

The following appendix is part of a Commonwealth Fund issue brief, John Holahan and Michael Simpson, *Next Steps in Expanding Health Coverage and Affordability: What Policymakers Can Do Beyond the Inflation Reduction Act* (Commonwealth Fund, Sept. 2022), <https://www.commonwealthfund.org/publications/issue-briefs/2022/sep/next-steps-expanding-health-coverage-affordability>.

APPENDIX

APPENDIX TABLE 1

Pre-ARPA, IRA/ARPA, and Enhanced Subsidy Schedules

Premium tax credit percentage of income limits for benchmark coverage			
Income (percent of FPL)	Pre-ARPA subsidy schedule	IRA/ARPA subsidy schedule	Enhanced subsidy schedule
<138	2.07	0.0	0.0
138-150	3.10-4.14	0.0	0.0
150-200	4.14-6.52	0.0-2.0	0.0-2.0
200-250	6.52-8.33	2.0-4.0	2.0-4.0
250-300	8.33-9.83	4.0-6.0	4.0-6.0
300-400	9.83	6.0-8.5	6.0-8.5
400-500	n/a	8.5-8.5	8.5-8.5
500-600	n/a	8.5-8.5	8.5-8.5
600+	n/a	8.5-8.5	8.5-8.5
Benchmark plan	Silver	Silver	Gold

Cost-sharing reductions: actuarial value of plan provided to eligible enrollees (%)			
Income (percent of FPL)	Pre-ARPA subsidy schedule	IRA/ARPA subsidy schedule	Enhanced subsidy schedule
<138	94	94	95 ^a
138-150	94	94	95
150-200	87	87	95
200-250	73	73	90
250-300	70	70	90
300-400	70	70	85
400-500	70	70	80
500-600	70	70	80
600%+	70	70	80

Notes: Percentage of income caps applied in 2023, although the pre-ARPA caps are for 2021 and are indexed each year. Alternative schedules are not intended to be indexed. ARPA = American Rescue Plan Act. IRA = Inflation Reduction Act. FPL = federal poverty level. n/a = not applicable because no subsidies are available at this income level.

^a Cost-sharing reductions for people below 138 percent of FPL in the 12 states that have not expanded Medicaid have actuarial value of 99 percent. Costs of these above the 94 percent actuarial value available without reform are federally funded.

Data: Data on premium tax credit percentage-of-income limits are from Examination of Returns and Claims for Refund, Credit, or Abatement; Determination of Correct Tax Liability, CFR 601.105, (2020); American Rescue Plan Act of 2021, Pub. L. No. 117-2; and the Improving Health Insurance Affordability Act of 2021, S.499 117th Cong. (2021-22). Data on cost-sharing reductions are from "Patient Protection and Affordable Care Act; HHS Notice of Benefit and Payment Parameters for 2021; Notice Requirement for Non-Federal Governmental Plans," 85 Fed. Reg. 29164, May 14, 2020, and the Improving Health Insurance Affordability Act of 2021.

APPENDIX TABLE 2

Coverage and Spending for the Nonelderly Population with the Addition of a Marketplace Expansion to Fill the Medicaid Gap, 2023

Coverage in 2023 (thousands of people)			
	IRA/extended ARPA subsidies	Marketplace expansion to fill gap	Change
Insured (minimum essential coverage)	249,982	251,859	1,877
Employer	151,839	151,304	-535
Private nongroup	18,895	21,188	2,294
Subsidized	14,433	16,908	2,475
Unsubsidized	4,462	4,280	-182
Medicaid/CHIP	70,560	70,679	119
Other public	8,688	8,688	0
Uninsured (no minimum essential coverage)	28,451	26,573	-1,877
Uninsured	25,960	24,209	-1,751
Noncompliant nongroup	2,490	2,364	-126
Total	278,432	278,432	0

Spending in 2023 (billions of dollars)			
	IRA/extended ARPA subsidies	Marketplace expansion to fill gap	Change
Household	609.8	604.6	-5.2
Premiums	311.5	309.8	-1.7
Other health care spending	298.3	294.8	-3.5
Federal government	509.2	536.2	27.0
Medicaid	386.8	390.3	3.5
Marketplace premium tax credit	92.9	116.5	23.6
Marketplace cost-sharing reduction	0.0	0.7	0.7
Reinsurance	1.3	1.3	*
Uncompensated care ^a	28.1	27.4	-0.8
State government	224.5	221.3	-3.2
Employers' premium contributions	850.0	847.3	-2.7
Providers' uncompensated care	23.3	21.9	-1.3
Total, all payers	2,216.7	2,231.2	14.5

Notes: IRA = Inflation Reduction Act. ARPA = American Rescue Plan Act. CHIP = Children's Health Insurance Program. * = less than +/- \$50 million.

^a Uncompensated care savings at the federal level would largely be realized as savings in payments to Medicare disproportionate share hospitals.

Data: Urban Institute, Health Insurance Policy Simulation Model (HIPSM), 2022.

APPENDIX TABLE 3
Uninsurance Rate by Race/Ethnicity

	IRA/ extended ARPA subsidies	Marketplace expansion to fill gap	Marketplace expansion to fill gap and 8.5% firewall threshold	Marketplace expansion to fill gap, 8.5% firewall threshold, and reinsurance fund	Marketplace expansion to fill gap, 8.5% firewall threshold, reinsurance fund, and FMAP	Marketplace expansion to fill gap, 8.5% firewall threshold, reinsurance fund, FMAP, and enhanced subsidies
Percent of nonelderly people uninsured						
American Indian/ Alaska Native	11.9%	11.2%	11.1%	11.1%	11.1%	10.4%
Asian/Pacific Islander	10.1%	9.8%	9.8%	9.7%	9.7%	9.1%
Black, non-Hispanic	9.4%	8.0%	7.9%	7.9%	7.9%	7.5%
Hispanic	19.7%	19.0%	18.9%	18.9%	18.9%	18.3%
White, non-Hispanic	7.6%	7.0%	7.0%	6.9%	6.9%	6.4%
Percentage-point change in the uninsured rate						
American Indian/ Alaska Native		-0.7%	-0.1%	0.0%	0.0%	-0.6%
Asian/Pacific Islander		-0.3%	0.0%	-0.1%	0.0%	-0.5%
Black, non-Hispanic		-1.4%	0.0%	0.0%	0.0%	-0.4%
Hispanic		-0.8%	-0.1%	-0.1%	0.0%	-0.6%
White, non-Hispanic		-0.6%	0.0%	-0.1%	0.0%	-0.6%
Percent change in the uninsured rate						
American Indian/ Alaska Native		-6%	-0.5%	-0.4%	0.0%	-6.2%
Asian/Pacific Islander		-3%	-0.3%	-1.0%	0.0%	-5.7%
Black, non-Hispanic		-15%	-0.6%	-0.5%	0.0%	-5.8%
Hispanic		-4%	-0.3%	-0.3%	0.0%	-3.0%
White, non-Hispanic		-7%	-0.5%	-1.2%	0.0%	-8.8%

Notes: IRA = Inflation Reduction Act. ARPA = American Rescue Plan Act. FMAP = federal medical assistance percentage.

Data: Urban Institute, Health Insurance Policy Simulation Model (HIPSM), 2022.

APPENDIX TABLE 4

Coverage and Spending for the Nonelderly Population with the Addition of an 8.5 Percent Employer-Sponsored Insurance Affordability Threshold, 2023

Coverage in 2023 (thousands of people)			
	Marketplace expansion to fill gap	Marketplace expansion to fill gap and 8.5 percent ESI affordability threshold	Change
Insured (minimum essential coverage)	251,859	251,968	109
Employer	151,304	151,134	-170
Private nongroup	21,188	21,467	279
Subsidized	16,908	17,254	346
Unsubsidized	4,280	4,213	-67
Medicaid/CHIP	70,679	70,679	0
Other public	8,688	8,688	0
Uninsured (No minimum essential coverage)	26,573	26,464	-109
Uninsured	24,209	24,106	-103
Noncompliant nongroup	2,364	2,359	-6
Total	278,432	278,432	0

Spending in 2023 (billions of dollars)			
	Marketplace expansion to fill gap	Marketplace expansion to fill gap and 8.5 percent ESI affordability threshold	Change
Household	604.6	604.0	-0.6
Premiums	309.8	309.1	-0.7
Other health care spending	294.8	294.9	0.1
Federal government	536.2	538.6	2.4
Medicaid	390.3	390.3	*
Marketplace premium tax credit	116.5	118.9	2.4
Marketplace cost-sharing reduction	0.7	0.7	*
Reinsurance	1.3	1.3	*
Uncompensated care ^a	27.4	27.3	-0.1
State government	221.3	221.2	*
Employers' premium contributions	847.3	846.3	-0.9
Providers' uncompensated care	21.9	21.8	-0.1
Total, all payers	2,231.2	2,232.0	0.7

Notes: CHIP = Children's Health Insurance Program. * = less than +/- \$50 million.

^a Uncompensated care savings at the federal level would largely be realized as savings in payments to Medicare disproportionate share hospitals.

Data: Urban Institute, Health Insurance Policy Simulation Model (HIPSM), 2022.

APPENDIX TABLE 5

Coverage and Spending for the Nonelderly Population with the Addition of a \$10 Billion Reinsurance Fund, 2023

Coverage in 2023 (thousands of people)			
	Marketplace expansion to fill gap and 8.5 percent ESI affordability threshold	Marketplace expansion to fill gap, 8.5 percent ESI affordability threshold, and \$10 billion reinsurance fund	Change
Insured (minimum essential coverage)	251,968	252,166	198
Employer	151,134	151,089	-46
Private nongroup	21,467	21,708	241
Subsidized	17,254	17,207	-47
Unsubsidized	4,213	4,502	289
Medicaid/CHIP	70,679	70,681	2
Other public	8,688	8,688	0
Uninsured (No minimum essential coverage)	26,464	26,266	-198
Uninsured	24,106	23,941	-164
Noncompliant nongroup	2,359	2,325	-33
Total	278,432	278,432	0

Spending in 2023 (billions of dollars)			
	Marketplace expansion to fill gap and 8.5 percent ESI affordability threshold	Marketplace expansion to fill gap, 8.5 percent ESI affordability threshold, and \$10 billion reinsurance fund	Change
Household	604.0	603.8	-0.1
Premiums	309.1	308.8	-0.3
Other health care spending	294.9	295.1	0.2
Federal government	538.6	539.7	1.1
Medicaid	390.3	390.3	*
Marketplace premium tax credit	118.9	111.4	-7.5
Marketplace cost-sharing reduction	0.7	0.7	*
Reinsurance	1.3	10.0	8.7
Uncompensated care ^a	27.3	27.2	-0.1
State government	221.2	221.2	-0.1
Employers' premium contributions	846.3	846.0	-0.3
Providers' uncompensated care	21.8	21.6	-0.2
Total, all payers	2,232.0	2,232.4	0.4

Notes: ESI = employer-sponsored insurance. CHIP = Children's Health Insurance Program. * = less than +/- \$50 million.

^a Uncompensated care savings at the federal level would largely be realized as savings in payments to Medicare disproportionate share hospitals.

Data: Urban Institute, Health Insurance Policy Simulation Model (HIPSM), 2022.

APPENDIX TABLE 6

Coverage and Spending for the Nonelderly Population with the Addition of Full Federal Funding of Medicaid Expansion, 2023

Coverage in 2023 (thousands of people)			
	Marketplace expansion to fill gap, 8.5 percent ESI affordability threshold, and \$10 billion reinsurance fund	Marketplace expansion to fill gap, 8.5 percent ESI affordability threshold, \$10 billion reinsurance fund, and full federal Medicaid expansion	Change
Insured (minimum essential coverage)	252,166	252,166	0
Employer	151,089	151,089	0
Private nongroup	21,708	21,708	0
Subsidized	17,207	17,207	0
Unsubsidized	4,502	4,502	0
Medicaid/CHIP	70,681	70,681	0
Other public	8,688	8,688	0
Uninsured (No minimum essential coverage)	26,266	26,266	0
Uninsured	23,941	23,941	0
Noncompliant nongroup	2,325	2,325	0
Total	278,432	278,432	0

Spending in 2023 (billions of dollars)			
	Marketplace expansion to fill gap, 8.5 percent ESI affordability threshold, and \$10 billion reinsurance fund	Marketplace expansion to fill gap, 8.5 percent ESI affordability threshold, \$10 billion reinsurance fund, and full federal Medicaid expansion	Change
Household	603.8	603.8	0.0
Premiums	308.8	308.8	0.0
Other health care spending	295.1	295.1	0.0
Federal government	539.7	546.6	7.0
Medicaid	390.3	397.3	7.0
Marketplace premium tax credit	111.4	111.4	0.0
Marketplace cost-sharing reduction	0.7	0.7	0.0
Reinsurance	10.0	10.0	0.0
Uncompensated care ^a	27.2	27.2	0.0
State government	221.2	214.2	-7.0
Employers' premium contributions	846.0	846.0	0.0
Providers' uncompensated care	21.6	21.6	0.0
Total, all payers	2,232.4	2,232.4	0.0

Notes: ESI = employer-sponsored insurance. CHIP = Children's Health Insurance Program. * = less than +/- \$50 million.

^a Uncompensated care savings at the federal level would largely be realized as savings in payments to Medicare disproportionate share hospitals.

Data: Urban Institute, Health Insurance Policy Simulation Model (HIPSM), 2022.

APPENDIX TABLE 7

Coverage and Spending for the Nonelderly Population with the Addition of Enhanced Marketplace Cost Sharing, 2023

Coverage in 2023 (thousands of people)			
	Marketplace expansion to fill gap, 8.5 percent ESI affordability threshold, \$10 billion reinsurance fund, and full federal Medicaid expansion	Marketplace expansion to fill gap, 8.5 percent ESI affordability threshold, \$10 billion reinsurance fund, full federal Medicaid expansion, and enhanced subsidies	Change
Insured (minimum essential coverage)	252,166	253,664	1,498
Employer	151,089	150,279	-810
Private nongroup	21,708	23,977	2,268
Subsidized	17,207	19,207	2,001
Unsubsidized	4,502	4,770	268
Medicaid/CHIP	70,681	70,720	39
Other public	8,688	8,688	0
Uninsured (No minimum essential coverage)	26,266	24,769	-1,498
Uninsured	23,941	22,531	-1,410
Noncompliant nongroup	2,325	2,238	-87
Total	278,432	278,432	0

Spending in 2023 (billions of dollars)			
	Marketplace expansion to fill gap, 8.5 percent ESI affordability threshold, \$10 billion reinsurance fund, and full federal Medicaid expansion	Marketplace expansion to fill gap, 8.5 percent ESI affordability threshold, \$10 billion reinsurance fund, full federal Medicaid expansion, and enhanced subsidies	Change
Household	603.8	599.0	-4.8
Premiums	308.8	308.4	-0.4
Other health care spending	295.1	290.7	-4.4
Federal government	546.6	559.6	13.0
Medicaid	397.3	397.5	0.2
Marketplace premium tax credit	111.4	113.1	1.7
Marketplace cost-sharing reduction	0.7	12.9	12.2
Reinsurance	10.0	10.0	0.0
Uncompensated care ^a	27.2	26.2	-1.1
State government	214.2	213.6	-0.6
Employers' premium contributions	846.0	841.5	-4.5
Providers' uncompensated care	21.6	19.8	-1.9
Total, all payers	2,232.4	2,233.6	1.2

Notes: ESI = employer-sponsored insurance. CHIP = Children's Health Insurance Program. * = less than +/- \$50 million.

^a Uncompensated care savings at the federal level would largely be realized as savings in payments to Medicare disproportionate share hospitals.

Data: Urban Institute, Health Insurance Policy Simulation Model (HIPSM), 2022.

APPENDIX TABLE 8

**Spending for the Nonelderly Population under Permanent ARPA and Reforms, 2023–2032
(billions of dollars)**

	IRA/ extended ARPA subsidies	Marketplace expansion to fill gap	Marketplace expansion to fill gap and 8.5 percent ESI affordability threshold	Marketplace expansion to fill gap, 8.5 percent ESI affordability threshold, and \$10 billion reinsurance fund	Marketplace expansion to fill gap, 8.5 percent ESI affordability threshold, \$10 billion reinsurance fund, and full federal Medicaid expansion	Marketplace expansion to fill gap, 8.5 percent ESI affordability threshold, \$10 billion reinsurance fund, full federal Medicaid expansion, and enhanced subsidies
Federal spending on acute health care	6,114	6,437	6,466	6,479	6,563	6,719
Medicaid/CHIP	4,644	4,686	4,686	4,686	4,770	4,772
Marketplace tax credits	1,115	1,398	1,428	1,338	1,338	1,358
Marketplace cost-sharing reductions	0	8	8	8	8	155
Reinsurance	16	16	16	120	120	120
Uncompensated care ^a	319	301	299	297	297	272
Change from previous reform, 2023–2032 (billions of dollars)						
Federal spending on acute health care	—	324	29	13	84	156
Medicaid/CHIP	—	42	0	0	84	2
Marketplace tax credits	—	283	29	-90	0	21
Marketplace cost-sharing reductions	—	8	0	0	0	146
Reinsurance	—	0	0	104	0	0
Uncompensated care ^a	—	-9	-1	-1	0	-13
Change in federal revenue ^b	—	5	5	2	0	20
Total change in deficit	—	319	24	11	84	137
Change from permanent ARPA, 2023–2032 (billions of dollars)						
Federal spending on acute health care	—	324	353	366	449	606
Medicaid/CHIP	—	42	42	42	126	128
Marketplace tax credits	—	283	312	222	222	243
Marketplace cost-sharing reductions	—	8	8	8	8	155
Reinsurance	—	0	0	104	104	104
Uncompensated care ^a	—	-18	-20	-22	-22	-48
Change in federal revenue ^b	—	5	10	11	11	31
Total change in deficit	—	319	343	354	438	575

Notes: IRA = Inflation Reduction Act. ARPA = American Rescue Plan Act. ESI = employer-sponsored insurance. CHIP = Children's Health Insurance Program.

^a Uncompensated care savings at the federal level would largely be realized as savings in payments to Medicare disproportionate share hospitals.

^b Change in federal revenue include the income and payroll tax effects of ESI crowd-out.

Data: Urban Institute, Health Insurance Policy Simulation Model (HIPSM), 2022.