

Expanded Obamacare Tax Subsidies in the American Rescue Plan Helped 5.8 Million Americans Newly Enroll in ACA Plans

The American Rescue Plan Act (ARPA) dramatically expanded tax credits that [brought down](#) health insurance costs for families who get health insurance on the Affordable Care Act (ACA) marketplaces. These expanded tax credits, which are set to expire at the end of 2022, have already helped [5.8 million](#) Americans newly enroll in free or affordable health plans since the start of the Biden Administration.

Making the expanded credits permanent would ensure that these families keep their low monthly premiums and would [reduce](#) the uninsured rate around the country for years to come, ensuring that millions of families can access health care and have more stable household finances.

The enhanced premium tax credits in the American Rescue Plan helped over 5.8 million Americans newly enroll in ACA plans

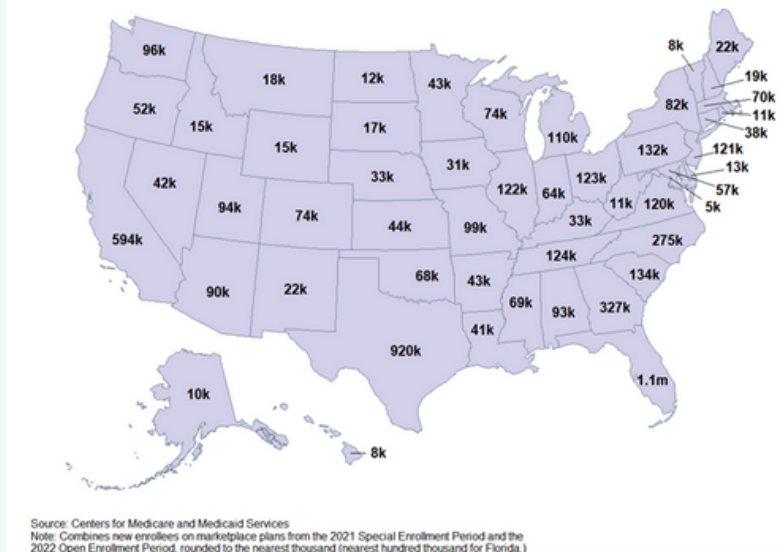
The American Rescue Plan expanded premium tax credits and [brought down](#) health care costs for millions of Americans, leading to a record number of people [enrolling](#) in ACA plans in 2021. Expanded premium tax credits passed under the ARPA are structured to help the [lowest income enrollees the most](#), delivering on President Biden's commitment to lower taxes and bring down costs for American workers and families. The [tax credits](#):

- ✓ ensure that people earning below 150% of the federal poverty level (FPL) can get a standard insurance plan for \$0 per month in premiums,
- ✓ reduce costs for people earning between 150%-400% of the FPL to ensure they do not spend more than a certain share of their income on premiums, and
- ✓ provide support for those earning more than 400% of the FPL (\$54,500 for a single person in 2022), who were previously ineligible for tax credits.

The more generous tax credits helped 5.8 million Americans newly enroll in ACA plans in 2021 and lowered premiums for many of the record [14.5 million](#) Americans who get their insurance through ACA marketplace plans.

The map below shows the number of new enrollees in each state ([JEC estimates at the congressional district level](#) based on the same data are available [here](#)).^[1]

5.8 Million Americans Have Newly Enrolled in ACA Plans Since President Biden Took Office



Insurance coverage leads to improved access to care, better health outcomes, and more financial stability

Since the ACA passed in 2010, the law has significantly reduced out-of-pocket costs for families and improved access to health care. While it is too early to know the exact health and financial impact of the expanded premium tax credits passed in the Rescue Plan, recent research on ACA coverage shows promising impacts on both health outcomes and economic stability.

- ✓ Families who were uninsured prior to the ACA's enactment but then [gained marketplace coverage](#) had reduced barriers to care, used more outpatient services, and were more likely to receive important diagnoses. These improvements were most notable among the lowest income Americans.
- ✓ People in the income range for the most generous marketplace credits were [less likely](#) to delay medical care due to cost.
- ✓ Families who gained coverage under the ACA were also less likely to incur a [catastrophic health expenditure](#).

Together, these findings suggest that extending the enhanced tax credits will continue to help millions of Americans get the affordable medical care they need.

[1] To create these estimates, JEC staff used publicly available state-level data from the Centers for Medicare & Medicaid Services (CMS) on the number of people who newly enrolled in ACA plans during 2021 and congressional district-level data from the 2019 American Community Survey's 1-Year estimates on the number of people in each district under 65 who "directly purchase" their health insurance. To create a given district level estimate, we multiplied the relevant state's number of new ACA enrollees from 2021 by the fraction of that state's 2019 population under 65 who both directly purchased their insurance and lived in the relevant district. We used the 2019 ACS data as these data are the most recent, accurate and nationally representative survey of health insurance take-up that provides data at the congressional district level. We are assuming that the prevalence of directly purchasing insurance in a given district did not vary drastically from 2019 to 2021, as the proportion in each district was largely unchanged between 2016 and 2019.