

FACT SHEET

Expanding Health Care Coverage and Improving Affordability for Millions of Americans

In the middle of a health and economic crisis, the American Rescue Plan follows through on Democrats' commitment to expand health coverage and make health care more affordable.

The legislation would provide financial assistance for more people by expanding Affordable Care Act (ACA) Marketplaces premium tax credits to more middle-class Americans for 2021 and 2022, including those with incomes above 400 percent of the federal poverty line (FPL).

- [A family of four with an annual income of \\$40,000 would save nearly \\$1,600 annually.](#)
- [A family of four with an annual income of \\$65,000 would save \\$2,800 annually.](#)
- [A family of four with an annual income of \\$100,000, who previously did not qualify for premium subsidies, would save \\$7,000 annually.](#)
- Americans purchasing health insurance through the ACA Marketplaces would be guaranteed to spend no more than 8.5 percent of their income for meaningful comprehensive coverage, directly expanding access to health care for even more people.

The legislation would provide workers who lost jobs with partial COBRA subsidies or ACA tax credits, allowing lower-income workers and their families and those facing extraordinary financial hardship during this time to continue to maintain health coverage. The most recent data show that [ten million](#) Americans are still unemployed.

- COBRA allows workers who experience layoffs or reduction in hours to continue with their job-based health coverage for a limited period of time to avoid a disruption in care.
- The legislation would allow workers and their families to keep their doctors, maintain continuity of care, and avoid restarting annual deductible and out-of-pocket limits mid-year. This ensures there are no disruptions in insurance coverage that could jeopardize their health and financial security.
- For workers not eligible for COBRA, the legislation would provide subsidized health coverage through the ACA Marketplaces, helping small businesses, and self-employed and gig economy workers impacted by the COVID pandemic.
- Taken together, these policies provide assistance to workers and their families to maintain their coverage until they can return to work and provides a bridge to millions during this time of extraordinary health and economic uncertainty.

The legislation provides new financial incentives for states to expand Medicaid.

- State refusals to expand Medicaid has left millions of working-age adults uninsured.

Prepared by the Democratic Staff of the Committees on Education and Labor, Energy and Commerce, and Ways and Means

- Nationally, [there are an estimated 2 million uninsured individuals](#) who would gain coverage if their state expanded Medicaid.
- The [uninsured rate in non-expansion states was 42.5 percent for unemployed adults](#), nearly double that in expansion states (22.6 percent).
- Medicaid has been a critical safety net program helping states respond to and mitigate the effects of COVID-19 and the economic downturn.
 - [Medicaid enrollment grew by an estimated 7 million](#) people as it helped to provide health insurance to the millions of Americans who lost their jobs and employer-based health insurance.
 - States expect these trends to continue into 2021, with many predicting [enrollment growth of more than 8 percent this year](#).

The legislation makes critical investments to address inequities in health care and expand access to for underserved and vulnerable communities.

- It would take important steps to address the nation's maternal mortality crisis that disproportionately affects women of color, by allowing states to extend Medicaid eligibility for women to 12 months postpartum and ensuring women have access to health care for the critical year following childbirth.
- The legislation would provide states with the option to enroll uninsured individuals in Medicaid to receive free testing, treatment, and vaccines for COVID-19, fully funded by the federal government.
- It would also provide continuity of care access for justice-involved individuals prior to their release from incarceration.
 - By providing Medicaid eligibility to individuals 30 days prior to their release from incarceration, the legislation will help facilitate a transition into the community.
 - This will be especially beneficial to justice-involved individuals in treatment for substance use disorders, for whom a disruption in coverage can be particularly devastating.

The ACA expanded access to care for all Americans and significantly improved health insurance coverage for people of color and individuals with lower incomes. This legislation further expands coverage options and makes coverage more affordable.

- Over [20 million Americans](#) have gained coverage due to the ACA.
 - Approximately 9 million consumers now receive subsidies to make their health care more affordable.
 - Nearly [13 million Americans have health care](#) under Medicaid expansion.
- Prior to the ACA, Black and Hispanic Americans had significantly higher uninsured rates than Whites. The ACA helped to reduce inequities in coverage and shrunk the coverage gap between people of color and White Americans.
- From 2010 to 2016, the uninsured rate for Black Americans dropped from nearly [20 percent to 10.7 percent](#), and the uninsured rate for Hispanic Americans dropped from [32.6 percent to 19.1 percent](#).
- [Coverage gains were even higher](#) in states that opted to expand Medicaid under the ACA.