

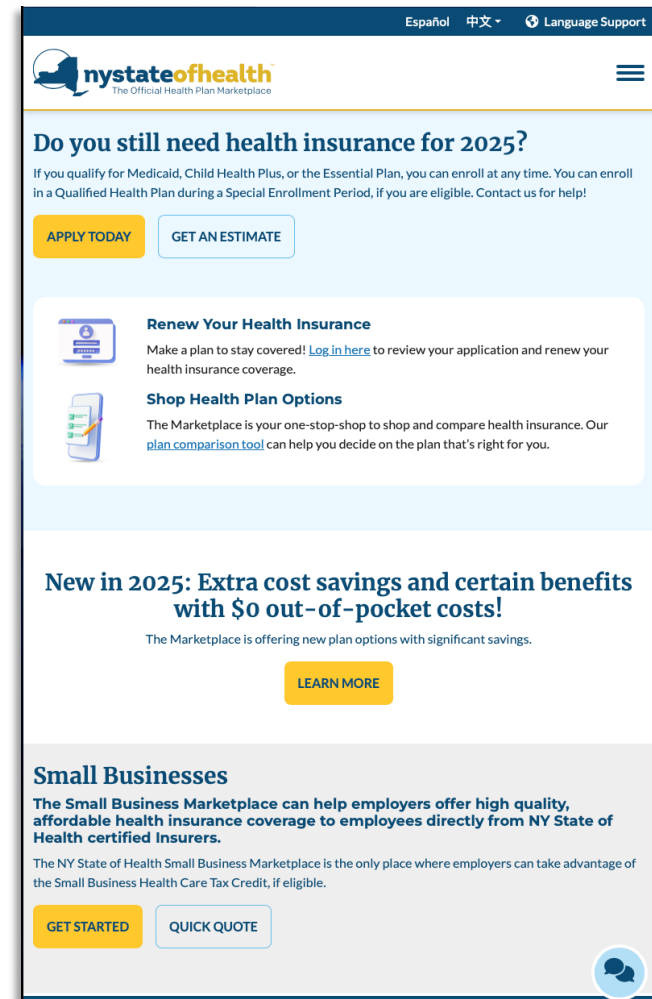


New York Delegation Briefing: Enhanced Premium Tax Credits and Essential Plan Waiver

February 2025

About NY State of Health

- A state-based centralized marketplace to **shop, compare, and enroll** in public and private health coverage plans.
- **Over 6.7 million people** – more than 1 in 3 New Yorkers - are currently enrolled in coverage through NY State of Health.
- Since 2010, the number of **uninsured in New York State has declined by over 1.3 million, and the share of uninsured remains below 5%.**



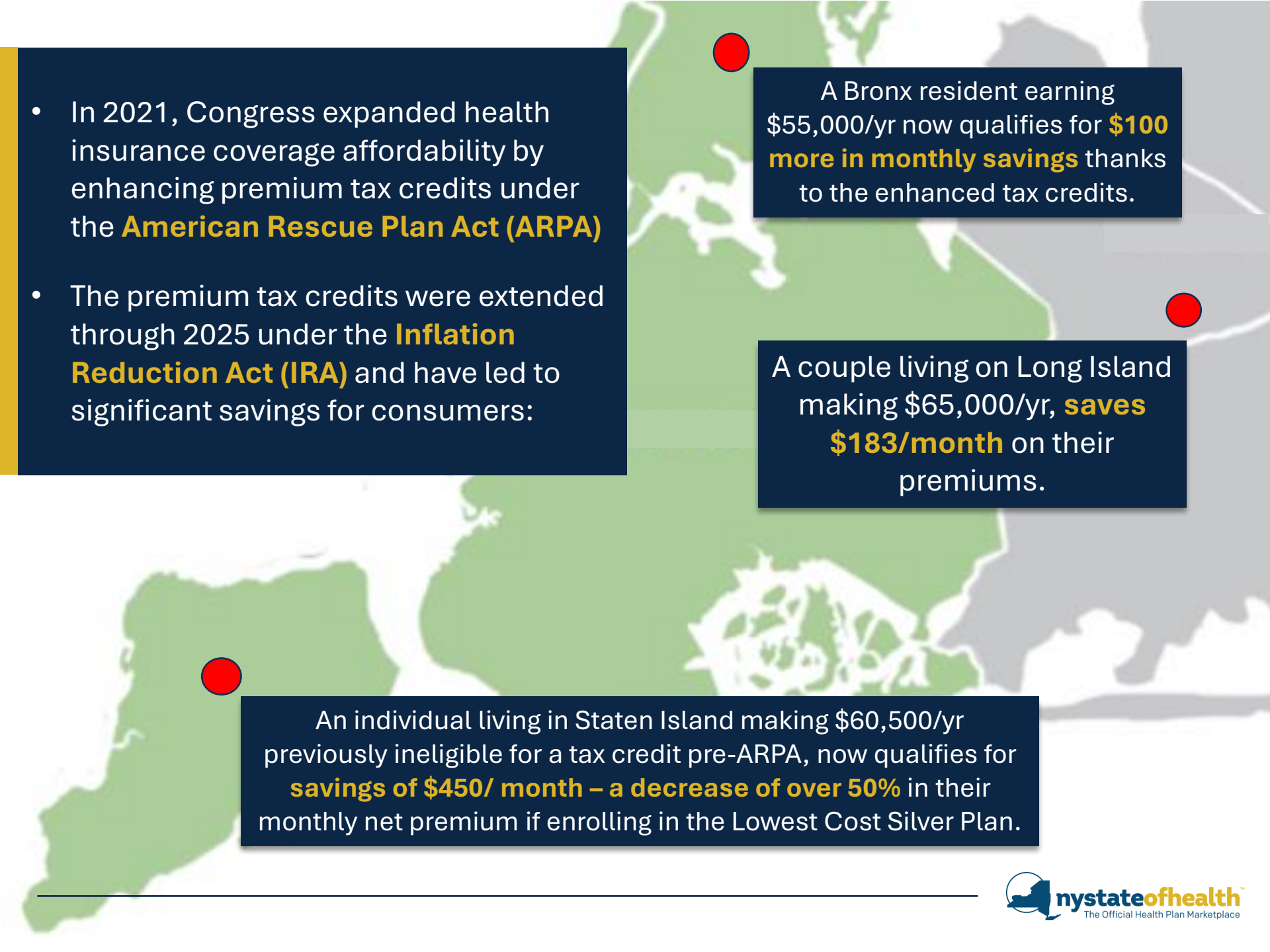
Before NY State of Health

- The individual health insurance market in New York declined 82% from 2000 to 2012, from **100,000 to 18,000**.
- The average monthly premium for individual coverage was unaffordable to most New Yorkers at \$1,250, with significant cost-sharing.
- In 2025, **over 250,000** are enrolled in the individual market, most of whom purchase through NY State of Health.
- **More than 140,000** enrollees through NY State of Health are eligible for federal premium tax credits and the average monthly premium is **\$300**.



Enhanced Premium Tax Credits

- In 2021, Congress expanded health insurance coverage affordability by enhancing premium tax credits under the **American Rescue Plan Act (ARPA)**
- The premium tax credits were extended through 2025 under the **Inflation Reduction Act (IRA)** and have led to significant savings for consumers:



A Bronx resident earning \$55,000/yr now qualifies for **\$100 more in monthly savings** thanks to the enhanced tax credits.

A couple living on Long Island making \$65,000/yr, **saves \$183/month** on their premiums.

An individual living in Staten Island making \$60,500/yr previously ineligible for a tax credit pre-ARPA, now qualifies for **savings of \$450/ month – a decrease of over 50%** in their monthly net premium if enrolling in the Lowest Cost Silver Plan.

Enhanced Tax Credits Make A Difference For Hard Working New Yorkers

- Made private coverage more affordable for individuals who might otherwise go without coverage.
- Stabilized finances for working families and individuals employed in elder & childcare, retail, manufacturing, and other small businesses across the state.
- Led to historically low uninsured levels, reducing uncompensated care on hospitals and community health centers.

6.7 million

Individuals enrolled in the
NY State of Health Marketplace

1.6 million

Essential Plan enrollees
benefitting from
enhanced tax credits

140,000

Enrollees benefitting from
enhanced tax credits in the QHP
market

Comparison of Premium Tax Credits

Essential Plan Consumers and Funding

Household Income By Federal Poverty Level	< 100%	100 – 137%	138 - 150%	150 - 200%	200 - 250%	250 - 300%	300 - 400%	> 400% or unknown
Eligible for Premium Tax Credits (PTCs)	No	Yes	Yes	Yes	Yes	Yes	Yes	No
Expected Consumer Premium (as % of Income) before ARPA	-	2.07%	3.1 – 4.14%	4.14 – 6.52%	6.52 – 8.33%	8.33 – 9.83%	9.83%	-
Expected Consumer Premium (as % of Income) with under ARPA/IRA	-	0%	0%	0 - 2%	2 - 4%	4 - 6%	6 – 8.5%	8.5%

What Will Happen If The Tax Credits Expire?

- The enhanced tax credits will **expire at the end of 2025** if Congress doesn't act.
- But 2026 premiums are finalized in **August 2025**; consumers will receive notices with these rate hikes in **October 2025**.
- **Extending the enhanced tax credits** is essential to keeping Marketplace health insurance coverage **affordable**.
- New Yorkers know a good deal and take advantage of initiatives that **lower the cost of health coverage**.
- There will be **significant increases** in the number of **uninsured** across the state.



\$114 More Every Month

Average premium after tax credits increases from \$300 to \$414



38% More In Premium Costs

Premiums increase for tax credit-eligible consumers in 2026



More Uninsured New Yorkers

Many will forgo insurance if the costs are too high



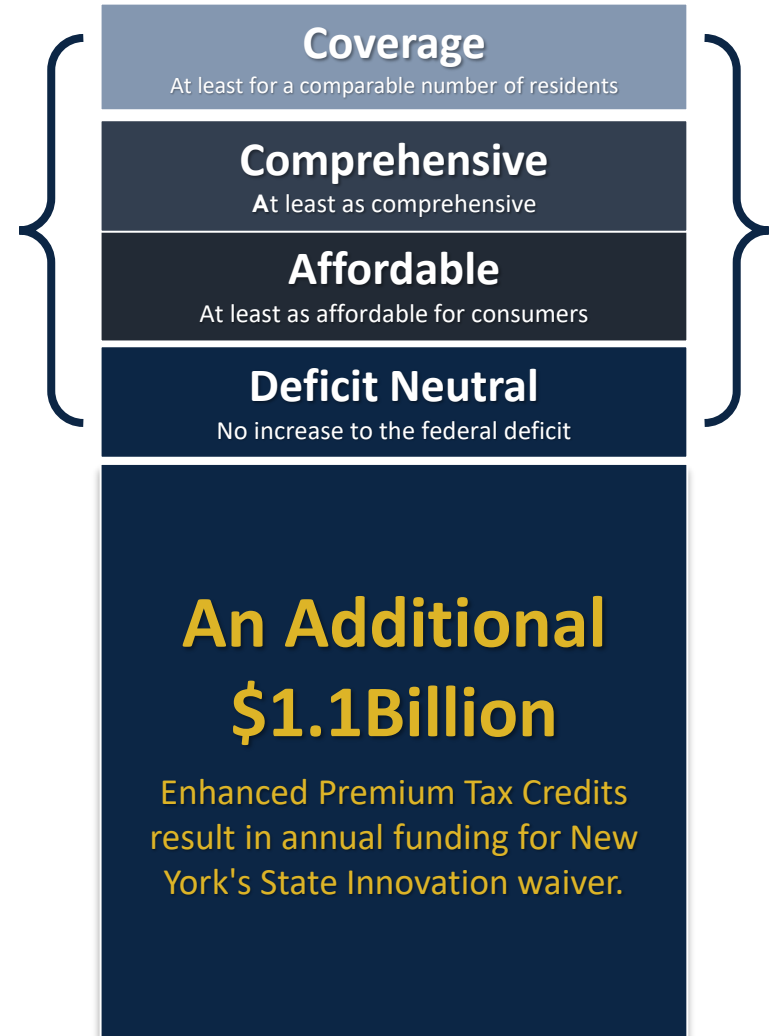
Increased Hospital Costs

Increased uninsured will mean more uncompensated care

Overview of the New York State Section 1332 Innovation Waiver

New York's Approved 1332 Waiver

- **Under Section 1332 of the Affordable Care Act (ACA)**, states may request to waive parts of the ACA to **pursue innovative strategies** for providing residents with access to **high-quality, affordable health insurance** while retaining the basic protections of the ACA.
 - 1332 Waivers are approved by the U.S. Departments of Health & Human Services and Treasury and must comply with **four statutory guardrails**, as absent the Waiver.
 - **Federal premium tax savings** from the Waiver are redirected to the state as passthrough funding to **support the 1332 Waiver program**.



New York's 1332 Waiver was approved in March 2024, and an amendment was approved in September 2024. The amended Waiver is effective until December 31, 2029.

Key features of the Waiver:

Transitioned federal authority for New York's Essential Plan from Section 1331 of the ACA (Basic Health Program) to Section 1332 of the ACA (State Innovation Waiver).

Expanded eligibility of the Essential Plan to consumers up to 250% of the FPL.

Introduced an Insurer Reimbursement Implementation Plan to prevent potential increases in individual market premiums due to the migration of consumers 200 – 250% of the FPL out of the risk pool.

Provides Cost Sharing Reduction subsidies to Qualified Health Plan enrollees.

Cost-Sharing Reductions (CSRs) for Qualified Health Plan Enrollees



Incomes up to 400% FPL

- \$3,500 average annual savings for individuals with income 250 – 350% FPL.
- \$730 average annual savings for individuals with income 350 – 400% FPL.



Pregnancy & Postpartum Care

- Cost sharing is waived for all services and prescription drugs for pregnant and postpartum individuals except for delivery and hospital stays.



Diabetes Services

- Improves chronic care management by modifying all Qualified Health Plans* to eliminate cost-sharing for services related to diabetes care: medical care, lab services, supplies, and prescription drugs (including insulin).

*Does not apply to catastrophic plans.

Value of the Enhanced Premium Tax Credits for New York

Essential Plan and Qualified Health Plan Markets

Time Horizon	Essential Plan	Qualified Health Plans	Total
5-Year	\$2.9 billion	\$1.5 billion	\$4.4 billion
10-Year	\$9.2 billion	\$5.2 billion	\$14.4 billion

- Without premium tax credits, the New York individual market will slide back into a death spiral – given the cost of living in the state, people need it.
- Health care providers need a strong payor mix, premium tax credits support this.
- The people benefitting from the tax credits include moderate income New Yorkers, small business employees.
- The funding from the enhanced tax credits is also critical for the state's Innovation Waiver supporting the state's health care delivery system.



Thank You

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