

FACT SHEET: Biden Harris Administration Proposes Rule to Fix “Family Glitch” and Lower

Health Care Costs

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President Biden Announces Proposal to Take Most Significant Administrative Action to Improve Implementation of the ACA Since its Enactment

President Biden and Vice President Harris believe that health care is a right, not a privilege. They promised to protect and build on the Affordable Care Act (ACA), lowering costs and expanding coverage so that every American has the peace of mind that health insurance brings.

The Biden-Harris Administration continues to deliver on that promise. Thanks to the landmark American Rescue Plan, ACA premiums are at an all-time low, while enrollment is at an all-time high. Four out of five Americans can find quality coverage for under \$10 a month, and families are saving an average of \$2,400 on their annual premiums—\$200 in savings every month back to families. The Administration has lowered costs and increased enrollment to a record high of 14.5 million Americans—including nearly 6 million who newly gained coverage. With the addition of Missouri and Oklahoma, two states that expanded Medicaid last year, nearly 19 million low-income Americans are enrolled in the ACA’s Medicaid expansion coverage, adding up to a record nearly 80 million children, pregnant women, seniors, people with disabilities, and other low-income Americans covered by Medicaid.

PROPOSING TO FIX THE “FAMILY GLITCH”

Today, the Biden-Harris Administration is proposing a rule to strengthen the ACA by fixing the “family glitch,” which would save hundreds of thousands of families hundreds of dollars a month.

Under the ACA, people who do not have access to “affordable” health insurance through their

jobs may qualify for a premium tax credit to purchase affordable, high-quality coverage on the ACA's health insurance marketplaces. Current regulations define employer-based health insurance as "affordable" if the coverage solely for the employee, and not for family members, is affordable, making family members ineligible for a premium tax credit even though they need it to afford high-quality coverage through the Marketplace. For family members of an employee offered health coverage through an employer, the cost of that family coverage can sometimes be very expensive and make health insurance out of reach. The "family glitch" affects about 5 million people and has made it impossible for many families to use the premium tax credit to purchase an affordable, high-quality Marketplace plan.

The Treasury Department and the Internal Revenue Service are proposing to eliminate the "family glitch." Should today's proposed rule be finalized, family members of workers who are offered affordable self-only coverage but unaffordable family coverage may qualify for premium tax credits to buy ACA coverage. Should the proposed change be made, it's estimated that 200,000 uninsured people would gain coverage, and nearly 1 million Americans would see their coverage become more affordable. Many families would be able to save hundreds of dollars a month thanks to lower premiums. This proposed rule would amount to the most significant administrative action to improve implementation of the ACA since its enactment.

EXECUTIVE ORDER CONTINUING TO STRENGTHEN AMERICANS' ACCESS TO AFFORDABLE, QUALITY HEALTH COVERAGE

Last January, President Biden signed an [Executive Order](#) directing federal agencies to take action to strengthen Medicaid and the Affordable Care Act. Today, President Biden is building on that directive with a new Executive Order directing federal agencies to continue doing everything in their power to expand affordable, quality health coverage. This includes:

- Making it easier for people to enroll in and keep their coverage.
- Helping people better understand their coverage options so they can pick the best one for them.

- Strengthening and improving the generosity of benefits and improving access to health care providers.
- Improving the comprehensiveness of coverage and protecting Americans from low-quality coverage.
- Continuing to make health coverage more accessible and affordable by expanding eligibility and lowering costs for Americans with ACA, Medicare, or Medicaid coverage.
- Connecting people to health care services by improving access to health care providers and linkages between the health care system and communities to help Americans with health-related needs.
- Taking steps to help reduce the burden of medical debt that far too many Americans experience.

ADDITIONAL EFFORTS TO STRENGTHEN THE ACA AND MEDICAID

These latest actions build on months of work to strengthen the ACA and Medicaid by lowering costs and expanding coverage.

- Lowered premiums and out of pocket costs for millions of Americans. As the biggest expansion of affordable health care since the ACA, the American Rescue Plan (ARP) included enhanced subsidies that lowered premiums for 9 million Americans by an average of \$50 per month per person. The enhanced subsidies helped [expand](#) the availability of free and low-cost health plans to millions of consumers with nearly half of existing consumers able to enroll in a silver level plan with no premium and 70 percent of existing able to enroll in a low-premium silver plan. In addition, the Administration lowered the cap on total out-of-pocket costs by \$400 in 2022.
- Made it easier to sign up for affordable coverage, including opening a Special Enrollment Period in 2021. In addition to opening a Special Enrollment Period last year, which enabled nearly 3 million Americans to newly sign up for coverage under the ACA, the Administration extended HealthCare.gov's Open Enrollment period by one month, giving people more time to sign up for coverage. The Administration operated the most successful Open Enrollment Period in history last year, with a historic 14.5 million Americans signing up for ACA coverage and another million

people signing up for the Basic Health Program, an alternative coverage program created by the ACA. The Administration also eliminated unnecessary paperwork and increased outreach, quadrupling the number of trained Navigators to help Americans sign up for coverage on HealthCare.gov. These efforts helped reach communities that have historically been left behind, with the HealthCare.gov enrollment rate increasing by 26 percent for Hispanic Americans and 35 percent for Black Americans.

- Facilitated the expansion of Medicaid in Missouri and Oklahoma. The Centers for Medicare & Medicaid Services (CMS) helped Missouri and Oklahoma become the 38th and 39th states to expand Medicaid, which will cover nearly half a million more low-income Americans in those two states. Missouri and Oklahoma are also taking advantage of the ARP's financial incentive to expand Medicaid, which is [expected](#) to provide an extra \$968 million and \$500 million in federal dollars to these states, respectively.
- Expanded and strengthened access to home care for millions of older Americans and people with disabilities. The ARP provided states with increased Medicaid funding to help expand access to home care services, furthering the Administration's commitment to ensuring people can get the care they need in their homes and communities. The additional Medicaid funding will also help states strengthen their home- and community-based services programs by investing in the home care workforce and other innovations to improve the delivery of care.
- Provided new options to help people experiencing a behavioral health crisis. Thanks to the ARP, states can now receive enhanced Medicaid funding to establish mobile crisis intervention services teams to help provide services to Medicaid beneficiaries experiencing a behavioral health crisis. This new option is a key component in the Administration's [strategy](#) to address the Nation's mental health crisis by ensuring that Medicaid beneficiaries experiencing a behavioral health crisis can get connected to the care they need.
- Tackled the maternal health crisis. Medicaid covers more than 40 percent of births in the United States. Thanks to the ARP and the Vice President's leadership, the Biden-Harris Administration partnered with Illinois, New Jersey, Virginia, and Louisiana to make sure new moms can keep their Medicaid coverage for a year after they deliver. Another 9 states are in the process of seeking

CMS approval to expand postpartum coverage to their states as well. Based on HHS estimates, more than 83,000 beneficiaries across five states will benefit from this extended post-partum coverage during the critical first year after delivery.