

The Importance of Enhanced ACA Tax Credits Across States

Access to affordable health insurance is crucial for individuals to receive necessary care, especially for those with chronic conditions like cancer. [Research](#) from the American Cancer Society shows that uninsured individuals are less likely to receive routine cancer screenings, leading to later diagnoses when treatment is more difficult and costly.

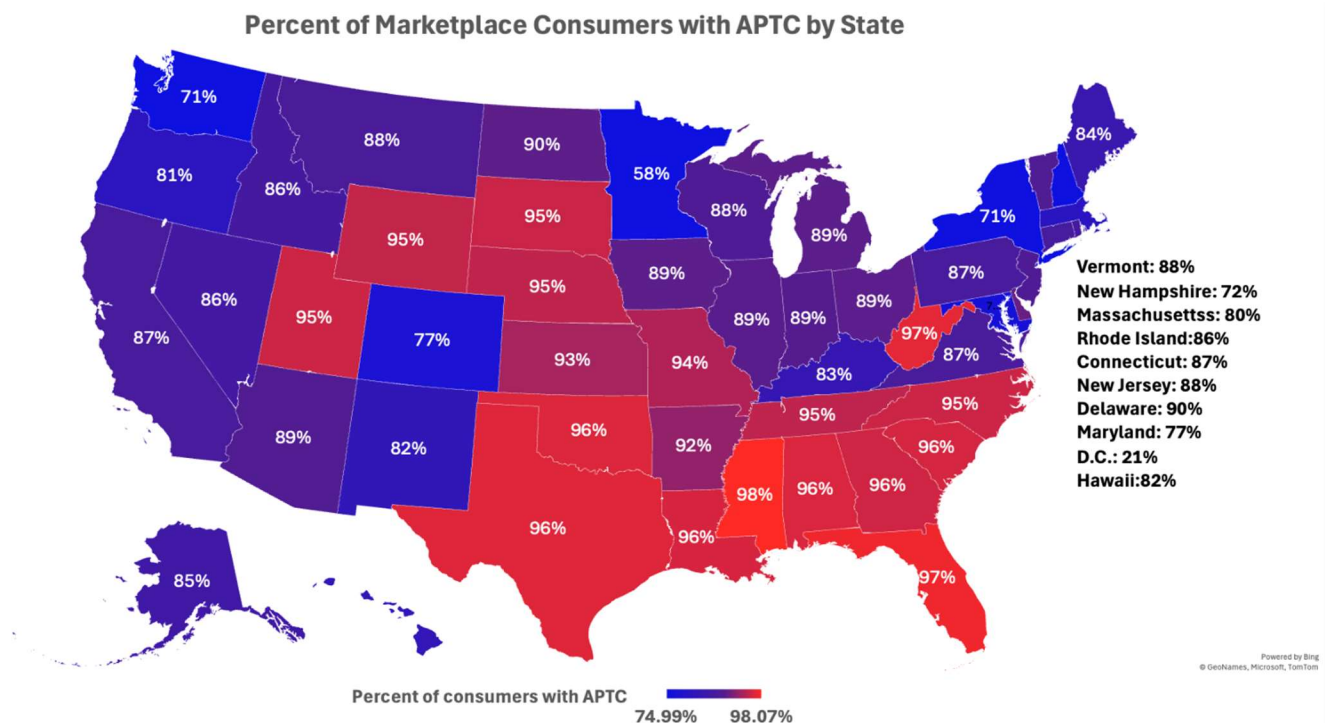
What Are the Enhanced ACA Tax Credits?

The Affordable Care Act (ACA) helps people buy health insurance through the Marketplace by offering tax credits that lower the cost of monthly premiums. These tax credits help individuals and families afford health insurance purchased through the marketplace. The amount of the tax credit depends on income and is adjusted on a sliding scale—the lower the income, the greater the subsidy. These credits are vital for reducing monthly premiums, making health coverage accessible for millions.

The American Rescue Plan Act (ARPA) enhanced these tax credits by (1) improving the generosity of the ACA tax credits by increasing the amount of the tax credits for those earning between 133% and 400% of the Federal Poverty Level (FPL) (\$20,815-\$62,600 for an individual in 2025), and (2) extending eligibility for tax credits to those earning above 400% FPL (\$62,600 for an individual in 2025), on a sliding scale. The Inflation Reduction Act (IRA) further extended these enhanced tax credits through the end of 2025. The amount of the tax credit depends on income and is adjusted on a sliding scale—the lower the income, the greater the subsidy. These credits are vital for reducing monthly premiums, making health coverage accessible for millions.

Who Benefits From the Enhanced ACA Tax Credits?

The following map shows the percentage of people in each state that have enrolled in a Marketplace plan and have enhanced ACA tax credits.



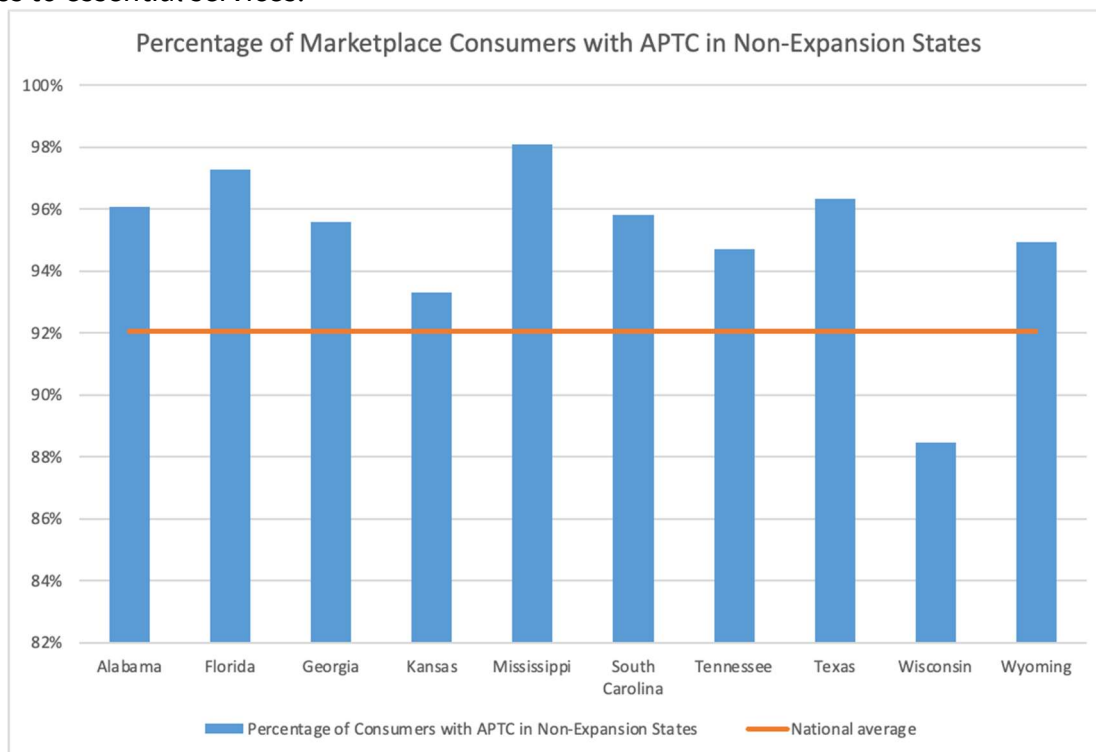
* NY and MN may operate Basic Health Programs (BHPs), which provide coverage to low-income residents who would otherwise qualify for marketplace plans. DC is influenced by a significant number of Members of Congress and Congressional staff who are offered health insurance coverage through the Marketplace plans, which affects the overall enrollment and tax credit usage in the district.

Source: ACS CAN analysis of [2024 Marketplace Open Enrollment Report](#) and [2024 OEP PUF](#).

Non-Medicaid Expansion States Benefit More from Enhanced ACA Tax Credits

States with the highest percentage of consumers receiving tax credits—particularly those that have not expanded Medicaid—rely heavily on these subsidies to make insurance affordable.

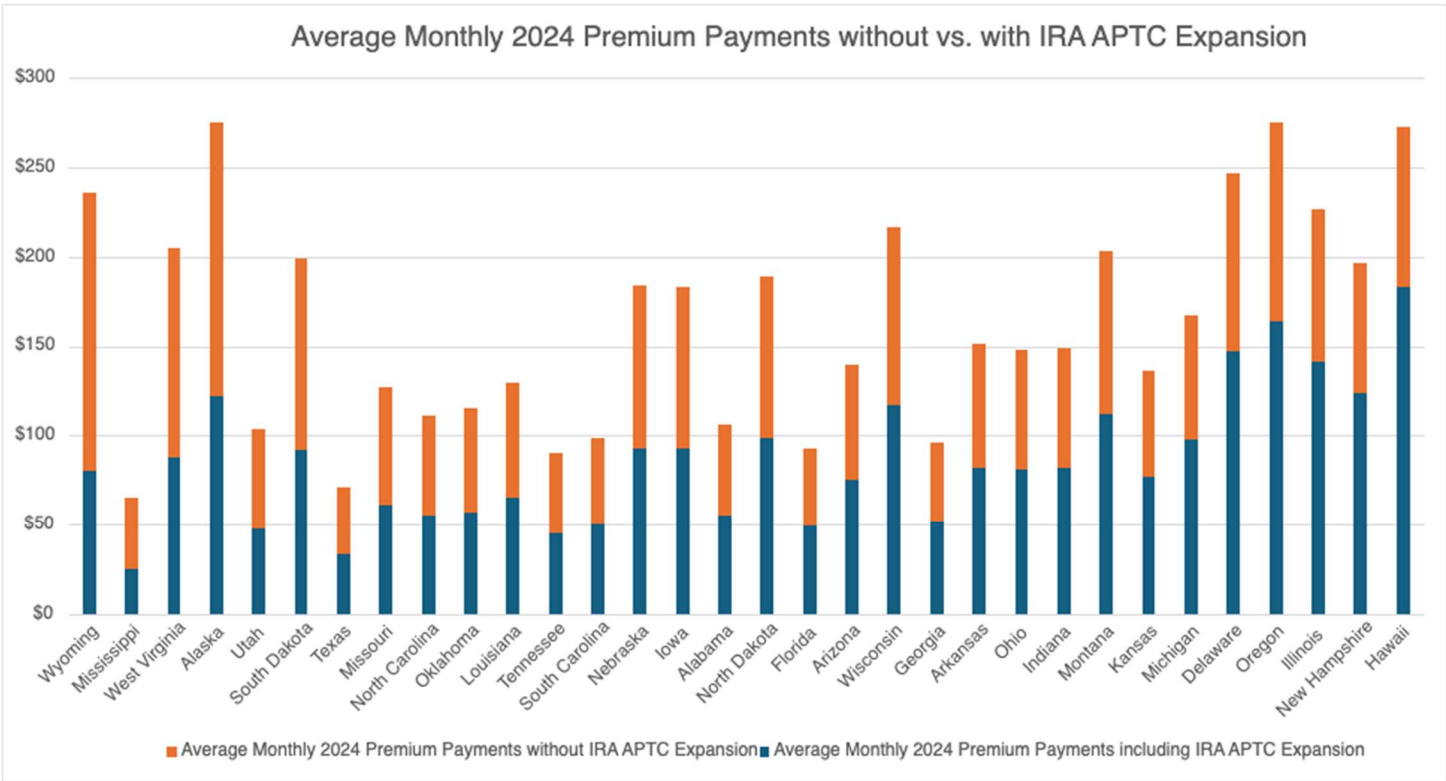
- **Non-Medicaid Expansion States:** Many of the states with the highest percentages of tax credit recipients are non-Medicaid expansion states. These states often have lower-income populations who fall into the Medicaid coverage gap, making marketplace subsidies a key source of coverage. For instance, in Alabama, 96.07% of marketplace consumers receive tax credits.
- **High Reliance on enhanced tax credits:** In states like **Florida, Mississippi, and Texas**, over 95% of marketplace enrollees receive ACA tax credits, compared to the national average of 92% seen in orange in the chart below. These non-Medicaid expansion states rely on the subsidies to provide affordable health coverage to a significant portion of their population. For example, **97.26% of marketplace enrollees in Florida** benefit from tax credits, lowering their premiums and ensuring access to essential services.



Source: ACS CAN analysis of [2024 Marketplace Open Enrollment Report](#) and [2024 OEP PUF](#).

Overall Impact

The enhanced ACA tax credits are helping individuals across the country to save on their premiums for comprehensive health insurance. The following table shows the savings on average monthly premiums by state as a result of the enhanced ACA tax credits.



Note: The term “average monthly premium savings” was determined using the difference between average monthly 2024 premium payments without the enhanced tax credits and the average monthly 2024 premium payments with the tax credits.

Source: ACS CAN analysis of [2024 Marketplace Open Enrollment Report](#) and [2024 OEP PUF](#).

ACS CAN Position

ACS CAN urges Congress to extend the enhanced ACA tax credits before they expire at the end of 2025. If these enhancements are not extended, people enrolled in Marketplace plans will face higher premiums and millions could lose coverage altogether, undoing much of the progress made in recent years. If the enhanced ACA tax credits are allowed to expire, affordability could become a barrier to lifesaving cancer screening, early detection, treatment and follow up care.

More information is available at
<https://www.fightcancer.org/what-we-do/health-insurance-affordability>

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