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Enhanced Premium Tax Credit and 2026 Exchange Premiums: Frequently Asked Questions

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SUMMARY

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Enhanced Premium Tax Credit and 2026 Exchange Premiums: Frequently Asked Questions

Although the *premium tax credit* (PTC) has been available since 2014, there is increased congressional interest in the federal subsidy due to the impending expiration of a provision that enhanced the PTC.

The Patient Protection and Affordable Care Act (ACA; P.L. 111-148, as amended) established the PTC to help eligible households lower their payments toward premiums for *qualified health plans* offered through health insurance exchanges. The American Rescue Plan Act of 2021 (ARPA; P.L. 117-2) expanded eligibility for and the amount of the PTC for tax years 2021 and 2022. The fiscal year (FY) 2022 budget reconciliation law (P.L. 117-169) commonly referred to as the Inflation Reduction Act extended the ARPA provision for three additional tax years, 2023 through 2025.

In general, the enhanced PTC provision allowed more households to become eligible for the credit and provided larger subsidies to all eligible households, compared with ACA-only rules. As a result, federal expenditures for the PTC were larger under ARPA/FY2022 reconciliation rules than under ACA-only rules.

If the enhanced subsidies expire, the Congressional Budget Office (CBO) estimates a decrease in enrollees with subsidized exchange coverage resulting in a reduction in federal expenditures. CBO also estimates that expiration of the enhanced PTC would contribute to a rise in the uninsured rate.

If the enhanced subsidies are permanently extended, CBO and the staff of the Joint Committee on Taxation estimate an overall increase in exchange enrollment leading to an increase in the federal budget deficit.

Exchange premium data for 2026 are public with the start of the 2026 open enrollment period on November 1, 2025. Premiums for selected households indicate an increase compared to 2025 premiums. In addition, the expiration of the enhanced PTC will result in larger premium contributions and smaller subsidy amounts for eligible households that enroll in 2026 exchange plans compared to 2025. The change in subsidy generosity may have implications for households seeking exchange coverage in 2026. Affordability may be a concern for lower-income households that will lose fully subsidized coverage and for some higher-income households that will no longer be eligible for the PTC.

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Introduction

Certain individuals and families without access to subsidized health insurance coverage may be eligible for a federal subsidy: the *premium tax credit* (PTC).[1] The PTC, authorized under the Patient Protection and Affordable Care Act (ACA; P.L. 111-148, as amended), applies toward the cost of purchasing specific types of health plans offered by private companies participating in ACA exchanges (marketplaces). The PTC is refundable, allowing individuals to claim the full credit amount when filing their income taxes even if they have little or no federal income tax liability. The credit also is advanceable, so individuals may choose to receive advanced payments of the credit (or APTC). APTCs are provided on a monthly basis to coincide with the payment of insurance premiums, which automatically reduces consumer costs associated with purchasing applicable insurance through the exchanges.

Although the PTC has been available since 2014, there is increased congressional interest now in the subsidy due to an impending expiration of the expanded and enhanced subsidy. This report provides answers to frequently asked questions about the PTC.[2]

Frequently Asked Questions

Enhanced Premium Tax Credit FAQs

What Is the ACA Subsidy?

ACA subsidy is a common phrase used to refer to the PTC, a federally financed subsidy that helps eligible households lower their payments toward premiums to enroll in (or continue enrollment in) *qualified health plans* (QHPs) offered through exchanges.[3]

The subsidy amount (the PTC) is determined by a formula that requires households to contribute a portion of the premium, based partly on household income and size. As household income increases, the PTC amount generally decreases, requiring households to contribute a larger portion of their income toward the premium.

Who Is Eligible for the Subsidy?

To be eligible to receive the PTC, individuals currently must

- be U.S. citizens, U.S. nationals, or *lawfully present* individuals;
- not be incarcerated (except for individuals in custody pending the disposition of charges);

[1] Access to these forms of subsidized coverage generally will make an individual ineligible for the premium tax credit (PTC) (with exceptions): Medicare; Medicaid; the State Children's Health Insurance Program; Tricare; a health care program administered by the Department of Veterans Affairs; coverage provided through the Peace Corps program; any government plan (local, state, federal), including the Federal Employees Health Benefits Program; an employer-sponsored health plan; and other coverage (e.g., a state high-risk pool) recognized by the Secretary of the Department of Health and Human Services (HHS).

[2] For a comprehensive discussion about the PTC, see CRS Report R44425, *Health Insurance Premium Tax Credit and Cost-Sharing Reductions*.

[3] For a comprehensive discussion about the exchanges, see CRS Report R44065, *Health Insurance Exchanges and Qualified Health Plans: Overview and Policy Updates*.

- not have access to subsidized health coverage (with exceptions); and
- have annual household income that meets or exceeds the minimum threshold equivalent to 100% of the federal poverty level (FPL) (with exceptions).[4]

An individual may be eligible for the PTC even if a member of his or her household is not eligible. For example, one spouse may have access to an affordable *eligible employer-sponsored plan*,[5] which would make that individual ineligible for the PTC. However, the rest of the household may only have access to employer benefits that are not affordable; in this case, the rest of the household may receive a PTC, as long as they meet the eligibility criteria.[6]

What Does It Mean That the Subsidy Is Enhanced?

The PTC statute includes a temporary provision that expanded eligibility and enhanced subsidy amounts for tax years 2021 through 2025.

Individuals must meet income (and other) criteria to be eligible for the PTC. Also, the formula for calculating the credit amount is based, in part, on income. Specifically, the PTC formula incorporates a premium contribution for the household receiving the subsidy. That premium contribution is the product of multiplying the household's income by a specified percentage (*applicable percentage*).

As enacted under the ACA, the following rules applied:

- income eligibility was limited to households whose annual incomes were at or above 100% of the federal poverty level (FPL) but not more than 400% of FPL, and
- the applicable percentages used to determine household premium contributions initially were specified in statute and adjusted annually through guidance issued by the Internal Revenue Service (IRS). (The annual adjustment to applicable percentages is sometimes referred to as *indexing*.)

As part of relief legislation enacted in response to the Coronavirus Disease 2019 pandemic and related economic disruption, Congress passed the American Rescue Plan Act of 2021 (ARPA; P.L. 117-2). Among the act's provisions was one that expanded eligibility for the PTC and enhanced credit amounts.[7] For tax years 2021 and 2022, ARPA temporarily

[4] The guidelines that designate the federal poverty level (FPL) are used in various federal programs for eligibility purposes. The poverty guidelines vary by family size and by whether an individual resides in the 48 contiguous states and the District of Columbia, Alaska, or Hawaii. See HHS, Office of the Assistant Secretary for Planning and Evaluation, *Frequently Asked Questions Related to the Poverty Guidelines and Poverty*, https://aspe.hhs.gov/frequently-asked-questions-related-poverty-guidelines-and-poverty#programs.

[5] 26 U.S.C. §36B(c)(2)(C)(i). As defined under the ACA, an *eligible employer-sponsored plan* is a group health plan or group coverage offered by an employer to the employee that is a governmental plan, a small-group plan, or a large-group plan. Affordability is measured according to the percentage of income necessary to pay for the employee's (or family's) portion of the total premium for an eligible employer-sponsored plan. If an employee's (or family's) premium contribution is below the dollar amount equivalent to the applicable percentage of income, such a plan is considered affordable for PTC purposes.

[6] This eligibility scenario and other subsidized coverage exceptions are discussed in the "Not Eligible for Minimum Essential Coverage" section of CRS Report R44425, *Health Insurance Premium Tax Credit and Cost-Sharing Reductions*.

[7] For a summary of the American Rescue Plan Act of 2021 (P.L. 117-2) provision, see "Section 9661: Improving Affordability by Expanding Premium Assistance for Consumers" in CRS Report R46777, *American Rescue Plan Act of 2021 (P.L. 117-2): Private Health Insurance, Medicaid, CHIP, and Medicare Provisions*.

- eliminated the maximum income limit (400% of FPL) for PTC eligibility purposes, leaving only the minimum income threshold (100% of FPL), and
- reduced applicable percentages and eliminated indexing, which resulted in larger subsidy amounts (compared with ACA-only rules).

The reduction in applicable percentages allows households with incomes between 100% and 150% of FPL to receive full subsidies, reducing consumers' premium contributions to zero dollars. Higher-income households may receive the PTC with the elimination of the income cap.

These changes were extended for three additional tax years, 2023 through 2025, under the FY2022 budget reconciliation law (FY2022 Reconciliation; P.L. 117-169).[8] The sunset date established under the FY2022 Reconciliation for the enhanced PTC provision is January 1, 2026.

Does the Expiration Mean the Subsidies Will End After 2025?

The PTC will continue after 2025. There is no sunset provision applicable to authorization for the credit itself.

The expiration applies only to the temporary provision that expanded income eligibility and enhanced subsidy amounts described above. Without an additional extension of the ARPA provision, the maximum income limit of 400% of the FPL would be reinstated and the applicable percentages would revert to higher levels resulting in lower subsidy amounts.

What Has Been the Impact of the Enhanced Subsidies?

In general, the enhanced PTC provision allowed more households to become eligible for the credit and provided larger subsidies to all eligible households, compared with ACA-only rules.[9] As a result, federal expenditures for the PTC were larger under ARPA/FY2022 Reconciliation rules than under ACA-only rules.

Federal Budgetary Effects

The Congressional Budget Office (CBO) and the staff of the Joint Committee on Taxation (JCT) estimated the ARPA provision that expanded PTC eligibility and enhanced subsidy amounts for tax years 2021-2022 would increase outlays by approximately $22 billion and reduce revenue by more than $12 billion for FY2021-FY2030 (relative to the February 2021 baseline).[10]

For the FY2022 Reconciliation, CBO and JCT estimated that extending the enhanced PTC for three additional years (tax years 2023-2025) would increase outlays by over $33 billion and

[8] For a summary of the provision in the budget reconciliation measure commonly known as the Inflation Reduction Act (P.L. 117-169), see the "Premium Tax Credits" section in CRS In Focus IF12203, *Selected Health Provisions of the Inflation Reduction Act*.

[9] For an illustrative example of the difference in subsidy amounts under different eligibility and formula rules, see Figure 4 in CRS Report R48034, *Illustrative Examples of Premium Tax Credit Variation Among Hypothetical Households*.

[10] Congressional Budget Office (CBO) and the staff of the Joint Committee on Taxation (JCT), Table 9 (Detailed Tables), in *Estimated Budgetary Effects of H.R. 1319, American Rescue Plan Act of 2021*, March 10, 2021, https://www.cbo.gov/publication/57056.

Because the PTC is refundable, eligible individuals may receive credit amounts that exceed their tax liability. For budget purposes, the credit amount that reduces tax liability is considered a revenue reduction. The credit amount that exceeds that liability is considered an outlay. Together, the revenue reductions and outlays constitute total federal expenditures for the PTC.

reduce revenue by more than $31 billion for FY2022-FY2031 (relative to the July 2021 baseline).[11]

JCT incorporated the temporary PTC changes in its most recent committee print on federal tax expenditures for FY2024-FY2028. JCT estimated the net revenue loss attributable to the total PTC would be

- $113.6 billion in FY2024;
- $129.2 billion in FY2025;
- $107.9 billion in FY2026;
- $100.8 billion in FY2027; and
- $103.6 billion in FY2028.[12]

These estimates are based on federal tax provisions enacted through November 1, 2024, including expiration of the enhanced PTC provision at the end of tax year 2025.

Impact on Coverage

In CBO's most recent update to its projections to "Federal Subsidies for Health Insurance" (June 2024), the agency stated that "average annual enrollment through the marketplaces over the period [2024-2033] is 3.2 million more than previously estimated."[13] CBO attributes this increase, relative to prior baseline projections (September 2023) in part, to "availability of enhanced marketplace subsidies."[14]

In addition, administrative exchange data reveal steady increases in subsidized enrollment from 2020 to 2025.[15] The Centers for Medicare & Medicaid Services (CMS) attributes the "growth and popularity of the HealthCare.gov Marketplaces" to the availability of "enhanced tax credits."[16]

The count of individuals with effectuated subsidized exchange enrollment has increased year to year following availability of the enhanced PTC.[17] (The CMS data also provided the percentage of subsidized enrollment over total exchange enrollment.)

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[11] CBO and JCT, Table 1, in *Estimated Budgetary Effects of H.R. 5376, the Inflation Reduction Act of 2022*, August 3, 2022, https://www.cbo.gov/publication/58366.

[12] See "Subsidies for Insurance Purchased Through Health Benefit Exchanges" in Table 1 of JCT, *Estimates of Federal Tax Expenditures for Fiscal Years 2024-2028*, December 11, 2024 (JCX-48-24), https://www.jct.gov/publications/2024/jcx-48-24/.

[13] CBO, "CBO Publishes New Projections Related to Health Insurance for 2024 to 2034," *CBO Blog*, June 18, 2024, https://www.cbo.gov/publication/60383.

[14] CBO, "CBO Publishes New Projections." At the time, CBO compared its latest health insurance projections (June 2024) with its prior projections (September 2023) and concluded that one of the largest revisions was estimated upward enrollment in the ACA exchanges. The agency explained that the larger projected enrollment in exchanges were due to (1) changes to economic and demographic assumptions which resulted in a larger PTC-eligible population and (2) incorporating greater-than-expected effects from the availability of the enhanced credits.

[15] Centers for Medicare & Medicaid Services (CMS), "February Effectuated Enrollment Tables," July 2, 2024, https://www.cms.gov/marketplace/resources/forms-reports-other#Health_Insurance_Marketplaces. Hereinafter, CMS, "February Effectuated Enrollment Tables." Additional information and links to related reports are available in Table 2 in CRS Report R46638, *Health Insurance Exchanges: Sources of Statistics*.

[16] CMS, "Affordability and Choice Anchor Biden-Harris Administration's Launch of Window-Shopping for 12th HealthCare.gov Marketplace Open Enrollment," press release, October 25, 2024, https://www.cms.gov/newsroom/press-releases/affordability-and-choice-anchor-biden-harris-administrations-launch-window-shopping-12th.

[17] *Effectuated enrollment* is the number of unique individuals who have been determined eligible to enroll in an (continued...)

Subsidized exchange enrollment by year (as of February) was as follows:

- 2020: 9.2 million (represented 86% of all individuals enrolled in exchanges)
- 2021: 9.7 million (86%)
- 2022: 12.5 million (90%)
- 2023: 14.3 million (91%)
- 2024: 19.3 million (93%)
- 2025: 21.8 million (93%)

Overall, subsidized exchange enrollment more than doubled between 2020 and 2025, increasing by 137% during this time period. At the state level, all states but New York had more individuals with subsidized exchange enrollment in 2025 compared to 2020.[18]

What Might Happen If the Enhanced Subsidies Expire?

CBO estimates that average gross benchmark premiums would increase—following expiration—due in part to the expected departure of healthier exchange enrollees due to less generous subsidies (see the **Appendix** for a discussion of the 2025 and 2026 premium contributions used to calculate subsidy amounts for PTC-eligible households); "without an extension through 2026, CBO estimates gross benchmark premiums will increase by 4.3 percent, on average, for that year."[19] Further, CBO estimates that gross benchmark premiums will increase, without a permanent extension, by the following percentages: 4.3% in 2026, 7.7% in 2027, and an average 7.9% for 2026-2034 overall. Overlapping with the increase in average premiums, CBO estimates that expiration of the enhanced PTC would contribute to a rise in the number of uninsured individuals. CBO projects that the uninsured population would increase by 2.2 million in 2026 without an extension for that year. Further, without a permanent extension, CBO projects that the "number of uninsured people will rise by 2.2 million in 2026, by 3.7 million in 2027, and by 3.8 million, on average, in each year over the 2026-2034 period."[20]

What Might Happen If the Enhanced Subsidies Are Extended?

CBO and JCT provided budgetary and coverage estimates under a permanent extension of the enhanced PTC.[21] They estimated that direct spending would increase by nearly $296 billion (on net) over the FY2026-FY2035 budget window and that revenues would decrease (on net) by more than $54 billion over the same window. Taken together, the permanent extension would add approximately $350 billion to the budget deficit for that time period.

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exchange plan, have selected a plan, and have submitted the first premium payment for an exchange plan. Effectuated enrollment estimates generally are point-in-time and may change over the plan year. Also, these data represent individuals who received advanced payments of the PTC; however, individuals also may wait until tax filing season (after the plan year has ended) to claim the PTC on their individual income tax forms.

[18] CRS calculations based on national and state data in CMS, February Effectuated Enrollment Tables.

[19] CBO, "Re: The Effects of Not Extending the Expanded Premium Tax Credits for the Number of Uninsured People and the Growth in Premiums," December 5, 2024, p. 3, https://www.cbo.gov/system/files/2024-12/59230-ARPA.pdf.

[20] CBO, "Re: The Effects of Not Extending the Expanded Premium Tax Credits," p. 3. For an interactive tool estimating the potential loss of coverage resulting from the expiration of the enhanced PTC, by state, see Jameson Carter et al., Urban Institute, "Who Would Lose Coverage If Enhanced Premium Tax Credits Expire?," November 14, 2024, https://www.urban.org/data-tools/health-insurance-premium-tax-credit.

[21] CBO and JCT, "Re: 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.

In addition, CBO and JCT estimated that, under a permanent extension, "the number of people with health insurance would increase by 3.6 million in 2030 and by 3.8 million in 2035."[22] CBO also projected that gross benchmark premiums would decrease 7.6%, on average, each year over the 2026-2035 period.

What Did the Recent FY2025 Reconciliation Law (P.L. 119-21) Do to the PTC Expiration?

The FY2025 budget reconciliation law (P.L. 119-21) includes PTC provisions that affect eligibility, income verification, and repayment of excess advance PTCs, and these provisions are estimated to reduce outlays and increase revenues.[23] This act did not affect expiration of the enhanced PTC.

2026 Exchange Premiums and the Premium Tax Credit

How Does the PTC Affect Premiums Paid by Eligible Households in ACA Exchanges?

The PTC reduces the cost to eligible households (i.e., premium contributions) enrolling in exchange QHPs. Consumers may receive the subsidy amount in one of two ways. As mentioned above, consumers may choose to receive advanced payments of the subsidy (APTC) to coincide with the payment of monthly premiums. Under this scenario, the exchange to which a given household applies for health insurance submits the household's information to the Department of the Treasury (Treasury). Treasury electronically transfers the APTC amount to the exchange plan, which reduces the premium charged to the household.

Instead of the APTC, an eligible household may claim the subsidy amount when filing individual income taxes. Under this scenario, the household pays the entire premium amount for each month it is enrolled in an exchange plan. When filing taxes, the household claims the PTC. The subsidy amount reduces the household's tax liability.[24]

What Is the Distinction Between Premiums and Premium Contributions?

A *premium* is the price of an insurance policy set by an insurer. The PTC is a federal subsidy. A premium contribution is the amount of the premium that a household is expected to pay after accounting for any applicable PTC subsidy. This distinction is important because changes to the PTC, whether through congressional action or through the expiration of temporary provisions, will directly affect premium contributions.

The PTC subsidy is calculated with the premium for the second-lowest-cost silver plan (SLCSP), which is referred to as the *benchmark plan*, for PTC purposes (see "What Is the Importance of the Second-Lowest-Cost Silver Plan?" below). The premium contribution is calculated as the product of the household's income and the specified *applicable percentage* (see "What Does It Mean That the Subsidy Is Enhanced?" above). A decrease in the applicable percentage results in a smaller premium contribution and therefore a larger PTC subsidy amount and an increase in the

[22] CBO and JCT, "Re: The Estimated Effects of Enacting Selected Health Coverage Policies," p. 3.

[23] For additional information about these provisions, see CRS Report R48633, *Health Provisions in P.L. 119-21, the FY2025 Reconciliation Law*.

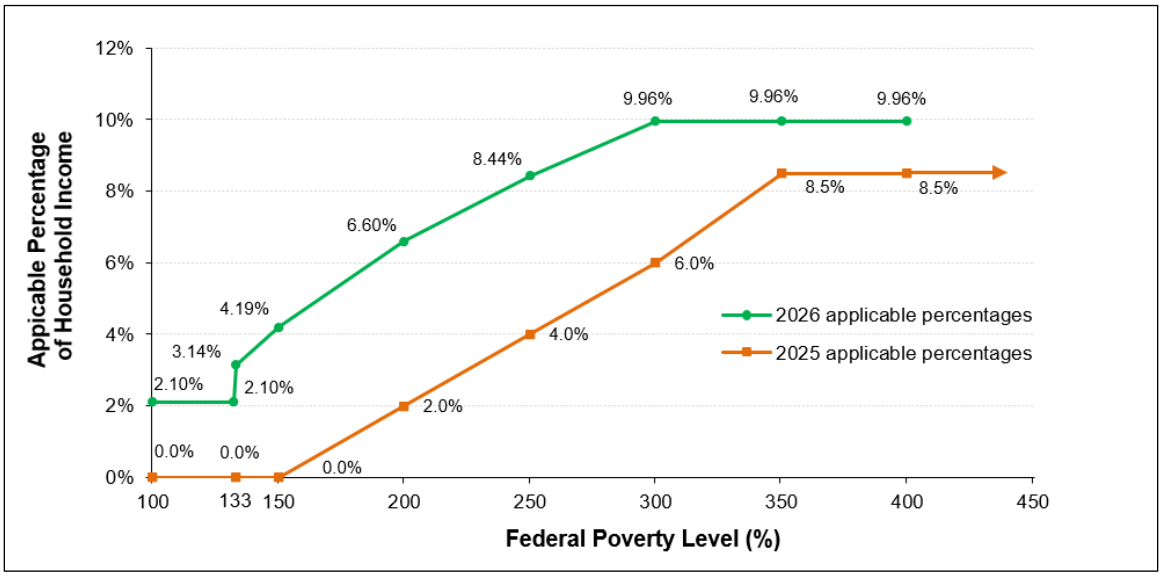
[24] The PTC is a refundable credit allowing eligible households to claim the full credit amount even if it has little or no federal income tax liability. In this case, the PTC would be provided as a tax refund.

applicable percentage results in a larger premium contribution and therefore a smaller subsidy amount.

Under current law, 2026 applicable percentages will increase from the percentages used in 2025 (see **Figure 1**).[25] Therefore, PTC-eligible households will have larger premium contributions in 2026 even if premiums stayed constant. For example, a household with annual income equivalent to 200% of the federal poverty level (FPL) in 2025 is required to contribute 2% of its income toward the benchmark plan premium.[26] In 2026, a household with income equivalent to 200% of FPL would be required to contribute 6.6% of its income toward benchmark premiums. The higher applicable percentage increases the household's premium contribution and correspondingly reduces the PTC amount.

Figure 1. Applicable Percentages Used to Calculate Required Premium Contributions for Individuals Who Are Eligible for the Premium Tax Credit

(cap varies by income, as measured relative to the federal poverty level)



Sources: 26 U.S.C. §36B(b)(3)(A)(iii) and Internal Revenue Service, Rev. Proc. 2025-25.

[25] Per ACA statute, the applicable percentages are typically updated on an annual basis through Internal Revenue Service (IRS) guidance. However, the ARPA and the FY2022 Reconciliation temporarily replaced those percentages. Under current law, the percentages revert back to the annual update process established by the ACA beginning in 2026. See IRS, Rev. Proc. 2025-25, https://www.irs.gov/pub/irs-drop/rp-25-25.pdf.

[26] For PTC purposes, income is measured according to federal poverty guidelines. The guidelines, or FPLs, are updated annually at the beginning of the calendar year. However, PTC calculations are based on the prior year's FPLs to provide households with timely information as they compare and enroll in exchange plans during the open enrollment period that occurs prior to the beginning of the plan year. For example, PTC amounts for 2026 will be calculated using 2025 FPLs. For additional information, see HHS, "Poverty Guidelines," https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines.

What Are the 2026 Exchange Premiums?

Exchanges are part of the individual health insurance market in which premiums can vary based on household size, geography, and other factors, subject to federal and state law.[27] As a result, there is no single premium that applies to all exchange plans and all potential enrollees.

Table 1 provides benchmark plan premiums for selected household sizes and ages in three geographic areas.[28] The geographic center of the continental United States is Lebanon, KS, located in in Smith County. For comparison purposes, the table includes premiums from two other counties—Anoka County, MN, and Monroe County, FL—which have relatively lower and higher premiums for 2026 exchange plans, respectively. The table shows that benchmark premiums vary widely by household size, age, and geographic area, which in turn affects the size of PTCs available to eligible households. (For 2026 PTC calculations of other geographic areas, see CRS Insight IN12437, *2026 Premium Tax Credit Tool: An Interactive Tool for Congressional Users*.)

Table 1. Monthly Exchange Premiums for Benchmark Plans in Selected Geographic Areas, 2026

Metal Level	Smith County, KS	Anoka County, MN	Monroe County, FL
27-year-old individual	$618	$317	$1,048
50-year-old individual	$1,053	$541	$1,785
Family of four[a]	$2,241	$1,227	$3,799

Source: CRS Insight IN12437, *2026 Premium Tax Credit Tool: An Interactive Tool for Congressional Users*.

Notes: For premium tax credit purposes, benchmark plan refers to the second-lowest-cost silver plan in a given geographic area. Premium amounts are rounded to the nearest dollar.

a. The example family of four includes two 30-year-old adults and two children between 0 and 14 years of age.

What Is the Importance of the Second-Lowest-Cost Silver Plan?

The PTC may subsidize only certain plans sold through ACA exchanges; such plans are given a metal designation to help consumers understand the approximate level of coverage (and, inversely, the cost sharing) they can expect from different plans. Each metal plan tier has an associated *actuarial value* (AV): platinum (AV of 90%), gold (80%), silver (70%), or bronze (60%).[29]

The PTC formula uses the premium for the second-lowest-cost silver plan (SLCSP), which is referred to as the *benchmark plan*. Although the PTC formula uses the benchmark plan premium to determine a given household's subsidy amount, the household may apply the resulting subsidy to any available metal tier plan.

[27] For summaries of federal provisions that impact private health insurance premiums, see the "Health Insurance Premiums" section of CRS Report R45146, *Federal Requirements on Private Health Insurance Plans*.

[28] The ACA requires states to establish one or more geographic rating areas within the state. The rating areas must be based on one of the following geographic boundaries: (1) counties, (2) three-digit zip codes, or (3) metropolitan statistical areas (MSAs) and non-MSAs. Center for Consumer Information and Insurance Oversight, "Market Rating Reforms," https://www.cms.gov/cciio/programs-and-initiatives/health-insurance-market-reforms/state-gra.

[29] Actuarial value (AV) is a summary measure of a plan's generosity, expressed as the percentage of medical expenses estimated to be paid by the insurer for a standard population and set of allowed charges. The higher the percentage, the lower the cost sharing, on average, for the population. AV is not a measure of plan generosity for an enrolled individual or family, nor is it a measure of premiums or benefits packages.

Table 1 provides 2026 premiums for the SLCSP for selected household types across different rating areas.

What Are the 2026 Premium Contributions and Resulting PTC Subsidy Amounts?

Premiums can vary by households and other factors. To highlight the effect of this variation, **Table 2** provides the calculated premium contributions and PTC amounts for different geographic areas, using the 2026 applicable percentages displayed in **Figure 1**. For simplicity purposes, the following table compares values for a household consisting of one person, aged 50, at income levels equivalent to 100% of FPL and 400% of FPL.[30] (See the **Appendix** for additional calculations for the other households included in **Table 1**.) Premium contributions and PTC amounts would vary for different income levels and different households.

The examples below illustrate how premium differences influence the size of the federal subsidy provided to households. **Table 2** demonstrates that even when households have the same income and demographic characteristics, their PTC amounts can differ substantially across geographic areas. Because premium contributions are generally the same for households with the same income as measured by FPL, this variation is primarily driven by differences in the underlying benchmark plan premiums. For example, a 50-year-old individual with income at 100% of FPL has the same premium contribution across all locations but receives a higher PTC amount in areas with higher benchmark premiums, such as Monroe County, FL, and Smith County, KS. At 400% of FPL, premium contributions are larger than at 100% of FPL, and PTC amounts are generally smaller, and in areas with relatively low benchmark premiums, such as Anoka County, MN, the resulting PTC may be negligible.

Table 2. Monthly Premium Contributions and PTC Amounts for a 50-Year-Old Individual for Benchmark Plans in Selected Geographic Rating Areas, 2026

Metal Level	Smith County, KS	Anoka County, MN	Monroe County, FL
Benchmark Plan Premium, 50-Year-Old Individual	$1,053	$541	$1,785
100% of FPL			
Premium Contribution	$27	$27	$27
PTC Amount	$1,026	$514	$1,758
400% of FPL			
Premium Contribution	$519	$520	$519
PTC Amount	$534	$21	$1,266

Source: CRS Insight IN12437, *2026 Premium Tax Credit Tool: An Interactive Tool for Congressional Users*.

Notes: FPL = federal poverty level; PTC = premium tax credit. For PTC purposes, *benchmark plan* refers to the second-lowest-cost silver plan in a given rating area. Premium amounts are rounded to the nearest dollar, which can affect calculated premium contribution and PTC amounts. The 2026 PTC amounts represent non-enhanced subsidies.

The example family of four includes two 30-year-old adults and two children between 0 and 14 years of age.

[30] PTC amounts for 2026 will be calculated using 2025 FPLs. HHS, "Annual Update of the HHS Poverty Guidelines," 90 *Federal Register* 5917, January 17, 2025, https://www.federalregister.gov/documents/2025/01/17/2025-01377/annual-update-of-the-hhs-poverty-guidelines.

How Do 2026 Exchange Premiums Differ from 2025 Exchange Premiums?

Various factors impact premiums, including the estimated health of potential exchange enrollees, the benefits covered under exchange plans, economic conditions (e.g., inflation), and others. Changes to any or all of these factors could contribute to premium changes from year to year.

Table 3 provides 2025 and 2026 exchange premiums in the geographic areas included in **Table 1**, and **Table 2**. For simplicity purposes, the following table compares premiums for a household consisting of one person, aged 50. (See the **Appendix** for additional calculations for the other households included in **Table 1**.) For each rating area listed, the 2026 premium is higher than the corresponding 2025 premium.[31]

Table 3. Monthly Exchange Premiums for Benchmark Plans for a 50-Year-Old Person in Selected Geographic Rating Areas, 2025 and 2026

	Smith County, KS	Anoka County, MN	Monroe County, FL
2025	$771	$440	$743
2026	$1,053	$541	$1,785

Sources: CRS Insight IN12437, *2026 Premium Tax Credit Tool: An Interactive Tool for Congressional Users*, and HIX Compare Individual Market data posted by the Robert Wood Johnson Foundation, https://hix-compare.org/.

Notes: The benchmark plan used to calculate the PTC subsidy refers to the second-lowest-cost silver plan in a given geographic area.

The increase in premiums is not unexpected given the steady growth in premiums in the private health insurance market. Although premium trend studies generally have focused on employer-sponsored health benefits (as the primary source of private health coverage in the United States), enactment of the ACA has led to greater interest in individual health insurance, especially premium trends.[32] For individual exchange plans specifically, "premiums [rose] steeply from 2016-2018" but "held mostly steady from 2019 to 2020."[33] More recent analyses generally found single-digit premium increases for exchange plans in 2023-2025.[34]

[31] CRS did not conduct a comparison of all 2026 exchange premiums to 2025 premiums. There are 504 rating areas for the individual insurance market in 2026. In addition, there is the potential variation in premiums due to age, household size, metal tier, and specific exchange plan. These allowed variations lead to tens of thousands of possible premiums for exchange plans in 2026.

[32] For example, see G. Edward Miller and Patricia Keenan, "Statistical Brief #553: Trends in Health Insurance at Private Employers, 2008-2022," Agency for Healthcare Research and Quality, October 2023, https://meps.ahrq.gov/data_files/publications/st553/stat553.shtml; and Elizabeth Plummer et al., "Trends in Premiums, Claims, and Enrollment for Fully Insured Large Group, Small Group, and Individual Health Plans from 2011 to 2021," *JAMA Network Open*, April 18, 2023, https://jamanetwork.com/journals/jamanetworkopen/fullarticle/2803945.

[33] Jared Ortaliza et al., "As ACA Marketplace Enrollment Reaches Record High, Fewer Are Buying Individual Market Coverage Elsewhere," KFF, September 7, 2023, https://www.kff.org/private-insurance/issue-brief/as-aca-marketplace-enrollment-reaches-record-high-fewer-are-buying-individual-market-coverage-elsewhere/.

[34] The following studies calculate mean (average) and median percentage changes in premiums; caution should be used in comparing calculations across plan years. Cynthia Cox et al., "Nine Changes to Watch in ACA Open Enrollment 2023," KFF, October 27, 2022, https://www.kff.org/private-insurance/nine-changes-to-watch-in-open-enrollment-2023; and Jared Ortaliza et al., "How Much and Why 2024 Premiums Are Expected to Grow in Affordable Care Act Marketplaces," KFF, August 4, 2023, https://www.healthsystemtracker.org/brief/how-much-and-why-2024-premiums-are-expected-to-grow-in-affordable-care-act-marketplaces/; and Jared Ortaliza et al., "How Much and Why ACA Marketplace Premiums Are Going up in 2025," Peterson-KFF, August 2, 2024, https://www.healthsystemtracker.org/brief/how-much-and-why-aca-marketplace-premiums-are-going-up-in-2025/.

With respect to 2026 exchange premiums, one study estimated that exchange plan premiums will increase by an average of 26%.[35] However, the expiration of the enhanced PTC is only one of many factors that health insurers consider when setting their rates.[36] Other factors specific to a given insurer (e.g., changes with in-network providers) and outside of insurer authority (e.g., state regulatory activity) may affect premiums.[37] Therefore, the exchange premium increases from 2025 to 2026 may be partially, but not wholly, attributed to the upcoming enhanced PTC expiration.[38]

How Many Individuals Have Enrolled in Exchanges? How Many Individuals Have Received the PTC?

As of this report's publication date, the open enrollment period (OEP) for the 2026 plan year is still underway. Pre-effectuated enrollment data for 2026 have been released.[39] According to a fact sheet dated December 5, 2025, nearly 5.8 million individuals have selected exchange plans during the current OEP. Of that total, over 4.8 million individuals are returning consumers.[40] For prior plan years, there is effectuated exchange enrollment and PTC data.[41] **Table 4** includes effectuated enrollment counts for prior years, including the year before the PTC enhancements were enacted. Effectuated enrollment data reflect individuals who have selected a plan and have submitted the first premium payment for a plan thereby effectuating enrollment. These data illustrate the substantial increases in actual enrollment, both total and APTC, in recent plan years.[42]

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[35] Cynthia Cox, "ACA Insurers Are Raising Premiums by an Estimated 26%, But Most Enrollees Could See Sharper Increases in What They Pay," (blog) KFF, 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/ (hereinafter Cox, "ACA Insurers Are Raising Premiums").

[36] See American Academy of Actuaries, "Drivers of 2026 Premium Changes," July 2025, https://actuary.org/resources/brief-drivers-of-2026-premium-changes/.

[37] Fundamental to the premium rate setting process is consideration of the applicable risk pool (i.e., the estimated medical costs for a group of individuals). For exchange purposes, the applicable risk pool includes the "claims experience of all enrollees in all health plans ... offered by such issuer in the individual market in a state" (45 C.F.R. §156.80). Expiration of the enhanced PTC has the potential to affect the size and composition of the 2026 individual market risk pool. The generosity of premium subsidies, whether provided by government, employers, or third-party organizations, typically has a strong effect on take-up of insurance. The expiration of the enhanced PTC will lead to lower subsidy amounts, which may discourage some consumers—particularly healthier individuals—from enrolling in exchange plans in 2026. For example, CBO stated in a December 2024 estimate of the enhanced PTC expiration that it "expects that healthier-than-average people will exit the marketplaces if the expanded credits are no longer available and, in response, insurers will raise premiums for the remaining enrollees." CBO, "Re: The Effects of Not Extending the Expanded Premium Tax Credits for the Number of Uninsured People and the Growth in Premiums," December 5, 2024, p. 3, https://www.cbo.gov/system/files/2024-12/59230-ARPA.pdf.

[38] "In their 2026 filings to state regulators describing their requested premium increases, ACA Marketplace insurers said they would charge about 4 percentage points more, on average, than they otherwise would have because they expected healthier people to drop Marketplace coverage if enhanced premiums tax credit expire." Cox, "ACA Insurers Are Raising Premiums."

[39] Pre-effectuated enrollment refers to individuals who have selected exchange plans but may not have paid their first premium. Pre-effectuated data do not indicate the number of individuals who received the PTC.

[40] Centers for Medicare & Medicaid Services, "Marketplace 2026 Open Enrollment Period Report: National Snapshot," December 5, 2025, https://www.cms.gov/newsroom/fact-sheets/marketplace-2026-open-enrollment-period-report-national-snapshot.

[41] Effectuated enrollment data reflect individuals who have selected a plan and have submitted the first premium payment for a plan.

[42] Advanced PTC (or APTC) refers to the option for consumers to choose to receive advanced payments of the credit. APTCs are provided on a monthly basis to coincide with the payment of insurance premiums. APTC amounts are directly transmitted to health insurers, which automatically reduce consumer costs associated with purchasing applicable insurance through the exchanges.

Table 4. Effectuated Exchange Enrollment, 2020-2024

(as of February of each plan year)

	2020	2021	2022	2023	2024	2025
Total Enrollment	10,673,516	11,227,111	13,807,669	15,661,223	20,777,786	23,393,198
APTC Enrollment	9,232,225	9,667,070	12,483,707	14,295,339	19,306,162	21,822,894
Percentage of Total Enrollment with APTC	86%	86%	90%	91%	93%	93%

Source: CRS Report R46638, *Health Insurance Exchanges: Sources of Statistics*.

Notes: APTC = advanced premium tax credit. Effectuated enrollment data reflect individuals who have selected a plan and have submitted the first premium payment for a plan. APTC refers to the option for consumers to choose to receive advanced payments of the credit. APTCs are provided on a monthly basis to coincide with the payment of insurance premiums. APTC amounts are directly transmitted to health insurers, which automatically reduce consumer costs associated with purchasing applicable insurance through the exchanges.

With respect to exchange enrollment by income, there is preliminary data of individuals who selected plans by income (measured according to FPL). **Table 5** provides pre-effectuated counts by FPL. Pre-effectuated enrollment refers to individuals who have selected exchange plans but may not have paid their first premium. Pre-effectuated data does not indicate the number of individuals who received the PTC.

Under current law, households at all income levels who enrolled in 2025 exchange plans will experience an increase in premium contributions for 2026. However, the impact of such increases may vary across households. Households with incomes between 100 percent and 150 percent of FPL, which currently receive full premium subsidies and represent the largest share of exchange selections (45%), may experience pronounced changes in required premium contributions due to the higher applicable percentages in 2026.[43] Enrollment among individuals with incomes above 400 percent of FPL may be sensitive to premium changes, given that such households will no longer qualify for the PTC in 2026 under the original statutory parameters. However, final conclusions cannot be drawn until effectuated 2026 enrollment data become available.

Table 5. Pre-Effectuated Exchange Enrollment by Income, 2025

(income is measured according to federal poverty levels)

FPL	<100%	≥100% - ≤150%	>150% - ≤250%	>250% - ≤400%	>400% - ≤500%	>500%	Other/ Unknown
Individuals with Exchange Plan Selections	548,650	10,902,026	6,833,746	3,485,643	724,961	911,808	912,879
Distribution	2%	45%	28%	14%	3%	4%	4%

Source: CRS calculations using Centers for Medicare & Medicaid Services data, 2025 Open Enrollment Period State-Level Public Use File.

Notes: FPL = federal poverty level. Pre-effectuated enrollment refers to individuals who have selected exchange plans but may not have paid their first premium.

[43] The upcoming changes to premium contributions for low-income households are smaller amounts compared to the premium contributions for higher-income households. Nonetheless, affordability may be a concern for low-income households given the potential impact of even nominal costs on their ability to purchase health insurance.

Appendix. Examples of Premium Contributions and Resulting PTC Amounts

The following tables provide 2026 premium contribution and PTC amounts for different household sizes and ages; the tables are companions to **Table 2**.

Table A-1. Monthly Premium Contributions and PTC Amounts for a 27-Year-Old Individual for Benchmark Plans in Selected Geographic Rating Areas, 2026

Metal Level	Smith County, KS	Anoka County, MN	Monroe County, FL
Benchmark Plan Premium, 27-Year-Old Individual	$618	$317	$1,048
100% of FPL			
Premium Contribution	$28	$28	$28
PTC Amount	$590	$290	$1,020
400% of FPL			
Premium Contribution	$520	$317	$520
PTC Amount	$98	$0	$528

Source: CRS Insight IN12437, *2026 Premium Tax Credit Tool: An Interactive Tool for Congressional Users*

Notes: FPL = federal poverty level; PTC = premium tax credit. For PTC purposes, *benchmark plan* refers to the second-lowest-cost silver plan in a given rating area. Premium amounts are rounded to the nearest dollar, which can affect calculated premium contribution and PTC amounts. The 2026 PTC amounts represent non-enhanced subsidies.

Table A-2. Monthly Premium Contributions and PTC Amounts for a Family of Four for Benchmark Plans in Selected Geographic Rating Areas, 2026

Metal Level	Smith County, KS	Anoka County, MN	Monroe County, FL
Benchmark Plan Premium, Family of Four[a]	$2,241	$1,227	$3,799
100% of FPL			
Premium Contribution	$57	$57	$57
PTC Amount	$2,184	$1,170	$3,743
400% of FPL			
Premium Contribution	$1,068	$1,068	$1,068
PTC Amount	$1,173	$159	$2,731

Source: CRS Insight IN12437, *2026 Premium Tax Credit Tool: An Interactive Tool for Congressional Users*

Notes: FPL = federal poverty level; PTC = premium tax credit. For PTC purposes, *benchmark plan* refers to the second-lowest-cost silver plan in a given rating area. Premium amounts are rounded to the nearest dollar, which can affect calculated premium contribution and PTC amounts. The 2026 PTC amounts represent non-enhanced subsidies.

a. The example family of four includes two 30-year-old adults and two children between 0 and 14 years of age.

The following tables compare 2025 and 2026 benchmark premiums for different household sizes and ages; the tables are companions to **Table 3**.

Table A-3. Monthly Exchange Premiums for Benchmark Plans for a 27-Year-Old Person in Selected Geographic Rating Areas, 2025 and 2026

	Smith County, KS	Anoka County, MN	Monroe County, FL
2025	$452	$258	$743
2026	$618	$317	$1,048

Source: CRS Insight IN12437, *2026 Premium Tax Credit Tool: An Interactive Tool for Congressional Users*, and HIX Compare Individual Market data posted by the Robert Wood Johnson Foundation, https://hix-compare.org/.

Notes: For premium tax credit purposes, the benchmark plan refers to the second-lowest-cost silver plan in a given geographic area.

Table A-4. Monthly Exchange Premiums for Benchmark Plans for a Family of Four in Selected Geographic Rating Areas, 2025 and 2026

	Smith County, KS	Anoka County, MN	Monroe County, FL
2025	$1,640	$999	$2,695
2026	$2,241	$1,227	$3,799

Source: CRS Insight IN12437, *2026 Premium Tax Credit Tool: An Interactive Tool for Congressional Users*, and HIX Compare Individual Market data posted by the Robert Wood Johnson Foundation, https://hix-compare.org/.

Notes: The example family of four includes two 30-year-old adults and two children between 0 and 14 years of age. For premium tax credit purposes, the benchmark plan refers to the second-lowest-cost silver plan in a given geographic area.

The following table provides 2025 premium contribution and PTC amounts for a 50-year-old individual with different incomes; the table is a companion to **Table 2**.

Table A-5. Table 8. Monthly Premium Contributions and PTC Amounts for a 50-Year-Old Individual for Benchmark Plans in Selected Geographic Rating Areas, 2025

	Smith County, KS	Anoka County, MN	Monroe County, FL
Benchmark Plan Premium, 50-Year-Old Individual	$771	$440	$743
100% of FPL			
Premium Contribution	$0	$0	$0
PTC Amount	$771	$440	$743
400% of FPL			
Premium Contribution	$427	$427	$427
PTC Amount	$344	$13	$316

Source: CRS calculations using HIX Compare Individual Market data posted by the Robert Wood Johnson Foundation, https://hix-compare.org/; Department of Health and Human Services, "Annual Update of the HHS Poverty Guidelines," 89 *Federal Register* 2961, January 17, 2024; and 26 U.S.C. §36B(b)(3)(A)(iii).

Notes: FPL = federal poverty level; PTC = premium tax credit. For PTC purposes, *benchmark plan* refers to the second-lowest-cost silver plan in a given rating area. Premium amounts are rounded to the nearest dollar, which can affect calculated premium contribution and PTC amounts. The 2025 PTC amounts represent enhanced subsidies which expire in 2026.

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