

High Costs for Consumers Ahead: Soaring Premiums and Expiring Enhanced Premium Tax Credits

Congressional Inaction Could Soon Leave Millions Facing Steep Health Premium Hikes. Health care premiums continue to increase for individuals with private health insurance. Premium tax credits (PTCs) directly reduce the amount enrollees pay for their private health coverage through the Marketplaces. Congress increased the value of PTCs in 2021 under the American Rescue Plan Act and extended them through 2025 in the Inflation Reduction Act.

Unless Congress extends these enhanced premium tax credits (EPTCs), Americans will see premiums jump sharply in a matter of months.

The EPTCs significantly improved the affordability of private health coverage for individuals who might otherwise remain uninsured. These credits have helped stabilize the finances of working individuals and families (including individuals employed in elder care, childcare, retail, manufacturing, gig work, and other small businesses across the country) as well as older adults and people living in rural communities. They have also contributed to historically low uninsured rates, reducing the burden of uncompensated care on hospitals and community health centers.

Congressional inaction to extend EPTCs will lead to a tax increase for already struggling middle-class families.

- Over **24.3 million Americans** are enrolled in affordable Marketplace health insurance coverage; nearly **1 in 7 Americans** have needed Marketplace coverage at some point in time.
- **Starting in 2026, working individuals could lose an average of \$705 in premium tax credits each month (\$8,460 per year).**
- The loss of tax credits, plus the enactment of new federal policies and the resulting number of people unenrolling in health insurance, especially among young and healthy Americans, contribute to a **20% average proposed premium increase** for Marketplace plans. **The combined effect of premium increases and EPTC losses will increase the amount that millions of Americans pay for health coverage by more than 75%.**

Who Will Be Affected

- Working individuals and families earning 100–400% of the federal poverty level (FPL) (\$15,060 to \$60,240 for an individual and \$31,200 to \$124,800 for a family of four) will see their premiums rise by over 75%
- Those earning above 400% FPL (greater than \$60,240 for individuals and \$124,800 for a family of four) will lose health insurance premium tax credits entirely.
- Older adults (50–64) could see triple the cost increases, as this group is already receiving higher premiums.

Kim from Embee Township, ME, is recently retired, and, like so many other Mainers, she planned carefully for this next chapter of her life until she becomes eligible for Medicare. She lives on a fixed income and is a caregiver for her spouse with health issues. Without the ePTCs, Kim’s premium costs will increase by 230 percent. Kim may need to make a tough decision: either come out of retirement to find a job with health coverage or forgo insurance. Extending ePTCs is a must for Kim; they are her only bridge to Medicare and the only way she can continue to live with peace of mind.



Table. Examples of Estimated Marketplace Premium Impact if EPTCs Expire at the End of 2025*

Family Type	2026 Premium if ePTCs are extended	2026 Premium if ePTCs Expire	\$ Increase	% Increase
45 y/o Single, 300% FPL (\$45,200)	\$226/month	\$326/month	+\$1,197/year	+44%
Family of 4, 250% FPL (\$78,000)	\$260/month	\$476/month	+\$2,597/year	+83%
60 y/o Couple, 405% FPL (\$82,700)	\$586/month	\$2,109/month	+\$18,275/year	+260%

*Estimates based on the U.S. estimated average for the purchases of a silver-level plan through the health insurance marketplaces as of 8/13/2025. [Calculator and data available from KFF.](#)

Economic and Coverage Consequences

- 4.2 million more Americans could become uninsured.
- Rural Americans will bear a particularly heavy burden, with premium increases up to 26% higher than those in urban communities.
- An estimated \$26 billion in lower payments to providers will increase uncompensated care costs, put more pressure on providers, and have indirect effects on economies when the health sector contracts.

Erica of rural Adams County, PA, started a family this year and recently welcomed a baby girl. Coverage through Pennie allowed her to access health care to support her well-being during and after pregnancy, all while helping her save earnings for her family's future. If the costs rise as much as is suggested from ePTC expiration, she may not be able to afford any health insurance next year. She worries about the future of her family, even as a productive and employed Pennsylvania citizen, stating, "Every single person deserves access to fair and affordable healthcare without going bankrupt just to survive."



An estimated \$57 billion loss in economic output will result in 286,000 fewer jobs nationwide, driven by reductions in the provision of medical care and resources available to health care systems, as well as indirect but related losses from retail, real estate, and manufacturing sectors.

Now is the time for Congress to act and extend these enhanced tax credits for America's struggling families and workers when they need it the most.