



**September 10, 2024**

The Honorable Robert P. Casey, Jr.  
United States Senate  
393 Russell Senate Office Building  
Washington DC 20510

The Honorable John Fetterman  
United State Senate  
142 Russell Senate Office Building  
Washington DC 20510

*Re: Making Permanent the Inflation Reduction Act Enhanced Premium Tax Credits*

Dear Senators Casey and Fetterman:

We write to urge action now to make permanent the enhanced premium tax credits provided under the American Rescue Plan Act of 2021 (ARPA) and extended through the Inflation Reduction Act (IRA) of 2022. These enhanced premium tax credits provide around **\$500 million annually to help Pennsylvanians afford their health coverage** through Pennie, Pennsylvania's state-based health insurance marketplace.

The increased affordability has become the norm for Pennie enrollees, two-thirds of which have *only* experienced the significantly lower premiums made possible by the enhanced tax credits. If allowed to expire, **Pennie customers would see an average premium increase of 81 percent**. Many Pennsylvanians will be forced to go uninsured, limiting access to necessary medical care resulting in uncontrolled medical conditions or risk of significant medical debt.

With the enhanced premium tax credits, Pennie enrollment has hit record levels with nearly **435,000 individuals enrolled – an increase of 29 percent** since 2021. Much of these enrollment gains have come from Pennsylvania communities with higher uninsured rates, like those with lower incomes, between the ages of 55 and 64, and living in rural areas.

The impact of the enhanced premium tax credits cannot be overstated for low and middle-income Pennsylvanians (below 400% of the federal poverty level), who make up 90% of those receiving tax credits. This population – with many competing priorities for their household budget – relies heavily on the additional tax credits to afford their coverage, or to buy a plan with greater benefits to better meet their health care needs. Without the enhanced tax credits, **families would see premium increases of \$4,000 more per year** for a family of four.

A Pennsylvanian who purchased health coverage through Pennie shared how the enhanced tax credits provided by ARPA saved her life. In 2018, the individual, who is diabetic and insulin-dependent, became uninsured. Even with stable jobs, she and her husband couldn't afford health insurance, and she rationed or went without insulin, while fearing that this could leave her baby and husband without a mother and wife. In 2021 with the passage of the enhanced tax credits, she was finally able to afford

quality health insurance that covered her treatments and medical care for her family. If enhanced premium tax credits are not continued, **hundreds of thousands of Pennsylvanians across the Commonwealth, would no longer have access to affordable healthcare coverage that is necessary to address vital healthcare needs.**

The enhanced premium tax credits have a significant impact on households above 400% of the federal poverty level as well, especially for older Pennsylvanians who are not yet eligible for Medicare and would see their premiums rise the most. Consider a 60-year-old couple in York County with a household income of \$82,782. Their monthly premium would increase from \$586/month (\$7,032/year) today to \$2,827/month (\$33,924/year) without the enhanced tax credits, **a 382% increase and consuming 41 percent of their income.**

Finally, while all counties in Pennsylvania would be harmed by the expiration of the enhanced tax credits, **Pennsylvania's rural counties would be disproportionately impacted.** Attached to this letter is a county level breakdown of the estimated impact to enrollees' tax credits and net premiums if this enhanced financial assistance expires.

The enhanced premium tax credits position the **health insurance marketplace as a critical component of continuous coverage for Pennsylvanians**, from easing the transition from Medicaid into private marketplace coverage to ensuring access for older Pennsylvanians during a critical time in their health when they are not yet eligible for Medicare.

If Congress does not extend the enhanced premium tax credits, we anticipate many Pennsylvanians would no longer be able to afford coverage and the coverage gains seen since 2021 would be reversed. Should these tax credits be made permanent, we can build on the progress made in providing a record number of Pennsylvanians with the peace of mind and economic security that comes from having health coverage.

Therefore, we strongly urge Congress to **extend the enhanced premium tax credits this year** to avoid disruption to Pennsylvanian's coverage - the further into 2025 that action is taken, the more disruption will be seen to marketplace coverage and premiums. We ask you to give Pennsylvanians the peace of mind in knowing that they can afford their health coverage and their health care, today, tomorrow, and in the future.

For any questions, please contact Jennifer Lloyd at [jenlloyd@pa.gov](mailto:jenlloyd@pa.gov) or 717-364-5979.

Sincerely,



Devon Trolley  
Executive Director  
PA Health Insurance Exchange Authority (Pennie)



Michael Humphreys  
Commissioner  
PA Insurance Department

## Impact on Tax Credits and Net Premiums by County If Enhanced Tax Credits Expire

The chart below displays the county level impact to advanced premium tax credits (APTCs) and net premiums if the Inflation Reduction Act (IRA) enhanced premium tax credits expire. Consumers in that county would see the corresponding percentage loss in APTCs and the percentage increase in net premiums if they remain enrolled in their current plan. For many consumers, **their premiums will double** without this financial assistance. The chart also distinguishes urban counties from rural counties as defined by the Center for Rural Pennsylvania.<sup>1</sup>

Rural / Urban	Enrollees (receiving APTCs)	\$ APTC Change Per Member Per Year	APTC Percent Change	Net Premium Percent Change
R	100,073	-\$1,555	-19.7%	99%
U	278,269	-\$1,245	-20.4%	75%
<b>Total</b>	<b>378,342</b>	<b>-\$1,327</b>	<b>-20.2%</b>	<b>81%</b>

Rural / Urban	County	Enrollees (receiving APTCs)	\$ APTC Change Per Member Per Year	APTC Percent Change	Net Premium Percent Change
R	Adams	3,769	-\$1,966	-20%	128%
U	Allegheny	34,228	-\$1,193	-23%	88%
R	Armstrong	2,152	-\$1,513	-19%	118%
U	Beaver	4,766	-\$1,413	-23%	97%
R	Bedford	1,540	-\$1,252	-19%	96%
U	Berks	11,993	-\$1,418	-20%	55%
R	Blair	2,963	-\$1,316	-21%	86%
R	Bradford	1,578	-\$1,441	-22%	49%
U	Bucks	24,497	-\$1,060	-20%	59%
R	Butler	6,002	-\$1,389	-25%	84%
R	Cambria	3,902	-\$1,573	-20%	116%
R	Cameron	154	-\$2,219	-19%	256%
R	Carbon	1,758	-\$1,335	-20%	45%
R	Centre	4,020	-\$1,992	-21%	142%
U	Chester	15,067	-\$1,165	-23%	53%
R	Clarion	1,564	-\$1,499	-19%	119%
R	Clearfield	2,490	-\$1,890	-19%	147%
R	Clinton	866	-\$1,574	-19%	88%
R	Columbia	1,955	-\$1,630	-17%	175%
R	Crawford	2,793	-\$1,606	-21%	115%
U	Cumberland	8,486	-\$1,795	-21%	129%
U	Dauphin	8,299	-\$1,627	-19%	135%
U	Delaware	17,036	-\$1,042	-20%	61%
R	Elk	1,147	-\$2,014	-19%	171%
U	Erie	6,604	-\$1,273	-23%	85%
R	Fayette	3,391	-\$1,315	-20%	75%
R	Forest	160	-\$1,300	-14%	91%

Rural / Urban	County	Enrollees (receiving APTCs)	\$ APTC Change Per Member Per Year	APTC Percent Change	Net Premium Percent Change
R	Franklin	4,589	-\$1,768	-19%	135%
R	Fulton	550	-\$2,026	-17%	301%
R	Greene	777	-\$1,865	-22%	117%
R	Huntingdon	1,258	-\$1,792	-20%	164%
R	Indiana	2,295	-\$1,617	-18%	154%
R	Jefferson	1,811	-\$1,727	-19%	155%
R	Juniata	916	-\$2,097	-18%	279%
U	Lackawanna	5,590	-\$1,242	-20%	49%
U	Lancaster	12,739	-\$1,489	-23%	60%
R	Lawrence	2,238	-\$1,287	-21%	85%
U	Lebanon	4,146	-\$1,818	-20%	131%
U	Lehigh	10,034	-\$1,349	-18%	86%
U	Luzerne	7,679	-\$1,197	-19%	50%
R	Lycoming	3,216	-\$1,625	-20%	108%
R	Mckean	1,075	-\$1,739	-19%	162%
R	Mercer	3,026	-\$1,286	-21%	95%
R	Mifflin	1,191	-\$1,610	-15%	159%
R	Monroe	4,980	-\$1,229	-20%	49%
U	Montgomery	26,702	-\$1,100	-21%	58%
R	Montour	448	-\$1,888	-18%	173%
U	Northampton	8,397	-\$1,402	-19%	78%
R	Northumberland	2,511	-\$1,723	-16%	178%
R	Perry	1,508	-\$1,795	-19%	127%
U	Philadelphia	45,944	-\$915	-18%	87%
R	Pike	2,876	-\$1,553	-17%	164%
R	Potter	698	-\$1,574	-15%	188%
R	Schuylkill	3,307	-\$1,434	-17%	76%
R	Snyder	1,504	-\$1,717	-18%	159%
R	Somerset	2,145	-\$1,425	-21%	65%
R	Sullivan	219	-\$1,395	-21%	45%
R	Susquehanna	1,190	-\$1,378	-22%	44%
R	Tioga	1,186	-\$1,661	-19%	104%
R	Union	1,267	-\$1,817	-19%	152%
R	Venango	1,484	-\$1,352	-21%	96%
R	Warren	1,227	-\$1,560	-19%	128%
R	Washington	5,783	-\$1,328	-23%	81%
R	Wayne	1,786	-\$1,309	-21%	43%
U	Westmoreland	10,847	-\$1,322	-22%	87%
R	Wyoming	808	-\$1,339	-21%	42%
U	York	15,215	-\$1,952	-20%	138%

<sup>1</sup> <https://www.rural.pa.gov/data/rural-urban-definitions>