

Impacts of the Enhanced Premium Tax Credits in California



**COVERED
CALIFORNIA**

BENEFITS OF THE ENHANCED PREMIUM TAX CREDITS ON CALIFORNIANS

Federal enhanced tax credits have dramatically improved the affordability of marketplace coverage for millions of consumers, driving record enrollment in California and across the country. This year, Covered California reached all-time record enrollment of nearly 2 million consumers. However, if Congress does not take action, the enhanced premium tax credits will expire at the end of 2025. This would put almost 1.7 million Californians at risk of significant increases to their monthly premium costs and increase the ranks of the state's uninsured by hundreds of thousands.

This fact sheet outlines the impacts of the loss of enhanced premium tax credits for California's marketplace enrollees.

Approximately 1 in 6 Californians have enrolled in Covered California at some point in the last decade.

CHART 1: PREMIUMS EXPECTED TO INCREASE IF ENHANCED PREMIUM TAX CREDITS EXPIRE SNAP SHOT BY COUNTY

Percent Increase in Average Monthly Net Consumer Premiums by County If Enhanced Premium Tax Credits Expire

73%

388%

OVER
1.5 Million

lower income Californians making less than \$62,600 for an individual could see average monthly premiums increase from **\$97 to \$182** on average.

PREMIUM COSTS NEARLY
Double

On average, Covered California consumers will see a **97% increase** in premiums without enhanced tax credits.

NEARLY
493,000

Californians between the age of 55 and 64 will see large increases in monthly premiums, which will rise from **\$186 to \$365**.

\$2.5
BILLION

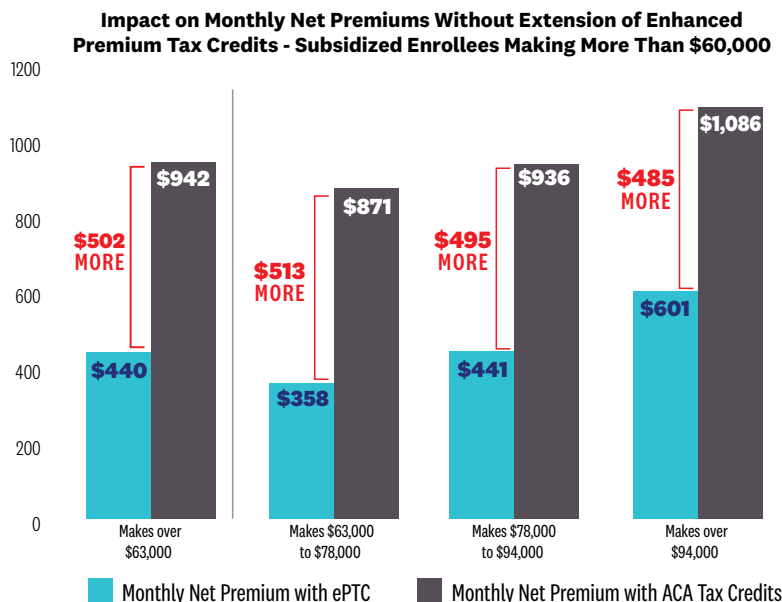
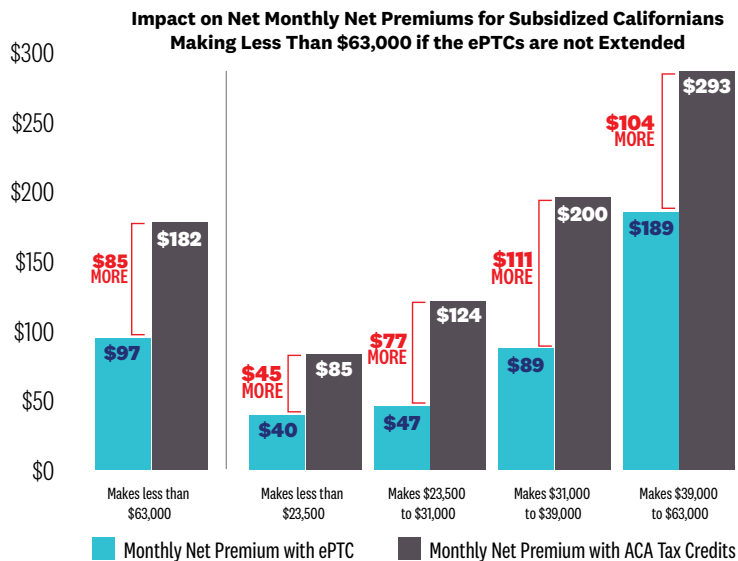
is the total annual savings across Covered California members that will be lost without ePTCs.

NEARLY
500,000

self-employed Californians will see their monthly average premiums increase by **\$131**.

Impacts of the Enhanced Premium Tax Credits in California

CHART 2: PREMIUMS EXPECTED TO INCREASE IF ENHANCED PREMIUM TAX CREDITS EXPIRE



MORE THAN
160,000

middle income Californians making more than \$62,600, save an average of **\$502** per month with the premium tax credits.

Communities of color will be disproportionately impacted.

122%

Percentage increase in premiums for Latino Californians if the ePTCs are not extended.

106%

Percentage increase in premiums for Black/ African Americans if the ePTCs are not extended.

California's uninsured rate is at an all-time low and if ePTCs expire, the result will be a significant increase in the number of uninsured Californians.

THE TIME TO ACT IS NOW

Without Congressional action, enhanced premium tax credits will expire at the end of 2025. Enhanced premium tax credits must be extended in September to avoid coverage losses and consumer confusion.

Covered California and marketplaces across the country have been preparing for the 2026 plan year to help consumers navigate the changes they will experience if the enhanced premium tax credits expire. Open enrollment launches on November 1st, and starting in October, Covered California enrollees will receive notices that will show just how much more they will need to pay in 2026.

However, if Congress takes action to extend the enhanced premium tax credits before the end of September, Covered California will be able to offer lower plan rates in 2026, and avoid these dramatic cost increases that threaten to shut out hundreds of thousands of Californians from coverage.