

Webisode 57DHYYS October 24 2025 ACA Marketplace Premium Payments Would More than Double on Average Next Year if Enhanced Premium Tax Credits PTCs Expire!

In Webisode 57DHYYS ACA Marketplace Premium Payments would more than double on average in 2026 if Enhanced Premium Tax Credits PTCs expire! 1A The Republican Budget Bill In Your District 1B Example Madison Wisconsin Search by Zip Code on this website to get similar information This is what the Big Ugly Law will mean for your community 2 Information from the KFF website 3 From the Remodel Health Website Main Content

1A The Republican Budget Bill In Your District The Trump Big Ugly Law Excerpts edited by RAWSEP for brevity and clarity and relationship to Residents Against Wood Smoke Emission Particulates a 501C3 nonprofit organization Donald Trump and House Republicans promised to lower costs for American families They lied Republicans are betraying the middle class and raising costs on American families all to pay for giveaways to Trump's billionaire donors More than 15 million Americans will lose their health care Source Congressional Budget Office Millions of people will lose food assistance Source Congressional Budget Office 3 point 4 trillion dollars added to the deficit rises to over 4 trillion dollars when interest costs are included Source Congressional Budget Office 500 plus billion dollars in cuts to Medicare Source Congressional Budget Office 760000 manufacturing and energy jobs eliminated Source Energy Innovation Why? So billionaires and big corporations can get trillions in tax breaks Over 5 Trillion dollars in tax giveaways predominantly to the wealthy and well connected Source Congressional Budget Office 310825 dollars Average annual tax cut for the richest 0 point 1 percent estimate for 2027 Source House Budget Committee Democratic Staff calculations based on JCT table JCX dash 37 dash 25

1B Website <https://democrats.hyphen-budget.house.gov/forward-slash-legislation/forward-slash-big-ugly-law> Excerpts edited by RAWSEP for brevity and clarity and relationship to Residents Against Wood Smoke Emission Particulates a 501C3 nonprofit organization Example Madison Wisconsin Search by Zip Code on this website to get similar information This is what the Big Ugly Law will mean for your community While Trump's billionaire donors get massive tax breaks families in WI 02 will be left holding the bag Ripping Away Health Care In Your State 276175 people across Wisconsin will lose health insurance In Your District 1040 dollars average increase in premiums for people in WI 02 covered under the Affordable Care Act In Your State 3 rural hospitals in Wisconsin would be at risk of shutting their doors By gutting Medicaid and attacking the Affordable Care Act the Big Ugly Law will push families towards poverty and force hospitals across America to close their doors Raising Food Costs In Your State At Least 49000 people across Wisconsin could lose some or all food assistance In order to fund their tax cuts for billionaires Republicans voted for massive cuts to the Supplemental Nutrition Assistance Program making millions go without food and forcing children to go to bed hungry Killing Manufacturing Jobs and Raising Energy Costs In Your State 27000 manufacturing and energy jobs in Wisconsin will be eliminated In Your State 470 dollars average yearly increase in energy bills for Wisconsin families Nonpartisan estimates show that by eliminating investments in clean energy manufacturing the Big Ugly Law will kill hundreds of thousands of jobs across America Increasing the Cost of Higher Education In Your State 53924 students in Wisconsin will have their Pell grants cut or eliminated entirely Trump and Republicans in Congress are cutting funding for Pell grants that help make a college education more affordable in order to line the pockets of billionaires and big corporations And that is only the beginning Republicans are targeting even more critical services to fund their tax cuts for billionaires and big corporations The Trump administration is already undermining our nation's economy by threatening essential public servants with reckless layoffs In WI 02 alone the federal government employs 5859 people source

2 From the KFF Website <https://www.kff.org/affordable-care-act/marketplace-premium-payments-would-more-than-double-on-average-next-year-if-enhanced-premium-tax-credits-expire>
Excerpts edited by RAWSEP for brevity and clarity and relationship to Residents Against Wood Smoke Emission Particulates a 501C3 nonprofit organization ACA Marketplace Premium Payments Would More than Double on Average Next Year if Enhanced Premium Tax Credits Expire Published Sep 30 2025 Affordable Care Act ACA enhanced premium tax credits are set to expire at the end of this year Enhanced premium tax credits were introduced in 2021 and later extended through the end of 2025 by the Inflation Reduction Act The enhanced tax credits both increased the amount of financial assistance already eligible ACA Marketplace enrollees received as well as made middle income enrollees with income above 400 percent of federal poverty guidelines newly eligible for premium tax credits Since the introduction of the enhanced premium tax credits enrollment in the Marketplace has more than doubled from about 11 to over 24 million people the vast majority of whom receive an enhanced premium tax credit If enhanced tax credits expire many Marketplace enrollees will continue to qualify for a smaller tax credit while others will lose eligibility altogether and be hit by a double whammy of losing their entire tax credit and being on the hook for rising premiums Since 2014 the ACA has capped how much subsidized enrollees pay for their health insurance premiums at a certain percent of their income on a sliding scale with the federal government covering the remainder in the form of a tax credit Enhanced tax credits work by further lowering the share of income ACA Marketplace enrollees pay for a plan For example with the enhanced tax credits in place an individual making 28 thousand dollars will pay no more than around 1 percent 325 dollars of their annual income towards a benchmark plan If the enhanced tax credits expire this same individual would pay nearly 6 percent of their income 1562 dollars annually towards a benchmark plan in 2026 In other words if the enhanced tax credits expire this individual would experience an increase of 1238 dollars in their annual premium

3 From the Remodel Health website [What healthcare changes are in the One Big Beautiful Bill Act OBBBA?](https://remodelhealth.com/what-healthcare-changes-are-in-the-one-big-beautiful-bill-act-obbba/) **Excerpts edited by RAWSEP for brevity and clarity and relationship to Residents Against Wood Smoke Emission Particulates a 501C3 nonprofit organization** August 6 2025 Health Insurance Education <https://remodelhealth.com/what-healthcare-changes-are-in-the-one-big-beautiful-bill-act-obbba/> Congress passed H R1 also known as the One Big Beautiful Bill Act OBBBA on July 3 2025 with President Donald Trump signing the bill the next day This bill included sweeping changes across various policy issues from energy to the federal budget However it also included healthcare related provisions that may impact you your employees or your clients At Remodel Health we have been monitoring how new federal legislation and regulations might impact the employee benefits space In this article we'll provide an overview of the healthcare changes included in the OBBBA In this blog post you'll learn What the One Big Beautiful Bill Act is What major healthcare changes H R1 includes The potential impact of OBBBA provisions and provisions not included in the bill Are you looking for a cost effective alternative to traditional group health insurance? Learn how the ICHRA might be the solution for you and your clients **LEARN MORE ABOUT ICHRA** What is H R1 the One Big Beautiful Bill Act? H R 1 also known as the One Big Beautiful Bill Act is a budget reconciliation measure that Congress introduced in the House of Representatives on May 20 2025 After passing both chambers of Congress President Trump signed the bill into law on July 4 2025 The bill reflects a broad legislative effort to reshape certain aspects of the federal government including taxation federal spending and benefits Healthcare changes in H R1 the OBBBA While the bill addresses a wide range of issues its healthcare provisions are especially relevant for employers employees and benefits advisors While the bill originally included language that would have directly impacted Remodel Health by codifying and renaming the individual coverage health reimbursement arrangement ICHRA as the CHOICE Arrangement the Senate removed the provision You can learn more about what the bill would have done for ICHRA in our article on the topic Although ICHRA isn't

becoming CHOICE as a result of the OBBBA many healthcare related provisions did become law We'll highlight some of these changes in the sections below ACA individual market changes in OBBBA The One Big Beautiful Bill Act introduced several changes to the individual health insurance market including premium tax credits The table below summarizes some of the provisions impacting the individual market

Summary of changes OBBBA section1 source

Pre enrollment verifications for advance premium tax credits and cost sharing reductions A month will not count as a coverage month for APTC eligibility unless the exchange verifies the individual's eligibility to enroll in a plan and receive APTC payments Exchanges must base verification on applicant provided or verified information such as household income family size legal immigration status current health coverage or eligibility residence and any other information HHS can waive these requirements for special enrollment periods SEPs caused by family size changes Pre enrollment verification begins for plan years starting after December 31 2027

Section 71303 Impact of community engagement requirements for Medicaid on APTC/CSR eligibility Individuals aged 19 to 64 and enrolled through Medicaid expansion or other Section 1115 programs are subject to new community engagement requirements explained later in this article For individuals who fail to meet these new rules and fall out of coverage those months do not count as qualifying months of minimum essential coverage MEC This will impact premium tax credit and CSR eligibility

Section 71119 Elimination of PTC for those using a low income special enrollment period SEP Starting January 1 2026 individuals selecting coverage as a result of an SEP based on income will not be eligible for a premium tax credit Note A separate federal regulation² by HHS issued on June 25 2025 eliminates all income related SEPs through December 31 2026

Section 71304 Individuals must file taxes and reconcile APTC for the previous year This section eliminates the existing limit on the amount of excess advance premium tax credits that individuals must repay based on income All individuals must repay the full excess amount if they received more APTC than they were entitled to for tax years after December 31 2025

Section 71305 Changes to tax credit eligibility for immigrants Premium tax credits are no longer available to all lawfully present immigrants The federal government now limits PTC to eligible aliens OBBBA defines eligible aliens as lawful permanent residents Green Card holders Cuban and Haitian entrants under the Refugee Education Assistance Act of 1980 and Citizens of Freely Associated States residing in the US under a Compact of Free Association This section also limits those subject to the ACA's individual mandate to citizens and eligible aliens This applies to tax years beginning after December 31 2026

Section 71301 Individuals subject to the Medicaid five year bar cannot collect premium tax credits The bill prohibits individuals from collecting PTC during periods of Medicaid ineligibility due to their immigration status

Section 71302 OBBBA isn't the only recent change in federal law that impacts the individual market A new final rule issued by the Trump administration will shorten the annual Open Enrollment Period in all states Starting in 2026 Open Enrollment will run from November 1 through December 15 for 2027 coverage on the federal marketplace The final rule also shortens Open Enrollment on state based marketplaces from November 1 to December 31 This rule also reduces APTC by 5 dollars for those who auto enroll again in fully subsidized plans without verifying their eligibility again³

HSA changes in OBBBA The One Big Beautiful Bill Act includes several updates designed to expand the use of health savings accounts HSAs

Summary of changes OBBBA section1 source

On exchange bronze and catastrophic plans are now HSA eligible The federal government now recognizes bronze and catastrophic individual health plans as high deductible health plans HDHPs This allows those with bronze or catastrophic plans to contribute to a health savings account HSA This change takes effect on January 1 2026

Section 71307 Direct primary care service arrangements do not disqualify someone from contributing to an HAS Beginning January 1 2026 a direct primary care service arrangement will not be treated as a disqualifying health plan for HSA eligibility To qualify a DPC must only provide primary care services These plans have a fixed periodic fee and monthly fees cannot exceed 150 dollars for individuals or 300 dollars for families If the DPC exceeds this amount it doesn't qualify as a DPC The government indexes this amount for inflation

Section 71307 Direct primary care fees are HSA eligible DPC fees are now an HSA eligible

medical expense starting on January 1 2026 Section 71307 These HSA changes could benefit those who enroll in an on exchange bronze or catastrophic plan with their ICHRA allowance These plans have lower premiums but higher deductibles and out of pocket expenses than silver or gold plans Employees with these plans can contribute to an HSA for their out of pocket costs while using their ICHRA allowances for their individual health insurance premiums However the changes will not impact the vast majority of ICHRA participants who have off exchange plans Medicaid changes in OBBBA Medicaid is a federal and state program that provides health insurance coverage to low income individuals and families It also supports pregnant women and those with disabilities H R1 introduces significant reforms to Medicaid Summary of changes OBBBA section1 source Changes to Medicaid rules These sections block the implementation of the CMS final rules issued on September 21 2023 and April 2 2024 These final rules would have made it easier for Medicare enrollees to enroll in Medicare Savings Programs MSPs and streamlined the process for applying for and renewing Medicaid and CHIP This moratorium is effective now through September 30 2034 Sections 71101 and 71102 State directed Medicaid payments This section limits how much states can pay providers through Medicaid managed care state directed payments The government will cap payments at 100 percent of Medicare rates for Medicaid expansion states and 100 percent of Medicare rates for non-expansion states If there is no Medicare rate for a service the state should use the Medicaid State Plan rate Existing payment arrangements must begin to phase down their payments starting in 2028 Section 71116 Medicaid expansion redetermination Starting with eligibility reviews scheduled on or after the first quarter of 2027 states must perform mandatory six month redeterminations for some Medicaid enrollees Those subject to these redeterminations include those covered under Medicaid expansion and those with a Medicaid waiver that covers the same expansion population and provides minimum essential coverage MEC Section 71107 Medicaid community engagement requirements This section requires most Medicaid expansion enrollees to meet new work or community engagement requirements to remain eligible Anyone aged 19 through 64 with Medicaid expansion or an equivalent waiver must engage in at least 80 hours/month of employment community service work program participation half time enrollment in education a mix of the above or earn income equivalent to 80 hours at minimum wage There are exemptions for pregnant and postpartum individuals those with disabilities or serious medical conditions and caregivers of young children or dependents with disabilities among others These engagement requirements must begin by Q1 of 2027 and states may start earlier if they choose Section 71119 New cost sharing requirements for Medicaid Starting October 1 2028 states must impose cost sharing on certain higher income Medicaid expansion enrollees This includes copays or fees It also prohibits states from charging premiums or enrollment fees on these individuals beginning in 2029 Section 71120 Changes to Medicaid retroactive eligibility This section limits the retroactive coverage period for Medicaid and CHIP reducing the number of months states must provide coverage before the application date For those with Medicaid expansion retroactive coverage is reduced from three months to one month before the application month All other Medicaid enrollees and CHIP enrollees will have retroactive coverage limited to two months down from three months This law takes effect on January 1 2027 Section 71112 Reducing duplicate enrollment under the Medicaid and CHIP programs This section aims to prevent individuals from being enrolled in Medicaid or CHIP in more than one state at the same time By October 1 2029 HHS must create a federal system that receives enrollee data and flags those enrolled in multiple states Section 71103 Adjustments to coverage of home or community based services HCBS under Medicaid Starting July 1 2028 states may apply for a new type of standalone Medicaid waiver to cover home or community based services for those who do not meet the traditional institutional level of care requirements Section 71121 Medicaid eligibility for immigrants Effective October 1 2026 federal Medicaid funding will only be available for services provided to individuals who meet specific immigration and residency criteria Only US citizens or nationals lawful permanent residents Cuban or Haitian entrants or citizens of a Compact of Free Association nation lawfully residing in the US will be eligible for Medicaid These changes mostly affect lawfully present

immigrants who no longer meet the new eligibility requirements. Federal law already prohibited undocumented immigrants from enrolling in federally funded Medicaid programs except in emergencies. Section 71109. So how might these Medicaid changes impact the individual market? Some individuals may switch from Medicaid to a subsidized marketplace plan. But with the potential loss of enhanced premium tax credits at the end of 2025, low-income individuals who are generally healthy might forgo coverage. This could increase the share of unhealthy individuals on ACA plans, increasing premiums.

Changes to Medicare in OBBBA. Much like the changes to PTC and Medicaid eligibility, H.R. 1 included Medicare eligibility changes. Section 71201 creates a new rule, Section 1899C of the Social Security Act. It limits Medicare benefits to US citizens or nationals, lawful permanent residents, Cuban or Haitian entrants, and citizens of Compact of Free Association nations lawfully residing in the US. This takes effect 18 months after enactment or around January 2027. These changes affect lawfully present immigrants who no longer meet the new eligibility requirements. One-year ban on federal funds for certain providers. The bill also included a one-year temporary ban on using federal funds to pay certain entities. This applies to Medicaid plans and those with a state Medicaid waiver. For one year from enactment, individuals cannot use Medicaid to pay for services from a prohibited entity. That is any organization that meets all of the following criteria: It is a 501(c)(3) nonprofit organization. It is an essential community provider. It is primarily engaged in family planning or reproductive health services. It provides abortions except in cases of rape, incest, or life endangerment. It received more than 800 thousand dollars in total Medicaid reimbursements in 2023. As of the writing of this article, a federal judge has blocked this provision pending legal challenges.

Potential impact of provisions OBBBA included and didn't include on the individual market. So what is the impact of the OBBBA? On June 27, 2025, the federal Congressional Budget Office (CBO) estimated that the provisions in H.R. 1 would result in 11.8 million individuals losing health coverage during the next ten years. This includes Medicaid, Medicare, CHIP, and individual health insurance driven by new work requirements, eligibility restrictions, and subsidy reforms. While OBBBA introduces new consumer tools like expanded HSA eligibility, it also omits an extension of the enhanced premium tax credits that the American Rescue Plan Act of 2021 and the Inflation Reduction Act of 2022 created. Originally, these tax credits were only available to those with annual household incomes between 100 percent and 400 percent of the federal poverty level (FPL). You also had to be ineligible for affordable coverage. The American Rescue Plan Act expanded access to PTC by allowing anyone who would have to pay more than 8.5 percent of their household income for a benchmark silver plan to qualify, in addition to needing to meet the affordability requirements. These enhanced credits, which made plans more affordable for millions, expire at the end of 2025. If Congress doesn't extend these enhanced tax credits, the CBO projects 5.4 million more people will be uninsured by 2034. Many healthy individuals could leave the individual market and forgo coverage to save money. This would lead to a sicker risk pool in the individual market, driving up premium costs. Tighter eligibility for premium tax credits and cost-sharing reductions for certain immigrants could also reduce the number of enrollees on the individual market. In an evolving and more complex health insurance environment, employers and brokers will need to carefully evaluate their options and analyze the impact on their employees and clients. Remodel Health is here to equip employers and benefits consultants with the guidance needed to evaluate the ICHRA as an alternative benefit strategy.

Conclusion. The One Big Beautiful Bill Act includes many healthcare and employee benefit-related provisions. With millions expected to come off Medicaid and with the expiration of enhanced tax credits on the horizon, employers and brokers must take proactive steps to stay ahead. You should review your current benefits strategy to ensure it aligns with the upcoming changes.

Sources: H.R. 1 One Big Beautiful Bill Act; Federal Register Patient Protection and Affordable Care Act Marketplace Integrity and Affordability; CMS Finalizes Major Rule to Lower Individual Health Insurance Premiums for Americans; Congressional Budget Office Estimated Budgetary Effects of an Amendment in the Nature of a Substitute to H.R. 1; KFF How Will the One Big Beautiful Bill Affect the ACA, Medicaid, and the Uninsured Rate?