Nevada	372	12.9	395	13.7	23	6.1
New Hampshire	58	5.3	67	6.1	9	15.3
New Jersey	614	8.2	698	9.3	84	13.7
New Mexico	205	11.2	212	11.5	7	3.3
New York	995	6.0	1,004	6.1	9	0.9
North Carolina	956	10.5	1,134	12.5	178	18.7
North Dakota	65	10.5	68	11.0	3	5.3
Ohio	606	6.5	669	7.2	63	10.4
Oklahoma	323	9.5	392	11.5	69	21.5
Oregon	330	9.5	342	9.9	12	3.7
Pennsylvania	582	5.6	621	6.0	39	6.8
Rhode Island	51	6.0	51	6.1	0	0.7
South Carolina	448	10.5	546	12.8	98	21.9
South Dakota	80	11.0	87	12.0	7	8.7
Tennessee	629	11.0	709	12.4	81	12.8
Texas	4,095	15.8	4,826	18.6	732	17.9
Utah	228	7.7	252	8.6	24	10.7
Vermont	43	8.9	46	9.4	3	6.0
Virginia	621	8.2	660	8.7	39	6.2
Washington	566	8.8	587	9.1	21	3.7
West Virginia	108	7.6	115	8.1	7	6.7

State	Enhanced PTCs Are Extended		Enhanced PTCs Expire		Change	
	1,000s of people	Uninsurance rate	1,000s of people	Uninsurance rate	1,000s of people	Percent
Wisconsin	296	6.1	325	6.8	29	9.8
Wyoming	78	14.8	81	15.4	3	4.2
Total	**25,960**	**9.3**	**29,086**	**10.4**	**3,126**	**12.0**

Source: Urban Institute Health Insurance Policy Simulation Model, 2022.
Note: PTCs are premium tax credits.

TABLE A.3

Federal Spending on Acute Care for the Nonelderly Population, by State, 2023

	Enhanced PTCs Are Extended ($millions)				Enhanced PTCs Expire ($millions)				Change in Total Spending	
State	Medicaid and CHIP	Marketplace PTC	Reinsurance	Total	Medicaid and CHIP	Marketplace PTC	Reinsurance	Total	$millions	%
AL	4,703	1,900	0	6,603	4,703	1,456	0	6,159	-444	-6.7
AK	1,342	204	81	1,627	1,342	137	81	1,560	-67	-4.1
AZ	12,219	1,210	0	13,429	12,220	774	0	12,994	-435	-3.2
AR	5,570	516	0	6,087	5,566	319	0	5,885	-201	-3.3
CA	48,664	9,279	0	57,943	48,674	6,674	0	55,348	-2,595	-4.5
CO	5,699	884	180	6,762	5,698	532	180	6,410	-353	-5.2
CT	4,852	785	0	5,637	4,858	556	0	5,415	-223	-4.0
DE	1,426	216	23	1,665	1,426	140	23	1,589	-76	-4.5
DC	1,511	16	0	1,527	1,520	6	0	1,525	-1	-0.1
FL	16,310	15,983	0	32,293	16,294	10,910	0	27,204	-5,089	-15.8
GA	9,508	4,589	0	14,098	9,504	2,817	0	12,321	-1,777	-12.6
HI	1,143	159	0	1,301	1,144	103	0	1,247	-55	-4.2
ID	2,367	506	0	2,873	2,367	341	0	2,708	-165	-5.7
IL	8,563	1,936	0	10,498	8,578	1,390	0	9,968	-531	-5.1
IN	8,864	804	0	9,668	8,859	535	0	9,394	-274	-2.8
IA	3,703	505	0	4,208	3,707	331	0	4,038	-170	-4.0
KS	1,775	733	0	2,508	1,774	562	0	2,336	-172	-6.8
KY	9,345	378	0	9,723	9,340	60	0	9,400	-323	-3.3
LA	8,415	579	0	8,994	8,416	86	0	8,502	-493	-5.5
ME	1,854	396	28	2,277	1,854	283	28	2,164	-113	-5.0
MD	7,227	807	475	8,508	7,232	532	475	8,239	-269	-3.2
MA	6,682	1,213	0	7,895	6,687	929	201	7,817	-78	-1.0
MI	14,166	1,461	91	15,718	14,174	954	91	15,220	-499	-3.2
MN	6,781	829	0	7,610	6,786	588	0	7,374	-236	-3.1
MS	4,518	1,005	0	5,523	4,509	720	0	5,230	-293	-5.3
MO	10,180	1,639	0	11,820	10,166	1,127	0	11,292	-527	-4.5
MT	2,076	331	24	2,431	2,076	230	24	2,330	-101	-4.1
NE	1,631	807	0	2,438	1,631	565	0	2,197	-242	-9.9
NV	3,269	545	0	3,814	3,265	330	0	3,594	-220	-5.8
NH	939	201	0	1,140	939	132	0	1,071	-69	-6.0
NJ	6,804	1,249	202	8,254	6,809	789	202	7,800	-454	-5.5
NM	5,798	247	0	6,045	5,796	177	0	5,972	-73	-1.2
NY	29,120	8,430	0	37,550	29,118	7,811	0	36,929	-621	-1.7

	Enhanced PTCs Are Extended ($millions)				Enhanced PTCs Expire ($millions)				Change in Total Spending	
State	Medicaid and CHIP	Marketplace PTC	Reinsurance	Total	Medicaid and CHIP	Marketplace PTC	Reinsurance	Total	$millions	%
NC	13,540	5,392	0	18,932	13,540	3,636	0	17,176	-1,756	-9.3
ND	490	145	23	658	491	87	23	602	-56	-8.5
OH	14,900	1,134	0	16,034	14,900	660	0	15,560	-474	-3.0
OK	5,984	1,129	0	7,113	5,985	733	0	6,717	-395	-5.6
OR	6,051	874	58	6,983	6,053	620	58	6,731	-252	-3.6
PA	15,783	2,539	0	18,322	15,789	1,837	0	17,626	-696	-3.8
RI	1,305	151	6	1,462	1,305	114	6	1,425	-37	-2.5
SC	4,765	2,110	0	6,875	4,761	1,441	0	6,202	-672	-9.8
SD	689	371	0	1,061	689	273	0	962	-99	-9.3
TN	8,085	1,881	0	9,966	8,083	1,340	0	9,423	-543	-5.4
TX	30,303	10,512	0	40,815	30,264	6,404	0	36,668	-4,147	-10.2
UT	3,460	1,285	0	4,745	3,458	1,048	0	4,506	-239	-5.0
VT	1,174	146	0	1,320	1,174	111	0	1,286	-35	-2.6
VA	7,451	1,880	0	9,331	7,449	1,425	0	8,874	-457	-4.9
WA	7,882	1,007	0	8,888	7,889	670	0	8,559	-329	-3.7
WV	3,150	241	0	3,392	3,154	98	0	3,253	-139	-4.1
WI	4,449	1,377	151	5,977	4,448	1,097	151	5,696	-281	-4.7
WY	350	376	0	725	349	297	0	647	-79	-10.8
Total	**386,836**	**92,890**	**1,340**	**481,066**	**386,811**	**64,790**	**1,541**	**453,142**	**-27,924**	**-5.8**

Source: Urban Institute Health Insurance Policy Simulation Model, 2022.

Notes: PTCs are premium tax credits. CHIP is Children's Health Insurance Program. Total federal spending numbers in this table differ from those in table 5 because uncompensated care is excluded here.

TABLE A.4

State Spending on Acute Care for the Nonelderly Population, by State, 2023

	Enhanced PTCs Are Extended ($millions)			Enhanced PTCs Expire ($millions)			Change in Total Spending	
State	Medicaid and CHIP	Other	Total	Medicaid and CHIP	Other	Total	$millions	%
AL	1,765	0	1,765	1,765	0	1,765	0	0.0
AK	632	0	632	633	0	633	1	0.1
AZ	3,848	0	3,848	3,848	0	3,848	1	0.0
AR	1,711	0	1,711	1,710	0	1,710	-1	-0.1
CA	30,308	0	30,308	30,315	304	30,619	312	1.0
CO	3,448	86	3,533	3,448	86	3,534	0	0.0
CT	3,467	0	3,467	3,469	0	3,469	2	0.1
DE	806	6	811	806	6	812	1	0.1
DC	687	0	687	691	0	691	4	0.5
FL	9,916	0	9,916	9,906	0	9,906	-10	-0.1
GA	4,403	0	4,403	4,402	0	4,402	-2	0.0
HI	658	0	658	659	0	659	1	0.1
ID	727	0	727	727	0	727	0	0.0
IL	6,438	0	6,438	6,453	0	6,453	15	0.2
IN	3,326	0	3,326	3,325	0	3,325	0	0.0
IA	1,800	0	1,800	1,802	0	1,802	2	0.1
KS	1,149	0	1,149	1,149	0	1,149	0	0.0
KY	2,554	0	2,554	2,553	0	2,553	-1	0.0
LA	2,840	0	2,840	2,840	0	2,840	0	0.0
ME	919	0	919	919	0	919	0	0.0
MD	4,902	16	4,918	4,907	16	4,922	4	0.1
MA	5,190	0	5,190	5,194	194	5,388	198	3.8
MI	5,650	97	5,746	5,655	97	5,752	5	0.1
MN	5,432	0	5,432	5,433	0	5,433	2	0.0
MS	1,327	0	1,327	1,325	0	1,325	-2	-0.1
MO	4,331	0	4,331	4,329	0	4,329	-2	0.0
MT	648	13	661	648	13	661	0	0.0
NE	923	0	923	923	0	923	0	0.0
NV	1,388	0	1,388	1,386	0	1,386	-2	-0.2
NH	681	0	681	682	0	682	1	0.1
NJ	4,484	82	4,566	4,490	82	4,572	6	0.1
NM	1,422	0	1,422	1,422	0	1,422	0	0.0
NY	18,601	0	18,601	18,600	0	18,600	0	0.0

	Enhanced PTCs Are Extended ($millions)			Enhanced PTCs Expire ($millions)			Change in Total Spending	
State	Medicaid and CHIP	Other	Total	Medicaid and CHIP	Other	Total	$millions	%
NC	6,346	0	6,346	6,346	0	6,346	0	0.0
ND	328	27	356	329	27	357	1	0.2
OH	6,805	0	6,805	6,806	0	6,806	1	0.0
OK	2,328	0	2,328	2,329	0	2,329	1	0.0
OR	2,539	17	2,556	2,540	17	2,557	1	0.1
PA	10,562	0	10,562	10,570	0	10,570	8	0.1
RI	850	10	860	850	10	860	0	0.0
SC	1,910	0	1,910	1,909	0	1,909	-1	-0.1
SD	445	0	445	445	0	445	0	0.0
TN	4,116	0	4,116	4,116	0	4,116	-1	0.0
TX	18,431	0	18,431	18,408	0	18,408	-23	-0.1
UT	1,224	0	1,224	1,224	0	1,224	-1	0.0
VT	845	0	845	844	6	850	5	0.5
VA	4,633	0	4,633	4,633	0	4,633	0	0.0
WA	4,697	0	4,697	4,703	0	4,703	6	0.1
WV	852	0	852	854	0	854	1	0.1
WI	2,914	13	2,927	2,914	13	2,926	0	0.0
WY	327	0	327	327	0	327	0	-0.1
Total	**206,534**	**364**	**206,899**	**206,562**	**869**	**207,431**	**532**	**0.3**

Source: Urban Institute Health Insurance Policy Simulation Model, 2022.

Notes: PTCs are premium tax credits. CHIP is Children's Health Insurance Program.

Notes

[1] Centers for Medicare & Medicaid Services, "Marketplace 2022 Open Enrollment Period Report: Final National Snapshot," news release, January 27, 2022, https://www.cms.gov/newsroom/fact-sheets/marketplace-2022-open-enrollment-period-report-final-national-snapshot.

[2] At the time of writing, the PHE will most likely be extended at least through the first half of 2022.

[3] CMS, "Marketplace 2022 Open Enrollment Period Report."

[4] Centers for Medicare & Medicaid Services, letter to state health officials regarding "Promoting Continuity of Coverage and Distributing Eligibility and Enrollment Workload in Medicaid, the Children's Health Insurance Program (CHIP), and Basic Health Program (BHP) upon Conclusion of the COVID-19 Public Health Emergency," March 3, 2022, https://www.medicaid.gov/federal-policy-guidance/downloads/sho22001.pdf.

[5] Lawfully present immigrants ineligible for Medicaid because they have not resided in the United States long enough are eligible for PTCs even if their family incomes are below the FPL.

[6] The small number of people who apply their PTCs toward purchasing a gold plan may still have to pay premiums, as would tobacco users who enroll in a plan with a tobacco-use premium rating.

[7] CMS, letter regarding "Promoting Continuity of Coverage and Distributing Eligibility and Enrollment Workload in Medicaid, CHIP, and BHP upon Conclusion of the Public Health Emergency."

[8] CMS, letter regarding "Promoting Continuity of Coverage and Distributing Eligibility and Enrollment Workload in Medicaid, CHIP, and BHP upon Conclusion of the Public Health Emergency."

[9] Guidance under Section 36B Regarding the Premium Tax Credit, 26 CFR 1.36B-2 (2021).

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Matthew Buettgens is a senior fellow in the Health Policy Center at the Urban Institute, where he is the mathematician leading the development of Urban's Health Insurance Policy Simulation Model (HIPSM). The model is currently being used to provide technical assistance for health reform implementation in Massachusetts, Missouri, New York, Virginia, and Washington as well as to the federal government. His recent work includes a number of research papers analyzing various aspects of national health insurance reform, both nationally and state-by-state. Research topics have included the costs and coverage implications of Medicaid expansion for both federal and state governments; small firm self-insurance under the Affordable Care Act and its effect on the fully insured market; state-by-state analysis of changes in health insurance coverage and the remaining uninsured; the effect of reform on employers; the affordability of coverage under health insurance exchanges; and the implications of age rating for the affordability of coverage. Buettgens was previously a major developer of the Health Insurance Reform Simulation Model—the predecessor to HIPSM—used in the design of the 2006 Roadmap to Universal Health Insurance Coverage in Massachusetts.

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