Increasing MaineCare Eligibility or Implementing State-funded Marketplace Subsidies: Impacts and Costs

A Report Required by *An Act To Improve Health Care Affordability and Increase Options for Comprehensive Coverage for Individuals and Small Businesses in Maine*

Contents

Introduction

In 2022 the Maine legislature passed LD 1778, *An Act To Improve Health Care Affordability and Increase Options for Comprehensive Coverage for Individuals and Small Businesses in Maine,* which included language charging the Office of Affordable Health Care with studying a variety of policy avenues to increase the affordability of health care coverage. Resolve language included in the bill specifically directs the Office to study and report back to the legislature on four policy approaches:

1. Creating a public option health benefit plan
2. Creating a Medicaid buy-in program;
3. Increasing enrollment in Medicaid and the federal Children's Health Insurance Program (CHIP), including by increasing income eligibility levels
4. Providing state-level subsidies to populations that do not qualify for federal subsidies through the Maine Health Insurance Marketplace, established under Title 22, section 5403

In 2023, the Legislature passed an additional resolve (P.L. 2023 Ch. 87) directing the Office to prioritize the study of a public option plan that takes the form of either a buy-in to the MaineCare program, or a fully publicly administered plan offered through the Health Insurance Marketplace, CoverME.gov. In response to that resolve, the Office of Affordable Health Care produced A Public Option for Maine: Considerations for Policymakers, which was delivered to the committee on Health Coverage, Insurance, and Financial Services and the Governor's office in 2024.

Building upon the work of the public option report, this report focuses on the remaining two policy categories included in the original resolve: increasing enrollment in MaineCare and providing state-level subsidies for Marketplace consumers.

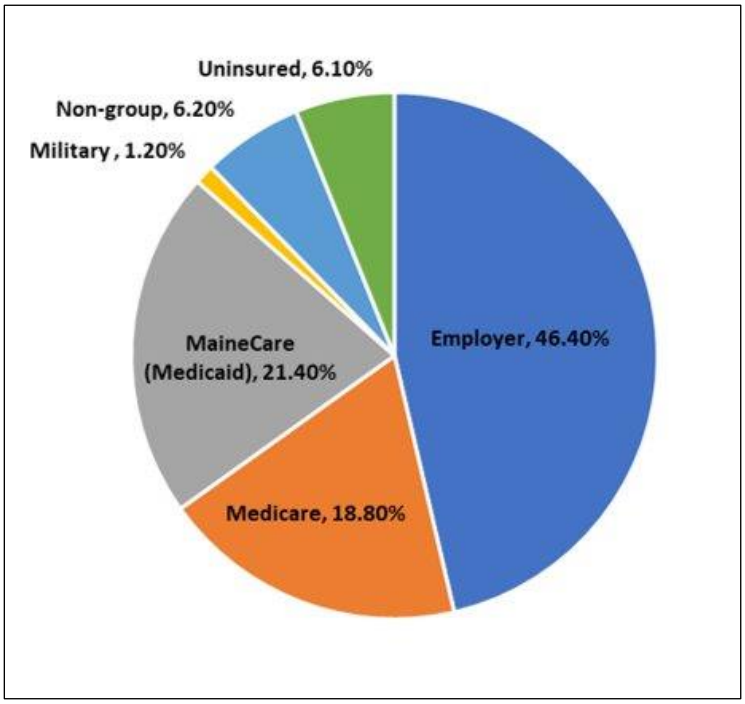
Overview of Current Coverage and Affordability in Maine

After the passage of the Affordable Care Act (ACA), Maine saw a 30% decline in its uninsured population between 2013 and 2018, largely as a result of enrolling eligible people in health coverage through the insurance Marketplace and other reforms including the elimination of coverage exclusions for people with pre-existing conditions.[1] In 2019, MaineCare eligibility was expanded to eliminate the coverage gap for low-income adults and the state took further actions to bolster the fully-insured commercial market, the uninsured rate declined a further 14%. As shown in Figure 1, the uninsured rate in Maine is now 6.1%, representing roughly 82,000 people.[2]

[1] Polsky, D. E., Weiner, J., Colameco, C., & Becker, N. (2014). Deciphering the Data: Final Enrollment Rates Show Federally Run Marketplaces Make Up Lost Ground at End of Open Enrollment. *Leonard Davis Institute of Health Economics*. http://ldihealtheconomist.com/media/final_enrollment_rates-federal_marketplaces_make_up_lost_ground.pdf

[2] KFF, "Health Insurance Coverage of the Total Population," State Health Facts. https://www.kff.org/other/state-indicator/total-population/?dataView=1&currentTimeframe=0&selectedRows=%7B%22states%22:%7B%22maine%22:%7B%7D%7D%7D&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D

Figure 1. Coverage by type in Maine, 2023. Source: KFF, Health Insurance Coverage of the Total Population.



Many Mainers have employer-sponsored coverage through their own or a family member's job. Medicare and MaineCare jointly make up just over 40% of coverage for Maine residents (covering 545,000 lives) with MaineCare representing slightly more enrollment than Medicare. Nearly 84,000 Mainers, or 6.2% of the population, are enrolled in individual market coverage purchased through Maine's Marketplace, CoverME.gov, or directly from an insurance company.

While health coverage removes some of the most significant cost-related barriers to accessing health care, many people with insurance still struggle to afford the cost of care. A 2023 survey of Mainers found that four out of ten residents with commercial insurance have trouble affording their deductibles, coinsurance, copayments, or premiums.[3] In 2025, Mainers are expected to spend $2,347 on average on health-related expenditures, compromising 10% of household income. Middle income earners have the highest health care cost burden, spending 13% of household income on health care.[4] Health care expenses represent a significant challenge for insured Mainers despite important progress the state has made to enroll more people in coverage and reduce the rate of uninsured or underinsured people.

Policy Option: Increasing enrollment in Medicaid, including by increasing income eligibility levels

Overview of the Medicaid Program

Across the country, Medicaid is the largest single source of health coverage for Americans. A jointly funded federal and state program, Medicaid offers health insurance to over 77.9 million Americans who meet certain eligibility requirements and income thresholds. While eligibility for Medicaid is largely based on income, eligibility also varies based on several factors including age and disability status.[5] The federal government's contribution to Medicaid expenditures is called the Federal Medical Assistance Percentage (FMAP). The FMAP is designed so that the

[3] Consumers for Affordable Health Care. (2023, May). Views of Maine Voters On Health Care Affordability. https://drive.google.com/file/d/14-Ywr3GM8FdKP5qa9U3Kp6Q3EdIcIG_4/view
[4] Buettgens, M., Banthin, J., Akel, M., & Simpson, M. (2024, February). An Overview of Health Coverage and Costs in Maine for 2025. https://www.urban.org/research/publication/overview-health-coverage-and-costs-maine-2025
[5] Medicaid. (n.d.). *Eligibility Policy*. Medicaid.gov. https://www.medicaid.gov/medicaid/eligibility-policy/index.html

federal government pays a higher share of Medicaid costs in states with lower average incomes (compared to the federal average) and is recalculated annually. Statutorily, FMAP rates have a minimum of 50% contribution and a maximum of 83% contribution.[6] For Maine, the FMAP for Fiscal Year 2026 is 61.29%, the highest FMAP of New England states.[7]

While Medicaid is jointly funded by states and the federal government, it is administered by states that operate under broad federal rules. Within those rules, states can determine what populations and services to cover above federal minimums, and how to pay for care, leading to significant variation in state program design, spending, and eligibility requirements.[8] Medicaid generally covers a broad range of services to meet the needs of the large and diverse populations it serves. In addition to covering the services required by federal Medicaid law, all states opt to cover some services that are not mandatory, such as prescription drugs.[9] Medicaid, unlike most health insurance programs, also includes coverage of long-term care, and Medicaid is the primary payer for these services nationwide.[10]

In 2010, the Affordable Care Act (ACA) expanded Medicaid to non-elderly adults with income up to 138% of FPL ($21,597 annual income for a single person household in 2025) and provided an enhanced federal FMAP to cover 90% of costs for this specific expansion population. A subsequent Supreme Court decision made this coverage expansion optional for states.[11]

Federal policy limits Medicaid coverage for immigrants. Notably, many lawfully-present immigrants must wait for five years after obtaining their status before being eligible for Medicaid, and undocumented immigrants are not eligible for Medicaid, Medicare, or other federally funded coverage.

Overview of Maine's Medicaid Program: MaineCare

MaineCare is Maine's Medicaid program and provides free or low-cost coverage for residents who meet eligibility requirements based on household composition, income, disability status, and other factors. In 2019, Governor Mills enacted MaineCare expansion, expanding the income eligibility limit for adults up to 138% of FPL.

While eligibility for MaineCare for most adults is 138% of FPL, there are different categories of eligibility with different upper income thresholds. In 2023, the eligibility limits for children

[6] Congressional Research Service. (2020, July). Medicaid's Federal Medical Assistance Percentage (FMAP). https://crsreports.congress.gov/product/pdf/R/R43847
[7] KFF. (2024, December 20). Federal Medical Assistance Percentage (FMAP) for Medicaid. https://www.kff.org/medicaid/state-indicator/federal-matching-rate-and-multiplier/?currentTimeframe=0&selectedDistributions=fmap-percentage&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D
[8] Rudowitz, R., Tolbert, J., Burns, A., Hinton, E., & Mudumala, A. (2024, October 24). Medicaid 101. https://www.kff.org/health-policy-101-medicaid/?entry=table-of-contents-introduction
[9] Rudowitz, R., Burns, A., Hinton, E., & Mohamed, M. (2024, July 11). 10 Things to Know About Medicaid. https://www.kff.org/medicaid/issue-brief/10-things-to-know-about-medicaid/#:~:text=Unlike%20commercial%20health%20insurance%20and%20Medicare%2C%20Medicaid,is%20mandatory%20but%20most%20coverage%20of%20HCBS
[10] Medicaid.gov. Long Term Services & Supports. https://www.medicaid.gov/medicaid/long-term-services-supports/index.html
[11] Rudowitz, R., Tolbert, J., Burns, A., Hinton, E., & Mudumala, A. (2024, October 24). Medicaid 101. https://www.kff.org/health-policy-101-medicaid/?entry=table-of-contents-introduction

under 21 years old was extended to 305% of FPL.[12] Children who do not qualify for federal Medicaid benefits due to their immigration status are included in this expansion, with the cost of their coverage fully covered by state funds.

Pregnant individuals are eligible for MaineCare up to 214% of FPL and receive coverage 12 months post-partum. This includes pregnant people who are not eligible for federal Medicaid benefits due to their immigration status.

In addition to children and pregnant people, those with disability have different eligibility criteria for MaineCare. Disabled Mainers are eligible up to 100% of FPL and working disabled residents are eligible up to 250% of FPL.[13]

Levels of coverage and services available under MaineCare can vary based on eligibility groups. Full MaineCare provides coverage for medically necessary services and resources, including but not limited to doctor visits, prescription medication, behavioral health services, dental services, imaging and lab work, and emergency and hospital visits.[14] MaineCare also offers some residents much more narrow coverage, known as limited benefits. For example, Emergency MaineCare is a limited benefit package available to undocumented people which covers only emergency medical services to stabilize a patient in an emergency condition, and any treatment after stabilization is not covered. Another limited benefit provided by MaineCare is the Special Benefit Waiver, designed for Mainers living with HIV or AIDS who do not qualify for full MaineCare benefits because they are not income eligible. A variety of services and resources are covered under the Special Benefit Waiver, including but not limited to primary care, specialist, and hospital services, along with case management and HIV/AIDS treatment and counseling.[15]

In 2024, 405,394 people were enrolled in MaineCare, including people who were enrolled through the MaineCare expansion and those who are enrolled based on criteria specific to age, disability, and pregnancy.[16] Total enrollment includes those receiving both full and limited MaineCare benefits.

Medicaid Eligibility Thresholds in Other States

Federal law generally provides FMAP for state optional population groups that meet immigration status and other requirements.[17] When expanding eligibility for higher-income groups, states may charge premiums to those members only if their household income is greater than 150% of FPL, and if the combined premium and deductible cost is less than 5% of household income.

---

[12] healthinsurance.org. (2024, September 25). Medicaid Eligibility and Enrollment in Maine. https://www.healthinsurance.org/medicaid/maine/

[13] MaineCare. 2023 MaineCare Eligibility Guidelines. https://www.coverme.gov/sites/default/files/inline-files/2023%20MaineCare%20Eligibility%20Guidelines%204.pdf

[14] Maine Department of Health and Human Services. (n.d.-c). Covered Services & Benefits. https://www.maine.gov/dhhs/oms/mainecare-options/covered-services-benefits

[15] Maine Department of Health and Human Services. Limited Benefits. https://www.maine.gov/dhhs/oms/mainecare-options/limited-benefits

[16] *By the Numbers - Office for Family Independence*, Maine Department of Health and Human Services , www.maine.gov/dhhs/by-the-numbers/office-family-independence

[17] *Medicaid Buy-In: Program Options and Considerations*, Medicaid and CHIP Payment and Access Commission , Apr. 2020, www.macpac.gov/wp-content/uploads/2020/04/Medicaid-Buy-In-Program-Options-and-Considerations.pdf

While many states, including Maine, have elected to set higher than minimum thresholds for children, parents, and pregnant people, The District of Columbia is the only Medicaid program that has opted to extend eligibility for childless adults beyond the expansion threshold established in the Affordable Care Act: all residents of the District with household incomes up to 215% of FPL may qualify.[18] DC also removed certain contribution requirements for enrollees, eliminating premiums and enrollment fees for Medicaid beneficiaries.[19]

In 2023, the New Mexico Health Care Authority was directed by the New Mexico legislature to study a proposal to increase Medicaid eligibility, known as "Medicaid Forward." The report presents seven models for expanded Medicaid coverage, each with different eligibility thresholds and financial responsibility for enrollees (in the form of premiums and cost sharing). Three of the scenarios were identified as targets for state policy makers' consideration:

1. Expanded eligibility up to 200% of FPL with no financial responsibility for enrollees
    a. This model projects an increase in Medicaid enrollment by 93,488 people or 13.6%
2. Expanded eligibility up to 400% of FPL with financial responsibility for enrollees
    a. This model projects an increase in Medicaid enrollment by 212,295 people or 30.9%
3. No income eligibility cap with enrollee financial responsibility
    a. This model projects an increase in Medicaid enrollment by 290,415 people or 42.3%

Each scenario, although targeting different populations and tailored to specific goals, aims to make Medicaid more accessible to residents under the age of 65 who are not otherwise eligible for Medicaid in the state.[20] The report includes financial impact analyses of the three targeted expansion scenarios with increased state costs ranging from $232 million to $518 million. While New Mexico has existing, significant sources of funding that are proposed to be repurposed to offset program costs, including a high-risk pool and a premium tax on all fully-insured and Medicaid managed care plans, new revenue streams would also be needed to cover the cost of even the narrowest Medicaid Forward design.

Similar to the Medicaid Forward scenario's focus on leveraging federal Medicaid funding, Massachusetts currently operates a program, ConnectorCare, modeled off of a program, CommonwealthCare, that predates the ACA and was established with a Medicaid Section 1115 Demonstration Waiver.[21] ConnectorCare plans are offered through the Massachusetts Health

[18] New Mexico Health Care Authority . (2024, November 21). Implementation of Medicaid Forward. https://www.hca.nm.gov/wp-content/uploads/Medicaid-Forward-Report-10012024.pdf
[19] Diana, Amaya, et al. *Medicaid and CHIP Eligibility Expansions and Coverage Changes for Children Since the Start of the Pandemic*, KFF, 29 Oct. 2024, www.kff.org/medicaid/issue-brief/medicaid-and-chip-eligibility-expansions-and-coverage-changes-for-children-since-the-start-of-the pandemic/#:~:text=Nine%20states%20%E2%80%94%20California%2C%20Colorado%2C,or%20CHIP%20premiums%20since%202020.
[20] New Mexico Health Care Authority. (2024, November 21). Implementation of Medicaid Forward. https://www.hca.nm.gov/wp-content/uploads/Medicaid-Forward-Report-10012024.pdf
[21] Massachusetts Health Connector. (2021, August). Massachusetts Cost Charing Subsidies in ConnectorCare: Design, Administration, and Impact. https://www.mahealthconnector.org/wp-content/uploads/MA-Cost-Sharing-Subsidies-in-ConnectorCare-Brief-083021.pdf

Connector (Massachusetts' state-based marketplace) and provide coverage for residents that have income below 500% of FPL.[22] The state provides wrap-around subsidies in addition to federal Advance Premium Tax Credits (APTCs) and cost-sharing reductions (CSRs), to further reduce premiums and out-of-pocket costs for the roughly 275,000 members enrolled in ConnectorCare plans. Since the program's approval pre-dates eligibility changes under the ACA, the state can draw down federal Medicaid matching funds to partially support the state-administered subsidies. Total state program costs, net of federal funding, totaled $222,549,000 for fiscal year 2020.[23]

Estimating the Impact of Increasing MaineCare Eligibility

To model scenarios aimed at increasing income thresholds for MaineCare, the Office considered three scenarios that would expand income eligibility for adults who do not qualify for MaineCare under other criteria. The Office elected to focus on adults ages 19-64 in light of recently increased eligibility levels for MaineCare among children and existing eligibility for Medicare among older adults.

- Scenario one expands income eligibility from 138% to 150% of FPL.
- Scenario two expands income eligibility from 138% to 200% of FPL.
- Scenario three expands income eligibility from 138% to 250% of FPL.

To estimate the number of people eligible by income under each of these scenarios, the Office used census data to identify the total number of people aged 19-64 years in each income bracket in Maine.[24] Some individuals within these income ranges may already be eligible for MaineCare if they are pregnant, disabled, or former foster youth. Detailed data on MaineCare enrollment within income parameters above 138% FPL has several limitations, however, so we did not account for existing eligibility or enrollment in MaineCare in these estimates.[25] Additionally, given that MaineCare is significantly lower-cost to enrollees than individual market or employer-sponsored coverage, we assume that all people in these income ranges who are currently commercially insured would transition to MaineCare under each scenario. Notably, while the ACA includes policies that limit eligibility for Marketplace subsidies for individuals with affordable, minimal essential employer coverage, Medicaid does not have that limitation. While we would not expect enrollment by all newly eligible enrollees, uptake would likely vary based on behavioral economics and how robustly the increase in eligibility thresholds were communicated.

---

[22] Massachusetts Health Connector. ConnectorCare Plans. https://www.mahealthconnector.org/learn/plan-information/connectorcare-plans

[23] Massachusetts Health Connector. (2021, August). Massachusetts Cost Charing Subsidies in ConnectorCare: Design, Administration, and Impact. https://www.mahealthconnector.org/wp-content/uploads/MA-Cost-Sharing-Subsidies-in-ConnectorCare-Brief-083021.pdf

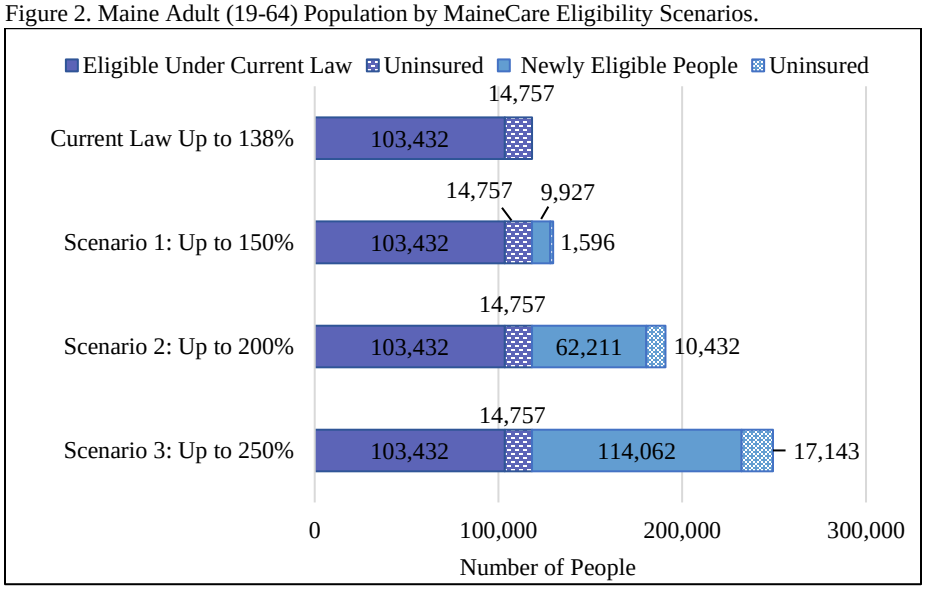
[24] U.S. Census Bureau. 2023 American Community Survey 1-Year Estimates: https://data.census.gov/table/ACSDT1Y2023.B27016?q=B27016&g=040XX00US23

[25] We chose not to use the most recent census data on MaineCare enrollment within income levels above 138% FPL for three primary reasons. First these data reflect the population enrolled during continuous coverage provision before unwinding. Second these data include estimates of those who are enrolled with partial MaineCare coverage. These two limitations likely significantly overestimate the true number of people enrolled in MaineCare above 138% FPL. Third, these data have wide margins of error for small estimates, resulting in such low precision of population estimates.

Given the complexity of estimating the impact of those factors, we assumed for the purpose of this analysis that all potentially eligible Maine residents would enroll, although that outcome is unlikely in practice.

Figure 2 shows the currently enrolled population and the estimated newly eligible population under each scenario broken out by insured status.[26] The estimated newly eligible population under Scenarios 1, 2, and 3 are 11,523, 72,643, and 131,205 respectively.

Figure 2. Maine Adult (19-64) Population by MaineCare Eligibility Scenarios.



To estimate the total and state costs of increasing MaineCare eligibility for adults, we multiply the estimated number of newly eligible people in each scenario by the estimated average annual spending among of MaineCare members for 2025 using data from the U.S. Centers for Medicare and Medicaid State Health Expenditure Accounts[27] (Table 1). We report a midpoint cost per member per year (PMPY) estimate for each scenario. In the appendix we provide a range of possible PMPY costs, offering a high and low cost estimate based on projected service utilization. To estimate state-level expenditures, we applied the federal funding at the FMAP established for Maine for FY2026 in each scenario.

Table 1. Estimated cost of scenarios under each income eligibility increase for MaineCare coverage.

	MaineCare Eligibility Increase	**Newly Eligible Mainers**	**Annual Cost of Scenario (Midpoint PMPY)**	**State Contribution (Assuming 61.29% FMAP)**
Scenario 1	138% - 150% FPL	11,523	$92 million	$36 million
Scenario 2	138% - 200% FPL	72,643	$583 million	$226 million
Scenario 3	138% - 250% FPL	131,205	$1.05 billion	$407 million

Unsurprisingly, the lowest modeled cost is for scenario one, which would expand eligibility from 138% to 150% FPL. The estimated midpoint cost to the state for this scenario is $36 million,

[26] U.S. Census Bureau. 2023 American Community Survey 1-Year Estimates: https://data.census.gov/table/ACSDT1Y2023.B27016?q=B27016&g=040XX00US23

[27] U.S. Centers for Medicare & Medicaid Services. Health Expenditures by State of Residence, 1991-2020. https://www.cms.gov/data-research/statistics-trends-and-reports/national-health-expenditure-data/state-residence

with low and high estimates of $24 million and $48 million. For scenario two, which expands eligibility to 200% FPL, we estimate midpoint costs of $226 million, with a low range of $150 million and high range of $300 million. Lastly, for scenario three, expanding eligibility to 250% FPL, the estimated midpoint cost to the state for this scenario is $407 million, with low and high estimates of $271 million and $544 million . These estimates are representative of the cost of newly eligible individuals in each scenario, and not current or ongoing costs of administering MaineCare for those currently eligible.

The financial impact of these scenarios on household affordability are difficult to quantify given limited data on current household spending within the specified income ranges. It is safe to assume that most newly-eligible households would realize meaningful savings, especially if current MaineCare cost-sharing applied to the new group. The impact would be less significant depending on whether the state elected to charge additional income-based premiums and cost-sharing to help offset the state cost for the option, particularly if eligibility remained limited to individuals under 150% FPL. Those households are currently eligible for low cost sharing plans through the CoverME.gov, the health insurance marketplace, for which total premiums and out of pocket expenses may already fall below 5% of total household income, particularly for those with limited utilization of health care services.

In considering an increase of Medicaid eligibility, broader implications on the insurance market and Maine's health care system should be considered. If individuals shifted from commercial insurance available through the Marketplace into MaineCare coverage, there would be a corresponding reduction in reimbursement to health care providers, given that commercially-negotiated rates generally exceed MaineCare rates. Depending on the breadth of the eligibility change, there may also be a meaningful decrease in enrollment for the individual and small group markets, which could make the market more volatile, although the impact on the risk pool would depend on the relative risk profile of the population impacted by the eligibility change.

Policy Option: Providing state-level subsidies to populations that do not qualify for federal subsidies through the Maine Health Insurance Marketplace

Background on the Health Insurance Marketplace

The ACA established an income-based federal subsidy program for people who shop for and purchase coverage on the health insurance Marketplace.[28] Usually, people shopping on the Marketplace do not have access to affordable employer sponsored coverage and are over income for Medicaid in their state. Most plans available on the Marketplace are organized into one of four "metal levels:" Bronze, Silver, Gold, and Platinum. Generally premiums are lowest for Bronze plans and highest for Platinum, but plans in higher metal levels provide more generous coverage and lower out-of-pocket costs.

[28] Norris, L. (2024, November 1). *Which States Offer Their Own Health Insurance Subsidies?* healthinsurance.org. https://www.healthinsurance.org/faqs/which-states-offer-their-own-health-insurance-subsidies/

In every state, federal premium subsidies, known as advanced payments of premium tax credits (APTC), reduce the cost of a plan for eligible consumers, lowering monthly insurance premiums. In addition to premium subsidies, cost-sharing reductions (CSRs) are also available to reduce out-of-pocket costs for lower income residents, minimizing the amount a consumer pays for their deductibles, copayments, and coinsurance. Although the federal government withdrew direct funding for CSRs in 2017, the costs of the discounts are indirectly covered in Maine and other states through a mechanism known as "Silver-loading" in which on-Marketplace Silver premiums are increased to account for the cost of CSRs, with the higher premiums resulting in greater federal premium subsidy payments. The amount of premium subsidy and CSRs consumers qualify for are based on a sliding scale relative to household income.[29]

When a consumer shops for Marketplace coverage, the Marketplace estimates the amount of premium subsidy the consumer is eligible for based on information about household size, income, and the consumer's/family members' eligibility for non-Marketplace coverage (such as MaineCare or employer-sponsored coverage).[30] The consumer may then decide whether they want all, some, or none of their subsidy in the form of an APTC. The APTC is paid directly to the consumer's insurance company to lower their monthly premium.[31] If consumers qualify for premium subsidies but decline to receive them in advance, they will receive the subsidy in the form of a tax credit or refund when they file their taxes.

The calculation of subsidy amounts is based on a schedule of required premium contribution caps calculated annually by the IRS and expressed as a cap on the percentage of income the household should contribute in order to purchase a "benchmark" plan – the second-lowest cost Silver plan available to them. The tax credit is therefore calculated by subtracting that required contribution amount from the total benchmark plan premium. Tax credits can then be applied to whatever plan the household chooses, covering a larger portion of lower premium plans, and a smaller portion of more generous plans in the Gold and Platinum tiers.

While premium subsidies provide assistance affording monthly premiums, CSRs lower the amount a consumer pays for cost-sharing components of their plan. Eligible consumers must

[29] Internal Revenue Service. Questions and Answers on the Premium Tax Credit. https://www.irs.gov/affordable-care-act/individuals-and-families/questions-and-answers-on-the-premium-tax-credit
[30] Centers for Medicare and Medicaid Services. (2024, June). APTC and CSR Basics. https://www.cms.gov/marketplace/technical-assistance-resources/aptc-csr-basics.pdf
[31] Centers for Medicare and Medicaid Services. (2024, June). APTC and CSR Basics. https://www.cms.gov/marketplace/technical-assistance-resources/aptc-csr-basics.pdf

enroll in a Silver plan on the Marketplace to receive CSR discounts.[32] When shopping, eligible consumers will automatically be presented with CSR variant Silver plans which include the reduced cost-sharing components they qualify for.

In general, individuals and families may be eligible for premiums subsidies if their household income is between 100% and 400% of FPL (for their family size).[33] For CSRs, individuals and families with household incomes up to 250% of FPL may be eligible.[34]

Table 2, below, provides an example of how CSRs impact affordability of a Silver plan offered on CoverME.gov. The monthly premiums displayed are specific to income, age, and geographic rating area, but serve as one example of how the financial assistance available through the Marketplace increases affordability for lower-income enrollees. There are many Silver plans with CSRs to choose from, but Table 2 represents premium and cost-sharing changes to the same Silver plan for the purpose of comparing different levels of subsidies and CSRs.

Table 2. CSR and Premium Subsidy Example for Silver plan on CoverME.gov.

Plan component	**Standard Silver for 251% FPL+**	**Silver Plan for 201-250% FPL**	**Silver Plan for 151-200% FPL**	**Silver Plan for up to 150% FPL**
Actuarial Value	70% AV	73% AV	87% AV	94% AV
Deductible	$3,500	$2,950	$1,200	$500
Maximum Out Of Pocket Limit (OOP)	$8,500	$6,900	$2,700	$875
Inpatient Hospital	30% coinsurance (after deductible)	30% coinsurance (after deductible)	20% coinsurance (after deductible)	10% coinsurance (after deductible)
Physician Visit	$40	$35	$15	$10
Monthly Premium (specific to income)	$289.44 After $236 in premium subsidies at single household income of $46,950 (300% FPL)	$141.58 After $384 in premium subsidies at single household income of $35,213 (225% FPL)	$72.28 After $453 in premium subsidies at single household income of $27,388 (175% FPL)	$43.19 After $482 in premium subsidies at single household income of $21,910 (140% FPL)

Temporary enhanced premium subsidies were passed as part of the American Rescue Plan Act (ARPA) in 2021 and were extended in 2022 as part of the Inflation Reduction Act (IRA). These temporary federal expansions have increased the amount of assistance available to those previously eligible for subsidies under the ACA and expanded assistance to those above 400% of FPL if their benchmark premiums would, prior to subsidies, exceed 8.5 percent of household

[32] Centers for Medicare and Medicaid Services. (2024, June). APTC and CSR Basics. https://www.cms.gov/marketplace/technical-assistance-resources/aptc-csr-basics.pdf
[33] Internal Revenue Service. (2024, February). Updates to Frequently Asked Questions about the Premium Tax Credit . https://www.irs.gov/affordable-care-act/individuals-and-families/eligibility-for-the-premium-tax-credit
[34] Centers for Medicare and Medicaid Services. (2024, June). APTC and CSR Basics. https://www.cms.gov/marketplace/technical-assistance-resources/aptc-csr-basics.pdf

income.[35] These enhanced subsidies reduce annual premiums for Maine families by an average $886 per person,[36] but are set to expire at the end of 2025.

State-funded Marketplace Subsidies in Other States

To date, ten states have adopted state-funded subsidies to increase affordability for eligible consumers in the Marketplace beyond federal subsidy limits.[37] Table 3 below provides more detail on these state-funded programs.

Table 3. State-funded subsidy programs.

State	State-funded subsidy program
California	• Additional CSRs are available for Silver-plan enrollees with household incomes up to 250% FPL which eliminate deductibles and reduce other out-of-pocket costs
Colorado	• Additional CSRs are available to adults with income up to 200% FPL as long as they enroll in a Silver plan • The state also established a platform where undocumented immigrants can enroll in coverage, with state-funded premium subsidies for up to 11,000 people with income up to 300% FPL
Connecticut	• Additional premium subsidies and CSRs are available to adults with income up to 175% FPL, which reduce premiums and cost-sharing to $0 for enrollees
Maryland	• Adults aged 18-37 with income up to 400% FPL are eligible for additional premium subsidies (temporary program, has been extended through 2025)
Massachusetts	• Enrollees with incomes up to 500% FPL are eligible for state premium subsidies and CSRs
New Jersey	• Enrollees with incomes up to 600% FPL are eligible for state-based premium subsidies
New Mexico	• Enrollees with incomes up to 400% FPL are eligible for state-funded premium subsidies • Enrollees with incomes up to 300% FPL are also eligible for additional CSRs
New York	• Effective for coverage in 2025, enrollees with incomes up to 400% FPL are eligible for additional CSRs • Additional CSRs are also available for diabetes management and for people who are pregnant or postpartum
Vermont	• Enrollees with incomes up to 300% FPL are eligible for state-funded premium subsidies and CSRs
Washington	• State-based premium subsidies are available for enrollees with income up to 250% FPL • Undocumented immigrants can enroll in coverage through Washington Healthplanfinder and qualify for state funded subsidies based on household income

In states where premium subsidies and/or CSRs have been expanded beyond federal support, there are varying and specific target populations based on the goals of state policy. Washington and Colorado, for example, have extended eligibility to undocumented people based on income, who otherwise are not Medicaid eligible based on immigration status. Other states, like New Jersey and Massachusetts, have expanded eligibility for legal resident with income up to 500% and 600% FPL, respectively. The goal of policies such as these is to soften the "subsidy cliff" that existed prior to enhanced subsidies enacted in ARPA. Prior to the implementation of the enhanced subsidies authorized by ARPA, a sharp cliff existed at 400% FPL; premiums often

[35] Ortaliza, J., Cord, A., McGough, M., Lo, J., & Cox, C. (2024, July 26). Inflation Reduction Act Health Insurance Subsidies: What Is Their Impact and What Would Happen If They Expire? https://www.kff.org/affordable-care-act/issue-brief/inflation-reduction-act-health-insurance-subsidies-what-is-their-impact-and-what-would-happen-if-they-expire/

[36] Simpson, Michael, and Jessica Banthin. *Household Spending on Premiums Would Surge If Enhanced Premium Tax Credits Expire*, KFF, Dec. 2024, www.urban.org/sites/default/files/2024-12/Household-Spending-on-Premiums-Would-Surge-if-Enhanced-Premium-Tax-Credits-Expire.pdf

[37] Norris, L. (2024, November 1). *Which States Offer Their Own Health Insurance Subsidies?*. healthinsurance.org. https://www.healthinsurance.org/faqs/which-states-offer-their-own-health-insurance-subsidies/

doubled for people whose income rose only slightly when they exceeded the eligibility cap.[38] California, Colorado, Connecticut, New Mexico, Vermont, Washington, and New York on the other hand, have enacted policies targeting affordability for lower income residents, focusing on reducing out-of-pocket costs for consumers whose premiums are already eliminated or greatly reduced by federal subsidies.

Estimating the Impact of State-Funded Premium Subsidy Scenarios

In 2024, the average premium for Marketplace consumers in Maine was $229 after subsidies. The average premium without any federal subsidies would have been $707.[39] During the 2025 Open Enrollment period, roughly 65,000 people enrolled in Marketplace plans and about 85% qualify for some form of financial assistance.[40] During open enrollment on CoverME.gov in 2024, more than 1 in 4 enrollees qualified for CSRs.[41]

Before exploring options for enhanced, state-based subsidies, it is also important to note that in many states, individuals with income under 150% of FPL can qualify for plans with no premium, since the amount of subsidy they qualify for exceeds the total premium of one or more bronze level plans. In Maine, however, zero-dollar plans are not available because the state requires all state-regulated plans to include coverage for abortion services, and federal law prohibits subsidies from covering those services, and requires carriers to charge enrollees a premium of at least one dollar.[42]

To model the creation of state-level subsidies, we developed three different scenarios for how additional state subsidies could be targeted (Figure 3). In developing the scenarios, we estimated the impact of enhancing affordability both with and without the ARPA enhanced subsidies.

- Scenario one is the most limited option, focused on improving affordability for lower-income households. It would utilize state funding to increase the generosity of subsidies for households between 150% and 200% FPL, bringing down the required contribution to 0%, in line with the current contribution level for households below 150% FPL. Scenario one would also cover the portion of premiums attributed to mandated abortion coverage for all subsidized consumers below 200% of FPL, making true $0 plans available to them.
- Scenario two includes the components of scenario one, but also lowers the expected premium contribution amounts for all consumers below 400% FPL, providing premium relief for a greater number of middle-income households.

[38] McDermott, D., Cox, C., & Amin, K. (2021, March 23). Impact of Key Provisions of the American Rescue Plan Act of 2021 COVID-19 Relief on Marketplace Premiums. https://www.kff.org/affordable-care-act/issue-brief/impact-of-key-provisions-of-the-american-rescue-plan-act-of-2021-covid-19-relief-on-marketplace-premiums/

[39] 2024 OEP State-Level Public Use File; https://www.cms.gov/data-research/statistics-trends-reports/marketplace-products/2024-marketplace-open-enrollment-period-public-use-files

[40] *CoverME.gov's Fourth Annual Open Enrollment Ends with Record Number of New Enrollees*, Maine Department of Health and Human Services, 23 Jan. 2025, www.maine.gov/dhhs/news/covermegovs-fourth-annual-open-enrollment-ends-record-number-new-enrollees-thu-01232025-1200

[41] CoverME.gov. (2024b, February). 2024 Open Enrollment Overview. https://www.coverme.gov/sites/default/files/inline-files/DHHS%20OHIM%202024%20Open%20Enrollment%20Report_1.pdf

[42] Salganicoff, A., Sobel, L., Gomez, I., & Ramaswamy, A. (2024, March 13). The Hyde Amendment and Coverage for Abortion Services Under Medicaid in the Post-Roe Era. https://www.kff.org/womens-health-policy/issue-brief/the-hyde-amendment-and-coverage-for-abortion-services-under-medicaid-in-the-post-roe-era/

- Scenario three lowers the expected contribution amount for consumers with incomes between 200% and 400% of FPL, but by a smaller amount, and also lowers the expected contribution amount for households with income above 400% FPL, benefitting higher-middle-income households.

Figure 3, below, lays out each scenario.

Figure 3. APTC expansion scenarios.

	Baseline	Lowers costs for 150% - 200% FPL by 2% contribution	Lowers costs for 150% - 400% FPL by 2% contribution	Lowers costs for all eligible income by 0.5% contribution
Income Level (% FPL)	Current Law (with ARPA)	Scenario 1	Scenario 2	Scenario 3
0-100%	0.0%	0.0%	0.0%	0.0%
100 - 138%	0.0%	0.0%	0.0%	0.0%
138 - 150%	0.0%	0.0%	0.0%	0.0%
150 - 200%	0.0% - 2.0%	0.0%	0.0%	0.0% - 1.5%
200 - 250%	2.0% - 4.0%	2.0% - 4.0%	0.0% - 2.0%	1.5% - 3.5%
250 - 300%	4.0% - 6.0%	4.0% - 6.0%	2.0% - 4.0%	3.5% - 5.5%
300 - 400%	6.0% - 8.5%	6.0% - 8.5%	4.0% - 6.0%	5.5% - 8.0%
Above 400%	8.5%	8.5%	8.5%	8.0%

To provide a rough estimate the number of people eligible for subsidies in the marketplace by income level we used the 2024 enrollment data available from the Centers for Medicare & Medicaid Services to identify the number of Maine consumers in each income bracket who had selected a plan through CoverME.gov.[43] We also assume that lower premiums available through the Marketplace may induce additional eligible individuals to enroll, so we used census data to estimate the total number of uninsured individuals aged 19-64 years in each income bracket above 138% FPL.[44] While not all of these individuals would necessarily be eligible for Marketplace subsidies, since some may be eligible for affordable employer-sponsored coverage or for MaineCare, we believe the majority of the uninsured in these income ranges would likely be subsidy-eligible. We added these two groups together to create an estimate of the total potentially eligible Mainers in each income category (Table 4). We did not assume that employers would drop coverage due to these state policy options; should they do so, the number of potentially eligible people would be higher.

[43] CMS 2024 Marketplace Open Enrollment Public Use Files. https://www.cms.gov/data-research/statistics-trends-reports/marketplace-products/2024-marketplace-open-enrollment-period-public-use-files

[44] U.S. Census Bureau. 2023 American Community Survey 1-Year Estimates: https://data.census.gov/table/ACSDT1Y2023.B27016?q=B27016&g=040XX00US23

Table 4. Number of Maine residents within income categories.

Income Level (% FPL)	Current Marketplace Enrollment	Uninsured (19-64)	Total Potentially Eligible
0-100%	1,991	*	1,991
100 - 138%	1,749	*	1,749
138 - 150%	4,581	1,596	6,177
150 - 200%	10,777	8,836	19,613
200 - 250%	10,493	6,711	17,204
250 - 300%	7,503	9,297	16,800
300 - 400%	11,292	11,435	22,727
Above 400%	9,811	16,343	26,154
Total	58,197	54,218	112,415

*Uninsured estimates for these income levels were omitted due to perceived eligibility for MaineCare.

To estimate the costs of state-level subsidies, we calculated the expected consumer contribution to premiums under current law assuming all households enrolled in a benchmark plan. To do this we assumed equal distribution of enrollees within income brackets and used median income estimates multiplied by the median contribution cap within each income bracket. We then compared the estimated consumer contribution under current law to pre-ARPA contribution limits, and to the contribution limits outlined in each of the three scenarios. Finally, we multiplied the expected costs to the estimated potentially eligible population. Given pending expiration of ARPA enhanced subsidies, we provide an estimate of cost for each scenario with and without the enhanced federal funding. As shown in Table 5, each scenario is significantly more costly to the state if federal subsidies expire.

Table 5. Total estimated costs of marketplace subsidies under current law and subsidy expansion scenarios with and without ARPA federal funding.

	Mainers Impacted	Annual Cost to State with ARPA funding	Annual Cost to State without ARPA funding
Current Law (ARPA)	58,197 – 112,415	$0	$78 million – $164 million
Scenario 1	10,777 – 19,613	$3 million – $5 million	$82 million – $169 million
Scenario 2	40,065 – 76,344	$30 million – $58 million	$108 million – $221 million
Scenario 3	49,876 – 102,498	$9 million – $18million	$87 million – $182 million

As with the MaineCare eligibility scenarios, it is difficult for the office to quantify household affordability impacts due to the limited granularity of data available. For families already enrolled in the Marketplace, they would generally be modest, but if lower premiums induced enrollment among remaining eligible but uninsured Mainers, they may realize significant savings depending on their utilization of health services. If the program meaningfully increased enrollment in the Marketplace by subsidized consumers, it could also impact premiums for all merged market members in two ways. First, if new enrollees were generally lower utilizers of health care, their enrollment in coverage could improve the risk pool of the merged market, which could lower premiums for all consumers. Second, regardless of their risk profile, enrollment by more consumers eligible for subsidies would increase the savings realized by the federal government through Maine's reinsurance program, which would increase pass-through funds to the program. This increased funding could be used to increase the parameters of the reinsurance program, which would also lower premiums for both individuals and small employers.

Conclusion

The creation and implementation of scenarios for expansion of MaineCare eligibility and state-funded premium subsides are significant undertakings that necessitate careful consideration of varying impacts and cost-benefit analysis. In considering these options for Maine, policymakers should focus on three areas to clearly define the goals of a given program, their impact on Maine consumers, and their fiscal impact.

First, policymakers should give significant thought to the cost to the state for each scenario. In each model for both MaineCare increased eligibility and state-level subsidies the state would assume significant new costs, which could vary in future based on economic and other factors. All of the models included under each scenario would be dependent on the state generating sufficient revenue to implement and sustain programming. For increased MaineCare eligibility, in particular, policymakers must also consider how the state's obligations may be impacted by changes in federal policy.

Second, policymakers should weigh how each model and scenario impacts the target eligibility group. Analysis in this report estimates consumers who would be eligible for MaineCare or state funded premium subsidies under each scenario, but the Office's ability to estimate changes to household costs is limited. More detailed modeling considering precise incomes and costs would be helpful in understanding how impactful affordability increases would be, and in particular if they would be significant enough to reduce barriers to coverage and access to care.

Finally, when weighing options to increase access and affordability of coverage in Maine, further analysis is needed. Eligibility changes can have impacts on affordability beyond the targeted population. If increased Marketplace subsidies effectively enrolled a significant number of younger and healthier enrollees, for example, there may be a positive impact on the fully-insured risk pool which could slightly decrease premiums for all individual and small group consumers. An increase in MaineCare eligibility could have the opposite effect, reducing the size of the individual market risk pool and therefore increasing volatility. Major eligibility changes can also impact on health care providers since payment rates vary across coverage types. Much more detailed modeling would be needed to estimate affordability and access changes under any scenario for both the target population and the broader health care market in Maine.

Appendix – Methodology

Part I: Estimation of costs for proposed scenarios increasing enrollment in Medicaid and the federal Children's Health Insurance Program (CHIP), including by increasing income eligibility levels

PI Step I: Estimating the Population Newly Eligible

To estimate the number of people eligible by income level, measured as the percent of the federal poverty level (% FPL), we used the 2023 American Community Survey 1 – Year estimates table B27016 *Health Insurance Coverage Status and Type by Ratio of Income to Poverty Level in the Past 12 Months by Age.*[45] These data report Maine population by income level, age, and health insurance coverage type. Children and some older adults can qualify for MaineCare at income thresholds above 138% FPL.[46] To estimate the size of the population who would be newly eligible by income alone, we limited our analysis to individuals between 19 and 64 years of age.

We proposed three policy concepts that would expand income eligibility for adults who qualify for MaineCare on income alone. The current MaineCare income threshold for adults who do not qualify under other eligibility is 138% FPL. Scenario 1 expands income eligibility to 150% FPL. Scenario 2 expands income eligibility 200% FPL. Scenario 3 expands eligibility to 250% FPL. To estimate the number of newly eligible individuals, we subtracted the number of individuals below 138% FPL – presumed already enrolled in MaineCare – from the total number of individuals below the thresholds of each scenario (Table 1).[47]

Table 1. Maine adult (19-64) population by income level and MaineCare eligibility under current and proposed scenario.

Income Level	Number of Adults 19-64yrs	Current Law Eligible at or below 138% FPL	Scenario 1 Eligible below 150% FPL	Scenario 2 Eligible below 200% FPL	Scenario 3 Eligible below 250% FPL
<100% of FPL	80354	Yes	Yes	Yes	Yes
>100% to <138% of FPL	37835	Yes	Yes	Yes	Yes
≥138% to <150% of FPL	11523	No*	Yes	Yes	Yes
≥150% to <200% of FPL	61120	No	No	Yes	Yes
≥200% to <250% of FPL	58562	No	No	No	Yes
≥250% to <300% of FPL	71059	No	No	No	No
≥300% to <400% of FPL	120673	No	No	No	No
≥400% FPL	352375	No	No	No	No
Total People	793501	118,189	129,712	190,832	249,394
Total Newly Eligible People	-	0	11,523	72,643	131,205

*An estimated 230 people qualify for MaineCare in this income level due to inclusion at 138% FPL.

Some individuals are enrolled in MaineCare at greater income levels than 138% FPL due to meeting other eligibility criteria (e.g. pregnancy or disability status). We recognize there is overlap between the newly eligible population and those enrolled in MaineCare above 138%

[45] U.S. Census Bureau. 2023 American Community Survey 1-Year Estimates: https://data.census.gov/table/ACSDT1Y2023.B27016?q=B27016&g=040XX00US23

[46] 2024 MaineCare Eligibility Guidelines: https://www.maine.gov/dhhs/sites/maine.gov.dhhs/files/inline-files/2024%20MaineCare%20Eligibility%20Guidelines%2012.10.24%20v1_0.pdf

[47] Under current law, individuals are eligible for MaineCare at or below 138% FPL. Given how the census reports income measures, we choose to operationalize the current law as those below 138%, acknowledging that there are a small portion of individuals (~230) who are at 138% FPL and covered by MaineCare.

FPL. We chose not to include estimations, or subsequently remove, the number enrolled in MaineCare above 138% FPL for three primary reasons. First, the Census data include estimates of the MaineCare population during the continuous coverage provision before unwinding began. These estimates likely overestimate the number of people enrolled at income levels above 138% FPL in the current day.[48] Second, the census estimates contain large margins of error when broken out by income level, age, and insurance coverage. Given the already small estimates, these margins of error create low confidence in the number of people enrolled in MaineCare at these levels. Third, the Census estimates of MaineCare coverage include those with partial coverage. Those with partial coverage may be inclusive of a newly eligible population if increases in income thresholds allow them to gain full coverage. For these reasons we chose not to include estimates of MaineCare enrollment above 138% FPL for the primary analysis. However, we include an appendix with these estimates for additional consideration (Table A1).

PI Step II: Estimating MaineCare Per Member Per Year Costs

We used the State Health Expenditure Accounts (SHEA) values for MaineCare (Medicaid) Per Enrollee Spending to calculate the estimated per member per year (PMPY) costs of MaineCare coverage. The SHEA report health spending estimates by state using national and state level data sources.[49]

The SHEA estimate average health care spending per enrollee within service categories. For a high-cost estimate, we assume the newly eligible group will utilize all service categories at the same rate as the average MaineCare member. We calculated a "high cost" PMPY estimate based on the sum of all categories. For a "low cost" PMPY estimate, we assume the newly eligible group will not require health care services within the categories of *Home Health Care, Nursing Home Care, Other Health/Residential/ Personal Care.* This decision is driven by the assumption that the newly eligible group is younger and has less disability than the general MaineCare population given their current ineligible status. We calculated the low-cost PMPY based on the sum of the remaining categories excluding *Home Health Care, Nursing Home Care, Other Health/Residential/ Personal Care*. Finally, we provide a midpoint estimate of PMPY between the low and high-cost PMPY estimates.

To estimate the 2025 PMPY for MaineCare newly eligible group we calculated the average annual percent change within each service category from 2015 – 2020. We then applied this percent change to the 2020 estimates for every year following up to 2025. We summed the estimates for each service category to get a total average 2025 PMPY cost (Table 2).

[48] U.S. Census Bureau. 2023 American Community Survey 1-Year Estimates: https://data.census.gov/table/ACSDT1Y2023.B27016?q=B27016&g=040XX00US23
[49] U.S. Centers for Medicare & Medicaid Services. Health Expenditures by State of Residence, 1991-2020. https://www.cms.gov/data-research/statistics-trends-and-reports/national-health-expenditure-data/state-residence

Table 2. Annual Medicaid per Enrollee Spending by category and project spending in 2025.

MaineCare Spending	2015	2016	2017	2018	2019	2020	Est. Avg. PMPY cost for 2025
Hospital Care	$2,425.00	$2,363.00	$2,780.00	$2,848.00	$2,836.00	$2,901.00	$3,509.43
Physician & Clinical Services	$1,277.00	$1,214.00	$1,158.00	$1,129.00	$1,134.00	$1,003.00	$791.25
Other Professional Services	$205.00	$221.00	$231.00	$245.00	$252.00	$337.00	$567.75
Dental Services	$94.00	$94.00	$86.00	$86.00	$76.00	$53.00	$31.16
Drugs/Nondurable Med. Products	$301.00	$220.00	$276.00	$253.00	$338.00	$296.00	$331.26
Durable Med. Products	$97.00	$101.00	$106.00	$113.00	$109.00	$98.00	$100.02
HomeHealth Care*	$297.00	$303.00	$347.00	$395.00	$409.00	$436.00	$643.72
Nursing Home Care*	$717.00	$815.00	$793.00	$864.00	$787.00	$755.00	$808.90
Other/ Residential/Personal Care*	$2,481.00	$2,740.00	$2,951.00	$3,358.00	$3,477.00	$3,095.00	$3,930.92
Total Low Cost PMPY	$4,399.00	$4,213.00	$4,637.00	$4,674.00	$4,745.00	$4,688.00	$5,330.87
Midpoint PMPY	$6,146.50	$6,142.00	$6,682.50	$6,982.50	$7,081.50	$6,831.00	$8,022.64
Total High Cost PMPY	$7,894.00	$8,071.00	$8,728.00	$9,291.00	$9,418.00	$8,974.00	$10,714.41

*Excluded from the low cost estimate.
Source: CMS: State Health Expenditure Accounts. https://www.cms.gov/data-research/statistics-trends-and-reports/national-health-expenditure-data/state-residence

PI Step III: Calculation of Total and State Costs

To estimate the total and state costs, we multiply the estimated number of newly eligible people in each scenario by the average PMPY cost for 2025. To create a range of possible costs, we report the low, midpoint, and high-cost PMPY for Scenario 1 at 150% (Table 3A), Scenario 2 at 200% (Table 3B), and Scenario 3 at 250% (Table 3C).

Table 3A. Estimated cost of Medicaid proposed increase in income eligibility to 150% of the federal poverty level.

	MaineCare PMPY Low Cost	MaineCare PMPY Midpoint Cost	MaineCare PMPY High Cost
Number of People Eligible at 150%	11,523	11,523	11,523
Estimated 2025 PMPY	$5,330.87	$8,022.64	$10,714.41
Annual Cost of Scenario at 150%	$61,427,615.01	$92,444,880.72	$123,462,146.43
State Contribution (Assuming 61.29% FMAP[50])	$23,778,629.77	$35,785,413.33	$47,792,196.88

Table 3B. Estimated cost of Medicaid proposed increase in income eligibility to 200% of the federal poverty level.

	MaineCare PMPY Low Cost	MaineCare PMPY Midpoint Cost	MaineCare PMPY High Cost
Number of People Eligible at 200%	72,643	72,643	72,643
Estimated 2025 PMPY	$5,330.87	$8,022.64	$10,714.41
Annual Cost of Scenario at 200%	$387,250,553.75	$582,788,637.52	$778,326,930.80
State Contribution Assuming 61.29% FMAP[50])	$149,904,689.35	$225,597,481.58	$301,290,354.91

[50] KFF Estimated Federal Medical Assistance Percentage (FMAP) for Medicaid and Multiplier for Fiscal Year 2025. https://www.kff.org/medicaid/state-indicator/federal-matching-rate-and-multiplier/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D

Table 3C. Estimated cost of Medicaid proposed increase in income eligibility to 250% of the federal poverty level.

	MaineCare PMPY Low Cost	MaineCare PMPY Midpoint Cost	MaineCare PMPY High Cost
Number of People Eligible at 250%	131,205	131,205	131,205
Estimated 2025 PMPY	$5,330.87	$8,022.64	$10,714.41
Annual Cost of Scenario at 250%	$699,436,798.35	$1,052,610,481.20	$1,405,784,164.05
State Contribution Assuming 61.29% FMAP[50])	$270,751,984.64	$407,465,517.27	$544,179,049.90

PI ASSUMPTIONS AND LIMITATIONS

- This analysis only includes 19–64-year-olds. Those 65 and older may be eligible for these scenarios. Exclusion of those over 64 likely modestly underestimates the total costs.
- This analysis does not exclude individuals who are within the age range and enrolled in MaineCare at incomes above 138% FPL due to other qualifying circumstances. Not removing these individuals likely modestly overestimates the total costs of these scenarios.
- This analysis assumes that everyone eligible for MaineCare under each scenario will enroll. MaineCare uptake is not 100% and likely overestimates the costs of these scenarios.
- There are a portion of individuals at 138% FPL who were included in the newly eligible population, who are eligible for MaineCare under current law. Assuming normal distribution of population estimates within income ranges, we estimate there are ~230 people at 138% FPL. Inclusion of these individuals in the analysis likely minimally overestimates the total costs of these scenarios.
- This analysis is limited to modeling the newly eligible population. This analysis assumes individuals under 138% FPL will not change their MaineCare status with expansion of income thresholds above 138% FPL.
- This analysis assumes that the proportion of people in each income bracket is constant from 2023 – 2025. This is likely not the case. However, we do not assume there is a meaningful shift (positive or negative) in the proportion of people within each income level over this short period.
- This analysis assumes the methodological assumptions for the National Health Expenditure PMPM estimations. There is expected volatility in MaineCare expenditures between 2020 and current due to the COVID-19 pandemic, which are not captured in our estimates of PMPY costs. Lack of state level projection data and historical data beyond 2020 from CMS inhibit our analysis to determine how this may effect the MaineCare PMPY estimation.
- This analysis assumes the methodological assumptions for the U.S. Census Bureau American Community Survey 1-Year estimations.

SUB APPENDIX

Table A1.

Table A1. Maine adult (19-64) in newly eligible population and MaineCare enrollment by income.
Source: https://data.census.gov/table/ACSDT1Y2023.B27016?q=B27016&g=040XX00US23

Income Level	Scenario 1 Eligible at ≤150% FPL	Scenario 2 Eligible at ≤200% FPL	Scenario 3 Eligible at ≤250% FPL
All Individuals in Income Range *(Scenario Total – Current Law)*	11,523	72,643	131,205
Enrolled in MaineCare (± Margin of Error) *(MaineCare Enrolled >138% and <Prop X%)*	4,486 (± 1028)	25,489 (± 3957)	40,347 (± 6164)
Newly Eligible *(All Individuals – Currently Enrolled)*	7,037	47,154	90,858

SENSITIVITY ANALYSIS – Partial Uptake

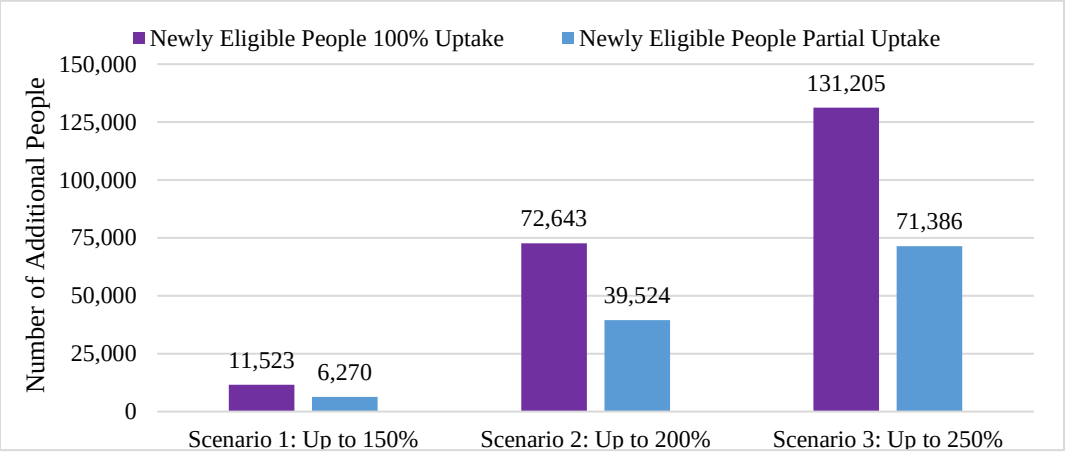
This sensitivity analysis models the estimated costs of MaineCare expansion assuming partial uptake of enrollment among the eligible population. MaineCare uptake among the eligible population could vary based on behavioral economics and how robustly the increase in eligibility thresholds were communicated. Given this complexity, we estimated the partial uptake rate using census estimates of 19-64 year olds for the MaineCare Expansion population.[51] The MaineCare Expansion population represents eligible MaineCare enrollees who received eligibility through Medicaid Expansion under the Affordable Care Act (ACA) which increased Medicaid eligibility in participating states from 100% FPL to 138% FPL. The MaineCare Expansion population most closely resembles the populations in the proposed scenarios because this group also received MaineCare eligibility through expanded income thresholds for adults ages 19-64 years. To estimate uptake among the MaineCare Expansion population, we took the number of people between 100% and 138% FPL who were enrolled in MaineCare and other means tested coverage types and divided that by all those in that income bracket (54%).

We then applied this partial uptake to the newly eligible population estimates. This partial uptake population represents the expected enrollment of the newly eligible population within each expansion scenario assuming that some people who are eligible will not enroll. For comparison, we provide estimates of 100% uptake and partial uptake in the following output.

Figure A1 shows the estimated number of additional people who will enroll in MaineCare under each scenario.

[51] U.S. Census Bureau. 2023 American Community Survey 1-Year Estimates: https://data.census.gov/table/ACSDT1Y2023.B27016?q=B27016&g=040XX00US23

Figure A1. Maine Adult (19-64) Additional MaineCare Enrolled Individuals by MaineCare Expansion Scenario.



Following the methods describe above, to estimate the total and state costs of increasing MaineCare eligibility for adults, we multiply the estimated number of newly eligible people in each scenario by the estimated average annual spending among of MaineCare members for 2025 using data from the U.S. Centers for Medicare and Medicaid State Health Expenditure Accounts[52] (Table A2 series). To create a range of possible costs, we report a midpoint cost per member per year (PMPY) estimate for both 100% (Table A2A) and partial uptake estimated enrolled population (Table A2B) under each scenario. To estimate state-level expenditures, we applied the federal funding at the FMAP established for Maine for FY2026 in each scenario.

Table A2A. Estimated cost of scenarios under each income eligibility increase for MaineCare coverage assuming 100% enrollment.

	MaineCare Eligibility Increase	Newly Eligible Mainers 100% Uptake	Annual Cost of Scenario (Midpoint PMPY)	State Contribution (Assuming 61.29% FMAP)
Scenario 1	138% - 150% FPL	11,523	$92 million	$36 million
Scenario 2	138% - 200% FPL	72,643	$583 million	$226 million
Scenario 3	138% - 250% FPL	131,205	$1.05 billion	$407 million

Table A2B. Estimated cost of scenarios under each income eligibility increase for MaineCare coverage assuming 54% enrollment.

	MaineCare Eligibility Increase	Newly Eligible Mainers Partial Uptake	Annual Cost of Scenario (Midpoint PMPY)	State Contribution (Assuming 61.29% FMAP)
Scenario 1	138% - 150% FPL	6,270	$50 million	$19 million
Scenario 2	138% - 200% FPL	39,524	$317 million	$123 million
Scenario 3	138% - 250% FPL	71,386	$573 million	$222 million

SENSITIVITY ANALYSIS – Partial Uptake LIMITATIONS

There are several important limitations and assumptions to note in the sensitivity analysis estimating costs using partial uptake among the eligible populations in each scenario.

[52] U.S. Centers for Medicare & Medicaid Services. Health Expenditures by State of Residence, 1991-2020. https://www.cms.gov/data-research/statistics-trends-and-reports/national-health-expenditure-data/state-residence

- This analysis assumes that the uptake among the MaineCare Expansion population is applicable to the populations represented in Scenarios 1-3. A variety of factors could alter this assumption, though, including more stability in residency and contact information among higher-income populations, or lower willingness to enroll in MaineCare due to the availability of other health insurance options.
- This analysis assumes that uptake rates are the same across income levels. This is likely not the case, as those with different levels of income have different behaviors towards enrollment in public options.
- This analysis uses Census data to estimate partial uptake. As previously described, estimates of MaineCare enrollment within income levels are limited due to capture of pre unwinding enrollment levels, partial coverage estimates, and large margins of error. Therefore, these data are not precise in determining uptake rates by income level.

Part II: Providing state-level subsidies to populations that do not qualify for federal subsidies through the Maine Health Insurance Marketplace, established under Title 22, section 5403.

PII Step I: Estimating Consumer Premium Share Under Current Law

To estimate the cost of continuing and expanding APTC subsidies, we first estimated the cost to consumers under current law. To establish consumer costs, we used the median of marketplace contribution caps for percent of household income paid to premiums under the American Rescue Plan Act (ARPA) (Tabel 1 column 1).[53] We then applied median monthly income as a proportion of the federal poverty level (% FPL) to estimate consumer monthly premium costs assuming everyone enrolled for the second lowest Silver plan. We used the *ASPE 2024 Poverty Guidelines* to estimate the median monthly income at each level for a household of one (Table 1).[54]

For FPL levels up to 400%, we used the median monthly income multiplied by the median contribution cap to estimate an average monthly consumer premium cost under ARPA (Table 1). To identify the income level at FPL above 400% and premium costs above 8.5% of income, we first identified the second lowest Silver plan on CoverME.gov using the midpoint rating area (Area 3: Waldo, Frankling, and Androscoggin counties) and the median age of enrollees on the marketplace for 2024 (50 years). We found the second lowest Silver plan to be Anthem Silver X Tiered 5000 at $796.02 in monthly premium costs on February 4, 2025. We then back calculated an income where that monthly premium is 8.5% of total income ($112,379) to get an income threshold. From there, we identified what % FPL that income represents (718%) and found the median monthly income between 718% FPL and 400% FPL ($7,192.47).

Finally, there are no true zero premium plans due to State specific essential health benefits, which includes access to services mandated to be covered by the State but not included in Essential Health Benefits, including abortion, which is statutorily excluded from federal subsidization.[55] We assume that carriers charge consumers a monthly cost of $1.00 to include these services in coverage, although in some cases the premium charged may be higher.

Table 1. Consumer costs under current APTC subsidies.

Income Level (% FPL)	ARPA Household Income Contribution Caps	ARPA Household Income Contribution Caps (Median Col 1)	Median Monthly Income	Avg. Monthly Consumer Cost under ARPA for SLSP (Col 3* Col 4)	Avg. Annual Consumer Cost under ARPA for SLSP (Col 5*12)
0-100%	0.0%	0.0%	$ 627.50	$ 1.00*	$12.00*
100 - 138%	0.0%	0.0%	$ 1,493.45	$ 1.00*	$12.00*
138 - 150%	0.0%	0.0%	$ 1,807.20	$ 1.00*	$12.00*
150 - 200%	0.0% - 2.0%	1.0%	$ 2,196.25	$21.96	$263.55
200 - 250%	2.0% - 4.0%	3.0%	$ 2,823.75	$84.71	$1,016.55
250 - 300%	4.0% - 6.0%	5.0%	$ 3,451.25	$172.56	$2,070.75

[53] KFF. Explaining Health Care Reform: Questions About Health Insurance Subsidies: https://www.kff.org/affordable-care-act/issue-brief/explaining-health-care-reform-questions-about-health-insurance-subsidies/

[54] ASPE 2024 Poverty Guidelines: https://aspe.hhs.gov/sites/default/files/documents/7240229f28375f54435c5b83a3764cd1/detailed-guidelines-2024.pdf

[55] Maine state specific essential health benefits include abortion, hearing aids every 36 months, bariatric surgery for morbid obesity, infertility treatment, and chiropractic care at 40 visits per year.

300 - 400%	6.0% - 8.5%	7.25%	$ 4,392.50	$318.46	$3,821.48
Above 400% AND more than income cap	8.5%	8.5%	$ 7,192.47	$ 611.36	$7,336.32

Notes: SLSP = Second Lowest Silver Plan

*"Other Covered Services" are inclusive of state mandated essential health benefits required to be covered under each insurance plan in the small and individual markets that are not otherwise mandated under the Affordable Care Act. These services include abortion, hearing aids every 36 months, bariatric surgery for morbid obesity, infertility treatment, and chiropractic care at 40 visits per year.

PII Step II: Estimating Cost of Continuing APTCs without Federal Funding

To estimate the cost of continuing APTCs should federal funding under ARPA end, we first estimated the cost to consumers under the ACA as of 2020, before ARPA was enacted.[56] To do this we followed the same steps outlined in PII Step 1 and modeled the ACA contribution caps (Table 2). Since applicable percentages are adjusted annually, these percentages provide only an estimate of how 2026 income contribution caps could be structured assuming ARPA is allowed to expire.

Table 2. Consumer costs under ACA for Portland resident.

Income Level (% FPL)	**ACA Household Income Contribution Caps**	**ACA Household Income Contribution Caps** (Median Col 1)	**Median Monthly Income**	**Avg. Monthly Consumer Cost under ACA for SLSP** (Col 3* Col 4)	**Avg. Annual Consumer Cost under ACA for SLSP** (Col 5*12)
0-100%	2.1%*	2.1%*	$ 627.50	$12.99	$155.87
100 - 138%	2.1%	2.1%	$ 1,493.45	$30.91	$370.97
138 - 150%	3.1% – 4.1%	3.6%	$ 1,807.20	$65.42	$785.05
150 - 200%	4.1% – 6.5%	5.3%	$ 2,196.25	$117.06	$1,404.72
200 - 250%	6.5% – 8.3%	7.4%	$ 2,823.75	$209.66	$2,515.96
250 - 300%	8.3 % – 9.8%	8.9%	$ 3,451.25	$305.61	$3,667.30
300 - 400%	9.8%	9.8%	$ 4,392.50	$412.02	$4,944.20
Above 400% AND more than income cap	No Cap	No Cap	$ 7,192.47	$796.02	$9,552.24

Notes: SLSP = Second Lowest Silver Plan

*Immigrants who would otherwise be eligible for Medicaid but have not yet completed their five-year waiting period may instead qualify for tax credits through the Marketplace. If an individual in this circumstance has an income below 100 percent of poverty, for the purposes of tax credit eligibility, his or her income will be treated as though it is equal to the poverty level.[53]

We then subtracted the estimated annual consumer premium cost under the ACA from the annual consumer cost under ARPA (Table 3). To estimate the costs of expansion we included the number of Mainers in the marketplace at each income level using the *2024 Marketplace Open Enrollment Period Public Use Files*[57] (Table 3).[58] Given that the many individuals in these income ranges who are uninsured may also be eligible for subsidies under ARPA and the ACA, we included an additional estimation of a total population that would be potentially eligible for marketplace subsidies (Table 3). This total eligible population would represent the circumstance where all uninsured enroll in coverage through the Marketplace under each scenario. To model

[56] KFF. Impact of Key Provisions of the American Rescue Plan Act of 2021 COVID-19 Relief on Marketplace Premiums: https://www.kff.org/affordable-care-act/issue-brief/impact-of-key-provisions-of-the-american-rescue-plan-act-of-2021-covid-19-relief-on-marketplace-premiums/

[57] CMS 2024 Marketplace Open Enrollment Public Use Files. https://www.cms.gov/data-research/statistics-trends-reports/marketplace-products/2024-marketplace-open-enrollment-period-public-use-files

[58] For FPL above 400% we assumed that all individuals were eligible for subsidies, given that the estimated income threshold for subsidies at this level was above 700% FPL for a household of one.

this potential population, we reported the number of uninsured individuals using the *U.S. Census Bureau 2023 American Community Survey 1-Year Estimates*[59] and added these to the number of people enrolled on the marketplace for each income level (Table 3). We then multiplied the number of Mainers in each population by the difference in income contribution to get an estimated annual cost of continuing APTCs should federal funding under ARPA cease (Table 3).

Table 3. Estimated annual cost of continuing APTCs without ARPA funding.

Income Level (% FPL)	**Difference ARPA and ACA** (Tab 2 col 6 – Tab 1 col 6)	**Number of Mainers** (Marketplace only)	**Number of Mainers** (Marketplace and uninsured)	**Annual Cost of Continuing APTCs without ARPA - marketplace population** (Col 2 * Col 3)	**Annual Cost of Continuing APTCs without ARPA – all eligible population** (Col 2* Col 4)
0-100%	$143.87	1,991	1,991*	$286,447.16	$286,447.16
100 - 138%	$358.97	1,749	1,749*	$627,843.74	$627,843.74
138 - 150%	$773.05	4,581	6,177	$3,541,331.42	$4,775,115.52
150 - 200%	$1,141.17	10,777	19,613	$12,298,405.26	$22,381,796.63
200 - 250%	$1,499.41	10,493	17,204	$15,733,322.25	$25,795,871.15
250 - 300%	$1,596.55	7,503	16,800	$11,978,901.52	$26,822,010.60
300 - 400%	$1,122.72	11,292	22,727	$12,677,788.12	$25,516,125.62
Above 400%	$2,215.92	9,811	26,154	$21,740,391.12	$57,955,171.68
Total		58,197	112,415	$78,884,430.58	$164,160,382.10

*Uninsured estimates for these income levels were omitted due to perceived eligibility for MaineCare.

PII Step III: Cost Estimation of Expanding APTCs Under Current Law

Table 4 shows the household income contribution cap structure under the current law and three scenarios.

Scenario 1: Cover all costs for individuals under 200% FPL, leave the contribution cap structure for the remaining income groups the same, and bring expected cost of zero plans to true zero.

Scenario 2: Shift the contribution cap structure up one income backet by covering all costs for those making under 200% FPL but keep the income cap for 400%+ FPL at 8.5%, and bring expected cost of zero plans to true zero.

Scenario 3: Adjust the contribution cap structure down 0.5% for all income brackets above zero including the income cap, and bring expected cost of zero plans to true zero.

[59] U.S. Census Bureau. 2023 American Community Survey 1-Year Estimates: https://data.census.gov/table/ACSDT1Y2023.B27016?q=B27016&g=040XX00US23

Table 4. Household income contribution cap structure under current law and proposed scenarios.

Income Level (% FPL)	ARPA Household Income Contribution Caps	Scenario 1 Household Income Contribution Caps	Scenario 2 Household Income Contribution Caps	Scenario 3 Household Income Contribution Caps
0-100%	0.0%*	0.0%	0.0%	0.0%
100 - 138%	0.0%*	0.0%	0.0%	0.0%
138 - 150%	0.0%*	0.0%	0.0%	0.0%
150 - 200%	0.0% - 2.0%	0.0%	0.0%	0.0% - 1.5%
200 - 250%	2.0% - 4.0%	2.0% - 4.0%	0.0% - 2.0%	1.5% - 3.5%
250 - 300%	4.0% - 6.0%	4.0% - 6.0%	2.0% - 4.0%	3.5% - 5.5%
300 - 400%	6.0% - 8.5%	6.0% - 8.5%	4.0% - 6.0%	5.5% - 8.0%
Above 400% AND more than income cap	8.5%	8.5%	8.5%	8.0%

*"Other Covered Services" are inclusive of state mandated essential health benefits required to be covered under each insurance plan in the small and individual markets that are not otherwise mandated under the Affordable Care Act. These services include abortion, hearing aids every 36 months, bariatric surgery for morbid obesity, infertility treatment, and chiropractic care at 40 visits per year.

PII Step IV: Estimate Consumer Cost under Each Scenario

To estimate consumer costs under each scenario, we calculated the expected average cost to consumers under each contribution cap structure (Table 5 series). This process follows the same steps as PII Step 1. For Scenario 3 we estimated a new average monthly income for those making more than 400% FPL to account for the downward adjustment to the income cap above 400% FPL to 8.0%.[60]

Table 5A. Consumer costs under scenario 1 compared to current law.

Income Level (% FPL)	Household Income Contribution Caps Scenario 1 (Median Tab 4 Col 2)	Median Monthly Income in FPL Level	Avg Annual Consumer Cost under Scenario 1 (Col ((2*3)*12)	Avg Annual Consumer Cost under ARPA (Tab 1 Col 6)	Difference of Avg. Annual Costs (Col 5 - 4)
0-100%	0.0%	$ 627.50	$ 0.00	$12.00*	$ 12.00
100 - 138%	0.0%	$ 1,493.45	$ 0.00	$12.00*	$ 12.00
138 - 150%	0.0%	$ 1,807.20	$ 0.00	$12.00*	$ 12.00
150 - 200%	0.0%	$ 2,196.25	$0.00	$263.55	$263.55
200 - 250%	3.0%	$ 2,823.75	$1,016.55	$1,016.55	$ 0.00
250 - 300%	5.0%	$ 3,451.25	$2,070.75	$2,070.75	$ 0.00
300 - 400%	7.25%	$ 4,392.50	$3,821.48	$3,821.48	$ 0.00
Above 400% AND more than income cap	8.5%	$ 7,192.47	$7,336.32	$7,336.32	$ 0.00

[60] To identify the income level at FPL above 400% and premium costs above 8.0% of income, we first identified the second lowest Silver plan on CoverME.gov using the midpoint rating area (Area 3: Waldo, Frankling, and Androscoggin counties) and the median age of enrollees on the marketplace for 2024 (50 years). We found the second lowest Silver plan to be Anthem Silver X Tiered 5000 at $796.02 in monthly premium costs on February 4, 2025. We then back calculated an income where that monthly premium is 8.0% of total income ($119,403) to get an income threshold. From there, we identified what % FPL that income represents (762%) and found the median monthly income between 762% FPL and 400% FPL ($7,485.13).

Table 5B. Consumer costs under scenario 2 compared to current law.

Income Level (% FPL)	Household Income Contribution Caps Scenario 2 (Median Tab 4 Col 3)	Median Monthly Income in FPL Level	Avg Annual Consumer Cost under Scenario 2 (Col ((2*3)*12)	Avg Annual Consumer Cost under ARPA (Tab 1 Col 6)	Difference of Avg. Annual Costs (Col 5 - 4)
0-100%	0.0%	$ 627.50	$ 0.00	$12.00*	$ 12.00
100 - 138%	0.0%	$ 1,493.45	$ 0.00	$12.00*	$ 12.00
138 - 150%	0.0%	$ 1,807.20	$ 0.00	$12.00*	$ 12.00
150 - 200%	0.0%	$ 2,196.25	$0.00	$263.55	$263.55
200 - 250%	1.0%	$ 2,823.75	$338.85	$1,016.55	$677.70
250 - 300%	3.0%	$ 3,451.25	$1,242.45	$2,070.75	$828.30
300 - 400%	5.0%	$ 4,392.50	$2,635.50	$3,821.48	$1,185.98
Above 400% AND more than income cap	8.5%	$ 7,192.47	$7,336.32	$7,336.32	$0.00

Table 5C. Consumer costs under scenario 3 compared to current law.

Income Level (% FPL)	Household Income Contribution Caps Scenario 3 (Median Tab 4 Col 4)	Median Monthly Income in FPL Level	Avg Annual Consumer Cost under Scenario 3 (Col ((2*3)*12)	Avg Annual Consumer Cost under ARPA (Tab 1 Col 6)	Difference of Avg. Annual Costs (Col 5 - 4)
0-100%	0.0%	$ 627.50	$0.00	$12.00*	$ 12.00
100 - 138%	0.0%	$ 1,493.45	$0.00	$12.00*	$ 12.00
138 - 150%	0.0%	$ 1,807.20	$0.00	$12.00*	$ 12.00
150 - 200%	0.75%	$ 2,196.25	$197.66	$263.55	$65.89
200 - 250%	2.5%	$ 2,823.75	$847.13	$1,016.55	$169.43
250 - 300%	4.5%	$ 3,451.25	$1,863.68	$2,070.75	$207.08
300 - 400%	6.75%	$ 4,392.50	$3,557.93	$3,821.48	$263.55
Above 400% AND more than income cap	8.0%	$7,485.13	$7,185.72	$7,336.32	$150.60

PII Step V: Estimate the Annual Cost for Each Scenario with and without ARPA Federal Funding

To estimate the costs of expansion, we included the number of Mainers in the marketplace and the total uninsured population. The Table 6 series report estimated cost of each scenario within income levels. Table 7 reports total estimated cost of each scenario with and without ARPA federal funding.

Table 6A. Additional costs of APTC subsidy expansion Scenario 1 with and without continued federal funding under ARPA.

Income Level (% FPL)	Scenario 1 Difference of Avg. Annual Costs (Tab 5A)	Number of Mainers[5] (Marketplace only)	Number of Mainers[5,6] (Marketplace and uninsured)	Annual Cost of Scenario 1- marketplace population (Col 2 * Col 3)	Annual Cost of Scenario 1 – all eligible population (Col 2* Col 4)
0-100%	$ 12.00	1,991	1,991	$23,892.00	$23,892.00
100 - 138%	$ 12.00	1,749	1,749	$20,988.00	$20,988.00
138 - 150%	$ 12.00	4,581	6,177	$54,972.00	$74,124.00
150 - 200%	$263.55	10,777	19,613	$2,840,278.35	$5,169,006.15
200 - 250%	$ 0.00	10,493	17,204	$0.00	$0.00
250 - 300%	$ 0.00	7,503	16,800	$0.00	$0.00
300 - 400%	$ 0.00	11,292	22,727	$0.00	$0.00
Above 400%	$ 0.00	9,811	26,154	$0.00	$0.00

Table 6B. Additional costs of APTC subsidy expansion Scenario 2 with and without continued federal funding under ARPA.

Income Level (% FPL)	**Scenario 2 Difference of Avg. Annual Costs** (Tab 5B)	**Number of Mainers**[5] (Marketplace only)	**Number of Mainers**[5,6] (Marketplace and uninsured)	**Annual Cost of Scenario 2 - marketplace population** (Col 2 * Col 3)	**Annual Cost of Scenario 2 – all eligible population** (Col 2* Col 4)
0-100%	$ 12.00	1,991	1,991	$23,892.00	$23,892.00
100 - 138%	$ 12.00	1,749	1,749	$20,988.00	$20,988.00
138 - 150%	$ 12.00	4,581	6,177	$54,972.00	$74,124.00
150 - 200%	$263.55	10,777	19,613	$2,840,278.35	$5,169,006.15
200 - 250%	$677.70	10,493	17,204	$7,111,106.10	$11,659,150.80
250 - 300%	$828.30	7,503	16,800	$6,214,734.90	$13,915,440.00
300 - 400%	$1,185.98	11,292	22,727	$13,392,086.16	$26,953,767.46
Above 400%	$0.00	9,811	26,154	$0.00	$0.00

Table 6C. Additional costs of APTC subsidy expansion Scenario 3 with and without continued federal funding under ARPA.

Income Level (% FPL)	**Scenario 3 Difference of Avg. Annual Costs** (Tab 5C)	**Number of Mainers**[5,8] (Marketplace only)	**Number of Mainers**[5,6] (Marketplace and uninsured)	**Annual Cost of Scenario 3 - marketplace population** (Col 2 * Col 3)	**Annual Cost of Scenario 3 – all eligible population** (Col 2* Col 4)
0-100%	$ 12.00	1,991	1,991	$23,892.00	$144,384.00
100 - 138%	$ 12.00	1,749	1,749	$20,988.00	$77,580.00
138 - 150%	$ 12.00	4,581	6,177	$54,972.00	$74,124.00
150 - 200%	$65.89	10,777	19,613	$710,096.53	$1,292,300.57
200 - 250%	$169.43	10,493	17,204	$1,777,828.99	$2,914,873.72
250 - 300%	$207.08	7,503	16,800	$1,553,721.24	$3,478,944.00
300 - 400%	$263.55	11,292	22,727	$2,976,006.60	$5,989,700.85
Above 400%	$150.60	9,811	26,154	$1,477,536.60	$3,938,792.40

Table 7. Total estimated costs of scenarios with and without ARPA federal funding.

	Scenario 1		**Scenario 2**		**Scenario 3**	
	Marketplace Population	**All Eligible Population**	**Marketplace Population**	**All Eligible Population**	**Marketplace Population**	**All Eligible Population**
With ARPA	$2,940,130	$5,288,010.15	$29,658,057	$57,816,368.41	$8,595,041.96	$17,733,615.54
Without ARPA	$81,824,560.93	$169,448,392.25	$108,542,488.09	$221,976,750.51	$87,479,472.54	$181,893,997.64

P2 ASSUMPTIONS AND LIMIATIONS

- This analysis assumes that everyone signing up for and currently on the marketplace has coverage through the second lowest Silver plan in their area.
- This analysis also assumes that for the *all eligible population*, all uninsured individuals will sign up for coverage through the marketplace. This likely overestimates the costs of the scenarios, since the uninsured population will not have uptake of 100% on the marketplace as many qualify for other publicly funded programs and many will remain uninsured.
- This analysis assumes that all those who are on the marketplace during open enrollment in 2024 remained on the marketplace and will remain on the marketplace. This is not likely the case, as we know there was record breaking enrollment in the marketplace for 2025 open enrollment period. This analysis likely underestimates the true cost should there be more people enrolled receiving subsidies.
- This analysis assumes that the number of people in each income bracket on the marketplace is constant from 2024 – 2025. This is not likely the case. However, we do not assume there is

a meaningful shift (positive or negative) in the proportion of people within each income level over this short period.

- This analysis also assumes normal distribution of people within income brackets on the marketplace. Normal distribution is imperative for this analysis, as we rely heavily on median estimates of income and contribution caps. Without more granular data, we are unable to predict how a violation of this assumption would impact our estimates.
- This analysis relied on median income estimates for a household of one.
- This analysis used information on second lowest Silver plan prices based on a fictional 50-year-old living in Waldo County to estimate the consumer cost for those above 400% FPL and above the 8.5% income cap. We acknowledge that premium rates differ substantially by geography and age. For this analysis we used the midpoint health insurance rating area and average age of someone on the marketplace.
- For the estimated number of people eligible for subsidies above 400% FPL, we made several assumptions. First, since the estimated upper threshold for an individual receiving subsidies on the marketplace is 718% FPL, we assumed that the majority of those above 400% FPL on the marketplace were at or below 718% FPL. We acknowledge that there are a small number of individuals who are enrolled on the marketplace who make more than this amount and are not eligible for subsidies. Additionally, we included all uninsured individuals above 400% FPL in our analysis. We acknowledge that there would be some uninsured individuals above 400% FPL who do not qualify for subsidies. However, we are limited by available data to discern which individuals are above these income thresholds. Inclusion of these individuals likely overestimates the costs associated with this income group.
- This analysis did not include ~ 6,000 individuals enrolled in the marketplace who had no income as % FPL reported. Exclusion of these individuals was determined due to limited information available and assumption that those who did not provide their income on enrollment were not accessing subsidies. Omission of these individuals likely underestimates the true costs associated with these scenarios.