

**THE HEALTH INSURANCE COVERAGE LANDSCAPE IN THE LATE COVID-19 PERIOD**

**Statement of  
Linda J. Blumberg\*  
Institute Fellow, Urban Institute**

**before the  
Finance Committee  
United States Senate**

**HEALTH INSURANCE COVERAGE IN AMERICA: CURRENT AND  
FUTURE ROLE OF FEDERAL PROGRAMS**

**October 20, 2021**

\* The views expressed are my own and should not be attributed to the Urban Institute, its trustees, or its funders.

Chairman Wyden, Ranking Member Crapo, and distinguished members of the committee:

Thank you for inviting me to address current issues related to health insurance in the US. While I am an employee of the Urban Institute, the views expressed in this testimony are my own and should not be attributed to the Urban Institute, its trustees, or its funders.

Research has demonstrated that the Affordable Care Act has increased health insurance coverage in the US among the nonelderly by more than 20 million people.<sup>1</sup> The enhancements of premium tax credits provided by the American Rescue Plan Act (ARPA) have increased coverage further, albeit temporarily, given the limited duration of the enhanced credit period. These reforms also have improved affordability of insurance coverage and increased access to care for millions of Americans.

As a result, the US health insurance system provided a stronger safety net during the pandemic-induced economic downturn than in prior recessions. According to the Urban Institute's Health Reform Monitoring Survey, the number of nonelderly adults with employer-based insurance fell by approximately 5.5 million between March 2019 and April 2021.<sup>2</sup> Yet unlike prior recessions, the number with Medicaid increased even more. As a consequence, the number of uninsured held steady instead of increasing nationwide. However, while nationwide data is encouraging, the number of uninsured rose in nonexpansion states because smaller shares of people who lost employer coverage were eligible for Medicaid.

Still, nationwide, the private nongroup insurance Marketplaces are, by all indications, fundamentally stable. In 2021, the national average benchmark premium fell for the third year in a row, with average decreases in 43 states and only 1 state with an increase of more than 6 percent, following very large premium increases in 2018.<sup>3</sup> In addition, insurer participation in the Marketplaces has increased since 2017 in many population centers. However, in areas with lower insurer participation and/or consolidation among health providers, premiums and premium growth tend to be higher.

Even recognizing the successes, significant gaps remain in the health insurance system. First, more than 3 million people living below the poverty line and 1.2 million near-poor people are uninsured and ineligible for any financial assistance because they live in states that have not expanded Medicaid eligibility.<sup>4</sup> In addition, absent the temporarily increased ARPA Marketplace subsidies, my Urban Institute colleagues estimate that the number of uninsured nationally would reach 30 million in 2022.<sup>5</sup> Conversely, they estimate that making the ARPA subsidies permanent and extending them to lower-

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<sup>1</sup> Linda J. Blumberg, Michael Simpson, Matthew Buettgens, Jessica Banthin, and John Holahan, "[The Potential Effects of a Supreme Court Decision to Overturn the Affordable Care Act: Updated Estimates](#)" (Washington, DC: Urban Institute, 2020).

<sup>2</sup> Michael Karpman and Stephen Zuckerman, "[The Uninsurance Rate Held Steady during the Pandemic as Public Coverage Increased: Trends in Health Insurance Coverage between March 2019 and April 2021](#)" (Washington, DC: Urban Institute, 2021).

<sup>3</sup> John Holahan, Jessica Banthin, and Erik Wengle, *Marketplace Premiums and Participation in 2021* (Washington, DC: Urban Institute, 2021).

<sup>4</sup> Michael Simpson, Jessica Banthin, and Matthew Buettgens, "[Most Uninsured People Gaining Medicaid Eligibility under Potential Expansion Would Have Incomes below the Federal Poverty Level](#)" (Washington, DC: Urban Institute, 2021).

<sup>5</sup> Jessica Banthin, Michael Simpson, and Andrew Green, "[The Coverage and Cost Effects of Key Health Insurance Reforms Being Considered by Congress](#)" (New York: Commonwealth Fund, 2021).

income people in nonexpansion states would decrease the uninsured by another 7 million people at a net federal cost of \$27.7 billion in 2022, or \$333 billion over 10 years. In addition, these estimates indicate that such policies would increase Marketplace enrollment while decreasing Marketplace premiums by 18 percent, on average, because of the relatively better average health of the new enrollees.<sup>6</sup> Taking lower premiums and out-of-pocket costs into account, the average per enrollee health care costs for those insured through the Marketplaces would be over \$1,100 lower per year.<sup>7</sup>

While such opportunities exist to expand coverage, further action also must be considered, because the pending end of the national public health emergency (PHE) will also end the requirement that states keep people enrolled in Medicaid, and this transition poses future challenges for coverage. Urban Institute estimates indicate that Medicaid enrollment could decrease by as many as 15 million people during 2022 once the PHE-related maintenance-of-effort requirement ends, including 8.7 million adults and 5.9 million children. These numbers are partly offset by the projection that one-third of those adults would qualify for subsidized private health coverage in the Marketplaces. About two-thirds of the children would be eligible for assistance, much of it through CHIP. However, others have highlighted that the number losing Medicaid coverage at the end of the PHE could exceed 15 million people, given the difficulty of contacting still-eligible people to reverify and renew enrollment when they have not been in contact with state Medicaid systems for up to two years.<sup>8</sup>

Thus, the risk of a significant increase in the number of people uninsured following the end of the PHE is substantial, and such risk merits legislative and administrative consideration. As I have outlined, permanent, enhanced premium tax credits should encourage more people to move from Medicaid to the Marketplace once they lose Medicaid eligibility. Further, aggressive outreach and enrollment efforts at the state and federal levels, in addition to streamlining Medicaid redetermination and enrollment processes, are among viable options available to address the potential for a near-term increase in the number of uninsured Americans.

Thank you for the opportunity to share information with you on these important issues. I'd be happy to answer any of your questions.

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<sup>6</sup> Jessica Banthin, Matthew Buettgens, Michael Simpson, and Robin Wang, "What If the American Rescue Plan's Enhanced Marketplace Subsidies Were Made Permanent? Estimates for 2022" (Washington, DC: Urban Institute, 2021).

<sup>7</sup> Banthin, Buettgens, Simpson, and Wang, "What If the American Rescue Plan's Marketplace Subsidies Were Made Permanent?"

<sup>8</sup> Kinda Serafi, Cindy Mann, and Nina V. Pudukollu, "The Risk of Coverage Loss for Medicaid Beneficiaries as the COVID-19 Public Health Emergency Ends," *To the Point* (blog), Commonwealth Fund, September 23, 2021, <https://www.commonwealthfund.org/blog/2021/risk-coverage-loss-medicaid-beneficiaries-covid-19>.

## Note

This testimony was submitted to the committee with the following publications appended:

- Jessica Banthin, Michael Simpson, and Andrew Green, “[The Coverage and Cost Effects of Key Health Insurance Reforms Being Considered by Congress](#)” (New York: Commonwealth Fund, 2021).
- Linda J. Blumberg, “Design of Public Option and Capped Provider Price Reforms: Important Interactions between Provider Prices and Other Program Features” (Washington, DC: Urban Institute, 2021).
- Michael Karpman and Stephen Zuckerman, “The Uninsurance Rate Held Steady as Public Coverage Increased: Trends in Health Insurance Coverage between March 2019 and April 2021” (Washington, DC: Urban Institute, 2021).
- Stacey McMorro, Jessica Banthin, Matthew Buettgens, Michael Simpson, Genevieve M. Kenney, and Clare Wang Pan, “[Extending the American Rescue Plan Act’s Enhanced Marketplace Affordability Provisions Could Benefit Nearly One Million Uninsured Children and Parents](#)” (Washington, DC: Urban Institute, 2021).