



State of Hawaii

Senate Committee on Health and Human Services

Senate Committee on Commerce and Consumer Protection

Informational Briefing

Jonathan Ching, Head of Government Relations

Friday, December 19, 2025 1:30 p.m.

Enhanced Premium Tax Credits

- Premium tax credits bring down monthly premium payments to more affordable levels for millions of people and families with low or moderate incomes.
- In 2021 (American Rescue Plan Act of 2021), Congress “enhanced” these credits by expanding eligibility and making them more generous to make coverage even more affordable for some people in two ways:
 - Enhanced assistance for eligible enrollees (people earning 100-400% FPL)
 - Expanded to more middle-income Americans (enrollees earning over 400% FPL became eligible by eliminating the “subsidy cliff”)
- The enhancements to the premium tax credits expire at the end of 2025.

Kaiser Permanente Hawaii ACA Individual Plan Membership

November 2025

- Federally Facilitated On-Exchange: 9,767
- Individual – Off Exchange: 3,019
- **Total: 12,786**

2026 Rates

- KP Hawaii filed rate increase for ACA Individual Plans. The rate increase accounts for the enhanced premium tax credits expiring, as that is current law.

Impacts to Hawaii Consumers

For a **60 year old couple**
earning **\$98,400** a year



Annual Premiums
would Increase by
\$19,277 **244%**

For a **family of four**
earning **\$153,850** a year
(ages 45, 45, 15, and 10)



Annual Premiums
would Increase by
\$9,721 **76%**

For a **family of four**
earning **\$75,900** a year
(ages 45, 45, 15, and 10)



Annual Premiums
would Increase by
\$3,479 **261%**

Source: Keep Americans Covered

What happens if enhanced premium tax credits are not extended?

Premiums are going up

- Since the enhanced premium tax credits were not extended before the beginning of Open Enrollment, nearly everyone who buys coverage — whether they qualify for premium tax credits or not — is facing significantly higher monthly payments.
- As the enhanced premium tax credits are set to expire and rates are increasing, healthier people may leave the market at a higher rate than those with more significant health care needs.
- With fewer healthy people remaining in the risk pool, premiums go up for the entire individual market.

People will lose coverage

- **Youth:** Approximately 2.8 million young adults ages 18-34 are expected to leave the individual market — a drop of over 47%
- **People with chronic conditions:** Of the 8.3 million enrollees with at least one of 6 major chronic conditions, 1.7 million are projected become uninsured.
- **Older adults:** After significant improvements in the rate of uninsured older adults over the last decade, 1.6 million older adults (ages 55-64) are projected to leave the individual market.

Uncompensated care will rise

- Expiration of the enhanced premium tax credits would result in a \$6.3 billion increase in uncompensated care due to the increased number of uninsured.