

Unless Congress Acts, Health Care Costs Will Soon Skyrocket for People Who Buy Their Own Insurance



Millions of families struggle every day to pay the rising cost of food, gasoline, and other necessities. The last thing they need is a 53% increase in their health insurance premiums. But that's the average increase that will soon be charged to millions of people who buy their own health insurance through [healthcare.gov](https://www.healthcare.gov)—unless Congress extends the financial assistance provided by the American Rescue Plan Act (ARPA) beyond this year. Without congressional intervention, premium costs for current coverage will shoot up by a staggering amount: more than \$12 billion in additional charges to families across the country.

ARPA has reduced families' premium costs by increasing the advance premium tax credits that people use to buy insurance in health insurance marketplaces. But this essential support expires on January 1, 2023. Unless Congress acts, more than 14 million people who rely on marketplace plans will receive notices from their insurance companies announcing shocking premium increases a few weeks before open enrollment begins on November 1.

Impact in States Where People Buy Their Health Insurance Through the Federal [healthcare.gov](https://www.healthcare.gov) Platform

Overall, 10.3 million people in 33 states use [healthcare.gov](https://www.healthcare.gov) to buy their own insurance. The Centers for Medicare & Medicaid Services (CMS) has calculated what will happen if ARPA's improvements to advance premium tax credits disappear in those states.¹ On average, premiums will shoot up by 53%, jumping from \$13.7 billion to \$20.9 billion – a \$7.3 billion hit to family budgets (Table 1).²

Table 1. Annual Premiums Paid by People Buying Their Own Insurance From healthcare.gov, With and Without ARPA, 2022

State	Number of People Who Buy Their Health Insurance from healthcare.gov	Average Premium Cost Per Person		Average Premium Cost Increase Per Person if ARPA Isn't Extended		Total Premiums Paid by All Families With healthcare.gov Insurance		
		With ARPA (currently)	Without ARPA	Dollars	%	With ARPA (currently)	Without ARPA	Cost increase if ARPA Isn't Extended
Alabama	219,314	\$1,152	\$1,896	\$744	65%	\$252,649,728	\$415,819,344	\$163,169,616
Alaska	22,786	\$1,896	\$3,060	\$1,164	62%	\$43,202,256	\$69,725,160	\$26,522,904
Arizona	199,706	\$2,160	\$3,000	\$828	38%	\$431,364,960	\$599,118,000	\$165,356,568
Arkansas	88,226	\$1,608	\$2,484	\$876	54%	\$141,867,408	\$219,153,384	\$77,285,976
Delaware	32,113	\$2,028	\$3,240	\$1,212	60%	\$65,125,164	\$104,046,120	\$38,920,956
Florida	2,723,094	\$960	\$1,548	\$588	61%	\$2,614,170,240	\$4,215,349,512	\$1,601,179,272
Georgia	701,135	\$1,260	\$1,860	\$600	47%	\$883,430,100	\$1,304,111,100	\$420,681,000
Hawaii	22,327	\$1,968	\$2,820	\$852	43%	\$43,939,536	\$62,962,140	\$19,022,604
Iowa	72,240	\$1,620	\$2,796	\$1,164	72%	\$117,028,800	\$201,983,040	\$84,087,360
Illinois	323,427	\$2,448	\$3,372	\$936	38%	\$791,749,296	\$1,090,595,844	\$302,727,672
Indiana	156,926	\$2,316	\$3,192	\$876	38%	\$363,440,616	\$500,907,792	\$137,467,176
Kansas	107,784	\$1,788	\$2,568	\$780	44%	\$192,717,792	\$276,789,312	\$84,071,520
Louisiana	99,626	\$1,884	\$2,904	\$1,020	54%	\$187,695,384	\$289,313,904	\$101,618,520
Michigan	303,550	\$2,040	\$2,832	\$792	39%	\$619,242,000	\$859,653,600	\$240,411,600
Missouri	250,341	\$1,644	\$2,460	\$816	50%	\$411,560,604	\$615,838,860	\$204,278,256
Mississippi	143,014	\$864	\$1,440	\$576	67%	\$123,564,096	\$205,940,160	\$82,376,064
Montana	51,134	\$1,704	\$2,700	\$996	58%	\$87,132,336	\$138,061,800	\$50,929,464
North Carolina	670,223	\$1,152	\$1,908	\$756	66%	\$772,096,896	\$1,278,785,484	\$506,688,588
North Dakota	29,873	\$1,200	\$2,160	\$960	80%	\$35,847,600	\$64,525,680	\$28,678,080
Nebraska	99,011	\$1,452	\$2,628	\$1,176	81%	\$143,763,972	\$260,200,908	\$116,436,936

Table 1. Annual Premiums Paid by People Buying Their Own Insurance From healthcare.gov, With and Without ARPA, 2022, Continued

State	Number of People Who Buy Their Health Insurance from healthcare.gov	Average Premium Cost Per Person		Average Premium Cost Increase Per Person if ARPA Isn't Extended		Total Premiums Paid by All Families With healthcare.gov Insurance		
		With ARPA (currently)	Without ARPA	Dollars	%	With ARPA (currently)	Without ARPA	Cost increase if ARPA Isn't Extended
New Hampshire	52,497	\$2,544	\$3,264	\$720	28%	\$133,552,368	\$171,350,208	\$37,797,840
Ohio	259,999	\$2,760	\$3,576	\$816	29%	\$717,597,240	\$929,756,424	\$212,159,184
Oklahoma	189,444	\$1,116	\$1,836	\$720	65%	\$211,419,504	\$347,819,184	\$136,399,680
Oregon	146,602	\$2,412	\$3,408	\$984	41%	\$353,604,024	\$499,619,616	\$144,256,368
South Carolina	300,392	\$1,284	\$2,004	\$720	56%	\$385,703,328	\$601,985,568	\$216,282,240
South Dakota	41,339	\$1,092	\$2,136	\$1,044	95%	\$45,142,188	\$88,300,104	\$43,157,916
Tennessee	273,680	\$1,536	\$2,256	\$720	47%	\$420,372,480	\$617,422,080	\$197,049,600
Texas	1,840,947	\$1,032	\$1,596	\$564	55%	\$1,899,857,304	\$2,938,151,412	\$1,038,294,108
Utah	256,932	\$744	\$1,380	\$636	86%	\$191,157,408	\$354,566,160	\$163,408,752
Virginia	307,946	\$1,512	\$2,364	\$852	56%	\$465,614,352	\$727,984,344	\$262,369,992
Wisconsin	212,209	\$1,932	\$3,012	\$1,080	56%	\$409,987,788	\$639,173,508	\$229,185,720
West Virginia	23,037	\$2,448	\$3,984	\$1,536	63%	\$56,394,576	\$91,779,408	\$35,384,832
Wyoming	34,762	\$1,056	\$2,436	\$1,392	132%	\$36,708,672	\$84,680,232	\$48,388,704
Total	10,255,636	\$1,332	\$2,040	\$708	53%	\$13,660,507,152	\$20,921,497,440	\$7,260,990,288

Sources: Centers for Medicare & Medicaid Services, 2022 Open Enrollment Report, 2022 OEP State-Level Public Use File.

Notes: Table shows net premium costs paid by families, combining those with and those without advance premium tax credits. The cost increase estimated to result from ARPA ending assumes continued enrollment in current plans and no changes other than to those tax credits. Totals may not sum because of rounding.

Every state's residents will suffer, but in some states, people will be hit particularly hard. Premium cost spikes per person will be especially high for residents in 10 states (Table 2):

1. West Virginia residents will experience the country's steepest increases, averaging \$1,536 in increased premium costs per person.
2. Wyoming: \$1,392.
3. Delaware: \$1,212.
4. Nebraska: \$1,176.
5. Alaska: \$1,164.
6. Iowa: \$1,164.
7. Wisconsin: \$1,080.
8. South Dakota: \$1,044.
9. Louisiana: \$1,020.
10. Montana: \$996.

Table 2. The Top 20 States, by Average Increase in Premium Costs Per Person Buying Insurance From healthcare.gov if ARPA Is Not Extended, 2022

Rank	State	Premium Increase Per Person if ARPA Is Not Extended
1	West Virginia	\$1,536
2	Wyoming	\$1,392
3	Delaware	\$1,212
4	Nebraska	\$1,176
5	Alaska	\$1,164
6	Iowa	\$1,164
7	Wisconsin	\$1,080
8	South Dakota	\$1,044
9	Louisiana	\$1,020
10	Montana	\$996
11	Oregon	\$984
12	North Dakota	\$960
13	Illinois	\$936
14	Arkansas	\$876
15	Indiana	\$876
16	Hawaii	\$852
17	Virginia	\$852
18	Arizona	\$828
19	Missouri	\$816
20	Ohio	\$816

Source: Centers for Medicare & Medicaid Services, 2022 Open Enrollment Report.

Notes: Table shows net premium costs paid by families, combining those with and those without advance premium tax credits. The cost increase estimated to result from ARPA ending assumes continued enrollment in current plans and no changes other than to those tax credits.

Total cost increases for all families combined will be highest in 10 states (Table 3):

1. Florida families will pay \$1.6 billion more for their health insurance — more than in any other state.
2. Texas: \$1 billion.
3. North Carolina: \$506.7 million.
4. Georgia: \$420.7 million.
5. Illinois: \$302.7 million.
6. Virginia: \$262.4 million.
7. Michigan: \$240.4 million.
8. Wisconsin: \$229.2 million.
9. South Carolina: \$216.3 million.
10. Ohio: \$212.2 million.

Table 3. The Top 20 States, by Total Statewide Premium Cost Increases for People Buying Insurance From healthcare.gov if ARPA Is Not Extended, 2022

Rank	State	Total Statewide Premium Cost Increase if ARPA Is Not Extended
1	Florida	\$1,601,179,272
2	Texas	\$1,038,294,108
3	North Carolina	\$506,688,588
4	Georgia	\$420,681,000
5	Illinois	\$302,727,672
6	Virginia	\$262,369,992
7	Michigan	\$240,411,600
8	Wisconsin	\$229,185,720
9	South Carolina	\$216,282,240
10	Ohio	\$212,159,184
11	Missouri	\$204,278,256
12	Tennessee	\$197,049,600
13	Arizona	\$165,356,568
14	Utah	\$163,408,752
15	Alabama	\$163,169,616
16	Oregon	\$144,256,368
17	Indiana	\$137,467,176
18	Oklahoma	\$136,399,680
19	Nebraska	\$116,436,936
20	Louisiana	\$101,618,520

Sources: Centers for Medicare & Medicaid Services, 2022 Open Enrollment Report, 2022 OEP State-Level Public Use File.

Notes: Table shows net premium costs paid by families, combining those with and those without advance premium tax credits. The cost increase estimated to result from ARPA ending assumes continued enrollment in current plans and no changes other than to those tax credits.

Impact in States Where People Buy Their Health Insurance from State-based Marketplaces

CMS has not estimated cost increases for the nearly 4.2 million people who buy insurance from state-based marketplaces, which operate in 18 states (including the District of Columbia). However, if we apply the average 53% increase that is projected for healthcare.gov states to state-based marketplaces, average costs per person will rise from \$2,261 a year to \$3,460 – a nearly \$1,200 jump.³ Total costs in these 18 states will rise by almost \$5 billion. As a result, the overall cost increase for 14.4 million people in America who buy their own insurance on federal or state marketplaces will exceed \$12 billion (see Table 4).

Table 4. Annual Premiums Paid by People Who Buy Their Own Health Insurance, With and Without ARPA,

Type of Marketplace	Number of States	Number of People	Total Premiums Paid by Families		
			With ARPA (currently)	Without ARPA	Cost Increase if ARPA Is Not Extended
Healthcare.gov	33	10,255,636	\$13,660,507,152	\$20,921,497,440	\$7,260,990,288
State-based marketplace	18	4,154,030	\$9,393,804,468	\$14,372,520,836	\$4,978,716,368
Total	51	14,409,666	\$23,054,311,620	\$35,294,018,276	\$12,239,706,656

Sources: Centers for Medicare & Medicaid Services, 2022 Open Enrollment Report, 2022 OEP State-Level Public Use File.

Notes: Totals for state-based marketplaces assume that, without ARPA, average percentage premium increases would be the same as in healthcare.gov states. Nevada has a state-based marketplace, but state data do not currently show family premium costs, so Nevada's enrollment totals are not included. The District of Columbia is included as a state. Table shows net premium costs paid by families, combining those with and those without advance premium tax credits. The cost increase estimated to result from ARPA ending assumes continued enrollment in current plans and no changes other than to those tax credits.



Health insurance premiums are slated to shoot up by more than 53% next year for 14 million people who buy their own insurance from health insurance marketplaces.

Conclusion

Health insurance premiums are slated to shoot up by more than 53% next year for 14 million people who buy their own insurance from health insurance marketplaces. The total cost increase for struggling families in America will likely exceed a staggering \$12 billion a year.

Congress must act decisively to prevent huge increases in health insurance costs for families who already face serious challenges coping with rapidly rising living expenses. Our elected leaders can achieve this goal without crafting new policies: All they must do is extend the financial assistance that ARPA already provides when people buy insurance on their own. There is broad support within Congress and across America for taking this step, and the resulting benefits to our economy and our nation's health would be significant. Now is the time for Congress to put the needs of America's families first.

Methodology

These estimates reflect enrollment in each state exchange, as reported in CMS’s Public Use Files for the 2022 Open Enrollment Period.⁴ They also reflect CMS’s estimates of average premium costs paid per person, with and without ARPA, for healthcare.gov states.⁵ The latter estimates combine all enrollees, with and without advance premium tax credits, into a single, statewide average of net premium costs paid by consumers. The cost estimates in this report, as well as those estimated by CMS, reflect what consumers will be charged if they keep their current insurance and nothing changes except the expiration of ARPA’s financial assistance. They do not include the increased gross premium costs that will result from worsened risk pools stemming from a departure of relatively young and healthy consumers from the individual market, which would be prompted by higher net premium costs. These costs also do not estimate how individuals would change or drop coverage in response to increased net premiums for current plans or to other changes to insurance markets.

Endnotes

¹ Centers for Medicare & Medicaid Services (CMS), “2022 Open Enrollment Report,” Table 8. <https://www.cms.gov/files/document/health-insurance-exchanges-2022-open-enrollment-report-final.pdf>.

² Our count of enrollees per state comes from CMS, “2022 Marketplace Open Enrollment Period Public Use Files,” 2022 OEP State-Level Public Use File, <https://www.cms.gov/research-statistics-data-systems/marketplace-products/2022-marketplace-open-enrollment-period-public-use-files>, page last modified on March 23, 2022.

³ These totals underestimate the probable premium increase in state-based marketplaces as a whole, which are likely to exceed the average increase for states whose residents use healthcare.gov. That is because cost increases resulting from the end of the enhanced assistance provided through ARPA will be smaller in absolute dollar amounts for consumers with incomes below 138% of the federal poverty level than for people at higher income levels. All the states that have refused to expand Medicaid to cover adults with incomes below 138% of poverty are healthcare.gov states. As a result, 32% of marketplace enrollees in those states have incomes below 138% of FPL, compared to just 5% in states with their own marketplaces. Analysis of CMS, 2022 Marketplace Open Enrollment Period Public Use Files.

⁴ Analysis of CMS, 2022 Marketplace Open Enrollment Period Public Use Files.

⁵ CMS, 2022 Marketplace Open Enrollment Period Public Use File.

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