



The Importance of Premium Tax Credits: Affording Health Insurance in New York



Currently, nearly 20 million people across the United States get help paying for their health coverage through premium tax credits (also known as advance premium tax credits, or APTCs), which they can use to purchase a plan through the health insurance marketplaces. These tax credits are a lifeline for people who would otherwise not be able to afford their health coverage or access health care. But if Congress does not act, this assistance will be cut, and millions of people will face losing their health insurance, delaying or skipping needed health care, or taking on medical debt they cannot afford.



20
MILLION

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APTCs in America

Today, people seeking to purchase health insurance may qualify for APTCs if their household income is at least \$14,580 for an individual or \$30,000 for a family of four, they buy a plan offered on healthcare.gov or a state marketplace, and they do not have other options for affordable health coverage.¹ In New York, federal APTC funding helps to provide premium- and deductible-free Essential Plan coverage or assistance to purchase plans through NY State of Health, the Official Health Plan Marketplace.

In light of the ongoing U.S. health care affordability crisis, and particularly in the wake of the COVID-19 pandemic, Congress has acted to bolster the amount of assistance available to people in recent years, increasing the premium tax credit amounts under the American Rescue Plan Act and extending those enhancements under the Inflation Reduction Act. These actions have saved individuals and families money in insurance premiums and enabled many to cut their deductibles in half.² But those enhancements are set to expire at the end of 2025, leaving many Americans at risk for significant losses.

IMPACT ON NEW YORK

In 2024, about 206,000 New York families receive advance premium tax credits.³ The average monthly premium cost for marketplace plans is \$714, but after APTCs, the average monthly premium is \$410.¹ The enhanced level of assistance also contributes resources to New York's Essential Plan, enabling the state to provide more assistance to people with the greatest needs.



- » The amount that people currently pay for premiums varies by income, but premiums for most families and individuals will **increase significantly** if the enhanced premium tax credits are allowed to expire.⁴
- » Single individuals earning \$36,500 per year would see their premiums **increase by \$1,645 per year.**
- » Couples earning \$80,000 would see their premiums **increase by about \$10,865 per year.**

¹ "2024 Marketplace Open Enrollment." The average monthly premium after APTCs solely among New York consumers receiving APTCs is even lower — \$274.



HOW TAX CREDITS HELP REAL PEOPLE: FRANCESCA'S STORY

These tax credits are helping real people, like Francesca,⁵ a 27-year-old who recently landed her dream job working in New York's fashion industry, making \$41,500 a year. Last year, she aged off her parent's health insurance and turned to the Community Service Society for enrollment assistance. Researching health insurance coverage was daunting — the prices all seemed so high. But thanks to the American Rescue Plan Act subsidies, she was able to enroll in an \$830 silver plan for just \$210 a month.



CALL TO ACTION

Families cannot be left wondering if this critical assistance will be available to them the next time they need to renew their health insurance.

**CONGRESS MUST ACT QUICKLY TO PERMANENTLY
EXTEND APTC ENHANCEMENTS.**

To find your elected officials, click here: <https://www.usa.gov/elected-officials>.

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Endnotes

¹ “Advance premium tax credit (APTC),” HealthCare.gov, U.S. Centers for Medicare & Medicaid Services, accessed May 6, 2024, [https://www.healthcare.gov/glossary/advanced-premium-tax-credit/#:~:text=A%20tax%20credit%20you%20can,\(or%20%E2%80%9Cpremium%E2%80%9D\)](https://www.healthcare.gov/glossary/advanced-premium-tax-credit/#:~:text=A%20tax%20credit%20you%20can,(or%20%E2%80%9Cpremium%E2%80%9D).). The minimum income limits are slightly higher in Alaska and Hawaii due to those states’ poverty guidelines.

² Bernadette Fernandez, *Health Insurance Premium Tax Credit and Cost-Sharing Reductions* (Congressional Research Service, updated February 14, 2024), <https://crsreports.congress.gov/product/pdf/R/R44425>; 26 U.S. Code § 36B; “2024 Marketplace Open Enrollment Period Public Use Files: 2024 OEP State-Level Public Use File (ZIP),” U.S. Centers for Medicare & Medicaid Services, last modified March 22, 2024, <https://www.cms.gov/data-research/statistics-trends-reports/marketplace-products/2024-marketplace-open-enrollment-period-public-use-files>.

³ “2024 Marketplace Open Enrollment.”

⁴ Jennifer Sullivan, Allison Orris, and Gideon Lukens, *Entering Their Second Decade, Affordable Care Act Coverage Expansions Have Helped Millions, Provide the Basis for Further Progress* (Washington, DC: Center on Budget and Policy Priorities, updated March 25, 2024), <https://www.cbpp.org/research/health/entering-their-second-decade-affordable-care-act-coverage-expansions-have-helped> and 6 U.S. Code § 36B.

⁵ Name has been changed.



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