



Health Premiums To Spike for Pennsylvania Workers and Small Business Owners If Enhanced Health Care Tax Credits Are Not Made Permanent



Millions of Americans will see their health insurance premiums skyrocket — more than double on average,¹ with many paying not just hundreds but thousands of dollars more for health coverage — and roughly 4 million people will lose coverage altogether, if Congress fails to prevent key tax credits from expiring in December 2025.²

Nearly 22 million Americans benefit from premium tax credits that help them afford comprehensive health coverage, including around 500,000 Pennsylvanians who purchase a health plan from Pennsylvania's health care marketplace, Pennie.³ These tax credits are a lifeline for workers and their families, including those with serious and chronic health conditions like diabetes, heart disease, and cancer who need access to regular care to stay healthy and keep working when they don't get insurance through their job. But if Congress does not intervene, these workers will enter the annual open enrollment period for health coverage on November 1 and be hit with premiums that may be double or triple what they paid last year, with no guarantee that any tax credit relief will be available to them later. The ripple effect on Pennsylvania's families, communities, and local economies will be devastating.

Premiums Will Skyrocket for Pennsylvanians if Congress Does Not Act



\$1,344

ANNUAL PREMIUM INCREASE,
INDIVIDUAL, MID-40s MAKING \$31,300



\$16,271

ANNUAL PREMIUM INCREASE,
COUPLE, EARLY 60s EARNING \$85,000



Premium tax credits help working people and local economies

Millions of American workers who do not get coverage on-the-job or through Medicaid or Medicare qualify for premium tax credits for a plan on healthcare.gov or a state marketplace if their current household income is at least \$15,060 for an individual or \$31,200 for a family of four, and they do not have other options for affordable health coverage (for 2026, the minimum incomes are \$15,650 for an individual, \$32,150 for a family of four).⁴ This includes small business owners and their employees; retail and restaurant workers; child care and home care aides; ride share and food delivery drivers; independent contractors; people working in seasonal or time-limited jobs like tourism, entertainment, and farming; and others who just need to buy coverage out-of-pocket.

To help families struggling with rapidly rising health care costs, Congress took steps in recent years to enhance the premium tax credits, limiting the cost of a typical plan to no more than 8.5% of a household's income, and providing increased affordability for those with lower incomes, on a sliding scale. These improvements bolstered marketplace enrollment, reduced the uninsured rate, and enabled many people to cut their deductibles in half.⁵ Today, the average premium cost for marketplace plans is \$636, but with a premium tax credit, that drops to only \$179.⁶ **But all that progress is now in jeopardy.**

If the enhanced tax credits expire, Americans who can no longer afford their coverage will be forced to delay or skip needed health care or take on medical debt. The health insurance marketplaces will be destabilized, left with a smaller and sicker insurance pool leading to further premium increases for everyone. Health care providers will face spikes in uncompensated care and state economies will suffer.⁷ People in rural communities and in states that have not expanded Medicaid will be hit especially hard,⁸ as they have even fewer options for affordable coverage.

A brewing storm: devastating premium hikes

People are already feeling the effects of the uncertainty Congress has created in failing to act sooner. Across the country, on average, 2026 gross premium rates in the individual market are 26% higher than last year.⁹ **In Pennsylvania, on average, they are 22% higher.**¹⁰ This is partially due to policy changes like the passage of H.R. 1, which cut \$1 trillion from our health care system while failing to extend the enhanced premium tax credits. As a result, insurers are trying to stem the losses they anticipate will result from millions of people being forced to drop their coverage because they can no longer afford it.

Without the current tax credit to offset the impact of these high premiums, American workers face a double whammy of much higher out-of-pocket costs and much lower financial support. The amount that people currently pay for premiums varies by age and income, so the impact of the expiring tax credits on families and individuals will vary as well. But the pain of significant premium increases will be felt by people in all sorts of life circumstances.¹¹

For example, in Pennsylvania:

- Single individuals in their mid-40s making \$31,300 would see their annual premiums **increase by \$1,344 next year.**¹²
- Couples in their early 60s earning \$85,000 would see their annual premiums **increase by about \$16,271 next year.**¹³



HOW TAX CREDITS HELP REAL PEOPLE: TORI'S STORY

The numbers are compelling, but so too are the stories of the real people who rely on premium tax credits for their health and financial wellbeing.

Tori lives in Pittsburgh, where she is launching a small letterpress printing business. Tori and her husband are also planning for the future. “We hope to start a family soon,” she says.

Tori relies on affordable coverage through Pennsylvania’s state-based marketplace, Pennie. “I am entering into my second year of Pennie coverage, and it is without a doubt the right choice for my circumstances.” Her husband’s employer-based insurance would cost over \$600 a month just for her alone. “Through Pennie, I have a plan that meets all of my needs like regular specialist visits, testing, and medications.” Her current plan also covers prenatal care and family planning, “a huge relief,” she says.

Right now, Tori pays \$197 a month for her plan, but that affordability depends on federal premium tax credits. “If the enhancements are not extended, I’ll pay \$2,400 more per year than I’m paying now.”

Tori said they already live frugally. “Without these subsidies, my choices for health insurance would involve choosing less coverage or financial sacrifices elsewhere. The financial burden of paying for needed health care would involve a second job, pushing back or rethinking starting a family...My life would instantly become harder if Congress fails to renew these subsidies.”



CALL TO ACTION

Congress Must Act Now to Make Premium Tax Credits Permanent

This is a crisis of Congress’ making, and only Congress has the power to stop these massive premium increases from harming the health and financial security of millions of Americans. Small business owners, workers, and families caught in uncertainty need Congress to act NOW to permanently extend the enhanced premium tax credits.

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

For more information, contact Jamie Stevenson at jstevenson@familiesusa.org, or Cheryl Fish-Parcham at cparcham@familiesusa.org.

Endnotes

- ¹ Justin Lo, Larry Levitt, Jared Ortaliza, and Cynthia Cox. "ACA Marketplace Premium Payments Would More than Double on Average Next Year if Enhanced Premium Tax Credits Expire." Kaiser Family Foundation. September 30, 2025. <https://www.kff.org/affordable-care-act/aca-marketplace-premium-payments-would-more-than-double-on-average-next-year-if-enhanced-premium-tax-credits-expire/>.
- ² Congressional Budget Office, The Estimated Effects of Enacting Selected Health Coverage Policies on the Federal Budget and on the Number of People With Health Insurance, September 18, 2025. <https://www.cbo.gov/system/files/2025-09/61734-Health.pdf>.
- ³ Pennie news release, "Pennie Sees Record-Breaking 2025 Enrollments at Nearly Half a Million; But Without Federal Action, Some Enrollees Will Face Higher Costs Next Year," January 22, 2025, <https://agency.pennie.com/pid-pennie-remind-pennsylvanians-to-explore-health-coverage-options-before-the-january-15-open-enrollment-deadline-2/>.
- ⁴ "Advance premium tax credit (APTC)," HealthCare.gov, U.S. Centers for Medicare & Medicaid Services, accessed July 25, 2025. <https://www.healthcare.gov/glossary/advanced-premium-tax-credit/> and 2024 federal poverty guidelines, <https://aspe.hhs.gov/sites/default/files/documents/7240229f28375f54435c5b83a3764cd1/detailed-guidelines-2024.pdf>. The minimum income limits are slightly higher in Alaska and Hawaii due to those states' poverty guidelines. The income limits will increase slightly for 2026 - people may qualify then if their incomes their incomes are above 2025 federal poverty guidelines, listed here: <https://aspe.hhs.gov/sites/default/files/documents/dd73d4f00d8a819d10b2fdb70d254f7b/detailed-guidelines-2025.pdf>.
- ⁵ 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; "2025 Marketplace Open Enrollment Period Public Use Files: 2025 OEP State-Level Public Use File (ZIP)," U.S. Centers for Medicare & Medicaid Services, last modified May 12, 2025, <https://www.cms.gov/data-research/statistics-trends-reports/marketplace-products/2025-marketplace-open-enrollment-period-public-use-files>.
- ⁶ "2025 Marketplace Open Enrollment Period Public Use Files."
- ⁷ Leighton Ku, et al, Expiring ACA Premium Tax Credits Could Lead to Nearly 340,000 Jobs Lost Across the U.S. in 2026, Commonwealth Fund, October 2025. <https://www.commonwealthfund.org/publications/issue-briefs/2025/oct/expiring-premium-tax-credits-lead-340000-jobs-lost-2026>.
- ⁸ Urban Institute data tool, "Who Would Lose Coverage If Enhanced Premium Tax Credits Expire," November 14, 2024, <https://www.urban.org/data-tools/health-insurance-premium-tax-credit>
- ⁹ Cynthia Cox. "ACA Insurers Are Raising Premiums by an Estimated 26%, but Most Enrollees Could See Sharper Increases in What They Pay." Kaiser Family Foundation. October 28, 2025. <https://www.kff.org/quick-take/aca-insurers-are-raising-premiums-by-an-estimated-26-but-most-enrollees-could-see-sharper-increases-in-what-they-pay/>.
- ¹⁰ Weighted state-by-state averages obtained from Charles Gaba at acasignups.net/rate_changes/2026 based on original data submitted by insurers to ratereview.healthcare.gov.
- ¹¹ 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 KFF, "How Much More Would People Pay in Premiums if the ACA's Enhanced Subsidies Expired?" Accessed July 24, 2025.
- ¹² Andrew Sprung, "Worse than forecast: Pending increases for ACA marketplace enrollees," xpostfactoid, August 13, 2025, <https://xpostfactoid.blogspot.com/2025/08/worse-than-forecast-pending-cost.html>.
- ¹³ Gideon Lukens and Elizabeth Zhang. "Health Insurance Premium Spikes Imminent as Tax Credit Enhancements Set to Expire." Center on Budget and Policy Priorities. October 29, 2025. <https://www.cbpp.org/research/health/health-insurance-premium-spikes-imminent-as-tax-credit-enhancements-set-to-expire>.



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