

Health Insurance Coverage

UPDATE

September 2021

OVERVIEW:

As of the end of August 2021, NY State of Health enrollment stands at more than 6.3 million individuals, or one in three New Yorkers across the state. Throughout the COVID-19 Public Health Emergency, the NY State of Health (NYSOH) Marketplace has served as a critical safety net for individuals and families who have lost their jobs and/or income, providing coverage to an additional 1.4 million people between March 2020 and August 2021. Recognizing the need to ensure individuals could easily maintain their coverage during the pandemic, NYSOH has adopted every option made available by the federal government to eliminate barriers to coverage including implementing the American Rescue Plan Act provisions that make commercial coverage more affordable. Under this year's State budget, New York also made improvements to the state's Basic Health Program, called the Essential Plan (EP) in New York, to increase affordability and enhance benefits for low-income New Yorkers.

The American Rescue Plan Act provides new and expanded financial assistance to those enrolling in Qualified Health Plans (QHP) through NYSOH. Additionally, the 2021-22 New York State budget eliminates monthly premiums for all Essential Plan enrollees regardless of income, expanding access to coverage for consumers across the state. Finally, New York has extended its 2021 Open Enrollment Period through December 31, 2021 to allow New Yorkers the opportunity to enroll and access quality affordable health coverage and care in light of the ongoing public health emergency. The importance of having access to and maintaining health coverage as the gateway to being able to access health care has never had such global significance.

Increasing Affordability of Commercial Coverage

The American Rescue Plan Act of 2021 (ARPA) has increased the affordability of commercial insurance purchased through state marketplaces. ARPA significantly lowered monthly premiums for hundreds of thousands of New Yorkers enrolled in QHPs by increasing federal premium assistance, even for higher-income individuals. NYSOH implemented these tax credit changes quickly and effectively starting in April 2021, automating processes to ensure assistance got to consumers as seamlessly as possible. As a result, QHP enrollment has steadily increased throughout 2021 reaching nearly 230,000, as of the end of August 2021.

QHPs with financial assistance are available for individuals who earn too much to be eligible for EP, and who do not have access to other affordable health insurance that meets minimum standards. Assistance is available in two forms depending on an individual or family's income: premium tax credits (PTC) that reduce the cost of monthly premiums and cost-sharing reductions (CSR) that lower co-payments, deductibles, and maximum out-of-pocket costs.

Under the ARPA, existing enrollees with low and moderate incomes (income up to \$51,040 for an individual and \$104,800 for a family of four) who were previously eligible for tax credits are now eligible for much larger tax credits. The amount of

these tax credits depend on income and county of residence. For example, an individual with income of \$35,000 per year in New York City was eligible for a tax credit of \$359 per month, or \$4,308 per year, but now is eligible for \$478 per month, or \$5,736 per year under ARPA. NYSOH automatically applied the higher tax credit without the enrollee needing to take any action.

In addition, ARPA made higher income New Yorkers eligible for APTC for the first time ever. Before ARPA, tax credits were not available to individuals earning more than \$51,040 and a family of four earning more than \$104,800. Through ARPA, higher income individuals and families are eligible for the tax credits. The law is designed so that no one will pay more than 8.5 percent of their income toward the benchmark plan available in their county. For example, an individual in Kings County earning \$55,000 per year who was not previously eligible for tax credits, will now receive over \$230 per month, or \$2,800 per year, to help pay for health insurance.

Here are additional examples of the impact of ARPA on individuals across the state:

Impact of ARPA on Tax Credit Eligibility and Monthly Premium

Annual Income & County	Before American Rescue Plan		After American Rescue Plan	
	Tax Credit	Amount You Pay for Lowest Cost Silver Plan	Tax Credit	Amount You Pay for Lowest Cost Silver Plan
\$ 30,000 per year in Erie County	\$278	\$195	\$387	\$86
\$ 40,000 per year in Dutchess County	\$290	\$328	\$406	\$212
\$ 55,000 per year in Albany County	\$0	\$566	\$175	\$390
\$ 60,000 per year in New York City	\$0	\$611	\$198	\$413

(Note: tax credit amount and premium amounts are based on income and place of residence. These examples are based on the lowest cost silver plan in each county.)

QHP by the Numbers

8.5%

Maximum percentage of income anyone will pay for the benchmark health plan in their county

Increase in the average annual amount of APTC received by consumers since the American Rescue Plan

\$1,248

73%

Increase in overall APTC received by consumers since passage of the American Rescue Plan

Total amount of premium tax credits New Yorkers will receive in 2021

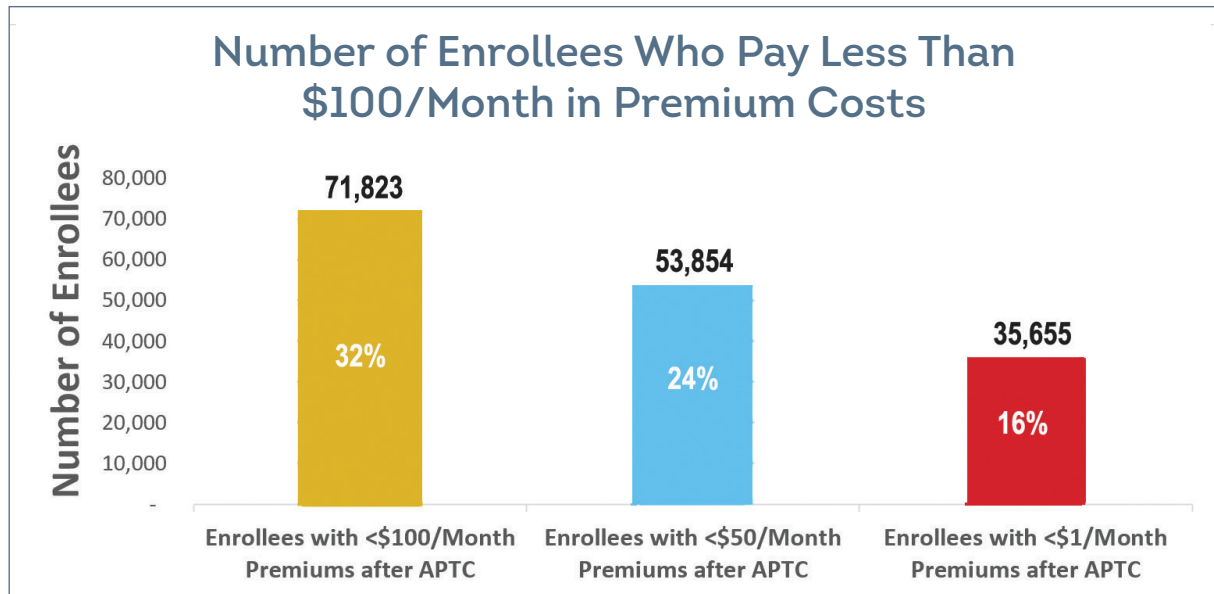
\$759 million

147,000

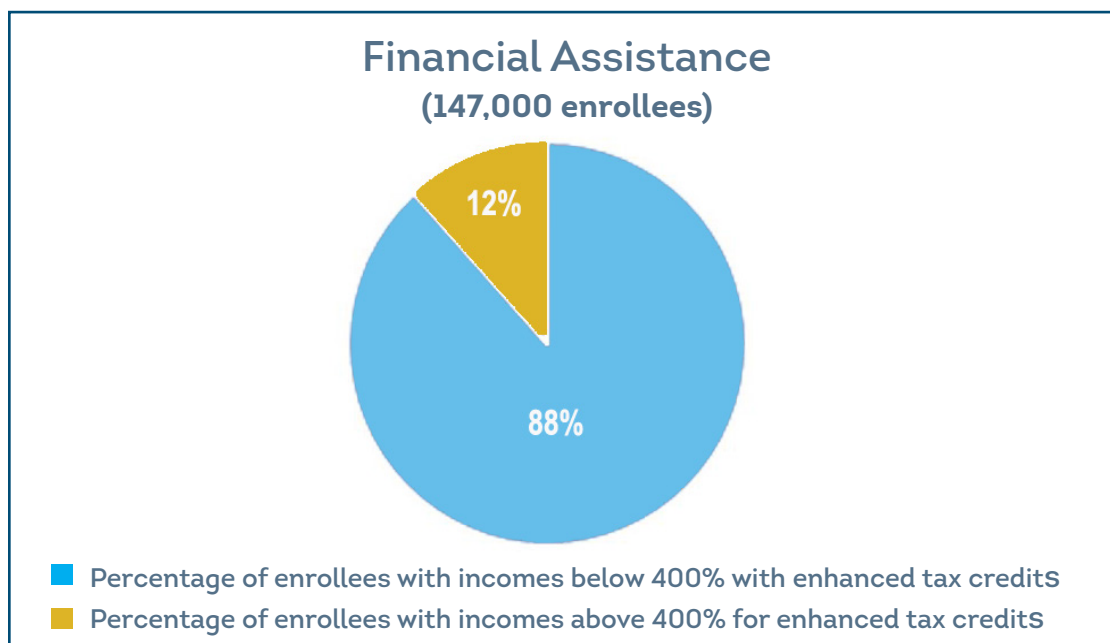
Number of QHP enrollees eligible for ARPA enhanced tax credits

Prior to ARPA, on average, QHP enrollees eligible for financial assistance received \$326 a month in APTC to reduce the cost of coverage. However, under the ARP, QHP enrollees are on average receiving more than \$100 dollars more -- \$430 a month. In aggregate, the total APTC all QHP enrollees will receive this year increased by more than 73 percent, from \$438 million to \$759 million.

In total, nearly 72,000 or about a third of QHP enrollees in New York spend less than \$100/month on premiums.

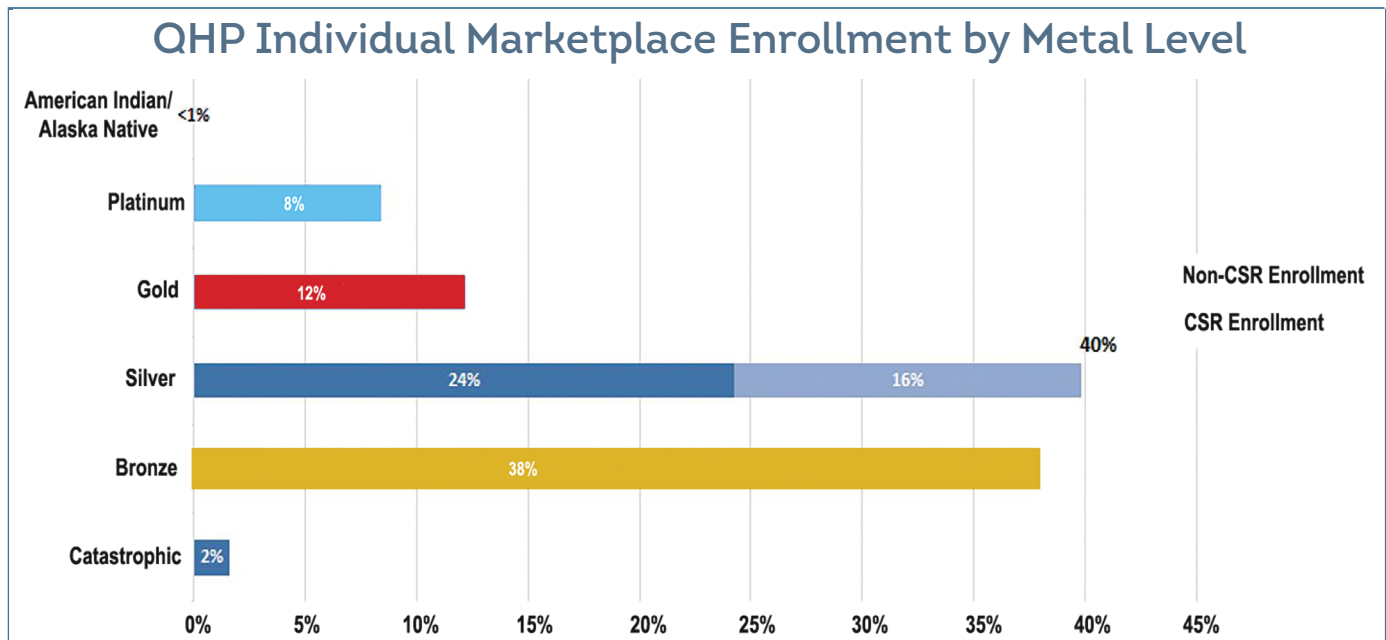


Since March 31, 2021, over 147,000 NYSOH QHP enrollees are eligible for the ARPA enhanced tax credits. Over 130,000 enrollees with income below 400 percent FPL are receiving these enhanced tax credits and over 17,000 enrollees with income above 400 percent FPL are eligible for these credits and have either already claimed the credits or will do so when they pay their 2021 taxes.

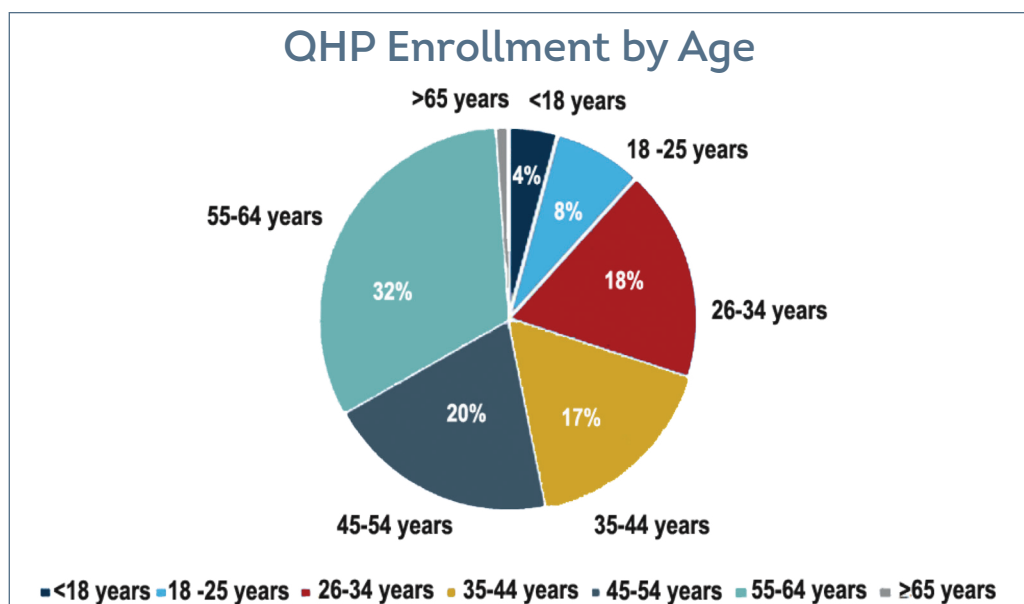


In typical years, QHP enrollment peaks in the early spring and tapers off through the rest of the year; however, in large part due to the ARPA subsidies and NY State of Health's extended Open Enrollment Period, we continue to see enrollment increase steadily. Since the new ARPA subsidies have been made available, over 40,000 new members have enrolled in QHP coverage.

In addition, nearly 3,000 individuals have shifted from off-Marketplace to on-Marketplace coverage, presumably to access the enhanced federal tax credits. The share of enrollees in Silver plans has increased from 37 percent to 40 percent and the share enrolled in Bronze plans declined from 40 percent to 38 percent, suggesting that the enhanced tax credits are enabling consumers to “buy up” to coverage with lower consumer out-of-pocket costs.



There are 61 percent of Marketplace enrollees (Medicaid, Child Health Plus, EP, and QHP) below age 35 and 39 percent above age 35. The age distribution varies widely by program because of different eligibility rules. As of August 31, 2021, 30 percent of QHP enrollees are age 34 or younger, with 26 percent between the ages of 18 and 34. There are 37 percent of EP enrollees are age 34 or younger.



Essential Plan

New York's experience with the Essential Plan demonstrates the importance of making affordable coverage available to low-income consumers. New York took steps this year to both increase the affordability and enhance the benefits for low-income New Yorkers enrolled in the Essential Plan. In June 2021, New York eliminated monthly consumer premiums and added free dental and vision benefits for individuals enrolled in the Essential Plan.

As of August 31, 2021, nearly 914,000 individuals are enrolled in New York's Basic Health Program (BHP), branded in New York as the "Essential Plan." First introduced in 2016, the Essential Plan (EP) covers individuals with lower incomes who are not eligible for Medicaid and provides comprehensive benefits, with no monthly premium, no annual deductible, free preventive care, and low copayments. Compared to a QHP, the Essential Plan reduced both premium and out-of-pocket costs for enrollees by approximately \$1,600, saving New Yorkers an estimated \$1.5 billion a year in 2021.

Prior to June 2021, Essential Plan enrollees with incomes between 150 percent and 200 percent of the Federal Poverty level were subject to a \$20 monthly premium. There were over 432,000 enrollees in this income category. Experience showed that this \$20 monthly premium was a barrier for low-income individuals. In the year before this change was made, between April 2019 and March 31, 2020, coverage for 80,000 Essential Plan enrollees was cancelled for nonpayment and they did not transition to another NYSOH program. With the large number of cancellations for nonpayments, it became apparent that while this coverage may have seemed affordable, it was still challenging for many enrollees at this income level to pay the premium, especially given the ongoing economic uncertainty of the pandemic. As a result, in June of 2021, the \$20 premium was eliminated. In the first three months after the premium was eliminated, overall enrollment has increased by over 21,000; 9,400 of those enrolling would have previously been responsible for a premium.

EP by the Numbers

\$1600 Amount saved by enrolling in EP instead of a QHP

Monthly premium for all EP enrollees **\$0**

21,000 Increase in overall EP enrollment since the June 2021 elimination of the \$20 monthly premium

Percent of EP eligible individuals who enroll in EP **96%**

\$1.5 billion Total amount saved by all New Yorkers enrolled in EP

Furthermore, the take-up rate among individuals determined eligible for EP is 96 percent compared with 51 percent for consumers determined eligible for QHP. The high take-up rate further exemplifies how important affordability is to a consumer, and why EP continues to be very popular in 2021, with almost 914,000 enrollees and 15 percent increase since March 2020.

Medicaid

Medicaid has provided critical health coverage to more than seven million New Yorkers during the pandemic. The Federal Families First Coronavirus Response Act's (FFCRA) continuous coverage provisions have ensured that Medicaid-eligible individuals do not experience gaps in coverage during the pandemic. New York had also adopted available federal options to streamline application processes to ensure that New Yorkers can access coverage as easily as possible during the pandemic. As of July 31, 2021, 4,729,263 individuals were enrolled in Medicaid through NYSOH and 2,392,277 were enrolled with local departments of social services. Total Medicaid enrollment of 7,121,540 in July 2021, reflects a 17 percent increase (1,032,084 members) since March 2020.

CONCLUSION

In March 2021, the 11th anniversary of the Affordable Care Act came to pass amidst an unprecedented global health pandemic. NY State of Health leveraged federal and state policy changes to meet the growing and changing needs of New Yorkers during the pandemic. Since the onset of the pandemic in March 2020, enrollment in NY State of Health Marketplace programs has grown by 1.4 million, or nearly 30 percent. The provisions of the American Rescue Plan are giving more New Yorkers access to greater levels of financial assistance, enabling more consumers to enroll in quality health insurance plans that meet their needs. ARPA addressed the impact of unemployment on consumers as they navigated not only the loss of income, but also the loss of employer sponsored health insurance benefits.

NY State of Health's integrated marketplace design allowed individuals enrolled in QHP and Child Health Plus to smoothly transition to Medicaid and the Essential Plan, often with the same health plan issuer. Additionally, the 2021-22 New York State budget eliminated monthly premiums for all Essential Plan enrollees regardless of income, allowing for expanded access to consumers across the state. Finally, New York extended its 2021 Open Enrollment Period through December 31, 2021 to allow New Yorkers the opportunity to enroll and access quality affordable health coverage during the ongoing public health emergency. Through these collective efforts, NY State of Health is meeting the needs of millions of New Yorkers in ensuring their access to affordable, comprehensive health coverage.