



Charlene MacDonald  
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**STATEMENT  
of the  
Federation of American Hospitals  
to the  
U.S. House of Representatives Committee on Ways and Means  
Re: “The Need to Make Permanent the Trump Tax Cuts for Working Families”  
January 13, 2025**

The Federation of American Hospitals (FAH) submits the following statement for the record in advance of the House Committee on Ways and Means hearing entitled “The Need to Make Permanent the Trump Tax Cuts for Working Families.”

The FAH is the national representative of nearly 1,000 leading tax-paying hospitals and health systems throughout the United States. 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.

We look forward to working with Congress and the Administration on enacting a pro-growth tax agenda by preventing tax increases on American families and businesses and continuing to build a robust economy that keeps America globally competitive. The tax reforms enacted in 2017 played a key role in boosting the economy, encouraging capital investment, creating jobs, and raising wages, including in the health care sector. Allowing these tax cuts to expire would slow economic growth, raise costs for families, hurt small businesses, lower workers' take-home pay, and lead to substantial job losses.

We urge Congress to capitalize on tax reform by also extending the enhanced premium tax credits (PTCs) for health insurance which are set to expire at the end of 2025. Without these tax credits, nearly 20 million people would be forced to pay an average of 90% more for their health care coverage, with Americans living in southern states and the heartland disproportionately feeling the financial impact.

It is our shared goal to reduce health care costs, promote choice and competition, and ensure coverage purchased through the individual health insurance marketplace is affordable. To that end, extending the PTCs helps create a real market for people to shop for individual health coverage through the private sector.

Every family should be able to afford health coverage, regardless of their zip code or income. Unless Congress acts, millions of people who purchase coverage on their own will see a premium hike that will make quality care too expensive to afford. Enhanced tax credits directly lower premiums and make coverage possible for these low- and middle-income individuals and families who could not otherwise afford it.

In five states – Texas, South Carolina, Mississippi, Louisiana, and Georgia – the enhanced tax credits will approximately double the size of the nongroup health insurance market in 2025 and result in a 21 percent or greater decline in the uninsured rate in each of these states, according to a recent study.<sup>1</sup> These individuals and families are among the nearly 50 million Americans who have gained coverage through the individual health insurance marketplace at some point over the past decade.<sup>2</sup>

Without enhanced tax credits, marketplace participants with very low incomes (less than 150% of FPL) who currently pay no premium would see their cost of coverage rise to \$387 per year in premiums. Individuals in the next lowest income category (166% FPL) would see their premiums increase 573%, and for people with incomes below 250% of FPL, the average annual increase in premiums could be as much as \$924 a year,<sup>3</sup> as expected in Alaska. Without action, five million Americans will lose their coverage completely and millions more would see their premiums increase by more than 50%.<sup>4</sup>

These tax credits are particularly important for people living in rural areas where options for health care services are fewer and harder to reach, and the cost of insurance is typically higher. The Americans who rely on these tax credits are hardworking entrepreneurial people – those who are self-employed, small business owners, those in the building trades, farmers and ranchers, hourly workers, and people in the gig economy.

If Congress fails to extend the tax credits, premiums will skyrocket and the more than 1.5 million children covered by the state and federal marketplaces will be at risk of losing access to essential health care services, and the nearly 2 million Americans with chronic health conditions will be forced to drop their health coverage entirely.

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<sup>1</sup>[Who Benefits from Enhanced Premium Tax Credits in the Marketplace?](#) | Urban Institute

<sup>2</sup>[U.S. Department of the Treasury Releases New Data Showing Nearly 50 Million Americans Have Been Covered Through Affordable Care Act Health Insurance Marketplaces Since 2014](#) | U.S. Department of the Treasury

<sup>3</sup>[Household Spending on Premiums Would Surge if Enhanced Premium Tax Credits Expire](#) | Urban Institute

<sup>4</sup>[Enhanced ACA Marketplace Tax Credits Worked – And Shouldn't Be Eliminated](#) | The Century Foundation

As Congress works to extend the Trump tax cuts, such legislation should include extending enhanced tax credits in the individual health insurance market to put meaningful health insurance plans within reach for millions of Americans. This will allow small businesses and individuals to be full participants in the American economy, instead of worrying about how to afford health coverage that meets the needs of their families.

We urge the Committee to extend the enhanced premium tax credits and preserve access to affordable health care coverage for the more than 20 million Americans who rely on it.

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We look forward to working with you on this important matter. If you have any questions or wish to speak further, please do not hesitate to reach out to me at (202) 615-0599.

Sincerely,

A handwritten signature in blue ink, appearing to be "A. M.", is centered below the text "Sincerely,".