Children's Hospital of Philadelphia PolicyLab

Estimating Costs to Families Facing Changes to ACA Enhanced Premium Tax Credits

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Background and objectives: Enhanced premium tax credits (PTCs) for Affordable Care Act Marketplace plans expired in 2026. We described families across income groups potentially affected by PTC policy changes and simulated net premiums.

Methods: We performed a cross-sectional simulation using the 2023 National Survey of Children's Health, classifying families by federal poverty level (FPL) into the following income groups: ineligible (above state Medicaid threshold, below 100% FPL), Medicaid (below state threshold), 100% to below 250% FPL, 250% to below 400% FPL, and at or exceeding 400% FPL. We estimated family premiums using scaled state benchmarks and modeled net premium costs under (1) enhanced PTCs, (2) enhanced PTC expiration, and (3) PTC repeal using ordinary least squares regression adjusting for state fixed effects and family sociodemographics.

Results: Families in PTC-relevant income groups had greater material hardship and children with more health conditions but less access than higher-income families. With typical family ages, adjusted net premiums as a percentage of income would be 1.8% (100% to <250% FPL), 6.3% (250% to <400% FPL), and 8.4% (?400% FPL) with enhanced PTCs; 6.2%, 9.5%, and 15.2% after expiration; and 27.1%, 17.8%, and 13.7% with repealed PTCs. In 2023 dollars, net premiums would be $1335, $6137, and $9705 with enhanced PTCs; $4100, $9056, and $17 711 after expiration; and $15 963, $17 069, and $16 903 with no PTCs.

Conclusions and policy implications: Enhanced PTC expiration would increase net premiums substantially, particularly for families at or exceeding 400% FPL; full PTC repeal would produce large, regressive premium burdens for lower-income families with children. PTCs should be re-enhanced and not repealed to support American families.

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