Press Release

After the American Rescue Plan's Enhanced Premium Tax Credits End

PAULINA ENCK | APRIL 28, 2022

The American Rescue Plan Act (ARPA) temporarily increased the generosity of the Affordable Care Act's (ACA) premium tax credits (PTCs) and lifted the income cap on eligibility for 2021 and 2022 in response to the COVID-19 pandemic. In new research, Director of Health Care Policy Christopher Holt and Health Care Policy Fellow Margaret Barnhorst walk through the impacts on subsidized enrollees' premiums when the ARPA's enhanced PTCs end.

Key points:

- When the ACA's standard PTC policies return to effect in 2023, most subsidized enrollees (12.9 million individuals in 2022) will see their share of their premium increase, although the amount of the increases will vary.
  - About 4.8 million enrollees below 150 percent of the federal poverty level (FPL) pay no premiums in 2022 under the ARPA. In 2023, those with income at 100 percent of FPL ($12,880 for an individual) will contribute $22 per month toward their premium, while those at 150 percent of FPL ($19,320 for an individual) will pay $67 per month.
  - The roughly 4.7 million enrollees with income between 151–250 percent of FPL will see the largest percent increases from 2022 to 2023, with those at 200 percent of FPL ($25,760 for an individual) seeing a 226 percent increase, or about $97 a month.
  - Those making 300 percent of FPL ($38,640 for an individual) will see the largest dollar increase in monthly premium contributions among those who will remain PTC eligible in 2023 at $123.
  - Of those above 400 percent of FPL (above $51,520 for an individual) who will no longer be eligible for PTCs after 2022, the impact will vary dramatically by age, with younger individuals seeing virtually no difference in cost, while those age 64 will have the most significant increases.
- These changes in premium contribution represent a return to the pre-pandemic levels established by the ACA and in effect prior to the passage of the ARPA in 2021.

Read the analysis