

# Preliminary HIPSM Tables on Health Reform Analysis Using a Range of Alternative Premium Tax Credit and Cost-Sharing Reduction Schedules

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## Source and Methodology

These preliminary tables were generated by Urban Institute staff, using the Health Insurance Reform Policy Simulation Model (HIPSM), to review the implications of possible changes to Marketplace premium tax credits and cost-sharing reductions.

HIPSM is the Urban Institute's simulation model designed to estimate the cost and coverage effects of a range of different health reform options for the US nonelderly population.

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## Preliminary Estimates

**Table 1. Current-Law and Alternative Marketplace Subsidy Schedules Modeled**

### Premium Tax Credit Percent-of-Income Limits for Benchmark Coverage

Income (% of Poverty)	Current Law	Option 1	Option 2	Option 3	Option 4	Option 5
Benchmark Plan	Silver	Gold	Gold	Gold	Gold	Gold
<138	2.07	0.0-1.0	0.0	0.0	0.0	0.0
138–150	3.10-4.14	1.0-2.0	0.0	0.0	0.0	0.0
150–200	4.14-6.52	2.0-4.0	0-3.0	0-3.0	0-3.0	0-3.0
200–250	6.52-8.33	4.0-6.0	3.0-4.0	3.0-4.0	3.0-4.0	3.0-4.0
250–300	8.33-9.83	6.0-7.0	4.0-6.0	4.0-6.0	4.0-6.0	4.0-6.0
300–400	9.83	7.0-8.5	6.0-8.5	6.0-8.5	6.0-8.5	6.0-8.5
400–500	n.a.	8.5	8.5-10.0	8.5	8.5-10.0	8.5-10.0
500–600	n.a.	8.5	10.0-12.0	8.5	10.0-12.0	10.0
600+	n.a.	8.5	12.0	8.5	12.0	10.0

### Cost-Sharing Reductions: Actuarial Value of Plan Provided to Eligible Enrollees (%)

Income (% of Poverty)	Current Law	Option 1	Option 2	Option 3	Option 4	Option 5
<138	94	95	94	94	95	94
138–150	94	95	94	94	95	94
150–200	87	95	87	87	95	87
200–250	73	90	87	87	90	87
250–300	70	90	87	87	90	87
300–400	70	85	80	80	85	80
400–500	70	80	80	80	80	80
500–600	70	80	80	80	80	80
600+	70	80	80	80	80	80

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Table 2. Coverage under Current Law and Alternative Subsidy Schedules (Nonelderly Population), 2022

Thousands of People

	Current Law	Option 1	Option 2	Option 3	Option 4	Option 5
<b>Insured (minimum essential coverage)</b>	244,113	248,629	248,368	248,413	248,638	248,385
Employer	149,325	148,272	148,588	148,563	148,238	148,580
Private nongroup	14,960	20,198	19,637	19,703	20,240	19,660
Basic Health Program	864	866	866	866	866	866
Marketplace with PTC	8,483	14,034	13,119	13,616	13,698	13,304
Marketplace without PTC	1,268	1,015	1,086	1,024	1,058	1,062
Non-Marketplace	4,346	4,283	4,567	4,197	4,619	4,428
Medicaid/CHIP	71,162	71,494	71,479	71,482	71,494	71,480
Other public	8,665	8,665	8,665	8,665	8,665	8,665
<b>Uninsured (no minimum essential coverage)</b>	33,333	28,817	29,078	29,033	28,808	29,061
Uninsured	30,766	26,413	26,598	26,560	26,433	26,583
Short-term limited-duration plans	2,567	2,405	2,480	2,473	2,375	2,478
<b>Total</b>	<b>277,446</b>	<b>277,446</b>	<b>277,446</b>	<b>277,446</b>	<b>277,446</b>	<b>277,446</b>
<b>Changes from Current Law (Thousands of People)</b>		Option 1	Option 2	Option 3	Option 4	Option 5
<b>Insured (minimum essential coverage)</b>	--	4,516	4,256	4,300	4,525	4,272
Employer	--	-1,053	-738	-763	-1,087	-745
Private nongroup	--	5,237	4,677	4,743	5,280	4,700
Basic Health Program	--	2	2	2	2	2
Marketplace with PTC	--	5,551	4,635	5,133	5,215	4,821
Marketplace without PTC	--	-253	-181	-244	-210	-206
Non-Marketplace	--	-63	221	-148	273	83
Medicaid/CHIP	--	332	317	320	332	318
Other public	--	0	0	0	0	0
<b>Uninsured (no minimum essential coverage)</b>	--	-4,516	-4,256	-4,300	-4,525	-4,272
Uninsured	--	-4,353	-4,168	-4,206	-4,333	-4,183
Short-term limited-duration plans	--	-163	-87	-94	-192	-89
<b>Total</b>	--	0	0	0	0	0
<b>Percent Change from Current-Law Baseline</b>		Option 1	Option 2	Option 3	Option 4	Option 5
<b>Insured (minimum essential coverage)</b>	--	1.8%	1.7%	1.8%	1.9%	1.8%
Employer	--	-0.7%	-0.5%	-0.5%	-0.7%	-0.5%
Private nongroup	--	35.0%	31.3%	31.7%	35.3%	31.4%
Basic Health Program	--	0.2%	0.2%	0.2%	0.2%	0.2%
Marketplace with PTC	--	65.4%	54.6%	60.5%	61.5%	56.8%
Marketplace without PTC	--	-19.9%	-14.3%	-19.2%	-16.6%	-16.3%
Non-Marketplace	--	-1.5%	5.1%	-3.4%	6.3%	1.9%
Medicaid/CHIP	--	0.5%	0.4%	0.5%	0.5%	0.4%
Other public	--	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Uninsured (No Minimum Essential Coverage)</b>	--	-13.5%	-12.8%	-12.9%	-13.6%	-12.8%
Uninsured	--	-14.2%	-13.5%	-13.7%	-14.1%	-13.6%
Short-term limited-duration plans	--	-6.3%	-3.4%	-3.7%	-7.5%	-3.5%
<b>Total</b>	--	0.0%	0.0%	0.0%	0.0%	0.0%

Source: Health Insurance Policy Simulation Model (HIPSM), 2020. Reform simulated in 2022.

Preliminary Estimates

Table 3. Uninsured Nonelderly under Current Law and Alternative Subsidy Schedules (Nonelderly Population), 2022

	Income Relative to Poverty				
	< 138% FPL	138–200% FPL	200–400% FPL	> 400% FPL	All incomes
<b>Current Law</b>					
Number (thousands)	13,523	5,057	8,062	4,124	30,766
Percent of income group	16.5%	16.4%	11.0%	4.5%	11.1%
<b>Option 1</b>					
Number	13,251	4,395	5,523	3,244	26,413
Percent of income group	16.1%	14.2%	7.6%	3.6%	9.5%
Change (thousands)	-272	-663	-2,539	-880	-4,353
Percent change	-2.0%	-13.1%	-31.5%	-21.3%	-14.2%
<b>Option 2</b>					
Number	13,252	4,469	5,592	3,285	26,598
Percent of income group	16.1%	14.5%	7.6%	3.6%	9.6%
Change (thousands)	-271	-589	-2,470	-839	-4,168
Percent change	-2.0%	-11.6%	-30.6%	-20.4%	-13.5%
<b>Option 3</b>					
Number	13,252	4,469	5,592	3,246	26,560
Percent of income group	16.1%	14.5%	7.7%	3.6%	9.6%
Change (thousands)	-271	-589	-2,470	-877	-4,206
Percent change	-2.0%	-11.6%	-30.6%	-21.3%	-13.7%
<b>Option 4</b>					
Number	13,252	4,378	5,521	3,283	26,433
Percent of income group	16.1%	14.2%	7.6%	3.6%	9.5%
Change (thousands)	-271	-680	-2,542	-841	-4,333
Percent change	-2.0%	-13.4%	-31.5%	-20.4%	-14.1%
<b>Option 5</b>					
Number	13,252	4,469	5,592	3,270	26,583
Percent of income group	16.1%	14.5%	7.7%	3.6%	9.6%
Change (thousands)	-271	-589	-2,470	-854	-4,183
Percent change	-2.0%	-11.6%	-30.6%	-20.7%	-13.6%

Source: The Urban Institute. Health Insurance Policy Simulation Model (HIPSM), 2021.

Preliminary Estimates

Table 4. Health Care Spending under Current Law and Alternative Subsidy Schedules (Nonelderly Population), 2022

Millions of Dollars

		Current Law	Option 1	Option 2	Option 3	Option 4	Option 5
<b>Household</b>	Premiums	300,270	293,821	292,511	291,175	292,029	292,052
	Other health care spending	287,587	287,858	290,392	290,453	287,720	290,411
	Subtotal, household	587,856	581,680	582,903	581,629	579,749	582,463
<b>Federal government</b>	Medicaid/CHIP	376,113	377,907	377,831	377,849	377,903	377,838
	Marketplace PTC & Reinsurance	59,591	78,877	81,879	83,725	81,406	82,464
	Marketplace CSR	0	7,756	4,798	4,798	7,796	4,798
	Uncompensated care	31,400	25,597	25,856	25,745	25,691	25,827
	Subtotal, federal government	467,105	490,137	490,364	492,118	492,796	490,928
<b>State government</b>	Medicaid/CHIP	199,944	200,714	200,684	200,693	200,711	200,689
	Marketplace PTC	398	0	0	0	0	0
	Marketplace CSR	46	0	0	0	0	0
	Reinsurance	357	0	0	0	0	0
	Uncompensated care	19,625	15,998	16,160	16,091	16,057	16,142
	Subtotal, state government	220,370	216,713	216,844	216,783	216,768	216,830
<b>Employers</b>	Premium contributions	800,116	794,048	795,866	795,713	793,865	795,819
<b>Providers</b>	Uncompensated care	27,475	22,397	22,624	22,527	22,480	22,598
<b>Total, all payers</b>		2,102,923	2,104,975	2,108,602	2,108,769	2,105,658	2,108,639

Changes from Current Law (Millions of Dollars)			Option 1	Option 2	Option 3	Option 4	Option 5
Household	Premiums	--	-6,448	-7,759	-9,094	-8,240	-8,218
	Other health care spending	--	272	2,805	2,867	133	2,825
	Subtotal, household	--	-6,177	-4,954	-6,228	-8,107	-5,393
Federal government	Medicaid/CHIP	--	1,794	1,717	1,736	1,789	1,725
	Marketplace PTC & reinsurance		19,286	22,288	24,134	21,815	22,873
	Marketplace CSR	--	7,756	4,798	4,798	7,796	4,798
	Uncompensated care	--	-5,803	-5,545	-5,656	-5,709	-5,574
	Subtotal, federal government	--	23,032	23,259	25,013	25,691	23,823
State government	Medicaid/CHIP	--	771	741	749	768	745
	Marketplace PTC	--	-398	-398	-398	-398	-398
	Marketplace CSR	--	-46	-46	-46	-46	-46
	Reinsurance	--	-357	-357	-357	-357	-357
	Uncompensated care	--	-3,627	-3,465	-3,535	-3,568	-3,484
	Subtotal, state government	--	-3,658	-3,526	-3,587	-3,602	-3,540
Employers	Premium contributions	--	-6,068	-4,250	-4,403	-6,251	-4,296
Providers	Uncompensated care	--	-5,078	-4,852	-4,949	-4,996	-4,877
Total, all payers		--	2,052	5,679	5,847	2,735	5,716

Percent Change from Current Law		Option 1	Option 2	Option 3	Option 4	Option 5
<b>Household</b>	Premiums	--	-2%	-3%	-3%	-3%
	Other health care spending	--	0%	1%	1%	1%
	Subtotal, household	--	-1%	-1%	-1%	-1%
<b>Federal government</b>	Medicaid	--	0%	0%	0%	0%
	Marketplace PTC & reinsurance	--	32%	37%	37%	38%
	Marketplace CSR	--	--	--	--	--
	Uncompensated care	--	-18%	-18%	-18%	-18%
	Subtotal, federal government	--	5%	5%	6%	5%
<b>State government</b>	Medicaid	--	0%	0%	0%	0%
	Marketplace PTC	--	--	--	--	--
	Marketplace CSR	--	--	--	--	--
	Reinsurance	--	--	--	--	--
	Uncompensated care	--	-18%	-18%	-18%	-18%
	Subtotal, state government	--	-2%	-2%	-2%	-2%
<b>Employers</b>	Premium contributions	--	-1%	-1%	-1%	-1%
<b>Providers</b>	Uncompensated care	--	-18%	-18%	-18%	-18%
<b>Total, all payers</b>		--	0%	0%	0%	0%

Source: Health Insurance Policy Simulation Model (HIPSM), 2020. Reform simulated in 2022.

## Preliminary Estimates

**Table 5. Average Household Spending on Health Care (Premium and Out-of-Pocket) for those with Nongroup Coverage, Current Law and Alternative Subsidy Schedules (Nonelderly Population), 2022**

	Premiums	Out-of-Pocket	Total
<b>Current Law</b>			
Dollars	2,768	2,157	4,926
<b>Option 1</b>			
Dollars	1,850	1,813	3,663
Change (dollars)	-919	-344	-1,263
Percent change	-33.2%	-15.9%	-25.6%
<b>Option 2</b>			
Dollars	1,799	1,945	3,744
Change (dollars)	-970	-212	-1,182
Percent change	-35.0%	-9.8%	-24.0%
<b>Option 3</b>			
Dollars	1,728	1,949	3,677
Change (dollars)	-1,040	-208	-1,249
Percent change	-37.6%	-9.7%	-25.3%
<b>Option 4</b>			
Dollars	1,761	1,802	3,563
Change (dollars)	-1,008	-355	-1,363
Percent change	-36.4%	-16.5%	-27.7%
<b>Option 5</b>			
Dollars	1,774	1,946	3,721
Change (dollars)	-994	-211	-1,205
Percent change	-35.9%	-9.8%	-24.5%

Source: The Urban Institute. Health Insurance Policy Simulation Model (HIPSM), 2021.