

# Address Expired Federal ACA Subsidies (Item 478 #3s & Item 478 #5h)

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Enhanced federal ACA premium tax credits (PTCs) provided more generous help to families of purchasing coverage on the marketplace, including families earning above 400% of the federal poverty limit (FPL) — \$132,000 for a family of four — until they expired at the end of 2025. Virginia’s Health Benefit Exchange estimates that roughly 100,000 people in Virginia may leave the marketplace this year due to losing access to enhanced assistance and being priced out of coverage.

## States Are Taking Action To Improve ACA Affordability

Several states have implemented programs and funding that provide targeted state-level subsidies to some or all residents to maintain access to and affordability of ACA health plans. Governor Youngkin’s introduced budget failed to include any funding to offset the expiration of enhanced ACA subsidies. Virginia should serve as a model for acting quickly to protect access to health care for families in their state.

- Maryland adopted a single-year state premium assistance program that fully replaces the expired enhanced federal subsidy for people at or below 200% of the federal poverty level (FPL) — \$60,000 for a family of four — and replaces half of the expired enhanced federal subsidy for those with incomes between 201% and 400% FPL.
- New Mexico is fully replacing expired federal subsidies for everyone below 400% FPL. For people making above 400% FPL, New Mexico will cap premium payments for a benchmark plan at 8.5% of their household income, mirroring the structure of the enhanced premium tax credits.

## Options for Virginia To Act

Many Virginia families and individuals have already had to make difficult decisions about whether to continue ACA coverage due to higher premiums. Virginia lawmakers should join the growing number of states that are working to maintain access and affordability of ACA health plans.

- Sen. Deeds **Item 478 #3s**: \$469.3m GF to fully replace expired federal enhanced ACA subsidies.
- Del. Tran **Item 478 #5h**: \$184.8m GF for one-year program to fully replace expired federal subsidies for those between 100% FPL - 200% FPL and replace half for those between 201% FPL and 400% FPL.