

September 23, 2024

The Honorable Charles Schumer
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Mike Johnson
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Minority Leader
U.S. Senate
Washington, DC 20510

The Honorable Hakeem Jeffries
Minority Leader
U.S. House of Representatives
Washington, DC 20515

Dear Leader Schumer, Leader McConnell, Speaker Johnson and Leader Jeffries:

We, leaders across the state-based health insurance marketplaces, write to **urge timely action to extend the enhanced premium tax credits to protect the 2025 enrollment for the over 21 million Americans served by the health insurance marketplaces and act to ultimately make the enhanced tax credits permanent.** Since the passage of the enhanced premium tax credit structure in 2021, our marketplaces have witnessed **record enrollment growth**, and our states have delivered **historic reductions in uninsured rates**, a testament to the importance of this policy in improving access to health coverage for millions of working-class Americans, improving their ability to access needed care and be protected from medical debt.

These trends are no surprise as our **consumers continuously cite affordability as the top issue affecting their decisions about purchasing health coverage.** Tax credits to purchase coverage are the most efficient and effective means to support consumers who wish to buy private insurance. Thanks to the enhanced premium tax credits, our marketplace customers see average reductions of 16-50 percent of their premium costs, resulting in millions in annual savings for key marketplace consumers, including:

- pre-retirees,
- self-employed and small business owners,
- young adults, and
- rural populations.

Without the enhanced tax credits, it is estimated that millions of Americans will drop health insurance coverage, leaving them to avoid or delay care or become susceptible to medical debt while straining our health care systems with increased uncompensated care. This will also significantly increase average coverage costs by hundreds of dollars for those who remain in the market – resources that otherwise our customers report they can direct toward other critical household necessities (e.g., groceries, housing, and transit), childcare, tuition, investments in their small businesses and employees, and retirement savings.

How the Enhanced Tax Credits Impact Marketplace Consumers Across America

A **55-year-old rural Coloradan** (income \$70,000) qualifies for savings of more than \$500/month, a decrease of more than 50% in their monthly net premium.

Without tax credits, a **60-year-old couple in Kenton County, Kentucky**, making \$80,000 per year could see annual health insurance premium costs increase by over \$15,000 per year. This is roughly equivalent to the average cost of rent in this county.

A **family of three in Caribou, Maine**, making \$79,000 per year, saves \$175 per month on their premiums. This family (a farmer and worker in a behavioral health clinic) will use these savings to help pay for college for their 18-year-old daughter.

In **Las Vegas, Nevada**, a **42-year-old and their disabled spouse** make \$42,000 per year. The couple may save up to \$2000 per year on marketplace coverage for the non-disabled spouse while their partner is eligible for Medicaid.

A **couple living in rural Clinton County, New York**, making \$65,000 a year, saves \$167 per month (over \$2000 per year) on their health insurance premiums.

A **married couple in York County, Pennsylvania**, making \$82,782 a year, went from paying \$2,827 per month for coverage (41% of their income) to \$586 per month (8.5% of income).

A **26-year-old in Lincoln County, Washington**, who just aged out of his parents' health insurance and works as a part-time server in a restaurant while he goes to school will see premiums increase from \$7 to \$120, or an additional \$1,364 per year, if the tax credit enhancements expire.

The enhanced tax credits are set to expire on December 31, 2025. Our states and insurers start to make decisions based on whether the tax credits are extended as early as Fall 2024. Estimated price increases resulting from the anticipated expiration of credits are likely to be made public as soon as January 2025, with consumers directly notified about their estimated premium cost increases beginning in August 2025. **Timely certainty of an extension of these policies is necessary to avoid negative repercussions for our markets and the 21 million Americans covered in health insurance marketplaces.** For more information on the impacts of delaying action to extend the enhanced tax credits [see this summary timeline](#).

Americans deserve access to quality, reliably affordable health insurance for themselves and their families and we thank you for your efforts to date to preserve access to coverage. We are happy to provide additional information, including specifics about how the enhanced tax credits benefit consumers in our states.

Sincerely,

The Undersigned State-based Health Insurance Marketplaces

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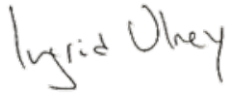
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CC:

The Honorable Ron Wyden, Chair, Committee on Finance

The Honorable Mike Crapo, Ranking Member, Committee on Finance

The Honorable Bernie Sanders, Chair, Committee on Health, Education, Labor, and Pensions

The Honorable Bill Cassidy, Ranking Member, Committee on Health, Education, Labor, and Pensions

The Honorable Virginia Foxx, Chair, Committee on Education and Workforce

The Honorable Robert Scott, Ranking Member Committee on Education and Workforce

The Honorable Jason Smith, Chair, Committee on Ways and Means

The Honorable Richard Neal, Ranking Member, Committee on Ways and Means

The Honorable Cathy Rodgers, Chair, Committee on Energy and Commerce

The Honorable Frank Pallone, Ranking Member, Ranking Committee on Energy and Commerce