



October 15, 2024

The Honorable Jason Smith
Chair, Ways & Means Committee
1139 Longworth House Office Building
Washington, DC 20515

The Honorable Mike Kelly
Chair, Subcommittee on Tax
1139 Longworth House Office Building
Washington, DC 20515

Re: Response to Request for Information – Tax Priorities

Dear Chairman Smith and Chairman Kelly,

Thank you for the opportunity to provide feedback on the Committee’s request for information (RFI) regarding Congress’ forthcoming tax legislation. The undersigned 40 Partnership to Protect Coverage (PPC) member organizations urge Congress to permanently extend the Affordable Care Act’s (ACA) enhanced advance premium tax credits (APTCs) before they expire at the end of 2025. Permanently extending these critical

subsidies is essential to prevent a sudden increase in out-of-pocket costs and the loss of insurance coverage for millions of people.

Our organizations represent millions of patients and consumers who face serious, acute, and chronic health conditions. Together, we offer unique perspectives on what individuals and families need to prevent disease, cure illness, and manage their health. The diversity of our organizations and the populations we serve enable us to draw upon extensive knowledge and expertise that can be an invaluable resource as Congress considers any legislation that would reform our healthcare system.

In March of 2017, our organizations agreed upon three overarching principles to guide any work to reform and improve the nation's healthcare system. These principles state that: (1) health care should be accessible, meaning that coverage should be easy to understand and not pose a barrier to care; (2) health care should be affordable, enabling patients to access the treatments they need to live healthy and productive lives; and (3) health care must be adequate, meaning healthcare coverage should cover treatments patients need.

Overview & Impact of the Enhanced APTCs

The ACA established advance tax credits to help lower the cost of health insurance purchased in the Marketplaces. Under the ACA, individuals earning between 100% and 400% of the federal poverty level (FPL) are eligible for these tax credits on a sliding scale – the lower the income level, the higher the amount of tax credits.

In 2021, Congress made two temporary, but critically important changes to the tax credits: it increased the amount of the tax credits for those between 133% - 400% FPL; and capped premium costs at 8.5% of annual income for individuals and families earning more than 400% FPL.¹ These enhanced tax credits were in effect in 2021 and 2022. Then in response to their success, in 2022, Congress extended these enhanced tax credits again, this time through the end of 2025.

Since the enhanced APTCs were first enacted in 2021, they have helped 9.4 million Americans gain access to high-quality and affordable health coverage – reducing the number of uninsured to just 7.7 percent.² Today, enrollment in the ACA marketplaces is at an all-time high, with more than 21 million people now insured through the ACA.³

Enrollment in marketplace plans generated by enhanced APTCs have provided millions of Americans with affordable, comprehensive health coverage by allowing more people to purchase high-quality health insurance coverage that meets their health care needs. This includes services included in the Essential Health Benefits (EHB) package (such as doctor's visits, prescription drugs, hospitalizations, and preventive services), annual out-of-pocket cost caps, and prohibitions on discriminatory plan design and practices like denying coverage or charging more based on pre-existing conditions.

¹ Center for Budget and Policy Priorities, *Health Insurance Costs Will Rise Deeply If Premium Tax Credit Improvements Expire*. <https://www.cbpp.org/research/health/health-insurance-costs-will-rise-steeply-if-premium-tax-credit-improvements-expire>

² Assistant Secretary for Planning and Evaluation, *National Uninsured Rate Reaches an All-Time Low in early 2023 after the Close of the ACA Open Enrollment Period* (August 3, 2023),

<https://aspe.hhs.gov/sites/default/files/documents/e06a66dfc6f62afc8bb809038dfaeb4/Uninsured-Record-Low-Q12023.pdf>

³ Centers for Medicare and Medicaid Services, *Health Insurance Marketplaces 2024 Open Enrollment Report* (March 22, 2024), www.cms.gov/files/document/health-insurance-exchanges-2024-open-enrollmentreport-final.pdf

Congress Should Act Now to Permanently Extend the Enhanced APTCs

The enhanced APTCs are scheduled to expire by the end of 2025. If Congress fails to act by August of 2025, premiums for Marketplace enrollees will skyrocket, forcing some patients and consumers to abandon the high-quality coverage upon which they have come to rely. Action is urgent because the process for setting rates and developing plans is lengthy and complex.

Issuers will begin finalizing rates for 2026 Marketplace plans early in 2025 - working throughout the year with state and federal regulators to ensure their products comply with state and federal standards. However, if the enhanced APTCs are not extended in time for issuers to develop rates in time for open enrollment, patients and consumers could see considerable price hikes when they begin shopping for 2026 coverage in the fall of 2025.

The drastic change in premium cost could be devastating for the patients and consumers we represent. For example, a family of four making \$60,000 (200% of FPL) would see their monthly marketplace premium increase from \$100 to \$326—an annual increase of about \$2,700. A 60-year-old couple making \$45,000 (228% of FPL) would see monthly marketplace premiums increase from \$117 to \$283 — an annual increase of almost \$2,000.⁴

Patients with serious and chronic conditions cannot afford to go without insurance that meets their healthcare needs. As such, we urge Congress to take immediate action to permanently extend the enhanced APTCs. Please contact Katie Berge (Katie.Berge@lls.org) and Jelani Murrain (Jelani.Murrain@cancer.org) if you have questions or feedback. We thank you for your attention to this issue and welcome the opportunity to discuss it further.

Sincerely,

Alpha-1 Foundation
ALS Association
American Cancer Society Cancer Action Network
American Heart Association
American Kidney Fund
American Liver Foundation
American Lung Association
Arthritis Foundation
Asthma and Allergy Foundation of America
Cancer Support Community
CancerCare
Child Neurology Foundation
Chronic Disease Coalition
Crohn's & Colitis Foundation
Cystic Fibrosis Foundation
Epilepsy Foundation of America
Foundation for Sarcoidosis Research
Hemophilia Federation of America
Immune Deficiency Foundation
Lupus Foundation of America

Lutheran Services in America
March of Dimes
Muscular Dystrophy Association
National Alliance on Mental Illness (NAMI)
National Bleeding Disorders Foundation
National Coalition for Cancer Survivorship
National Eczema Association
National Health Council
National Kidney Foundation
National Multiple Sclerosis Society
National Organization for Rare Disorders
National Patient Advocate Foundation
National Psoriasis Foundation
NMDP (formerly National Marrow Donor Program)
Pulmonary Hypertension Association
Susan G. Komen
The AIDS Institute
The Leukemia & Lymphoma Society
The Mended Hearts, Inc.
WomenHeart

⁴ Center for Budget and Policy Priorities, *Health Insurance Costs Will Rise Deeply If Premium Tax Credit Improvements Expire*. <https://www.cbpp.org/research/health/health-insurance-costs-will-rise-steeply-if-premium-tax-credit-improvements-expire>