



Georgetown University
McCourt School *of* Public Policy
CENTER FOR CHILDREN
AND FAMILIES

Expiration of Enhanced Premium Tax Credits to Purchase Marketplace Coverage

Edwin Park

Research Professor

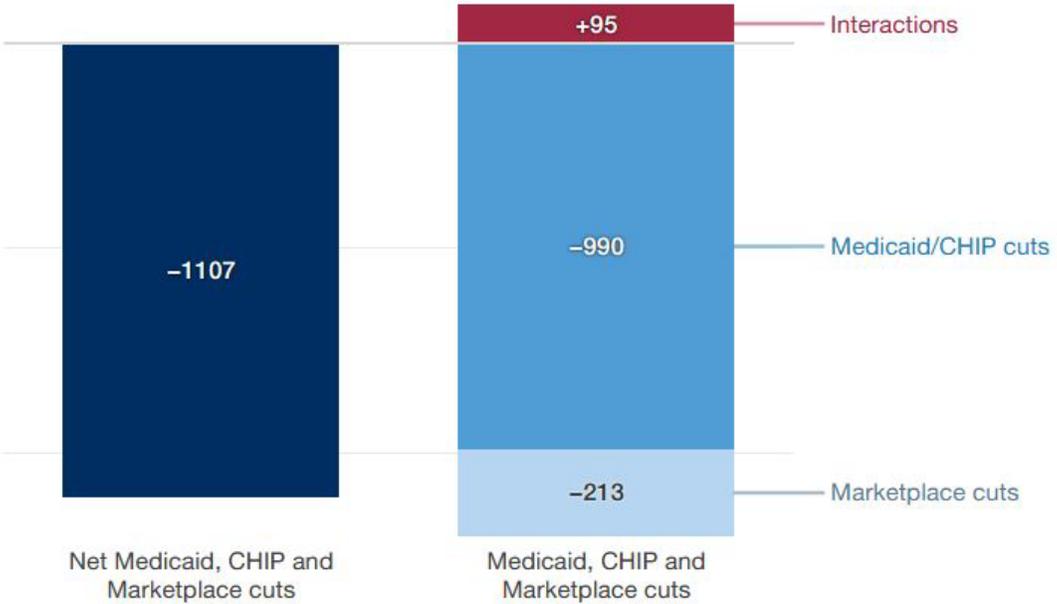
Center for Children and Families

Georgetown University McCourt School of Public Policy

September 5, 2025

CBO Estimates of Medicaid, CHIP and Marketplace Cuts

Federal Health Coverage Cuts Under Budget Reconciliation Law, Billions of Dollars



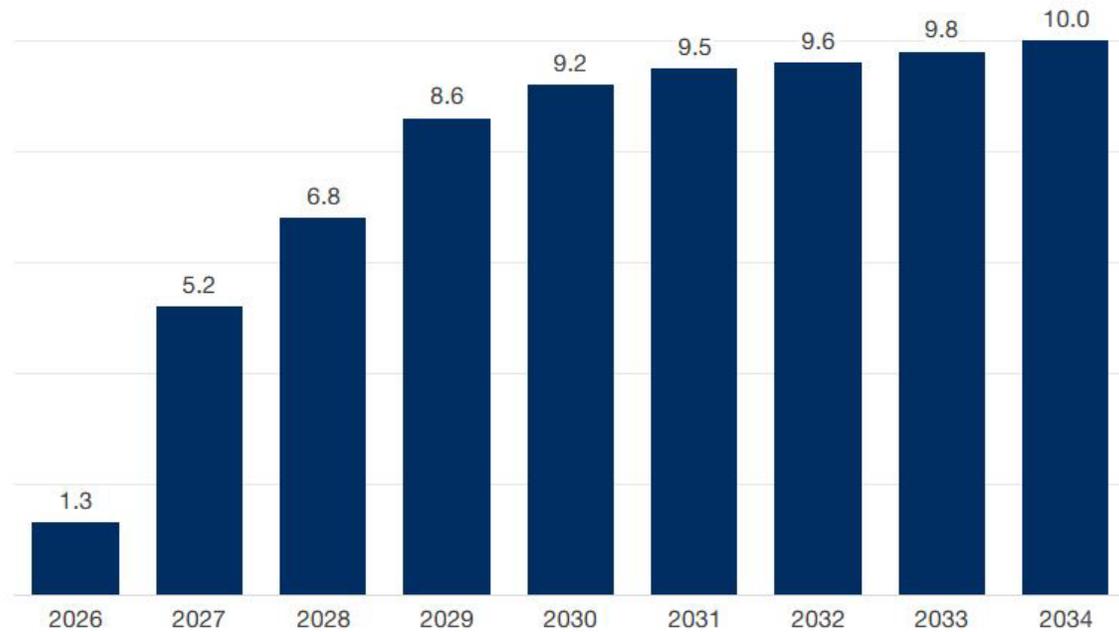
Cuts shown as negative values; interactions offset impact.

Source: Georgetown University Center for Children and Families analysis of the Congressional Budget Office's "[Estimated Budgetary Effects of Public Law 119-21, to Provide for Reconciliation Pursuant to Title II of H. Con. Res. 14, Relative to CBO's January 2025 Baseline](#)" (July 2025).



CBO Estimates of Coverage Impact of Reconciliation Cuts

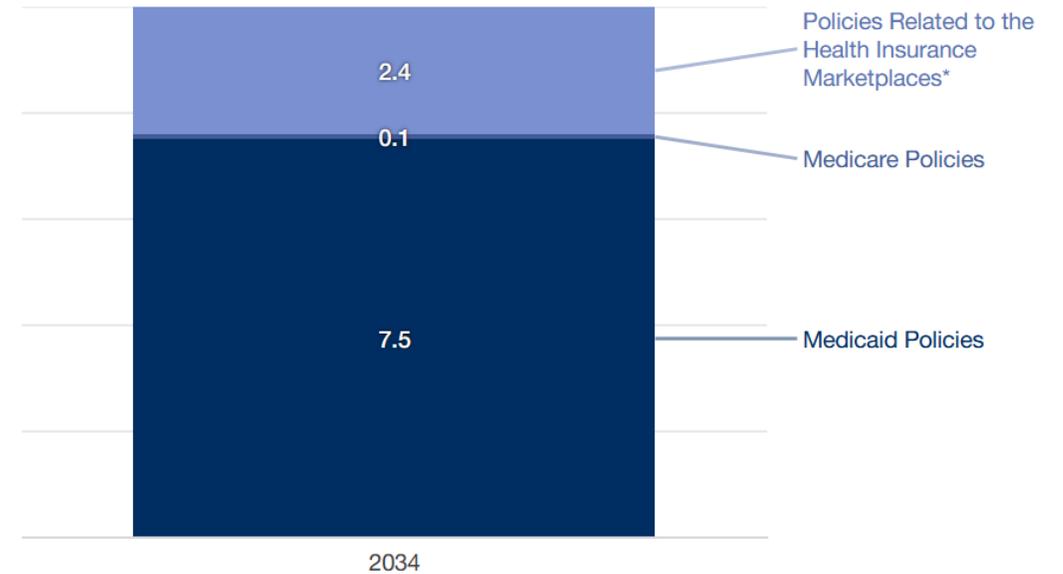
CBO Estimate of Increase in Uninsured by Year under Reconciliation Law (in millions)



Source: Georgetown University Center for Children and Families analysis of the Congressional Budget Office's "Distributional Effects of Public Law 119-21" (August 2025).



CBO Estimate of Increase in Uninsured by 2034 under Reconciliation Law (in millions)



* Includes interaction effects of a 0.3 million increase in the uninsured.

Source: Georgetown University Center for Children and Families analysis of the Congressional Budget Office's "Distributional Effects of Public Law 119-21" (August 2025).



Enhanced Premium Tax Credits for Marketplace Coverage

- Originally enacted as part of American Rescue Plan Act in 2021 and subsequently extended in the Inflation Reduction Act in 2022. Now scheduled to expire at end of 2025
- Enhancements:
 - Substantial reduction in premiums (as share of income) compared to prior law
 - Zero premium for those with incomes below 150% of the federal poverty line
 - Extension of tax credit eligibility above 400% FPL

Premium Costs for Subsidized Marketplace Enrollees

Table 1. Expected Premium Contributions for Eligible Households Under ACA and with Enhanced Premium Tax Credits, by Household Income

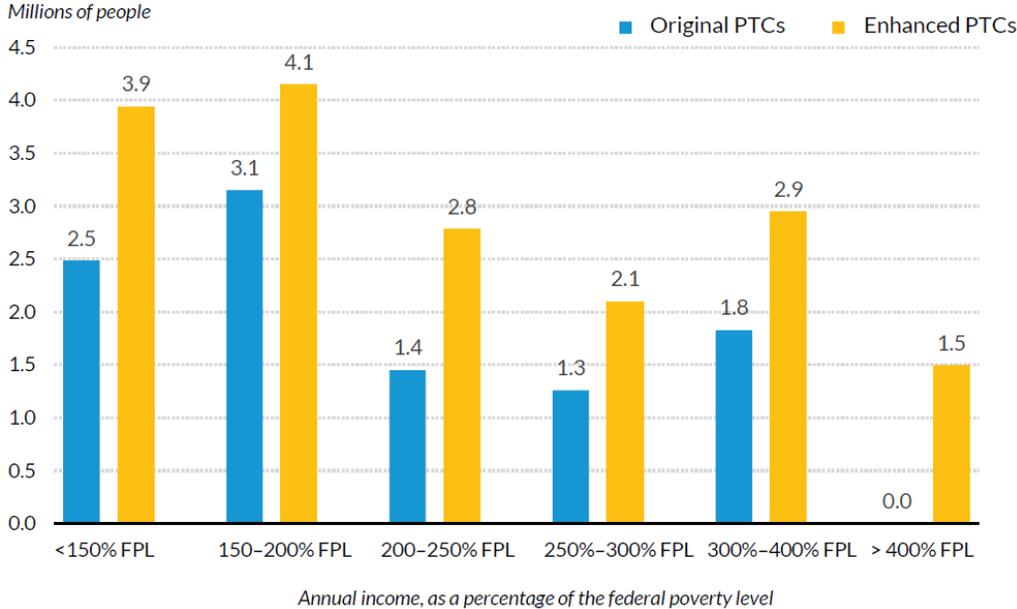
Household Income (as % of federal poverty level)	Expected Premium Contribution Under the ACA*	Expected Premium Contribution Under Enhanced Premium Tax Credits
100 up to 133%	2.10%	0%
133 up to 150%	3.14 - 4.19%	0%
150 up to 200%	4.19 - 6.60%	0 - 2%
200 up to 250%	6.60 - 8.44%	2 - 4%
250 up to 300%	8.44 - 9.96%	4 - 6%
300 up to 400%	9.96%	6 - 8.5%
400+%	No limit	8.5%

*Under the ACA, applicable premium contribution percentages are adjusted annually through [guidance from the Internal Revenue Service](#) (known as “indexing”); ARPA and the IRA eliminated indexing through plan year 2025.


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Enrollment Impact of Enhanced Tax Credits by Income

FIGURE 2
Projected Subsidized Marketplace Coverage with Original and Enhanced Premium Tax Credits by Federal Poverty Level Category, 2025



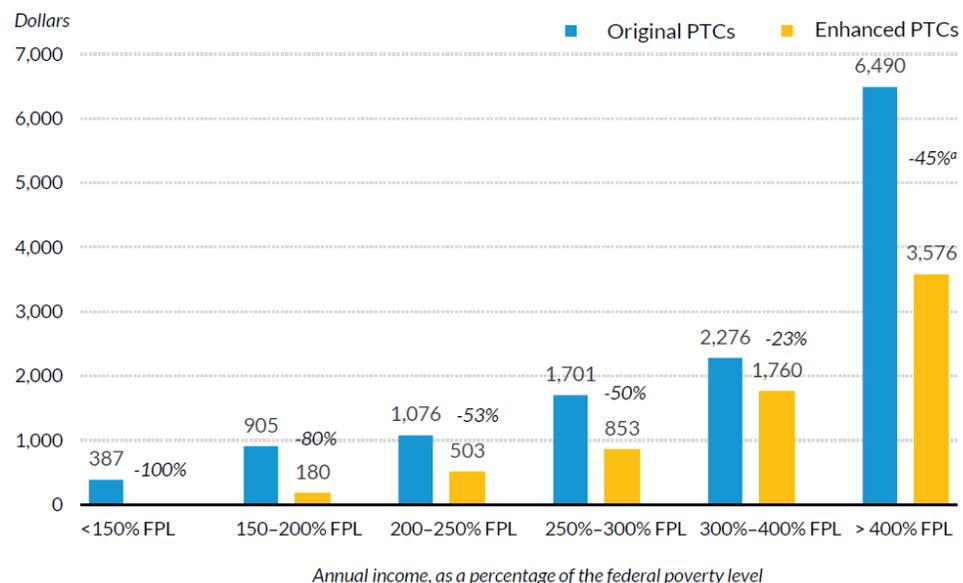
URBAN INSTITUTE

Source: The Urban Institute, Health Insurance Policy Simulation Model, 2024.
Note: PTC = premium tax credit; FPL = federal poverty level. FPL varies by year and household size; for 2024 FPL is \$15,060 for an individual and \$31,200 for a family of 4, and 400% of FPL is \$60,240 for an individual and \$124,800 for a family of 4. People above 400% of FPL with PTCs under original subsidies are projected to receive a state-funded premium tax credit.

Premium Impact of Enhanced Tax Credits by Income

FIGURE 3

Projected Average Annual Premiums Paid by People with Subsidized Marketplace Coverage under Original and Enhanced Premium Tax Credits, by Federal Poverty Level Category, 2025



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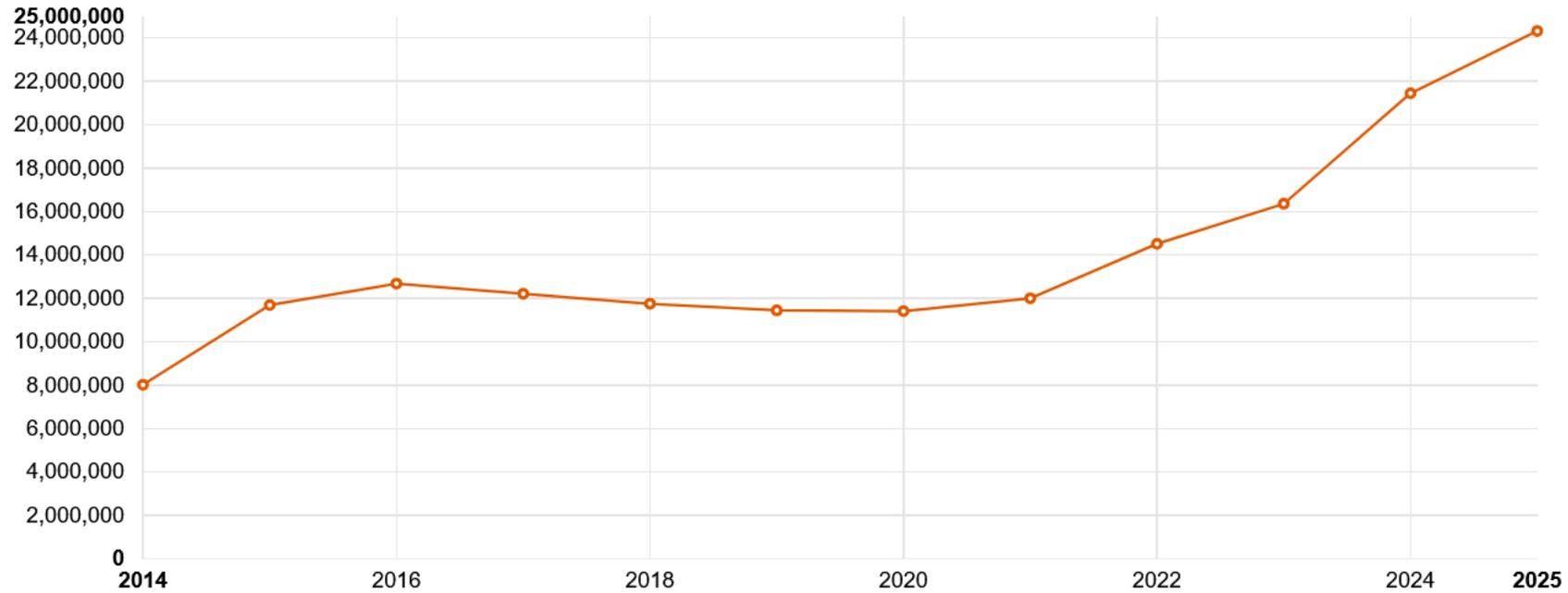
Source: The Urban Institute, Health Insurance Policy Simulation Model, 2024.

Notes: PTC = premium tax credit; FPL = federal poverty level. FPL varies by year and household size; for 2024 FPL is \$15,060 for an individual and \$31,200 for a family of 4, and 400% of FPL is \$60,240 for an individual and \$124,800 for a family of 4.

Percentages are the differences between enhanced and original premium tax credits per FPL category.

^aNo federal subsidies are available to people above 400% of FPL under original PTCs, so premiums shown are for unsubsidized Marketplace participants in that income group.

Marketplace Enrollment Trends



• Number of Individuals Who Selected a Marketplace Plan

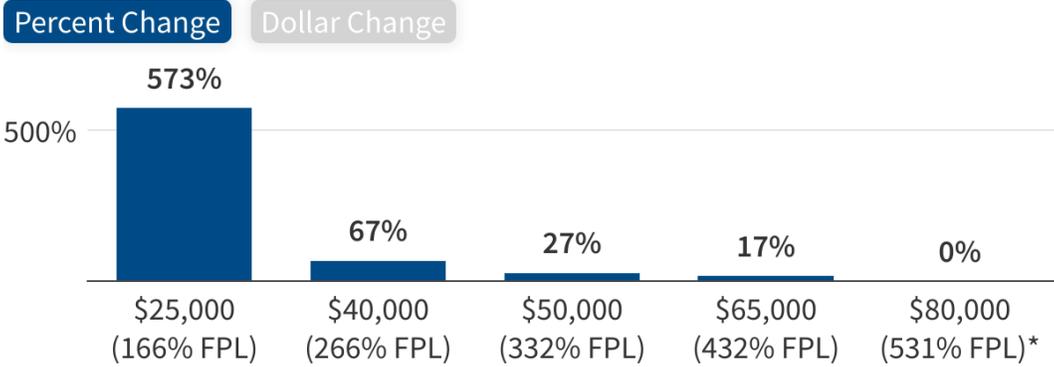
KFF

Expected Premium Increases by Income

Figure 5

Lower-Income Enrollees Would Experience the Steepest Premium Increases if Enhanced Subsidies Expire

Average Percent Change in Premium Payment for Benchmark Silver Plan if Enhanced Subsidies Expire, 45 Year Old



Note: 2024 poverty guidelines that will be in place for the 2025 plan year were used to calculate required contributions. 2024 national average benchmark silver premium for a 45-year old was used for this analysis.

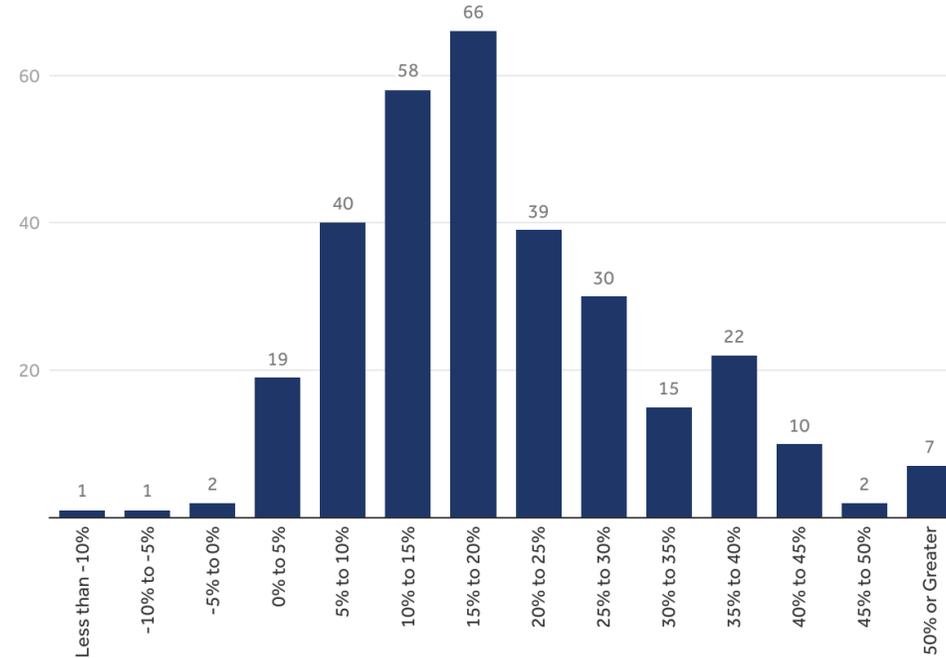
*The required contribution for a 45-year old making \$80,000 is greater than the cost of the benchmark silver plan; they are ineligible for subsidies under the Inflation Reduction Act.

Source: KFF analysis

KFF

Rate Filings: Overall Marketplace Premium Rate Increases

Distribution of proposed 2026 rate changes among 312 ACA Marketplace insurers



Note: The median increase is about 18%.

Source KFF analysis of data from ratereview.healthcare.gov, California Department of Managed Health Care and insurer rate filings

Peterson-KFF
Health System Tracker

Actuarial Estimates of Enrollment Impact

Table 1. Nationwide Range of Estimated Impact on Enrollment, Morbidity, and Premiums²⁰

Component	Percent Change		Enrollment Change (in millions)	
	Low	High	Low	High
Enhanced Subsidies				
Enrollment	-25.4%	-30.3%	-6.0	-7.2
Morbidity	4.1%	5.7%		
Premium	4.3%	6.1%		
H.R. 1				
Enrollment	-21.8%	-27.0%	-5.2	-6.4
Morbidity	2.3%	4.7%		
Premium	2.5%	5.1%		
Total				
Enrollment	-47.2%	-57.3%	-11.2	-13.6
Morbidity	6.5%	10.7%		
Premium	7.0%	11.5%		



CBO Estimates of Expiration of Enhanced Tax Credits

- By 2034, number of uninsured will be 4.2 million higher due to expiration of enhanced premium tax credits
- Combined with budget reconciliation law and expected full impact of Marketplace regulations finalized by Trump Administration (some of which are temporarily blocked by litigation), uninsured will likely be about 15 million higher by 2034

Will the Enhanced Tax Credits Be Extended?

- Ongoing effort to extend as part of annual appropriations process
- Largest Marketplace enrollment increases have been in “red” states like Texas (3.5x since 2020) and Florida (2.5x since 2020)
- But very conservative GOP members opposed to extension and are also pushing for additional Medicaid cuts not included in final budget reconciliation law

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