

About **4 million Texans** are signed up for health coverage through federal Affordable Care Act (ACA) Marketplace plans. Premium tax credits offered by the ACA help an overwhelming number of Marketplace enrollees purchase their insurance; **95% of Texas enrollees receive such a credit**, according to data from the Kaiser Family Foundation.¹

However, **enhancements to the ACA's premium tax credits** – created in 2021 to increase both the number of eligible households and the amount of financial assistance – **are set to expire at the end of 2025. THA is urging Congress to renew these enhanced tax credits** prior to their expiration – and **help keep about 1 million Texans insured.**

PREMIUM TAX CREDITS



- First instituted as part of the ACA, **premium tax credits** provide assistance to Marketplace enrollees in households with low to moderate incomes. The subsidies make up the difference between the full premium for a benchmark silver Marketplace plan and the enrollee's out-of-pocket payment.
- The law's original premium subsidies offered assistance to qualifying enrollees with household incomes between 100% and 400% of the federal poverty level.

ENHANCED CREDITS: A MAJOR BOOST FOR COVERAGE



The **enhanced premium tax credit (EPTC)**, created by the American Rescue Plan Act of 2021, boosted both the financial help available through the credits and the criteria for eligibility:

- Expanded financial assistance for all enrollees who were already eligible, with the increased assistance based on their household income level.
- Enrollees in households with incomes over 400% of federal poverty are eligible for the enhanced credits, with their out-of-pocket premiums capped at 8.5% of income.

Overall Marketplace enrollment increases since 2021, the year EPTCs were instituted:²



- Texas – Increase of more than **2.6 million individual enrollees**
- National – Enrollment has **more than doubled**



IF THE ENHANCED PREMIUM TAX CREDITS ARE ALLOWED TO EXPIRE ON DEC. 31, 2025:

- **Approximately 1 million Texans will lose their Marketplace coverage** by 2034,³ exacerbating the state's nation-leading uninsured rate and increasing the uncompensated care burden facing Texas hospitals.
- An estimated 4.2 million people nationwide will lose their health insurance by 2034.⁴
- The average Marketplace out-of-pocket premium cost **would rise by more than \$700, representing an effective tax increase** on these enrollees.⁵

THA URGES CONGRESS TO MAKE THE ENHANCED PREMIUM TAX CREDITS PERMANENT.

¹ Kaiser Family Foundation (KFF), <https://www.kff.org/state-category/affordable-care-act/2025-marketplace-open-enrollment-period/>

² Kaiser Family Foundation (KFF), <https://www.kff.org/affordable-care-act/state-indicator/marketplace-enrollment/>

³ Estimate derived from data collected by KFF, <http://www.kff.org/affordable-care-act/issue-brief/how-will-the-2025-reconciliation-bill-affect-the-uninsured-rate-in-each-state-allocating-cbo-estimates-of-coverage-loss/>

⁴ Congressional Budget Office Dec. 2024 estimate, www.cbo.gov/system/files/2024-12/59230-ARPA.pdf

⁵ Center on Budget & Policy Priorities, https://www.cbpp.org/research/health/health-insurance-costs-will-rise-steeply-if-premium-tax-credit-improvements-expire#_ftn3