Prepared for Representative Sean Casten
6th Congressional District of Illinois

The rising cost of health care has squeezed far too many Americans. That's why Democrats are working to lower costs for American families, starting by reducing health insurance premiums.

The Inflation Reduction Act of 2022 will make health coverage more affordable for millions of Americans by extending key Affordable Care Act (ACA) tax credits set to expire this year.[i] The new law builds on progress made by the American Rescue Plan, which provided more generous tax credits for millions of consumers purchasing coverage through an ACA marketplace and expanded eligibility for financial assistance.[ii] The Inflation Reduction Act extends these critical benefits through 2025.

There are an estimated 21,000 people in the district who are currently enrolled in subsidized marketplace health insurance coverage through the ACA. In 2022, they will pay an average annual premium of $1,850.

Without the Inflation Reduction Act, the average premium for these individuals would have increased by **71%**, to **$3,170**, in 2023.

Thanks to the Inflation Reduction Act:

- The average enrollee is expected to save **$1,320** in premiums starting next year.

- A family in the district with two adults, two children, and a household income of $75,000 could save **$2,832** on their premiums next year. Without the Inflation Reduction Act, their premiums would have increased by **71%**.

- A single-parent household with one adult, one child, and a household income of $30,000 could save **$1,260** on their premiums next year. Without the Inflation Reduction Act, their premiums would have increased by **477%**.

Seniors will also benefit from the Inflation Reduction Act's extension of ACA premium assistance.

A household of two adults over the age of 60 with a joint income of $70,000 could save **$9,840** on their premiums next year. Without the Inflation Reduction Act, their premiums would have increased by **165%**.

ⁱ This fact sheet draws on publicly available data from the U.S. Department of Health and Human Services, the U.S. Census Bureau, the Kaiser Family Foundation, the Robert Wood Johnson Foundation, and the States of California, Minnesota, and New York. An explanation of the methodology used to generate the estimates in this fact sheet is available online at https://oversight.house.gov/sites/democrats.oversight.house.gov/files/ACA%20District%20Report%20Methodology.pdf.

ⁱⁱ The American Rescue Plan capped the cost of marketplace insurance at 8.5% of income, and most households pay significantly less. The law reduced the expected household premium contribution for plans purchased on the federal or state marketplaces for most people with a household income between 100% to 400% of the Federal Poverty Level (FPL). The American Rescue Plan premium tax credits have been available to people with household incomes of between 100% to 400% FPL in non-Medicaid expansion states, and between 138% to 400% FPL in Medicaid expansion states. For those between 100% and 150% FPL, the household premium contribution was lowered to zero. The American Rescue plan also removed the household income eligibility limit of 400% FPL for certain households, allowing them to receive premium tax credits for the first time. *See* Department of Health and Human Services, Assistant Secretary for Planning and Evaluation, Office of Health Policy, *Access to Marketplace Plans with Low Premiums on the Federal Platform Part II: Availability Among Uninsured Non-Elderly Adults Under the American Rescue Plan* (Apr. 1, 2021) (HP-2021-08) (online at https://aspe.hhs.gov/sites/default/files/migrated_legacy_files//199741/ASPE%20ACA%20Low%20Premium%20Plans%20Issue%20Brief%20II.pdf); Department of Health and Human Services, Assistant Secretary for Planning and Evaluation, Office of Health Policy, *Access to Marketplace Plans with Low Premiums on the Federal Platform Part II: Availability Among Uninsured Non-Elderly Adults Under the American Rescue Plan* (Apr. 1, 2021) (HP-2021-08) (online at https://aspe.hhs.gov/sites/default/files/migrated_legacy_files//199741/ASPE%20ACA%20Low%20Premium%20Plans%20Issue%20Brief%20II.pdf).