



Weekly Checkup

Financial Assistance Leads to High Silver Plan Enrollment

CONOR RYAN | FEBRUARY 26, 2014

In the latest enrollment report on the Health Insurance Marketplace, the Department of Health and Human Services detailed the plans chosen through HealthCare.gov by those with and without financial assistance. As shown in the chart below, those eligible for financial assistance enroll in Silver plans in much higher numbers than those without. The available financial assistance comes in two forms: premium credits for households earning between 100 and 400 percent of the Federal Poverty Level (FPL) and cost-sharing subsidies for households earning between 100 and 250 percent of FPL. Premium credits are essentially an income boost for enrollees and encourage enrollment in more generous plans than enrollees might otherwise be able to afford. However, it isn't expected that premium credits would encourage Silver plan enrollment more so than Gold or Platinum. Cost-sharing subsidies, on the other hand, are applicable only to Silver plans. The subsidies allow Silver plan enrollees with household income between 100 and 250 percent of FPL to receive similar—and in some cases more generous—benefits to those enrolled in Gold and Platinum plans. For example, a Silver plan available to a household earning between 150 and 200 percent of FPL has lower expected out-of-pocket costs as well as a lower premium when compared to a Gold plan. The nature of financial assistance available through the Affordable Care Act affects the plan choice of consumers and encourages high enrollment in Silver plans.

