

# What do the American Rescue Plan's enhanced subsidies mean for Native Americans?

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# How does the American Rescue plan change the ACA's premium assistance?

Income (Percent of FPL)	Percent of Income Paid for Benchmark Plan Under ACA	Percent of Income Paid for Benchmark Plan Under ARA
100-138%	2.07%	0%
138-150%	3.10%-4.14%	0%
150-200%	4.14%-6.52%	0%-2%
200-250%	6.52%-8.33%	2%-4%
250-300%	8.33%-9.83%	4%-6%
300-400%	9.83%	6%-8.5%
400%+	N/A	8.5%

# Silver Loading and Bronze Plans

- Silver Loading has caused premium subsidies to rise at a faster pace than the price of Bronze plans.
- This dynamic has led to many people being eligible for free Bronze plans.
- According to the Kaiser Family Foundation, 4 million uninsured Americans qualify for free Bronze plans under the ACA. **This number will increase significantly under the American Rescue Plan.**
- This has huge implications for how many Native Americans can qualify for a free plan with no cost sharing.

# Marketplace Benefits for Native Americans

**In addition to ACA protections and benefits, Native Americans qualify for:**

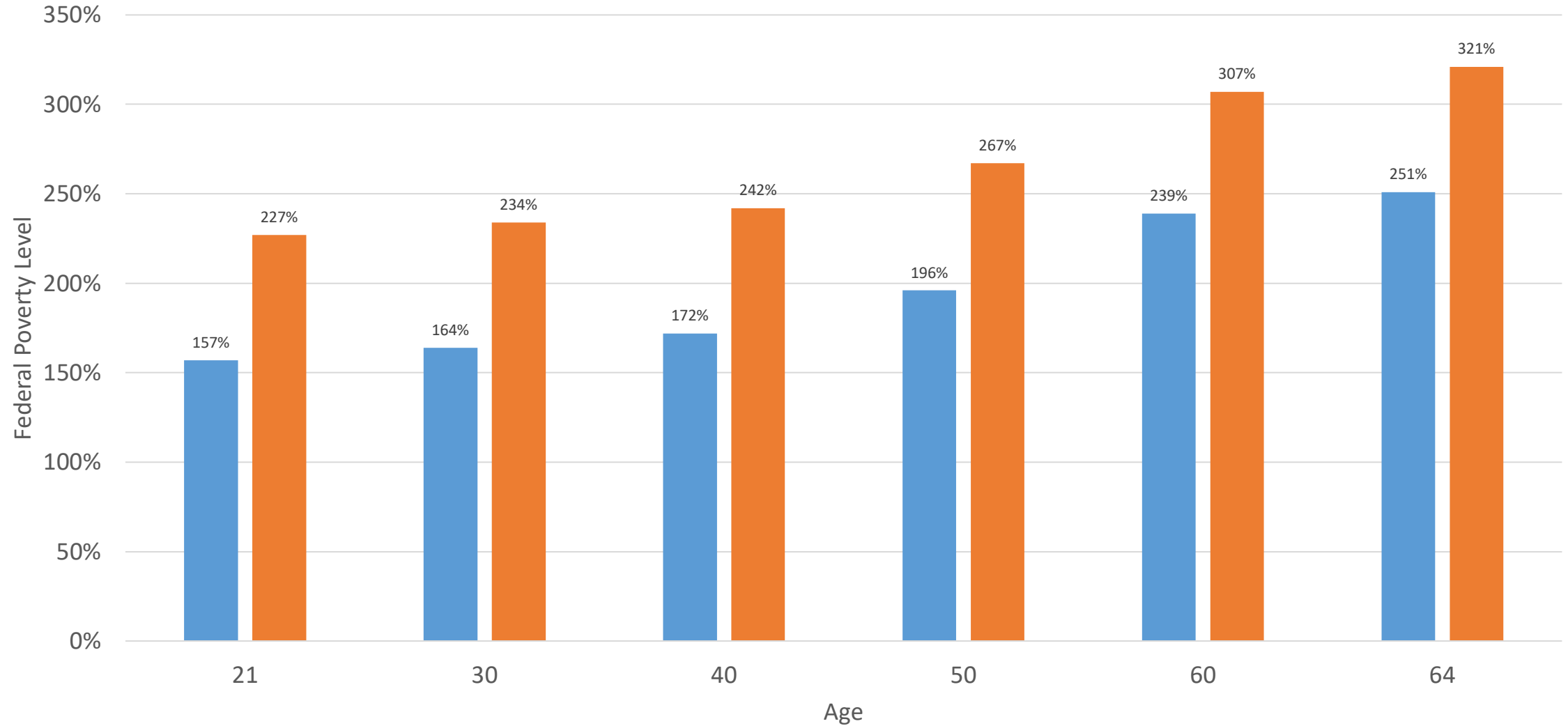
- Year round enrollment
- Zero cost sharing under 300% FPL
  - Applies to all metal levels, including Bronze

**Expanding free Bronze plans to more Native Americans could significantly reduce a major barrier to coverage.**

# Current Enrollment in Zero Cost Sharing Plans

- In NM:
  - 10,600 Native Americans qualify for Marketplace subsidies. We believe about  $\frac{3}{4}$  of these individuals, or 7,950 people, qualify for zero cost sharing plans. But only 571 signed up for coverage with zero cost sharing in 2020, or just 7% of those who qualify for the benefit.
  - At the same time, 88.7% of those who qualify for Medicaid have signed up.
- Awareness is one barrier, but costs are clearly a major barrier to coverage.

# At what FPL is Bronze Free?



■ Affordable Care Act

■ American Rescue Plan

New Mexico  
Rating Area 1  
2021

# County-Level projected Percentages of the Uninsured eligible for Premium tax credit

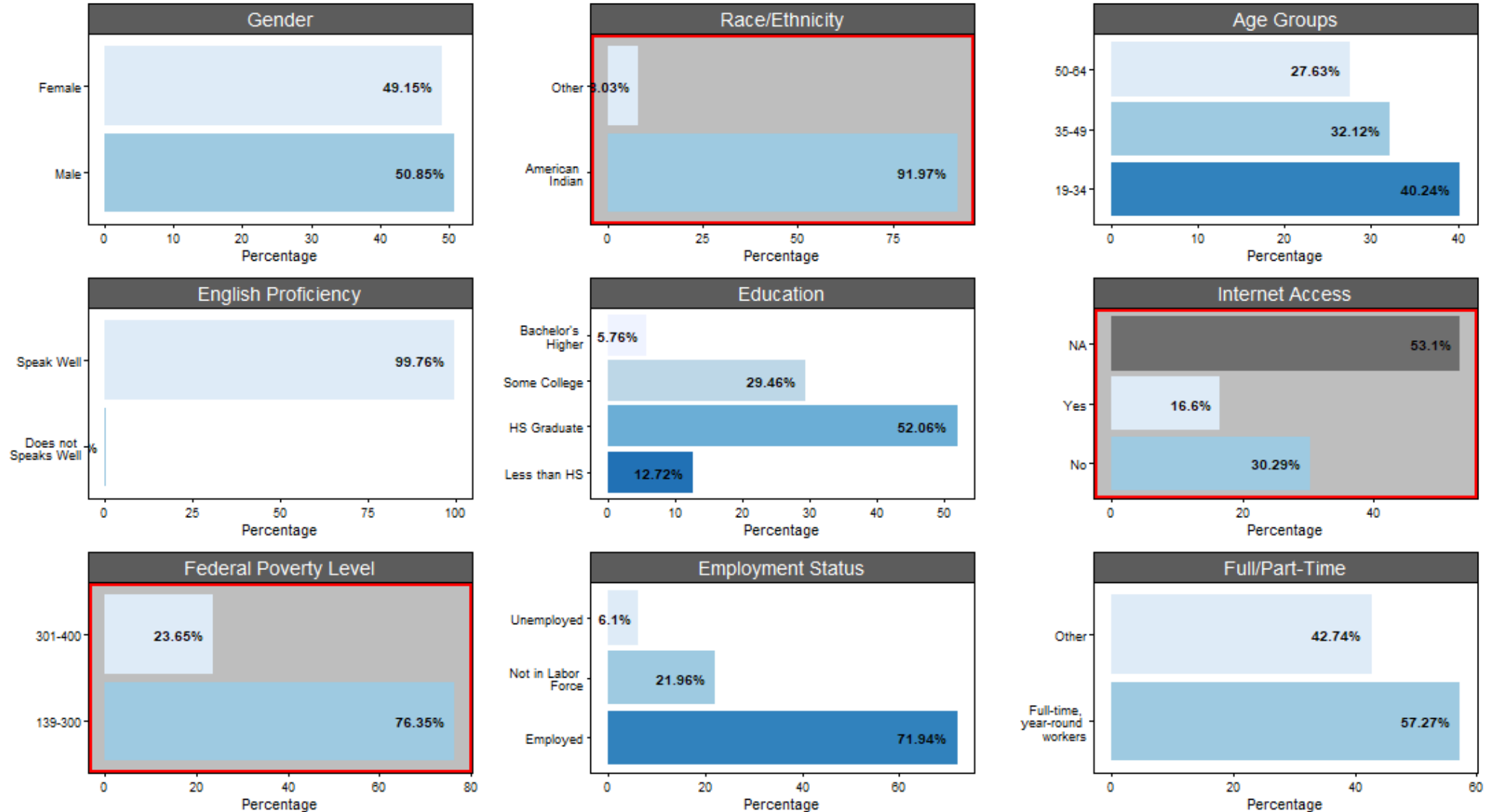
POTENTIAL ELIGIBILITY FOR FREE BRONZE PLANS UNDER THE ARP COMPARED TO ACA LEVELS BY RATING AREAS AND SELECTED AGE - **INDIVIDUALS**

		Age 21	Age 30	Age 40	Age 50	Age 60	Age 64
<b>Rating Area 1</b> (Bernalillo, Sandoval, Torrence, Valencia)	<b>Income cutoff for free bronze plans under ARP premium subsidies (%FPL)</b>	<b>227%</b>	<b>234%</b>	<b>242%</b>	<b>267%</b>	<b>307%</b>	<b>321%</b>
	Income cutoff for free bronze plans under ACA (%FPL)	157%	164%	172%	196%	239%	251%
	Percentage Point Increase	70	70	70	71	68	70
<b>Rating Area 2</b> (San Juan)	<b>Income cutoff for free bronze plans under ARP premium subsidies (%FPL)</b>	<b>249%</b>	<b>258%</b>	<b>267%</b>	<b>298%</b>	<b>358%</b>	<b>375%</b>
	Income cutoff for free bronze plans under ACA (%FPL)	179%	188%	197%	230%	285%	301%
	Percentage Point Increase	70	70	70	68	73	74
<b>Rating Area 3</b> (Dona Ana)	<b>Income cutoff for free bronze plans under ARP premium subsidies (%FPL)</b>	<b>234%</b>	<b>242%</b>	<b>251%</b>	<b>277%</b>	<b>324%</b>	<b>339%</b>
	Income cutoff for free bronze plans under ACA (%FPL)	164%	172%	180%	208%	254%	268%
	Percentage Point Increase	70	70	71	70	70	71
<b>Rating Area 4</b> (Santa Fe)	<b>Income cutoff for free bronze plans under ARP premium subsidies (%FPL)</b>	<b>241%</b>	<b>250%</b>	<b>259%</b>	<b>287%</b>	<b>340%</b>	<b>356%</b>
	Income cutoff for free bronze plans under ACA (%FPL)	171%	180%	188%	218%	269%	283%
	Percentage Point Increase	70	70	71	69	71	73
<b>Rating Area 5</b> (Rural Areas)	<b>Income cutoff for free bronze plans under ARP premium subsidies (%FPL)</b>	<b>232%</b>	<b>240%</b>	<b>248%</b>	<b>274%</b>	<b>319%</b>	<b>333%</b>
	Income cutoff for free bronze plans under ACA (%FPL)	161%	170%	178%	204%	249%	262%
	Percentage Point Increase	71	70	70	70	70	71

Source: KFF Subsidy Calculator at: <https://www.kff.org/interactive/subsidy-calculator/> accessed January 30th, and March 11th, 2021

**Disclaimer:** These are estimates for potentially being able to buy a free bronze plan coverage through the Health Insurance Marketplace. To find out if you are eligible for financial assistance and to sign up, you must contact Healthcare.gov, your state's Health Insurance Marketplace, or Medicaid program office.

# Characteristics of the uninsured in the Navajo Nation PUMA area who may qualify for Marketplace coverage





# Strategies to reduce or eliminate premiums for Native Americans who qualify for federal subsidies

- **Build upon the new federal premium assistance to fully subsidize Bronze plans for Native Americans**
  - For a 40 year old in NM's rural rating area:
    - At 250% FPL, it would cost \$3 per person per month
    - At 275% FPL, it would cost \$43 per person per month
    - At 300% FPL, it would cost \$88 per person per month
  - Could be financed through Purchased/Referred Care or state funds
- **Require carriers to use the induced demand factors in risk adjustment & assume only people under 200% FPL will enroll in Silver**
  - Shown to lower cost of subsidized Bronze and Gold plans
- **Prohibit age rating to extend lower cost Bronze plans to more lower income, younger individuals**
  - Counterintuitive results of age rating in the subsidized market
  - Now that subsidies extend above 400% FPL, the downsides are less pronounced