



Fixing the Family Glitch Means Millions Could Qualify for Affordable Coverage

Description

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A recently announced change to the administration of the Affordable Care Act will expand access to affordable health insurance for an [estimated 5 million Americans](#). In Texas, it could provide options for [more than 600,000](#) of the state's uninsured.

Currently, individuals qualify for subsidies even if they have employer-provided coverage if the cost of coverage exceeds 9.6 percent of their income. The problem arises in calculating the cost of extending coverage to family members.

Referred to as the “family glitch” the percentage for family coverage is calculated using the cost of an employer-provided plan for an individual and does not include the cost of adding family members, even if that extra cost makes extending coverage unaffordable. But, because they could be covered by a household member's plan, the family member does not currently qualify for a subsidy.

The cost of dependent coverage can be very high. The [average premium](#) in

2021 for single coverage was \$7,739 but was \$22,221 for a family of four. Additionally, many employers cover the cost of an employee's plan but do pay for additional dependent coverage.

This leaves many Americans caught between not qualifying for a health coverage subsidy and not having enough household income to afford coverage.

Under the new interpretation of the rules, if coverage costs more than 10 percent of a household's total income, then [nonemployee family members will be eligible for financial assistance](#) during the next open enrollment period.

The [Kaiser Family Foundation estimates](#) that a large majority of those affected by the family glitch would pay much less for an ACA than employer-based coverage. Coupled with the expanded subsidies as a part of the American Resue Plan Act, this change [creates more options for many families who have otherwise not been able to afford coverage](#). The expanded subsidies are set to expire in the spring, but Congress could make them permanent.

The subsidies have helped fuel a surge in ACA enrollment and incentivized a more competitive marketplace. Texas led the way with a [42% increase in enrollment](#) for 2022 and a record-breaking [14 health insurance providers](#) offering plans.

A strong ACA marketplace and fixing the family glitch means more Americans will have options for affordable health care coverage to get and stay healthy, without a household penalty.

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