



Charlene MacDonald  
Executive Vice President, Public Affairs

**STATEMENT  
of the  
Federation of American Hospitals  
to the  
U.S. House of Representatives Committee on Ways and Means  
Subcommittee on Health  
Re: “Modernizing American Health Care:  
Creating Healthy Options and Better Incentives”**

**February 11, 2025**

The Federation of American Hospitals (FAH) submits the following statement for the record in advance of the House Committee on Ways and Means Health Subcommittee hearing entitled “Modernizing American Health Care: Creating Healthy Options and Better Incentives.”

The FAH is the national representative of over 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.

The FAH supports the Subcommittee’s commitment to promoting healthy living with more options and greater flexibility in patient access to care, and we join you in fighting against chronic disease and striving towards better incentives for patients and a healthier nation. We look forward to working with Congress and the new administration on addressing these pressing issues facing American families.

Good health and good health coverage go hand in hand. Studies repeatedly show that uninsured individuals are less likely than those with health insurance to receive preventive care and services for major health conditions and chronic diseases. Uninsured individuals are also more likely to be hospitalized for avoidable health problems and experience declines in their overall health.<sup>1</sup> It is our shared goal to make America healthy again by ensuring affordable private health insurance

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<sup>1</sup>[Key Facts about the Uninsured Population](#) | KFF

options, reducing health care costs overall, and promoting choice and competition in every sector.

The health insurance marketplaces create a real market for people to shop for coverage through the private sector. The Enhanced Premium Tax Credits (PTCs) promote choice in the market and ensure the future and affordability of private sector insurance options. Without these tax credits, nearly 20 million people would be forced to pay an average of 90 percent more for their health care coverage, with Americans living in southern states and the heartland disproportionately feeling the financial impact.

In five states – Texas, South Carolina, Mississippi, Louisiana, and Georgia – the enhanced PTCs will approximately double the size of the nongroup private 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>2</sup> These individuals and families are among the nearly 50 million Americans who have gained coverage through the health insurance marketplaces at some point over the past decade.<sup>3</sup>

These premium tax credits are particularly important for people living in rural areas where options for health care services are more limited 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.

Without action, five million Americans will lose their coverage completely and millions more would see their premiums increase by more than 50 percent.<sup>4</sup> Marketplace participants with very low incomes (less than 150 percent 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 percent of FPL) would see their premiums increase 573 percent, and for people with incomes below 250 percent of FPL, the average annual increase in premiums could be as much as \$924 annually,<sup>5</sup> as expected in Alaska.

If Congress fails to extend the premium 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.

We urge the Subcommittee to extend the enhanced premium tax credits and preserve access to affordable health care coverage for the nearly 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 [cmacdonald@fah.org](mailto:cmacdonald@fah.org).

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<sup>2</sup>[Who Benefits from Enhanced Premium Tax Credits in the Marketplace?](#) | Urban Institute

<sup>3</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>4</sup>[Enhanced ACA Marketplace Tax Credits Worked – And Shouldn't Be Eliminated](#) | The Century Foundation

<sup>5</sup>[Household Spending on Premiums Would Surge if Enhanced Premium Tax Credits Expire](#) | Urban Institute

Sincerely,

A handwritten signature in blue ink, appearing to be "A. M.", written in a cursive style.