

Marketplace Enhanced Premium Tax Credits

Individuals who purchase their health insurance through the Affordable Care Act's Marketplaces, are eligible for tax credits to lower their monthly premiums. These credits are based on their projected income for the next year and are paid directly to health insurers, who in turn lower what enrollees have to pay each month. When enrollees file their federal taxes, the credits are adjusted based on actual income. The tax credit also eliminates the ACA's "subsidy cliff," which made people with incomes above 400% of the federal poverty level (FPL) ineligible to receive financial assistance for coverage. With these subsidies, enrollees under 150% of FPL pay little to nothing for their plan.

The Marketplace Enhanced Premium Tax Credits (EPTCs) will expire on December 31st, 2025.

Impact on Rural Health if the Tax Credits Expire

Rural enrollees would see premiums **nearly double**, with an average increase of \$133 per month.

Rural residents would pay for more health coverage. ePTCs save rural enrollees an average of **\$890 per year**, about 28% more than their urban counterparts.

Rural areas are projected to see a 30% drop in Marketplace coverage and a **37% rise in the number of people without insurance.**

S.46/H.R.247: *Health Care Affordability Act of 2025*

Sen. Shaheen (D-NH) & Rep. Underwood (D-IL)

The *Health Care Affordability Act* would permanently lower health care costs for millions of Americans by extending Marketplace ePTCs.