

Congress of the United States

Washington, DC 20515

November 27, 2024

The Honorable Phillip Swagel
Director
Congressional Budget Office
United States Congress
Washington, D.C. 20201

Thomas A. Barthold
Chief of Staff
Joint Committee on Taxation
United States Congress
Washington, DC 20515

Dear Director Swagel and Mr. Barthold:

The Patient Protection and Affordable Care Act of 2010 (ACA) transformed the individual private health insurance market by creating competitive insurance marketplaces offering comprehensive, affordable, and high-quality health care coverage for millions of individuals and families. The marketplace is a vital source of coverage for millions of people who want to buy health insurance – from small business owners and self-employed workers to those not offered job-based insurance, young people just starting out, and older people not yet eligible for Medicare. Since 2014, 49 million Americans have enrolled in comprehensive health coverage through the ACA marketplaces.¹

Individuals can receive a premium tax credit (PTC) to reduce their costs of ACA coverage. Congress in the American Rescue Plan increased the value of the tax credits to ensure individuals and families would pay no more than 8.5 percent of their income for a marketplace plan. The Inflation Reduction Act (IRA) extended the enhanced premium tax credits through 2025.

As a result, in 2024, nearly 21 million Americans purchased coverage through the ACA marketplaces and over 90 percent were eligible for the enhanced tax credit.² Additionally, 9.8 million Americans were eligible for zero-dollar premium plans during the 2024 open enrollment period.³ Record enrollment in ACA plans contributed to the uninsured rate reaching a *historic* low in 2023.

Despite these gains in affordability and the security that comes from having health coverage, President-elect Trump and Republican Congressional leaders have said that they intend to raise taxes on hard-working individuals and families and will not extend the enhanced

¹ US Department of Treasury, Number of People Who Have Ever Enrolled in ACA Marketplace Coverage, 2014-2024. Retrieved from: <https://home.treasury.gov/system/files/131/People-Enrolled-ACA-Mkt-Coverage-2014-24-09032024.pdf>.

² Centers for Medicare & Medicaid Services (CMS), Effectuated Enrollment: Early 2024 Snapshot and Full Year 2023 Average. Retrieved from: <https://www.cms.gov/files/document/early-2024-and-full-year-2023-effectuated-enrollment-report.pdf>.

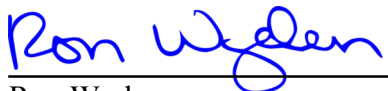
³ KFF, *Marketplace Plan Selections by Household Income* (2024). Retrieved from: <https://www.kff.org/affordable-care-act/state-indicator/marketplace-plan-selections-by-household-income-2>.

tax credits. Outside experts have estimated that Republican efforts to take away these tax credits will not only result in a tax hike, but will also cause higher premiums for everyone who purchases coverage on their own through the ACA marketplace, and will increase the number of Americans who are uninsured. More specifically, these analyses estimate that four million Americans will lose their health coverage,⁴ and nearly all of the more than 20 million marketplace enrollees will face high premium costs – \$705 per person per year on average – if Republicans push to get rid of these vital tax credits.⁵

As such, we request the Congressional Budget Office (CBO) and Joint Committee on Taxation (JCT) address the following questions

1. If Congress does not extend the enhanced PTCs as extended by the IRA through 2026:
 - a. How many additional people will be uninsured in 2026?
 - b. What will the impact be on average gross benchmark premiums in 2026?
2. If Congress does not permanently adopt the enhanced PTCs as extended by the IRA:
 - a. How many additional people will be uninsured in 2026, 2027, and on average in each year between 2026 and 2034?
 - b. What will the impact be on average gross benchmark premiums in 2026, 2027, and on average in each year between 2026 and 2034?

Sincerely,



Ron Wyden
United States Senator
Chairman, Committee on
Finance



Richard E. Neal
Ranking Member
Committee on Ways and
Means



Jeanne Shaheen
United States Senator



Lauren Underwood
Member of Congress

⁴ Urban Institute, *Four Million People Will Lose Health Insurance If Premium Tax Credit Enhancements Expire in 2025*, Nov. 14, 2024. Retrieved from: <https://www.urban.org/urban-wire/four-million-people-will-lose-health-insurance-if-premium-tax-credit-enhancements-expire>.

⁵ Center for Budget and Policy Priorities, *Premium Tax Credit Improvements Must Be Extended to Prevent Steep Rise in Health Care Costs*, Nov. 14, 2024. Retrieved from: <https://www.cbpp.org/research/health/premium-tax-credit-improvements-must-be-extended-to-prevent-steep-rise-in-health>.