Millions Will Face Higher Health Care Costs If Premium Tax Credits Disappear

If Congress does not act, news of premiums skyrocketing will be front and center just as Americans begin signing up for coverage in November. The American Rescue Plan saved families thousands on their premiums, but the expanded tax credits that powered those savings will expire at the end of 2022 and, as a result, premiums for next year's plans will rise dramatically for millions who buy insurance on their own. In a number of states, 2023 premiums will be public starting in July, with official notices in all states sent to enrollees starting in the early fall. Open enrollment for 2023 plans begins on November 1st 2022, a week before Election Day. As people go to the polls, these premium increases will be front and center. Only Congress can prevent this from happening—it's time to extend the American Rescue Plan tax credits to ensure hardworking families can continue to access the health care they need.

A Closer Look At What's At Stake For California Families:

The American Rescue Plan includes measures that dramatically lower the cost of premiums for 1,599,264 Californians. This is what's at stake if tax credits are not extended:

- **Gains For Millions Of Americans Will Be Lost.** A total of 1,777,442 Californians signed up for 2022 coverage through an ACA marketplace, with 1,599,264 enrollees, or 90 percent, receiving premium subsidies to make their coverage more affordable.

- **Premiums Will Rise For Middle Class Californians.** If Congress does not expand the ARP's coverage savings, premiums will suddenly rise at the beginning of 2023. An estimated 1,094,000 Californians will keep their marketplace coverage, but be forced to pay higher premiums.

    - A 45-year-old Californian earning $60,000 could see a monthly premium increase of $56, back to pre-American Rescue Plan levels.
    - A 60-year-old California couple with a household income of $75,000 could see a monthly premium increase of $1,278, back to pre-American Rescue Plan levels.
    - A California family of four with a household income of $120,000 could see a monthly premium increase of $512, back to pre-American Rescue Plan levels.

- **More Californians Will Lose Coverage.** An estimated 235,000 Californians will lose their health coverage and become uninsured if Congress doesn't act to extend premium tax credits.

- **Restricting Access For Low- And Middle-Income Californians.** By increasing the size of the tax credits for all income brackets, the ARP has made coverage more affordable for low- and middle-income individuals**,** but this will not last without Congressional action to extend these savings. This means a typical family of four with a household income of $75,000 is saving $248 on monthly premiums, while a single adult earning $30,000 is saving $110 per month.

- **Higher Premiums For Low Wage Workers.** Premiums were eliminated on the exchanges for people earning up to 150 percent of the federal poverty level (roughly $20,000 for a single person and $41,000 for a family of four) and for Californians receiving unemployment insurance in 2021. If Congress does not act to extend premium tax credits, low wage workers will once again be forced to decide between paying for health coverage and life's other necessities.

- **Coverage That Costs More Than 8.5 Percent Of Income.** The ARP lowered the cost of premiums for Californians purchasing coverage through the ACA marketplace, ensuring enrollees have the option to purchase health care for less than 8.5 percent of their income. If action is not taken by Congress, families will be forced to pay a higher share of their income towards premiums once again.