The American Rescue Plan Will Expand Coverage, Dramatically Reduce Health Care Costs For Floridians

The American Rescue Plan includes important measures to reduce health care costs and expand coverage for Florida families. Making health insurance more affordable and accessible is especially important as the country continues to battle the coronavirus pandemic and millions have lost their jobs and their health insurance. This legislation will lower premiums for Floridians purchasing coverage through the Affordable Care Act (ACA) marketplace and expand access to financial assistance for more middle-class families. Additionally, the American Rescue Plan includes robust financial incentives for the 14 states, including Florida, that have not yet implemented Medicaid expansion.

Lower Costs

The American Rescue Plan includes measures to dramatically lower the cost of premiums for Floridians. This legislation will:

- **Guarantee coverage that costs less than 8.5 percent of income.** This legislation lowers the cost of premiums for Floridians purchasing coverage through the ACA marketplace, ensuring enrollees have the option to purchase health care for less than 8.5 percent of their income for the next two years.

- **Make coverage more affordable for middle class Floridians** by temporarily expanding the eligibility for premium tax credits above 400 percent of the federal poverty level— roughly $51,000 for a single person or $105,000 for a family of four. Under current law, families earning just above 400 percent of the federal poverty level spend an average of 15 percent of their incomes on health insurance.

    - A 45-year-old Floridian earning $60,000 would save $91 in monthly premiums.
    - A 60-year-old Florida couple with a household income of $75,000 would save $1,410 in monthly premiums.
    - A Florida family of four with a household income of $120,000 would save $611 in monthly premiums.

- **Improve affordability for low- and middle-income Floridians** by increasing the size of the tax credits for all income brackets for the next two years**.** This means a typical family of four with a household income of $75,000 would save $248 on monthly premiums, while a single adult earning $30,000 would save $110 per month.

- **Eliminate premiums** in the exchanges for people earning up to 150 percent of the federal poverty level (roughly $19,000 for a single person and $39,000 for a family of four) and for Floridians receiving unemployment insurance in 2021.

Expanded Coverage

In addition to providing affordable coverage options for millions of uninsured Americans through the ACA, the American Rescue Plan provides robust financial incentives for the 14 states that have not yet implemented Medicaid expansion. Research confirms that Medicaid expansion increases access to care, improves financial security, and leads to better health outcomes. Medicaid expansion has played a vital role in reducing racial disparities in health care access and has served as a critical safety net during the pandemic. However, Republican leaders in Florida have rejected this essential program, blocking 1.3 million Floridians from coverage.

An estimated four million uninsured adults — including 640,000 frontline workers — could gain coverage if the remaining holdout states adopted expansion. Importantly, people of color make up nearly 60 percent of this group.

- **1.3 million Floridians could gain coverage** if Florida adopts Medicaid expansion under the American Rescue Plan. The Urban Institute estimated that 1,312,000 Floridians would enroll in Medicaid if the state adopted expansion.

- **Even after paying the cost of Medicaid expansion, Florida would receive an additional $1.8 billion in new federal funding** that it could use to offset spending in other state programs or budget shortfalls. According to estimates from the Kaiser Family Foundation, Florida would receive $3.08 billion thanks to the enhanced federal match rate under the American Rescue plan, while the state's cost of Medicaid expansion would only be $1.26 billion.