

# ENHANCED PREMIUM TAX CREDITS EXTENSION

## BACKGROUND

The federal government offers enhanced premium tax credits (EPTC) to help eligible individuals and families purchase insurance on the health insurance marketplaces. Eligibility and EPTC amounts are based on the individual or family's income level, as well as their access to other forms of comprehensive coverage, e.g., through their employer. In 2021, Congress increased and expanded eligibility for the EPTC; however, those policies are scheduled to expire at the end of 2025.

The 2021 EPTC resulted in an additional 10 million people gaining health care coverage through the health insurance marketplaces.<sup>1</sup> This has helped reduce the cost of health coverage for those eligible EPTC and lowered the cost of premiums for people in all income brackets. This has increased access to health care coverage and high-quality care for patients and communities served by hospitals, health systems and other providers.

## ISSUE

If the EPTC are allowed to expire, on average, Marketplace premiums will increase as much as 93%, and an estimated 5 million Americans will lose health coverage entirely, including nearly 2 million people with chronic conditions.<sup>2</sup> The expiration of EPTCs would mean less provider revenue and result in a \$6.3 billion increase in hospital and health clinic uncompensated care.

People in rural areas will be hit the hardest where options for health care are fewer and the cost of insurance is much higher resulting in a 30% decrease in coverage and a 37% increase in rural states uninsured population.

Healthcare systems, including the Indian health system and rural healthcare systems, depend on revenue from third-party coverage to ensure hospitals, emergency departments, and clinics can remain open. Patients presenting without health care coverage will contribute to uncompensated care thereby driving up health care costs and insurance premiums for all consumers.

## REQUEST

We urge Congress to extend the enhanced tax credits to secure healthcare coverage for our Tribal citizens and our communities.

## American Indian and Alaska Native Marketplace Coverage

American Indians and Alaska Natives (AI/AN) access the marketplaces for healthcare coverage like all Americans and rely on this coverage to support their access to healthcare both within and through referral by the Indian health system.

The Urban Institute estimates that 318,000 AI/AN are enrolled in the Marketplace in 2025 under tax credits and 126,000 AI/AN people will lose their Marketplace coverage without EPTC, representing a 40 percent reduction for AI/ANs currently covered.<sup>3</sup>

Indian health system providers, including IHS, Tribal, and urban Indian health organizations depend on third-party revenue to ensure access to services. The Indian health system has been chronically underfunded for decades and is currently funded at only 11% of need.<sup>4</sup> Even Congress' own Government Accountability Office (GAO) recently published that the IHS is funded at 49% of agency need.<sup>5</sup>

Without the additional resources provided through third-party coverage, like that purchased on the marketplaces, the Indian health system would need to reduce services or potentially in some circumstances could even close facilities. These dollars are used to provide and expand health care services not directly funded in the IHS' annual appropriation. For example, the third-party collections from individuals covered by EPTC are often used to recruit, hire, and maintain badly needed health care providers. In the IHS health system, these resources are also required to be used to meet health quality and accreditation requirements. These EPTC help expand health care services and also help to keep our facilities open.

## Resources

The two websites below are helpful and have state and congressional district information to assist in informing elected leaders on the impact of their constituents if the EPTC expire:

- <https://americanscovered.org> [americanscovered.org]
- <https://www.kff.org/affordable-care-act/> [kff.org]

We would also be glad to help connect you to the local Indian health system providers in your district so you can hear directly how the EPTC have supported your local communities.

## REFERENCES:

1. American Hospital Association. (2025). Fact Sheet: Enhanced Premium Tax Credits. Retrieved from: [The analysis uses the Health Insurance Policy Microsimulation Model \(HIPSM\) which incorporates two years of data from the American Community Survey. Retrieved from: https://www.urban.org/research/publication/impact-enhanced-premium-tax-credits-coverage-race-and-ethnicity](https://www.urban.org/research/publication/impact-enhanced-premium-tax-credits-coverage-race-and-ethnicity)
2. Robert Wood Johnson Foundation. (2025). Marketplace Pulse: What if Enhanced Premium Tax Credits Expire in 2026. Retrieved from: <https://www.rwjf.org/en/insights/our-research/2025/04/marketplace-pulse-what-if-enhanced-premium-tax-credits-expire-in-2026.html#:~:text=In%202025%2C%20for%20an%20enrollee,credits%2C%20a%2093%25%20increase>
3. The analysis uses the Health Insurance Policy Microsimulation Model (HIPSM) which incorporates two years of data from the American Community Survey. Retrieved from: <https://www.urban.org/research/publication/impact-enhanced-premium-tax-credits-coverage-race-and-ethnicity>
4. The National Tribal Budget Book Formulation Workgroup's Request for the Indian Health Service, Fiscal Year 2027 Budget. Retrieved from: <https://www.nihb.org/wp-content/uploads/2025/04/fy-2027-ntbfwg-budget-book.pdf>
5. Government Accountability Office. (2025). High-Risk Series: Heightened Attention Could Save Billions More and Improve Government Efficiency and Effectiveness. Retrieved from: <https://www.gao.gov/products/gao-25-107743>