

The Impact of the Expiration of Enhanced ACA Tax Credits in the Average Congressional District

Executive Summary

On November 1, 2025, tens of millions of Americans who purchase their health insurance through the Affordable Care Act's marketplaces will begin selecting their coverage for 2026. Due to the scheduled expiration of the enhanced premium tax credits that have been in effect since 2021, their premiums will increase significantly.

In the average congressional district, an estimated **55,800 people** enrolled in marketplace health insurance plans in 2025. If the enhanced tax credits expire as scheduled, these enrollees will pay an average of **\$1,050** in additional premiums

The premium increases will be particularly severe for those who currently benefit most from the enhanced tax credits. For example:

- An older couple age 60 with a household income of \$85,000 will see their premiums increase by over **\$23,500** next year – to over **four times** what they paid this year.
- A family with two adults age 40, two children, and a household income of \$129,000 will see their premiums increase by more than **\$12,300** next year – to more than **double** what they paid this year.
- A single-parent household with one adult age 35, one child, and a household income of \$32,000 will see their premiums increase by more than **\$1,300** next year – to over **100 times** more than they paid this year.

As a result of the price increases, up to **14,500** people in the average district are projected to drop health insurance coverage.

Background

Enacted in 2010, the Affordable Care Act (ACA) transformed health insurance for those who are not covered through their employers or eligible for Medicaid or Medicare. The law prohibited insurers from denying coverage or charging higher premiums based on pre-existing conditions, eliminated annual or lifetime limits on coverage, established essential health benefits that all plans must cover, and reduced out-of-pocket costs for enrollees through new premium tax credits (PTCs) and cost-sharing subsidies.¹ These reforms and the law's expansion of Medicaid

¹ Healthcare.gov, *Health Benefits & Coverage, Coverage for Pre-Existing Coverage* (<https://www.healthcare.gov/coverage/pre-existing-conditions/>); Healthcare.gov, *Health Insurance Rights & Protections, Ending Lifetime & Yearly Limits* (<https://www.healthcare.gov/health-care-law-protections/lifetime->

coverage helped reduce the number of uninsured Americans by over 18 million (38%) between 2010 and 2020.²

Building on this foundation, Congress made ACA coverage more affordable by enhancing the ACA's premium tax credit through the American Rescue Plan Act (ARP) in 2021 and Inflation Reduction Act (IRA) in 2022. The enhanced premium tax credits (EPTCs):

- Eliminated premiums entirely for households earning between 100% and 150% of the federal poverty levels (FPL) and lowered premiums for households earning between 150% and 400% FPL.
- Extended eligibility to households earning more than 400% FPL, ensuring that no household pays more than 8.5% of their income on health insurance premiums.³

The EPTCs reduced average net marketplace premiums significantly.⁴ Since 2021, four out of five enrollees using the federal marketplace (Healthcare.gov) could find a plan for \$120 or less per year.⁵ As affordability increased, so did enrollment. Total ACA marketplace enrollment has more than doubled since 2020 and hit a record high of 26.2 million in 2025.⁶

[and-yearly-limits/](#)); Healthcare.gov, *Essential Health Benefits* (<https://www.healthcare.gov/glossary/essential-health-benefits/>); Congressional Research Service, *Health Insurance Premium Tax Credit and Cost-Sharing Reductions* (February 19, 2025) (<https://www.congress.gov/crs-product/R44425>).

² U.S. Department of Health and Human Services, *Trends in the U.S. Uninsured Population, 2010-2020* (February 11, 2021) (<https://aspe.hhs.gov/sites/default/files/private/pdf/265041/trends-in-the-us-uninsured.pdf>).

³ Kaiser Family Foundation, *How the American Rescue Plan Act Affects Subsidies for Marketplace Shoppers and People Who Are Uninsured* (March 25, 2021) (<https://www.kff.org/health-reform/issue-brief/how-the-american-rescue-plan-act-affects-subsidies-for-marketplace-shoppers-and-people-who-are-uninsured/>).

⁴ U.S. Department of Health and Human Services, *Health Insurance Exchanges 2025 Open Enrollment Report*, Table 7a (<https://www.cms.gov/files/document/health-insurance-exchanges-2025-open-enrollment-report.pdf>).

⁵ Department of Health and Human Services, *Fact Sheet: The American Rescue Plan: Reduces Health Care Costs, Expands Access to Insurance Coverage and Addresses Health Care Disparities* (March 12, 2021) (<https://www.hhs.gov/sites/default/files/fact-sheet-hhs-american-rescue-plan-health-insurance-coverage.pdf>) (2021 plan access); U.S. Department of Health and Human Services, *Biden-Harris Administration Launches 10th Year of Marketplace Open Enrollment with Four Out of Five Customers Eligible for Coverage at \$10 or Less, Thanks to Subsidies* (October 31, 2022) (<https://www.cms.gov/newsroom/press-releases/biden-harris-administration-launches-10th-year-marketplace-open-enrollment-four-out-five-customers>) (2022 plan access); Department of Health and Human Services, *Health Coverage Under the Affordable Care Act: Current Enrollment Trends and State Estimates* (March 22, 2024) (<https://aspe.hhs.gov/sites/default/files/documents/b07715d223280dc544cf26fcd19040fb/aspe-health-coverage-under-aca.pdf>) (2023-2024 plan access); U.S. Department of Health and Human Services, *Health Insurance Marketplaces 2024 Open Enrollment Report* (<https://www.cms.gov/files/document/health-insurance-exchanges-2024-open-enrollment-report-final.pdf>).

⁶ U.S. Department of Health and Human Services, *Health Insurance Exchanges 2020 Open Enrollment Report* (April 1, 2020) (<https://www.cms.gov/files/document/4120-health-insurance-exchanges-2020-open-enrollment-report-final.pdf>); U.S. Department of Health and Human Services, *Health Insurance Exchanges 2025 Open Enrollment Report* (<https://www.cms.gov/files/document/health-insurance-exchanges-2025-open-enrollment-report.pdf>) (26.2 million figure includes 2025 marketplace plan selections as well as 1.8 million Basic Health Program enrollees in Minnesota, New York, and Oregon).

In 2025, the Trump Administration and Congress adopted policies that will restrict access to marketplace plans and increase costs for many enrollees. This June, the Trump Administration issued a rule that restricts enrollment opportunities for low-income enrollees and imposes new costs and administrative burdens.⁷ HHS estimates that as a result of its rule, as many as 1.8 million people will lose marketplace coverage in 2026 alone.⁸ Many of these regulatory changes were made permanent when Congress passed the budget reconciliation law in July 2025.⁹ Together with the expiration of the enhanced subsidies, these changes will reverse over a decade of expanding access to affordable health insurance.

Effects of Enhanced Subsidy Expiration in Congressional Districts

In the average congressional district, an estimated **55,800 people** enrolled in ACA marketplace health insurance plans in 2025. If the enhanced premium tax credits expire as scheduled, the average enrollee will pay **\$1,050** in additional premiums next year – an increase of **77%**.

The premium increases for individuals and families in the district will be particularly severe for those who currently benefit most from the enhanced subsidies. For example:

- An older couple age 60 with a household income of \$85,000 currently paying \$7,220 annually for coverage would see their premium increase to **\$30,760**. This is an increase of over **\$23,500** and means the couple will pay more than **four times** what they paid this year.
- A family of four with two adults age 40, two children, and a household income of \$129,000 currently paying \$10,960 annually would see their premium increase to **\$23,310**. This is an increase of over **\$12,300** and means the family will pay more than **double** what they paid last year.

⁷ Health Affairs, HHS Finalizes ACA Marketplace Rules, Parts 1-3

(<https://www.healthaffairs.org/content/forefront/hhs-finalizes-aca-marketplace-rule-part-1-enrollment-restrictions-premiums-actuarial>, <https://www.healthaffairs.org/content/forefront/hhs-finalizes-aca-marketplace-rule-part-2-income-and-sep-verification-failure-reconcile>, <https://www.healthaffairs.org/content/forefront/aca-marketplace-rule-part-3-ehb-changes-daca-eligibility-agent-and-broker-standards-and>).

⁸ Centers for Medicare & Medicaid Services, *Patient Protection and Affordable Care Act; Marketplace Integrity and Affordability*, Table 16 (June 25, 2025) (<https://www.federalregister.gov/documents/2025/06/25/2025-11606/patient-protection-and-affordable-care-act-marketplace-integrity-and-affordability>). Several components of the regulations will not be in effect during the upcoming open enrollment period due to ongoing litigation. See, Princeton University State Health & Value Strategies, *Ruling In Challenge to Marketplace Rule: Initial Analysis and Implications for States* (September 26, 2025) (<https://shvs.org/ruling-in-challenge-to-marketplace-rule-initial-analysis-and-implications-for-states/>).

⁹ Congressional Budget Office, *CBO's Estimate of Annual Changes in the Number of People Without Health Insurance Under Title VII, Public Law 119-21* (<https://www.cbo.gov/system/files/2025-08/61367-Uninsured-Data.xlsx>) (file will download).

- A single-parent household with one adult age 35, one child, and a household income of \$32,000 currently paying \$13 annually would see their premium increase to **\$1,350**. This is an increase of over **\$1,300** and means the household will pay over **100 times** more than what they paid this year.

As a result of the higher costs, **26%** of marketplace enrollees (**14,500 residents**) in the district could lose coverage and become uninsured over the next decade.

Conclusion

In the average congressional district, **55,800 residents** purchase health insurance through the Affordable Care Act's marketplaces. Without the enhanced premium tax credits, the average enrollee will pay **\$1,050** more next year, and many households will face significantly higher increases.