

Better Health for All

COUNTY OF SANTA CLARA
Health System

County of Santa Clara Health System

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DATE: April 15, 2021**TO:** Honorable Members of the Board of Supervisors
Jeffrey V. Smith, M.D., J.D., County Executive**FROM:** René G. Santiago, Deputy County Executive &
Director, County of Santa Clara Health System

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René G. Santiago

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SUBJECT: Impact of Federal Changes to ACA on California & Santa Clara County Residents

During the March 17, 2021 Health and Hospital Committee meeting discussion on agenda item 11 h., Supervisor Simitian requested the Health System Administration provide an off-agenda report regarding the impact to California and Santa Clara County residents from federal changes to the Affordable Care Act (ACA) enacted through the American Rescue Plan. This report provides the requested information.

In 2020, the state of California implemented additional state-only subsidies to Covered California plans. These subsidies made Covered California plans more affordable for a wider range of individuals. The California State Subsidy program provided enhanced subsidies for all individuals whose incomes ranged from 200% - 400% of the Federal Poverty Level. It also provided subsidies for the first time for individuals who earned from 400% - 600% of the Federal Poverty Level.

The American Rescue Plan, signed by President Biden in March, provides more generous subsidies to all individuals participating in exchange plans, no matter their income level. Current Covered California members who will receive subsidies will pay an estimated \$119 less per month per household on average, which translates to \$1,428 per year in savings. Over 1.4 million Californians already participating in Covered California plans will receive automatic adjustments to their premiums starting in May, and Covered California is starting a media campaign to encourage Californians who lack insurance or are under-insured to sign up for marketplace plans.

With the American Rescue Plan (ARP) subsidies which cap an individual's premium contribution at 8.5% of their income, the average individual making over 400% of the Federal Poverty Level will save almost \$600 per month on their premiums. The ARP subsidies will allow uninsured Californians making up to 250% of the Federal Poverty Level to sign up for a Bronze plan for \$1 per month, per member and a Silver plan for an average cost of around \$60 per month per member. Current Covered California members in all income groups will save an average of \$119 per month with an aggregate financial assistance of over \$1.5 billion.

Those Californians currently purchasing insurance off-exchange could also save money and purchase better coverage if they choose to enroll in Covered California. Covered California has a Special Enrollment Period that will be open until the end of June.