



Charlene MacDonald
Executive Vice President, Public Affairs

September 25, 2024

The Honorable Lauren Underwood
United States House of Representatives
1410 Longworth House Office Building
Washington D.C., 20515

Dear Representative Underwood,

The Federation of American Hospitals (FAH) is pleased to endorse the “*Health Care Affordability Act*,” which would ensure affordable, quality health care for millions of American families by making permanent the enhanced tax credits for individuals and families purchasing health care coverage through the health care marketplace.

The FAH is the national representative of more than 1,000 leading tax-paying hospitals and health systems throughout the United States, including fifteen facilities in Illinois. FAH members provide patients and communities with access to high quality, affordable care in both urban and rural areas across 46 states, plus Washington, DC, and Puerto Rico. Our members include teaching, acute, inpatient rehabilitation, behavioral health, and long-term care hospitals and provide a wide range of inpatient, ambulatory, post-acute, emergency, children’s, and cancer services.

Established by Congress in 2021 under the American Rescue Plan Act (ARPA), enhanced tax credits decreased the cost of health coverage throughout the COVID-19 Pandemic for American Families. Congress wisely extended the credits through the end of 2025 with the passage of the Inflation Reduction Act (IRA). Enhanced tax credits guarantee that no one will spend more than 8.5% of their income on health insurance premiums and made enhanced tax credits more generous for lower- and middle-income individuals and families. Currently, 21.4 million Americans rely on coverage through the individual health insurance marketplace with nearly 20 million receiving enhanced tax credits.¹

With the passage of this legislation, Americans purchasing health insurance from the individual marketplace will continue to have access to affordable options for coverage. An analysis from Kaiser Family Foundation found that in the last four years alone, 10 million Americans gained

¹Lambrew, J. [Enhanced ACA Marketplace Tax Credits Worked – And Shouldn’t Be Eliminated. The Century Foundation](#). August 7, 2024.

coverage through the individual health insurance marketplace as a direct result of the availability of enhanced tax credits. Eighty-three percent of enrollment growth in the individual health insurance marketplace since 2020 has been from low-income individuals with incomes up to 2.5 times the federal poverty level (FPL).² Millions of Americans, particularly those with lower incomes rely on these tax credits to obtain high quality and affordable health care.

It is these same low-income enrollees and their families who would see their premiums increase the most if Congress fails to act and allow the enhanced tax credits to expire in 2025. Without action, five million Americans will lose their coverage completely, which will raise the cost of premiums for everyone. Millions more could see their premiums increase by more than 50%. For individuals in the lowest income category (166% FPL), premiums would increase 573%.³ We cannot put the health care of almost 20 million current marketplace enrollees, and millions of potential future enrollees at risk. Now is the time to ensure the much-needed stability for all those who provide, pay for, and receive health care services.

FAH strongly supports making these enhanced tax credits permanent and applauds you for your commitment to ensuring that millions of low- and middle-income families continue to have access to affordable coverage options beyond 2025. We thank you for your continued leadership on this important issue and call on Congress to pass this vital piece of legislation to prevent increased premium costs, and the loss of health care coverage for 5 million Americans and their families.

If you have any questions or if FAH can be of assistance to you, please do not hesitate to contact me at (202) 615-0599. We look forward to continuing to work together in support of patients' access to care.

Sincerely,



²Ortaliza J et al. [Inflation Reduction Act Health Insurance Subsidies: What is Their Impact and What Would Happen if They Expire?](#). Kaiser Family Foundation. July 26, 2024.

³Lambrew, J. [Enhanced ACA Marketplace Tax Credits Worked – And Shouldn't Be Eliminated](#). The Century Foundation. August 7, 2024.