

Methodology: Fact Sheet on Affordable Health Coverage Benefits of the Inflation Reduction Act

This fact sheet presents estimates of the premium savings for consumers, broken down by congressional district, from the Inflation Reduction Act's (IRA) continuation and expansion of Affordable Care Act (ACA) financial assistance for individuals purchasing marketplace coverage. These estimates are based on data made publicly available by the U.S. Department of Health and Human Services (HHS), the U.S. Census Bureau's American Community Survey, the Kaiser Family Foundation's "Health Insurance Marketplace Calculator," and the Robert Wood Johnson Foundation's HIX Compare dataset, as well as information published by state agencies in California, Minnesota, and New York.

Enrollment in ACA Marketplaces and Average Annual Premiums

For the 33 states that utilize the federal marketplace, data provided by HHS identifies: (1) the number of individuals who enrolled in marketplace coverage in 2022, (2) the number of these individuals who received financial assistance that reduced their out-of-pocket premiums, and (3) the average premium per person.¹ This data is provided at both the county level and the ZIP code level, and is used to develop district-level estimates of subsidized marketplace enrollment and average out-of-pocket premiums for enrollees.² A crosswalk provided by the Missouri Census Data Center was used to map ZIP codes to congressional districts.³

For districts in California and New York, data on enrollment, the number of subsidized marketplace enrollees, and average annual premiums were drawn from publicly available data at the congressional district level.⁴ For districts in Minnesota, the number of enrollees is estimated using enrollment information published by the state.⁵ For both New York and Minnesota,

¹ Department of Health and Human Services, *2022 Marketplace Open Enrollment Period Public Use Files* (Mar. 2022) (online at www.cms.gov/research-statistics-data-systems/marketplace-products/2022-marketplace-open-enrollment-period-public-use-files).

² A crosswalk from the Missouri Census Data Center is used to map ZIP code-level information to a congressional district. See Missouri Census Data Center, *Geocorr 2018: Geographic Correspondence Engine* (online at <http://mcdc.missouri.edu/applications/geocorr2018.html>) (accessed July 28, 2022). Where a congressional district spans multiple counties or ZIP codes, the amount of premiums paid are proportionally distributed to that district by population.

³ *Id.*

⁴ Covered California, *Covered California Warns of Higher Health Insurance Costs if Congress Allows the American Rescue Plan to Expire*, (July 13, 2022) (online at www.coveredca.com/newsroom/news-releases/2022/07/13/covered-california-warns-of-higher-health-insurance-costs-if-congress-allows-the-american-rescue-plan-to-expire/); New York State of Health, *By the Numbers: Health Insurance Coverage Update* (March 2022) (online at <https://info.nystateofhealth.ny.gov/sites/default/files/Health%20Insurance%20Coverage%20Update%20by%20Congressional%20District%20-%20March%202022.pdf>).

⁵ Minnesota Department of Human Services, *Managed Care Enrollment Figures* (May 2022) (online at www.dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=dhs16_141529).

enrollment data for 2022 is mapped to a congressional district using the Missouri Census Data Center crosswalk.⁶

For the 15 remaining states, which utilize their own marketplace and do not participate in the federal marketplace, enrollment and premium data is available at the state level.⁷ To arrive at enrollment and annual premiums estimates for congressional districts, state-level data was divided proportionately among congressional districts based on the income levels of residents as reported in the American Community Survey.⁸

Anticipated Annual Premiums with and without Passage of the Inflation Reduction Act⁹

For the 33 states using the federal marketplace, HHS has published district-level estimates of the average increase in premiums for 2022 had the enhanced subsidies provided by the American Rescue Plan expired, without passage of the IRA.¹⁰ These estimates were used to calculate the annual average premium savings provided by the IRA.

Both New York's and California's state marketplaces have also published district-level estimates of the increase in annual premiums had enhanced subsidies expired.¹¹ These estimates were used to calculate the annual average premium savings provided by the IRA.

In the other 15 states operating their own marketplaces, data on the impact of enhanced subsidies is only available for 2021.¹² This data was used to estimate the impact in these states of the IRA's enhanced subsidies in 2022.

⁶ See note 2.

⁷ See note 1.

⁸ To arrive at district-level estimates, the 2019 American Community Survey was used to estimate the number of individuals in each district who purchased individual insurance, their income and family size, and the premiums they would have paid for coverage with and without enhanced subsidies. See 2019 American Community Survey, Table B27016 (online at <https://www.census.gov/programs-surveys/acs>) (accessed July 28, 2022). Premiums for each individual were estimated using information from the HIX Compare dataset. See HIX Compare, *Individual Market: Current Version* (online at <https://hixcompare.org/individual-markets.html>) (accessed July 28, 2022). The estimates were scaled so that they would be consistent with the 2022 state-level data published by HHS.

⁹ These estimates assume that subsidized marketplace enrollees in 2022 will enroll again in marketplace coverage in 2023, that these enrollees' incomes and household composition will be unchanged in 2023, and that they will enroll in the same type of marketplace plan.

¹⁰ Department of Health and Human Services, *Fact Sheet: What Happens to Premiums if the Extra Help from the American Rescue Plan Expires?* (June 22, 2022) (online at www.hhs.gov/about/news/2022/06/22/fact-sheet-what-happens-premiums-if-extra-help-american-rescue-plan-expires.html).

¹¹ See note 3.

¹² Department of Health and Human Services, *2021 Final Marketplace Special Enrollment Period Report* (Sept. 4, 2021) (online at www.hhs.gov/sites/default/files/2021-sep-final-enrollment-report.pdf).

The estimated annual premium savings for the three representative households referenced in this fact sheet were developed using the Kaiser Family Foundation’s “Health Insurance Marketplace Calculator.”¹³

¹³ Kaiser Family Foundation, *Health Insurance Marketplace Calculator* (online at: www.kff.org/interactive/subsidy-calculator) (accessed on July 28, 2022); Kaiser Family Foundation, *What Would ACA Subsidies Have Been in 2022 if COVID-19 Relief Had Not Passed?* (online at www.kff.org/interactive/subsidy-calculator-without-arpa) (accessed July 28, 2022).