

## 2025 Issue Brief Ensure Healthcare Coverage Opportunities

### Issue

The current enhanced Premium Tax Credit (PTC), which allows certain individuals and families to obtain health coverage, is set to expire at the end of 2025.

The PTC, authorized under the Affordable Care Act (ACA), is applied toward the cost of purchasing specific types of health plans offered by private health insurance companies participating in ACA exchanges. This refundable tax credit is advanceable and is provided monthly to coincide with the payment of insurance premiums, automatically reducing consumer costs associated with purchasing applicable insurance through the exchanges.

The PTC has been available since 2014, but The American Rescue Plan Act of 2021 (ARPA) expanded eligibility for and the amount of the PTC for tax years 2021 and 2022. The Inflation Reduction Act extended the ARPA provision for three additional tax years, from 2023 to 2025. In June 2024, the Congressional Budget Office (CBO) estimated that over the 2024-2034 period, the average enrollment through marketplaces was 3.2 million more than previously estimated. This increase was attributed partly to the enhanced PTC.<sup>i</sup>

If the enhanced PTC expires, CBO estimates a 26% reduction in those individuals and families with subsidized exchange coverage and an increase of 1.7 million enrollees with unsubsidized coverage over the same period. This decrease of 5.6 million enrollees with subsidized exchange coverage in the calendar year (CY) following expiration (21.3 million in CY2025 to 15.7 million in CY2026) represents a rise in the uninsured rate.<sup>ii</sup>

While healthcare coverage will continue to be an issue before Congress, AMGA believes any legislative action should ensure continuous affordable coverage. Without affordable coverage, patients could lose access to health services and may forego preventative care. Beyond having access to quality care, patients being engaged in their care delivery will result in care being delivered in the right setting at the right time, resulting in less spending and better care management.

### AMGA asks Congress to:

- **Extend the expiring enhanced PTC beyond 2025.**

---

<sup>i</sup> CBO, CBO Publishes New Projections Related to Health Insurance for 2024 to 2034, *CBO Blog*, June 18, 2024, <https://www.cbo.gov/publication/60383>. Hereinafter, CBO, CBO Publishes New Projections.

<sup>ii</sup> <https://www.cbo.gov/publication/60383>