

Connecticut Healthcare Spending Target: How Many Households have Affordable Healthcare?

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Introduction

Healthcare is affordable in Connecticut if a family can reliably secure it to maintain good health and treat illnesses and injuries when they occur without sacrificing the ability to meet all other basic needs including housing, food, transportation, child care, taxes, and personal expenses or without sinking into debilitating debt.

In partnership with the Connecticut Office of Health Strategy (OHS) and the Connecticut Office of the State Comptroller (OSC), the University of Washington (UW) Center for Women's Welfare developed a spending target or limit to the proportion of household spending on healthcare costs in Connecticut. Healthcare expenses above this proportion indicate that the household is unable to afford adequate healthcare and other basic needs.¹

When the proportion of healthcare expenditures to household income exceeds 6.8% to 9.5% for one-adult households or 7.1% to 10.8% for two-adult households (depending upon number of children), we estimate that healthcare costs are unaffordable. According to this threshold, *over one in five working-age households (21%) have unaffordable healthcare expenditures in Connecticut.* Policy changes can make a difference. For example, when accounting for the temporary changes to the Affordable Care Act's premium tax credit and the child tax credits included in the American Rescue Plan Act (ARPA), the overall percentage of households with unaffordable healthcare expenditures decreases from 21% to 18% or from 201,067 to 165,694 households. That is, we estimate that the temporary ARPA policy changes will make healthcare costs affordable for **over 35,000** additional Connecticut working-age households purchasing health insurance through the individual marketplace.

Below we review the methods taken to calculate the Connecticut household spending target and to estimate the number of households that have unaffordable healthcare expenditures, followed by a summary of findings.

NOTE: The findings in this memo include the temporary changes in benefits pursuant to the federal American Rescue Plan Act, but do not include the most recent changes in assistance included in the State of Connecticut FY 2022-2023 biennial budget for certain eligible adults purchasing insurance through Access Health CT.

¹ The spending target data produced for OHS/OSC includes the following parameters: calculated statewide, varied by numbers of adults with or without dependents, independently shows healthcare premiums and out-of-pocket costs, includes a filter for health risk and insurance type.

Overview of Methods

Step 1. Calculate Average Statewide Connecticut Healthcare Affordability Index

In order to calculate the optimal proportion of household income that should be spent on healthcare, it is first necessary to determine the expected expenditures for a family's basic needs. To do so, we utilize the cost assumptions and data sources from the 2021 Self-Sufficiency Standard for Connecticut calculated by UW. The Self-Sufficiency Standard calculates the amount needed to meet each basic need at a minimally adequate level, *without public or private assistance*. The Self-Sufficiency Standard is a measure of income adequacy for working families based on the combined costs of housing, child care, food, healthcare, transportation, and miscellaneous items, as well as the cost of taxes and the impact of tax credits. As the Standard is calculated for over 700 family types for all Connecticut towns, the methods for this statewide analysis relied on a town population weight to calculate each cost as appropriate. When applicable, costs were weighted across age.²

Statewide average healthcare expenditures were calculated using the *Connecticut Healthcare Affordability Index (CHAI)*. CHAI is a new measure that examines the impact that a family's healthcare costs, including premiums and out-of-pocket expenses, has on their ability to afford all basic needs, including housing, transportation, child care, and groceries. CHAI replaces healthcare costs in the Self-Sufficiency Standard to account for factors that impact affordability including differences in (1) type of insurance coverage, (2) age-related premiums, and (3) out-of-pocket costs by health risk score.

The Connecticut Health Affordability Index (CHAI) uses data about the cost of healthcare to determine what households need to earn to meet all their basic expenses, including healthcare, housing, childcare, food, transportation, miscellaneous items, and taxes. The calculation produces an estimate of "adequate income" assuming that one or two adults in the household are working and not receiving government assistance.

CHAI employer-sponsored premiums are calculated based on data from the Medical Expenditure Panel Survey (MEPS). Premiums for households assigned to the individual marketplace are based on the most commonly Silver selected plan – CBI's Choice Silver Standard. Out-of-pocket costs, consisting of medical and prescription drugs costs, were calculated by Analytics and Information Management Solutions at the University of Connecticut using the Connecticut All-Payer Claims Databases (APCD) Limited Data Set. In Connecticut, Medicaid is administered by the HUSKY Health program and is known as HUSKY A and HUSKY D. As Medicaid charges no costs to participants, the healthcare costs are shown as zero in the Medicaid CHAI.

To calculate healthcare costs without geographic adjustments, we apply a weight to the cost of healthcare for each type of insurance coverage based upon the proportion of insurance type utilized in the American Community Survey Public Use Microdata Sample dataset created for the Connecticut Healthcare Affordability Index report (December 2018). As the cost of basic needs included in the Self-Sufficiency Standard assumes costs related to work, adults not expected to work are excluded from this analysis, including those over 65 and those with work-limiting disabilities. Additionally, persons in group quarters are excluded. If a household is without any health insurance coverage, they are assigned individual marketplace insurance unless they are income eligible for Medicaid. Households with more than one type of health insurance were assigned to a single health insurance category based on the following order: 1) employer, 2) individual, 3) Medicaid. After applying these assumptions, among working-age households, 68% are defined as having employer-sponsored insurance,

² Child care and food costs vary by the age of the child. Access Health CT premiums and food costs vary by age of the adult.

15% are defined as individual-marketplace households, and 17% are categorized as Medicaid-eligible households with no healthcare expenditures.³

Overall, the statewide average for adequate income under the CHAI for a two adult and two child family is \$6,068 per month. This monthly budget accounts for the average cost of minimally adequate, monthly living expenses for this family living in Connecticut (see **Table 1**, additional family sizes included in the appendix):

- \$555 for healthcare expenses consisting of \$628 for the average healthcare premium minus an adjustment of \$234 to account for the premium tax credit⁴ and \$161 for out-of-pocket expenses
- \$1,427 for a two-bedroom apartment and utilities
- \$1,244 for the weighted average cost of child care
- \$997 for groceries (assumes all food is prepared at home)
- \$586 for commuting expenses plus one grocery trip per week
- \$489 to cover miscellaneous expenses (paper products, clothes, cleaning products, phone, etc.)
- \$758 accounts for net taxes (Social Security and Medicare payroll tax, sales tax on miscellaneous, plus federal and state income taxes and credits)

	Connecticut Average Adequate Income Under CHAI
	2 Adults and 2 Children (average)
Healthcare	\$555
<i>Premium</i>	\$628
<i>Out-of-Pocket</i>	\$161
<i>Premium Tax Credit (-)</i>	(\$234)
Housing	\$1,427
Child Care	\$1,244
Food	\$997
Transportation	\$586
Miscellaneous	\$489
Net Taxes	\$771
Monthly Total Income Needed to Meet Basic Needs	\$6,068

³ The author’s calculation of health insurance categories is based on the 2017 1-Year American Community Survey PUMS dataset. For more details see methodology appendix: Lisa Manzer and Diana Pearce, “Connecticut Healthcare Affordability Index,” University of Washington, www.selfsufficiencystandard.org/connecticut. Note that the cost of basic needs included in the Self-Sufficiency Standard assumes costs related to work; therefore, Medicare eligible households are not included in this analysis.

⁴ The statewide average CHAI calculates healthcare costs using a weighted average based on assumed utilization per the American Community Survey. Thus, while the premium tax credit does not apply to most households, 15% of average healthcare costs are assumed at the individual marketplace level, including the premium tax credit.

Step 2. Calculate the Connecticut Healthcare Spending Target

The Connecticut healthcare spending target is calculated by comparing the net healthcare expenditures (premium, out-of-pocket expenditures, and premium tax credit) to the total income needed to meet basic needs. Both expenditures and total income are derived from the statewide average estimate of adequate income calculated in Step 1.

$$\frac{(\text{Healthcare Premium} + \text{Out-of-Pocket Cost} - \text{Premium Tax Credit})}{\text{Monthly Total Income Needed to Meet Basic Needs}} = \text{Healthcare Spending Target}$$

For households expected⁵ to have healthcare expenditures, costs are considered unaffordable when expenditures exceed **6.8% to 9.5%** for households headed by one adult (see **Table 2**). Similarly, when there are two adults in the household, healthcare costs exceeding **7.1% to 10.8%** of a household’s income are deemed unaffordable.

Let’s consider an example of the Connecticut healthcare spending target for a family of two adults and two children. According to the Connecticut healthcare spending target, if healthcare costs for this family exceed 9.10% of household income, the family has unaffordable healthcare. For example, if the adults in this family earn \$101,272 annually—equivalent to the 2019 median family income⁶ for Connecticut—total healthcare expenditures above \$9,215 annually or \$768 per month indicate total healthcare costs are unaffordable for this family, putting them at risk of economic hardships. Or, if the parent’s earnings were \$79,500 annually—equivalent to 300% of the federal poverty guidelines—the Connecticut healthcare spending target suggests that total healthcare expenditures need to stay below \$7,235 annually or \$603 per month to be considered affordable.

Table 2. Connecticut Healthcare Spending Target, 2021

Household Type		Percentage of Total Income Needed to Meet Basic Needs			Healthcare Net Costs as % of Total Income Needed to Meet Basic Needs
		Premium	Out-of-pocket	Premium Tax Credit	
Adults	Children				
1	0	8.06%	2.04%	-3%	7.3%
	1	9.10%	1.93%	-2%	8.8%
	2	9.86%	2.03%	-2%	9.5%
	3	8.15%	1.93%	-2%	7.9%
	4	7.05%	2.01%	-2%	6.8%
Adults	Children				
2	0	12.51%	3.05%	-5%	10.8%
	1	11.46%	2.64%	-4%	10.2%
	2	10.35%	2.65%	-4%	9.1%
	3	8.88%	2.48%	-3%	8.1%
	4	7.84%	2.51%	-3%	7.1%

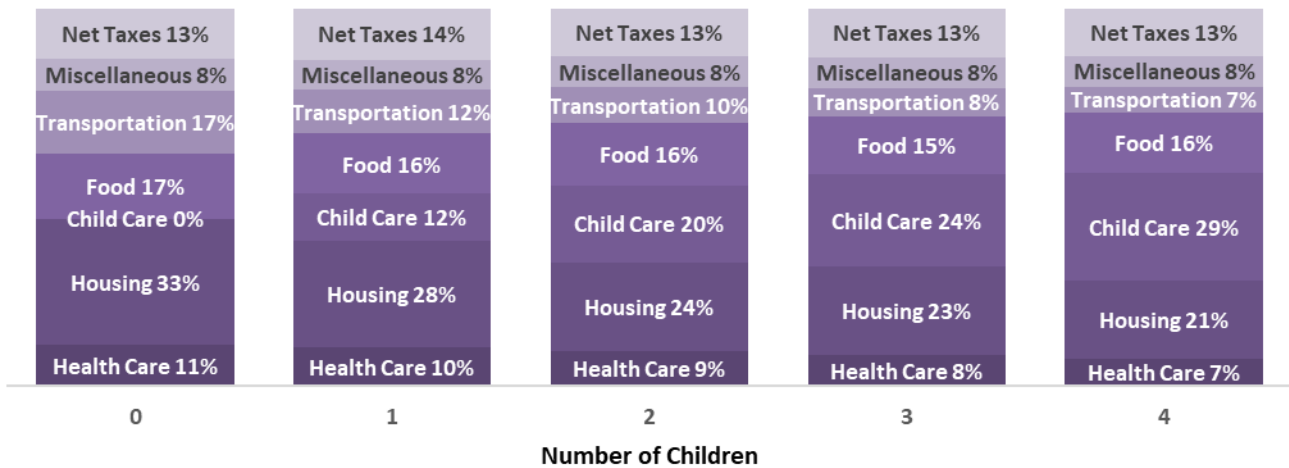
⁵ Note that households eligible for HUSKY do not have adequate income and are not expected to have any healthcare expenditures.

⁶ U.S. Census Bureau, 2019 American Community Survey 1-Year Estimates, Table S1901, “Income in the Past 12 Months (In 2019 Inflation-Adjusted Dollars),” <https://data.census.gov/cedsci/table?q=median%20income&g=0400000US09&tid=ACSS1Y2019.S1901>

Typically, healthcare expenditures account for a smaller proportion of the total budget as household size *increases*, as other costs, such as food and child care, increase at a greater rate. One-adult households with one and two children are the exception. The average healthcare cost estimate increases from 7.3% of the household budget for a single adult with no children to 8.8% with one child and 9.5% with two children. This breaks the expected pattern due to increases in the employer-sponsored insurance premium as the family size increases: the average premium for a one-adult household assumes an employee-only premium, a two-person household assumes an employee plus one premium, and all other household sizes assumes a family premium.

As larger households devote a higher portion of income to non-healthcare expenses, healthcare expenditures account for a smaller proportion of the total budget. For example, households with two adults and no children can be expected to spend up to 10.8% of their income towards healthcare. A third of the budget for this family type goes towards housing expenses while food and transportation account for 17% (see **Figure A**). On the other hand, a two-adult Connecticut household with two children has more non-healthcare expenses, primarily child care (20%), which lowers the proportion of the household budget available for healthcare expenditures to 9.1%.

Figure A. Proportion of Each Basic Need to Total Monthly Income: Two Adults 2021



Step 3. Estimate Number of Households with Unaffordable Healthcare Expenditures

In order to estimate the number of Connecticut households with unaffordable healthcare costs according to the Connecticut spending target, we utilize the 2017 American Community Survey (ACS) 1-Year PUMS dataset previously coded with the Self-Sufficiency Standard and the CHAI annual incomes. Because the costs in the Self-Sufficiency Standard assume that adults work, this ACS dataset excludes adults not expected to work—seniors and adults with work-limiting disabilities.⁷

⁷ For details on methodology and data sources please see Appendix A of “Connecticut Healthcare Affordability Index” by Lisa Manzer and Diana Pearce, University of Washington, www.selfsufficiencystandard.org/connecticut.

Each household is coded with its appropriate spending target based on number of adults and number of children.⁸ Total household income is adjusted to 2019 and multiplied by the spending target to calculate the maximum total healthcare expenditures the household can afford.

$$\text{Spending Target} * \text{Household income} = \text{Maximum Healthcare Expenditures}$$

Households are then coded as having affordable or unaffordable healthcare expenditures. As the ACS does not include health expenditure data, each household is assigned their 2019 CHAI healthcare costs based on their family code, town, householder⁹ age category, type of insurance, and health risk score.

$$\text{CHAI Healthcare Costs} \leq \text{Maximum Healthcare Expenditures} = \text{Healthcare Costs are Affordable}$$

$$\text{CHAI Healthcare Costs} > \text{Maximum Healthcare Expenditures} = \text{Healthcare Costs are Unaffordable}$$

How Many Connecticut Households have Unaffordable Healthcare Costs?

This analysis finds that, without the temporary subsidies provided by the American Rescue Plan Act (ARPA), over one in five households (21%) have CHAI healthcare costs above the maximum set by the Connecticut spending target. Among households with employer-sponsored health insurance, 16% are estimated to have unaffordable healthcare costs compared to 67% of households with coverage purchased from the individual marketplace. Because households with Medicaid have no premium or out-of-pocket costs, all households with Medicaid are considered to have affordable healthcare.

Table 3. Connecticut Healthcare Affordability Rate by Insurance Category, 2019

	Total Connecticut Households	Households <i>Not Within</i> Spending Target		Households <i>Within</i> Spending Target	
		(N)	(%)	(N)	(%)
All Households	946,425	201,067	21%	745,358	79%
Employer-sponsored	644,149	104,788	16%	539,361	84%
Individual marketplace	144,021	96,279	67%	47,742	33%
Medicaid	158,255	0	0%	158,255	100%

Source: U.S. Census Bureau, 2017 ACS 1-Year Public Use Microdata Sample.

Fairfield County has the highest healthcare unaffordability rate with over a quarter (27%) of households having estimated healthcare expenditures above the maximum set by the healthcare spending target (see **Table 4**). The higher unaffordability rate is primarily related to a higher uptake in individual marketplace insurance, which is associated with higher healthcare costs.

⁸ Households with more than two adults are assigned into a two-adult spending target. Among one-adult households, the spending target is 5.6% for five children and 5.0% with six or more children. Among two-adult households, the spending target is 7.0% for five children and 6.4% with six or more children.

⁹ A householder is the person, or one of the people, in whose name the home is owned, being bought, or rented. If there is no such person, the householder can be any adult member in the household, excluding roomers, boarders, or paid employees.

Table 4. Connecticut Households with Unaffordable Healthcare by County, 2019

County	Total		Employer-sponsored		Individual marketplace	
	(N)	(%)	(N)	(%)	(N)	(%)
Fairfield County	63,453	27%	25,973	17%	37,480	77%
Hartford County	40,635	17%	23,736	14%	16,899	51%
Litchfield County	11,025	22%	4,732	14%	6,293	77%
Middlesex County	9,926	21%	6,740	19%	3,186	63%
New Haven County	47,834	21%	25,963	17%	21,871	69%
New London County	14,505	20%	10,144	19%	4,361	56%
Tolland County	7,522	20%	4,289	15%	3,233	63%
Windham County	6,167	21%	3,211	15%	2,956	71%

Source: U.S. Census Bureau, 2017 ACS 1-Year Public Use Microdata Sample.

Overall, the rate of healthcare unaffordability is consistent by householder age category, with older adults having a slightly lower unaffordability rate (20% vs. 22%). However, there are significant differences by age when comparing by insurance category. While healthcare is unaffordable for 16% of all householders with employer-sponsored health insurance, the rate increases to 21% for younger adults (18-34) and drops to 13% for older adults (50-64). As premiums increase with age in the individual marketplace, the reverse occurs amongst individual marketplace households. While 59% of households headed by younger adults have unaffordable healthcare, the rate increases to 73% for older adults with individual marketplace insurance. When unaffordability rates are examined by health risk score, rates drop slightly when looking just at householders with low health risk scores, but increase greatly with medium and high health risk scores. Indeed, while a small number of Connecticut households overall, 100% of individual marketplace households categorized with a high health risk are estimated to have unaffordable healthcare.

Table 5. Connecticut Households with Unaffordable Healthcare by Householder Health Risk Score and Age, 2019

	Total		Employer-Sponsored		Individual marketplace	
	(N)	(%)	(N)	(%)	(N)	(%)
All Households						
18-34	44,873	22%	26,557	21%	18,316	59%
35-49	73,524	22%	42,203	18%	31,321	64%
50-64	82,670	20%	36,028	13%	46,642	73%
<i>Total</i>	201,067	21%	104,788	16%	96,279	67%
Low health risk						
18-34	41,197	21%	23,685	19%	17,512	58%
35-49	65,713	21%	36,601	17%	29,112	63%
50-64	68,440	19%	27,012	11%	41,428	72%
<i>Total</i>	175,350	20%	87,298	15%	88,052	66%
Medium health risk						
18-34	3,325	54%	2,571	60%	754	76%
35-49	5,931	33%	4,428	36%	1,503	85%
50-64	9,532	28%	5,492	23%	4,040	79%
<i>Total</i>	18,788	33%	12,491	31%	6,297	80%
High health risk						
18-34	351	37%	301	52%	50	100%
35-49	1,880	47%	1,174	45%	706	100%
50-64	4,698	45%	3,524	42%	1,174	100%
<i>Total</i>	6,929	45%	4,999	43%	1,930	100%

Source: U.S. Census Bureau, 2017 ACS 1-Year Public Use Microdata Sample.

Overall, the Connecticut healthcare spending target also finds that the number of children in a household can greatly affect the total monthly income needed to meet basic needs. As the number of children increases so do the necessary expenses for child care, food, and housing — *leaving less money for healthcare expenditures*. Additionally, while food and transportation expenses increase with the addition of another adult, housing (the largest cost) stays the same. Thus, the Connecticut healthcare spending target estimates that two-adult households can withstand a slightly higher proportion of healthcare expenses than a one-adult household without sacrificing the ability to meet other basic needs.

Table 6 breaks down the percentage of households with unaffordable healthcare by whether the household income is above or below the CHAI. As the definition of unaffordable healthcare is associated with household income, it is not surprising that half of households with incomes below the CHAI have healthcare costs that exceed the spending target. Furthermore, if we exclude Medicaid households and only look at households expected to have healthcare expenditures, nearly all (98%) of households below the CHAI cannot afford healthcare.

However, 12% of households with *adequate* income according to the CHAI still experience unaffordable healthcare, indicating that healthcare affordability is not only an issue for low-income Connecticut households. Among households above the CHAI with employer-sponsored insurance the unaffordability rate drops to 7% but increases to 51% among individual marketplace households.

While the CHAI provides an estimate of adequate income, in some cases, a household with income above the CHAI might still experience unaffordable healthcare if their healthcare expenditures are above such as for individuals with high health risk scores. Similarly, a household that is below the CHAI could nonetheless have affordable healthcare. As mentioned previously, as no healthcare expenditures are assumed for Medicaid households, their healthcare costs are defined as affordable despite having inadequate income overall.

Table 6. Connecticut Healthcare Affordability Rate by Insurance Category and Household Income Compared to Connecticut Healthcare Affordability Index, 2019

	Total Connecticut Households	Households <i>Not Within</i> Spending Target		Households <i>Within</i> Spending Target	
		(N)	(%)	(N)	(%)
All Households					
Total	946,425	201,067	21%	745,358	79%
Above CHAI	726,230	90,706	12%	635,524	88%
Below CHAI	220,195	110,361	50%	109,834	50%
Employer-sponsored					
Total	644,149	104,788	16%	539,361	84%
Above CHAI	578,537	41,567	7%	536,970	93%
Below CHAI	65,612	63,221	96%	2,391	4%
Individual marketplace					
Total	144,021	96,279	67%	47,742	33%
Above CHAI	96,881	49,139	51%	47,742	49%
Below CHAI	47,140	47,140	100%	0	0%
Medicaid					
Total	158,255	0	0%	158,255	100%
Above CHAI	50,812	0	0%	50,812	100%
Below CHAI	107,443	0	0%	107,443	100%

Source: U.S. Census Bureau, 2017 ACS 1-Year Public Use Microdata Sample.

American Rescue Plan Act Makes Healthcare More Affordable for Connecticut Households

This analysis has shown that Connecticut households purchasing insurance through the marketplace are most at risk of having unaffordable healthcare expenditures. However, the recent passage of the ARPA temporarily lowers the monthly premium for insurance purchased on the individual marketplace by removing the income cap for the premium tax credit (PTC) as well as decreasing the percentage of income paid for the benchmark silver plan. Additionally, ARPA temporarily increases the Child Tax Credit (CTC), Earned Income Tax Credit (EITC), and the Child and Dependent Care Tax Credit (CDCTC). The increase in refundable tax credits lowers the annual income households need to meet basic needs, which in

turn may put a household into a lower income bracket for the PTC subsidy percentage, increasing the total PTC the household may be eligible for.

We recalculated the 2019 CHAI income tables with the temporary ARPA changes applied. The tax credit changes result in a substantial decrease in net healthcare costs for many individual marketplace households, lowering the overall income needed to meet basic needs. For example, without ARPA, a Bridgeport family with two adults (between the ages of 35-49 with a low health risk), one preschooler, and one school-age child has over \$2,000 per month in healthcare expenditures and requires earnings of nearly \$9,000 per month to meet basic needs. However, if the ARPA provisions were applied to the 2019 CHAI calculations, the PTC reduces net healthcare costs to \$771 per month and lowers the monthly earnings needed to just under \$6,000. Overall, this reduces the amount this family needs to meet all basic needs by nearly \$36,000 a year.

Table 7. Connecticut Healthcare Affordability Index, Original versus American Rescue Plan Act Model
Two Adults, One Preschooler, One School-age Child: Bridgeport, CT 2019
Individual Marketplace Insurance, Adults 35-49, Low Health Risk Score

Monthly Costs	Adequate Income Under CHAI 2019	Adequate Income Under CHAI 2019 with ARPA
Healthcare Premium & Out-of-pocket Costs	\$2,187	\$2,187
Premium Tax Credit (-)	\$0	(\$1,415)
<i>Net Healthcare</i>	\$2,187	\$771
Other Basic Needs	\$5,208	\$5,208
Taxes	\$1,966	\$1,185
Earned Income Tax Credit (-)	\$0	\$0
Child Care Tax Credit (-)	(\$100)	(\$667)
Child Tax Credit (-)	(\$333)	(\$550)
Income Need to Meet Basic Needs		
Monthly	\$8,927	\$5,948
Annual	\$107,121	\$71,373

Next, we coded individual marketplace households with these ARPA-adjusted healthcare costs and estimated the impact ARPA has on healthcare affordability for individual marketplace households in Connecticut based on the previously identified healthcare spending target. Accounting for the temporary changes to the premium tax credit subsidy chart and tax credits reduces the overall percentage of households with unaffordable healthcare costs from 21% to 18% (see **Table 8**). Among households with individual marketplace insurance, the percentage estimated to have unaffordable healthcare costs drops from 67% to 42%. That is, *we estimate that the temporary ARPA policy changes will lower the cost of healthcare, making healthcare costs affordable for over 35,000 additional Connecticut working-age households purchasing health insurance through the individual marketplace.*

Table 8. Connecticut Healthcare Affordability Rate with *American Rescue Plan Act Model* by Insurance Category, 2019

	Total Connecticut Households	Households <i>Not Within</i> Spending Target		Households <i>Within</i> Spending Target	
		(N)	(%)	(N)	(%)
All Households					
<i>Original</i>	946,425	201,067	21%	745,358	79%
<i>ARPA-adjusted cost</i>	946,425	165,694	18%	780,731	82%
Employer-sponsored	644,149	104,788	16%	539,361	84%
Individual marketplace					
<i>Original</i>	144,021	96,279	67%	47,742	33%
<i>ARPA-adjusted cost</i>	144,021	60,906	42%	83,115	58%
Medicaid	158,255	0	0%	158,255	100%

Source: U.S. Census Bureau, 2017 ACS 1-Year Public Use Microdata Sample.

The healthcare costs impacted by the ARPA changes modeled in this analysis had the largest impact on households with income adequate to meet their basic needs as shown by the *more than 34,000 households* with adequate income (according to CHAI), who moved from having unaffordable healthcare costs to affordable healthcare costs. This contrasts with only 1,200 households with inadequate income moving from unaffordable to affordable healthcare costs. If the ARPA policy changes were active in 2019, 16% of households with individual marketplace insurance would be deemed to have unaffordable healthcare costs, compared to 51% without the ARPA policy (see **Table 9**).

Table 9. Connecticut Households with Unaffordable Healthcare by Household Income Compared to Connecticut Healthcare Affordability Index with *American Rescue Plan Act Model*, 2019

	Total Connecticut Households	Households <i>Not Within</i> Spending Target		Households <i>Within</i> Spending Target	
		(N)	(%)	(N)	(%)
All Households					
Household Income Above CHAI					
<i>Original</i>	726,230	90,706	12%	635,524	88%
<i>ARPA-adjusted cost</i>	726,230	56,596	8%	669,634	92%
Household Income Below CHAI					
<i>Original</i>	220,195	110,361	50%	109,834	50%
<i>ARPA-adjusted cost</i>	220,195	109,098	50%	111,097	50%
Employer-sponsored					
Household Income Above CHAI					
	578,537	41,567	7%	536,970	93%
Household Income Below CHAI					
	65,612	63,221	96%	2,391	4%
Individual marketplace					
Household Income Above CHAI					
<i>Original</i>	96,881	49,139	51%	47,742	49%
<i>ARPA-adjusted cost</i>	96,881	15,029	16%	81,852	84%
Household Income Below CHAI					
<i>Original</i>	47,140	47,140	100%	0	0%
<i>ARPA-adjusted cost</i>	47,140	45,877	97%	1,263	3%
Medicaid					
Household Income Above CHAI					
	50,812	0	0%	50,812	100%
Household Income Below CHAI					
	107,443	0	0%	107,443	100%

Source: U.S. Census Bureau, 2017 ACS 1-Year Public Use Microdata Sample.

Conclusion

Using the Connecticut healthcare spending target, we estimate that while ARPA moved 35,000 households from unaffordable to affordable healthcare costs, 18% of working-age households in the state still struggle to afford their healthcare. While ARPA had a significant impact on decreasing the net cost of healthcare for many families in the individual marketplace, there is still a lot of work to be done for Connecticut households struggling to afford their healthcare and other basic needs.

Appendix Tables

Table A-1. Statewide Connecticut Healthcare Affordability Index and Connecticut Healthcare Spending Target:
One Adult 2021

Number of Children	0	1	2	3	4	5	6
Monthly Cost of Basic Needs							
Healthcare (Total)	\$188	\$366	\$507	\$560	\$553	\$556	\$549
<i>Premium</i>	\$207	\$379	\$526	\$576	\$576	\$576	\$576
<i>Out-of-pocket</i>	\$53	\$80	\$108	\$136	\$164	\$192	\$220
<i>Premium Tax Credit (-)</i>	(\$72)	(\$94)	(\$127)	(\$153)	(\$187)	(\$212)	(\$248)
Housing	\$1,153	\$1,427	\$1,427	\$1,792	\$1,792	\$2,092	\$2,092
Child Care	\$0	\$622	\$1,244	\$1,866	\$2,488	\$3,109	\$3,731
Food	\$311	\$537	\$754	\$947	\$1,117	\$1,335	\$1,471
Transportation	\$297	\$305	\$305	\$305	\$305	\$305	\$305
Miscellaneous	\$197	\$345	\$431	\$552	\$634	\$750	\$828
Net Taxes	\$426	\$565	\$667	\$1,043	\$1,277	\$1,770	\$2,003
Total Monthly Income Needed to Meet Basic Needs	\$2,573	\$4,167	\$5,334	\$7,064	\$8,165	\$9,918	\$10,979
Connecticut Healthcare Spending Target							
Healthcare (Total) Percentage of Total Monthly Income	7.3%	8.8%	9.5%	7.9%	6.8%	5.6%	5.0%

Notes: Cost of basic needs based on the *Self-Sufficiency Standard for Connecticut 2021*. Healthcare premium and out-of-pocket (OOP) expenses based on *Connecticut Healthcare Affordability Index*. The premium tax credit lowers the monthly premium for households enrolled in the individual marketplace (Access Health CT) with income between 100% and 400% of the federal poverty guidelines.

Table A-2. Statewide Connecticut Healthcare Affordability Index and Connecticut Healthcare Spending Target:
Two Adults 2021

Number of Children	0	1	2	3	4	5	6
Monthly Cost of Basic Needs							
Healthcare (Total)	\$371	\$515	\$555	\$618	\$610	\$610	\$604
<i>Healthcare Premium</i>	\$431	\$578	\$628	\$678	\$678	\$678	\$678
<i>Healthcare OOP</i>	\$105	\$133	\$161	\$189	\$217	\$245	\$273
<i>Premium Tax Credit (-)</i>	(\$165)	(\$196)	(\$234)	(\$249)	(\$284)	(\$313)	(\$346)
Housing	\$1,153	\$1,427	\$1,427	\$1,792	\$1,792	\$2,092	\$2,092
Child Care	\$0	\$622	\$1,244	\$1,866	\$2,488	\$3,109	\$3,731
Food	\$593	\$806	\$997	\$1,165	\$1,383	\$1,516	\$1,723
Transportation	\$578	\$586	\$586	\$586	\$586	\$586	\$586
Miscellaneous	\$291	\$405	\$489	\$607	\$693	\$802	\$887
Net Taxes	\$461	\$684	\$771	\$997	\$1,096	\$1,471	\$1,730
Total Monthly Income Needed to Meet Basic Needs	\$3,447	\$5,046	\$6,068	\$7,630	\$8,648	\$10,186	\$11,352
Connecticut Healthcare Spending Target							
Healthcare (Total) Percentage of Total Monthly Income	10.8%	10.2%	9.1%	8.1%	7.1%	6.0%	5.3%

Notes: Cost of basic needs based on the Self-Sufficiency Standard for Connecticut 2021. Healthcare premium and out-of-pocket (OOP) expenses based on Connecticut Healthcare Affordability Index. The premium tax credit lowers the monthly premium for households enrolled in the individual marketplace (Access Health CT) with income between 100% and 400% of the federal poverty guidelines.

Table A-3. Connecticut Healthcare Affordability Rate by Insurance Category and County, 2019

	Total Connecticut Households	Households Not Within Spending Target		Households Within Spending Target	
		(N)	(%)	(N)	(%)
All households					
Total	946,425	201,067	21%	745,358	79%
Fairfield County	238,859	63,453	27%	175,406	73%
Hartford County	241,353	40,635	17%	200,718	83%
Litchfield County	49,029	11,025	22%	38,004	78%
Middlesex County	47,256	9,926	21%	37,330	79%
New Haven County	228,021	47,834	21%	180,187	79%
New London County	73,965	14,505	20%	59,460	80%
Tolland County	38,519	7,522	20%	30,997	80%
Windham County	29,423	6,167	21%	23,256	79%
Employer-sponsored					
Total	644,149	104,788	16%	539,361	84%
Fairfield County	155,113	25,973	17%	129,140	83%
Hartford County	166,240	23,736	14%	142,504	86%
Litchfield County	34,664	4,732	14%	29,932	86%
Middlesex County	35,317	6,740	19%	28,577	81%
New Haven County	149,796	25,963	17%	123,833	83%
New London County	52,781	10,144	19%	42,637	81%
Tolland County	29,133	4,289	15%	24,844	85%
Windham County	21,105	3,211	15%	17,894	85%
Individual marketplace					
Total	144,021	96,279	67%	47,742	33%
Fairfield County	48,638	37,480	77%	11,158	23%
Hartford County	33,424	16,899	51%	16,525	49%
Litchfield County	8,132	6,293	77%	1,839	23%
Middlesex County	5,048	3,186	63%	1,862	37%
New Haven County	31,661	21,871	69%	9,790	31%
New London County	7,840	4,361	56%	3,479	44%
Tolland County	5,129	3,233	63%	1,896	37%
Windham County	4,149	2,956	71%	1,193	29%

Table A-3. Connecticut Healthcare Affordability Rate by Insurance Category and County, 2019

Medicaid					
Total	158,255	0	0%	158,255	100%
Fairfield County	35,108	0	0%	35,108	100%
Hartford County	41,689	0	0%	41,689	100%
Litchfield County	6,233	0	0%	6,233	100%
Middlesex County	6,891	0	0%	6,891	100%
New Haven County	46,564	0	0%	46,564	100%
New London County	13,344	0	0%	13,344	100%
Tolland County	4,257	0	0%	4,257	100%
Windham County	4,169	0	0%	4,169	100%

Source: U.S. Census Bureau, 2017 ACS 1-Year Public Use Microdata Sample.

Table A-4. Connecticut Healthcare Affordability Rate by Insurance Category, Health Risk Score, Age of Householder, 2019

	Total Connecticut Households	Households Not Within Spending Target		Households Within Spending Target	
		(N)	(%)	(N)	(%)
All households					
Total	946,425	201,067	21%	745,358	79%
18-34	204,271	44,873	22%	159,398	78%
35-49	335,397	73,524	22%	261,873	78%
50-64	406,757	82,670	20%	324,087	80%
Low health risk					
Total	873,379	175,350	20%	698,029	80%
18-34	197,189	41,197	21%	155,992	79%
35-49	313,652	65,713	21%	247,939	79%
50-64	362,538	68,440	19%	294,098	81%
Medium health risk					
Total	57,634	18,788	33%	38,846	67%
18-34	6,133	3,325	54%	2,808	46%
35-49	17,754	5,931	33%	11,823	67%
50-64	33,747	9,532	28%	24,215	72%
High health risk					
Total	15,412	6,929	45%	8,483	55%
18-34	949	351	37%	598	63%
35-49	3,991	1,880	47%	2,111	53%
50-64	10,472	4,698	45%	5,774	55%

Table A-4. Connecticut Healthcare Affordability Rate by Insurance Category, Health Risk Score, Age of Householder, 2019

Employer-sponsored					
Total	644,149	104,788	16%	539,361	84%
18-34	127,180	26,557	21%	100,623	79%
35-49	228,899	42,203	18%	186,696	82%
50-64	288,070	36,028	13%	252,042	87%
Low health risk					
Total	592,045	87,298	15%	504,747	85%
18-34	122,295	23,685	19%	98,610	81%
35-49	213,992	36,601	17%	177,391	83%
50-64	255,758	27,012	11%	228,746	89%
Medium health risk					
Total	40,506	12,491	31%	28,015	69%
18-34	4,307	2,571	60%	1,736	40%
35-49	12,270	4,428	36%	7,842	64%
50-64	23,929	5,492	23%	18,437	77%
High health risk					
Total	11,598	4,999	43%	6,599	57%
18-34	578	301	52%	277	48%
35-49	2,637	1,174	45%	1,463	55%
50-64	8,383	3,524	42%	4,859	58%
Individual marketplace					
Total	144,021	96,279	67%	47,742	33%
18-34	31,172	18,316	59%	12,856	41%
35-49	48,742	31,321	64%	17,421	36%
50-64	64,107	46,642	73%	17,465	27%
Low health risk					
Total	134,213	88,052	66%	46,161	34%
18-34	30,126	17,512	58%	12,614	42%
35-49	46,276	29,112	63%	17,164	37%
50-64	57,811	41,428	72%	16,383	28%
Medium health risk					
Total	7,878	6,297	80%	1,581	20%
18-34	996	754	76%	242	24%
35-49	1,760	1,503	85%	257	15%
50-64	5,122	4,040	79%	1,082	21%
High health risk					
Total	1,930	1,930	100%	0	0%
18-34	50	50	100%	0	0%
35-49	706	706	100%	0	0%
50-64	1,174	1,174	100%	0	0%