

Millions of Americans will soon face skyrocketing health care premiums if Congress doesn't act to extend the health care tax credit

What you need to know:

More than 20 million Americans rely on the health care tax credit to buy coverage. The expiration of the tax credit at the end of the year would send costs soaring for working families – current enrollees are already being notified about double digit rate hikes.

24 million people across America have purchased quality health coverage they can afford on the Marketplace, and for most of them it's largely thanks to the health care tax credit that Congress introduced in 2021 and extended in 2022. Allowing the credit to expire would hit family budgets hard: A family of four earning \$64,000 will see their premiums rise by upwards of \$2,800. For a 60-year-old couple earning \$80,000, premiums will rise \$17,000 on average.

More than 4.2 million to lose coverage if Congress fails to extend them beyond 2025

However, if Congress doesn't extend the health care tax credit beyond 2025, more than 4.2 million Americans will lose their health coverage, and almost all enrollees will see their premiums skyrocket.

Premiums to nearly double for millions of Americans

An analysis from KFF shows people's average annual premium payment will rise by 93%. Some could face premium increases as high as 500%.

Increase in Premiums Wipe Out Potential Tax Deductions in Recent Tax Bill

A typical median-income family with two children can expect a lower tax bill of about \$1,700 as a result of the recent tax bill. But that same family of four could see their health insurance premiums spike by \$2,922, creating a -\$1,222 family budget shortfall that erases all of their base tax benefit.

Nearly 2 million chronically ill people to lose coverage

The loss of the tax credit would be devastating for those with serious health conditions. It is estimated 1.7 million enrollees with chronic conditions such as cancer, heart disease, and diabetes will be forced to drop coverage.

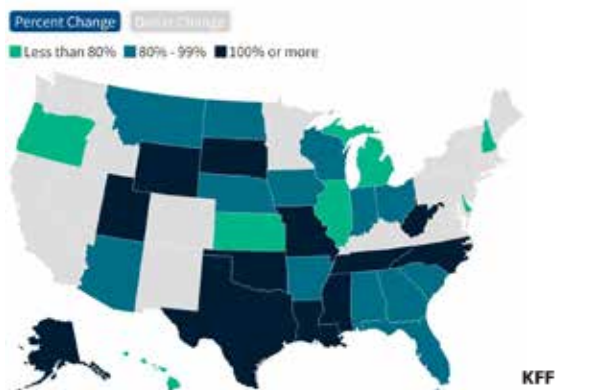
Rural Americans' costs to jump – 125% in places like Alaska

Rural Americans, especially, will face even steeper premium increases – an average of 25% higher than for urban enrollees. Without the health care tax credit, premiums in rural communities will soar:

- Alaska: 125% or \$1,836
- Texas: 115% or \$456
- Missouri: 108% or \$792

Among States Using HealthCare.gov, on Average, Premium Payments Would At Least Double in 12 States If Enhanced Subsidies Expire

Percent Change in Premium Payments Without Inflation Reduction Act Subsidies Among HealthCare.gov Consumers Receiving APTC, 2024



Note: 2024 data on Inflation Reduction Act subsidies is only available for states using HealthCare.gov.
Source: KFF analysis of data from 2024 Marketplace Open Enrollment Report

Nearly 50% of Black and Hispanic enrollees to lose coverage

Losing the health care tax credit would especially hurt communities of color, with 52% of Black enrollees, or 1.3 million people, and 49% of Hispanic enrollees, or 2.4 million people, likely to lose their coverage.

Extending these health care tax credits is popular

Polls have shown overwhelming support for extending the health care tax credits, as a record number of people have gained insurance through the marketplaces and seen the benefits. Research conducted by Tony Fabrizio and Bob Ward indicates that maintaining the credit resonates with voters. Additionally, KFF Health has indicated in a recent tracking poll that 3 in 4 adults support extending these health care tax credits. Failing to act would not only reverse historic coverage gains, but also place millions of families at risk of unaffordable premiums, undermining economic stability and going against the clear will of the American people.

Catholic social teaching and values call us to serve as advocates for everyone, particularly the poor and other vulnerable populations, as a matter of human dignity. We believe that health care is a basic human right. The consequences of being uninsured are significant, which is why we have long supported the Affordable Care Act's work to expand coverage and extend subsidies, allowing greater access to affordable coverage.

As the Catholic health ministry, we are committed to moving the nation toward a more just and equitable health care system that ensures health care for everyone.

Congress must act now to extend the health care tax credit

