



Weekly Checkup

The Pretense of Moderation

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This week House Democrats unveiled the Patient Protection and Affordable Care Enhancement Act, H.R. 1425. As the title suggests, this bill is aimed at enriching the Affordable Care Act's (ACA) premium subsidies, expanding Medicaid, and curbing drug prices. While the legislation is a repackaging of proposals that have been floating around for some time, it's not intended to become law. Rather it is a messaging bill that House leaders hope to frame as a series of measured, moderate improvements to the ACA in [contrast](#) to the Trump Administration's opposition to the law's constitutionality. But the idea that H.R. 1425 is measured and moderate is really a testament to the mainstreaming of more radical single-payer proposals within the Democratic party.

H.R. 1425 would dramatically overhaul the ACA's premium subsidies, making the subsidies much more generous and extending them to previously ineligible households. The legislation would reduce the amount of money households are required to contribute toward their ACA coverage premiums across the board (as seen in the table below) and would reduce the top rate from 9.78 percent to 8.5 percent. It would further lift the cap limiting subsidy eligibility to households at or below 400 percent of the federal poverty level (FPL). Under H.R. 1428, anyone whose premium for a benchmark Silver plan exceeds 8.5 percent of their household income would receive a taxpayer funded subsidy, regardless of how high their annual income climbs.

| Household Income Relative to FPL | Current Law in 2020 | Under H.R. 1425 |
|----------------------------------|---------------------|-----------------|
| 100 – 133% | 2.06% | 0.0% |
| 133 – 150% | 3.09 – 4.12% | 0.0% |
| 150 – 200% | 4.12 – 6.49% | 0.0 – 3.0% |
| 200 – 250% | 6.49 – 8.29% | 3.0 – 4.0% |
| 250 – 300% | 8.29 – 9.78% | 4.0 – 6.0% |
| 300-400% | 9.78% | 6.0 – 8.5% |
| Above 400% | N/A | 8.5% |