How Fixing the “Family Glitch” Gives Families New Options for Affordable Health Insurance in 200 Words

Population Health Sciences

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A regulatory change proposed by the Biden administration could provide new options for affordable health insurance coverage to millions of families.

Over the past decade, the cost of employer-sponsored health insurance has been steadily increasing, far outpacing growth in wages. Premiums for employer-based health insurance plans have grown and large deductibles have become a fixture of many plans. This rule change would fix part of the Affordable Care Act (ACA) called the “family glitch,” which has prevented caregivers with expensive employer-based health insurance plans from receiving financial assistance to instead purchase health insurance for their family on the ACA marketplaces.

This change comes at a critical moment for children and families. Our research has shown that a large, growing number of working families rely on the high-quality and low-cost pediatric health insurance coverage from Medicaid and the Children’s Health Insurance Program (CHIP). The importance of affordable insurance for working families only became clearer during the pandemic when millions of families turned to public insurance for the first time as they navigated unemployment and the loss of employer-based insurance. When the public health emergency ends, many of those children will no longer be eligible for public insurance coverage, and parents will be tasked with finding a new source of coverage for their children. By providing a new, affordable health insurance option to families who have struggled to keep up with the cost of employer-based family insurance, we can ensure that children maintain health insurance coverage and access to the care they need.

This post is part of our “____ in 200 Words” series. In this series, we tackle issues related to children’s health policy and explain and connect you to resources to help understand them further, all in 200 words. If you have any suggestions for a topic in this series, please send a note to PolicyLab’s Strategic Operations & Communications Director ***Lauren Walens***.

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