

Governor Phil Murphy

# ICYMI: Congress Urged to Renew Expiring Enhanced Premium Tax Credits and Prevent Unnecessary Increases in Health Care Costs for New Jersey Residents

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*Over 450,000 Get Covered New Jersey Enrollees Would be Impacted by Loss of Expanded Financial Help*

*New Jerseyans Could Lose More Than Half a Billion Dollars in Federal Support and Face Higher Health Insurance Costs*

**TRENTON** – Warning about significant health insurance premium increases for over 450,000 New Jerseyans, New Jersey Department of Banking and Insurance Commissioner Justin Zimmerman [sent a letter \(https://www.nj.gov/dobi/pressreleases/2025taxcreditimpact/index.html\)](https://www.nj.gov/dobi/pressreleases/2025taxcreditimpact/index.html) to New Jersey's Congressional delegation strongly urging them to extend the expiring federal enhanced premium tax credits that have enabled hundreds of thousands of New Jersey residents to enroll in quality, affordable health insurance through [Get Covered New Jersey \(https://www.nj.gov/getcoverednj/\)](https://www.nj.gov/getcoverednj/), the State's Official Health Insurance Marketplace.

These expanded tax credits have been instrumental in reducing the cost of quality health insurance coverage for over half a million New Jerseyans through Get Covered New Jersey, and tens of millions of Americans nationwide. These were initially provided through the American Rescue Plan Act of 2021 and continued through the Inflation Reduction Act of 2022. This year, a record 513,217 New Jerseyans have enrolled through Get Covered New Jersey – a 108 percent increase in enrollment since the State first launched its marketplace. These gains will likely be lost without federal support to enable individuals and families to afford health insurance. Without an extension of the enhanced premium tax credits, New Jersey residents would lose half a billion dollars in federal support that lowers the cost of health insurance.

“Since establishing the marketplace, New Jersey has worked to maximize financial support to reduce health insurance costs – opening the door to quality, affordable coverage for hundreds of thousands of residents, and, as a result, Get Covered New Jersey has seen extraordinary enrollment numbers. If these enhanced premium tax credits are allowed to expire, nearly half a million New Jersey residents would see their cost of health insurance skyrocket,” **said Commissioner Zimmerman**. “We have seen the significant impact these expanded tax credits have had on lowering the cost of health coverage for New Jersey residents and their families – more people than ever are now covered by health insurance, and they are paying less for it. I strongly urge Congress to prevent the cost of health insurance from increasing for hundreds of thousands of New Jerseyans and work toward renewing or making

permanent these vital tax credits as soon as possible on behalf of residents who rely on them for quality, affordable health coverage.”

Investments by the State and federal government have been key to the success of Get Covered New Jersey. The federal enhanced premium tax credits have helped keep the program affordable and increased accessibility for residents who needed assistance to obtain quality health insurance coverage.

Currently, with this enhanced federal support, nearly half of all enrollees (48 percent) receiving financial help pay \$10 a month or less for coverage, compared to just 13 percent before the expansion of the tax credits. Of this population, 201,289 (or 43 percent of those receiving financial help) pay \$1 or less a month – free or nearly free premiums – as compared to just 7 percent before the expansion of tax credits.

The loss of enhanced federal tax credits would have a devastating impact on individuals and families. New Jersey would lose more than half a billion dollars in enhanced premium tax credits, and 454,016 New Jerseyans – 88 percent of Get Covered New Jersey consumers – would see their premiums increase if the tax credits were allowed to lapse.

The average person receiving tax credits would see their costs go up by 110 percent, more than doubling their current premium, with costs increasing by \$1,260 per person, per year on average, or \$4,168 per year for a family of four. The enhanced premium tax credits also have provided vital assistance, particularly for residents not yet eligible for Medicare. If enhanced premium tax credits expire, New Jerseyans approaching the age when they become eligible for Medicare would see the largest cost increases of an average \$1,860 per older person each year.

In addition to the potential loss of more than half a billion dollars in federal tax credits, the Centers for Medicare and Medicaid Services recently proposed a new rule that, if adopted, will likely increase barriers to coverage for residents through the marketplace. The proposed rule change would drastically reduce the amount of time that individuals have to enroll to only six weeks, instead of the current three-month enrollment period. It could jeopardize initiatives to offer free or nearly free coverage to low-income residents throughout the year. Additionally, the proposed rule impacts the marketplace eligibility of DACA recipients. Many of the provisions in the rule are now proposed to be codified through the U.S. House Committee on Energy and Commerce’s legislative recommendations for budget reconciliation that were released on Sunday. Last month, the Department submitted a [comment letter \(https://www.nj.gov/dobi/commentcmsrule250411.pdf\)](https://www.nj.gov/dobi/commentcmsrule250411.pdf) in response to the proposed rule change.

“Congress has the power to prevent the inevitable increases in health insurance costs for New Jersey residents,” **Commissioner Zimmerman wrote.** “Since its launch, the state invested in GetCoveredNJ’s growth, and, as a result, we have achieved the goal of providing consumers with the quality, affordable health insurance that they deserve. Possible inaction by Congress coupled with the proposed federal rule places at risk the success of New Jersey’s program and access to coverage for more than half a million consumers.”

Consider these real-world examples of New Jersey families who would see among the most dramatic cost increases:

- A couple in their early 60s in Union County with a household income of \$83,386 would see a premium increase of \$17,439 for the year without the enhanced tax credits, a 161 percent increase that would consume 34 percent of their income.
- A family of four in Ocean County with a household income of \$131,386 would see a premium increase of \$20,189 for the year without the enhanced tax credits, a 239 percent increase that would consume 23 percent of their income.

Extending the enhanced tax credits is critical to ensuring health insurance coverage remains affordable and accessible for New Jersey families enrolled in coverage – more than three-quarters of whom have only enrolled in coverage through Get Covered New Jersey after the enhanced tax credits took effect.

Commissioner Zimmerman was also among 19 leaders of state-based health insurance marketplaces who joined in a

[letter \(https://eadn-wc02-12144036.nxedge.io/wp-content/uploads/2025/04/SBM-Letter-on-Premium-Tax-Credits-Mar2025-website.pdf\)](https://eadn-wc02-12144036.nxedge.io/wp-content/uploads/2025/04/SBM-Letter-on-Premium-Tax-Credits-Mar2025-website.pdf).

urging Congressional leaders to extend the enhanced health insurance premium tax credits.

The potential expiration of enhanced premium tax credits and new proposed federal policy changes to the marketplace could have dramatic impacts on access to quality, affordable health insurance. And these impacts will be exacerbated if Congress cuts Medicaid funding.

Get Covered New Jersey's Open Enrollment Period happens once a year, from November 1 through January 31. It is typically the only time residents without health insurance through an employer, or other program such as Medicaid or Medicare, can enroll in coverage unless they have a

[qualifying life event \(https://nj.gov/getcoverednj/getstarted/buy/\)](https://nj.gov/getcoverednj/getstarted/buy/) or meet certain income levels. Qualifying life events include, but are not limited to, pregnancy, marriage, the loss of health coverage, moving, or the birth or adoption of a child. The Expanded Access Special Enrollment Period allows qualifying consumers with an annual household income of up to 200 percent of the federal poverty level (up to \$30,120 for an individual or \$62,400 for a family of four) to enroll in free or nearly free health coverage through GetCovered.NJ.gov throughout the year.

Health plans offered through GetCovered.NJ.gov cover preventive services, emergency services, prescription drugs, prenatal and pediatric care, and more. No one can be denied coverage due to a pre-existing condition.

## **ABOUT GET COVERED NEW JERSEY**

Get Covered New Jersey is the state's Official Health Insurance Marketplace, operated by the Department of Banking and Insurance, where New Jerseyans can find quality affordable insurance from private health insurance companies. Get Covered New Jersey is the only place where individuals who qualify can get financial help to reduce premium costs. Consumers can then compare health insurance plans and choose the plan that best fits their health needs and budget. Depending on their income, some consumers may qualify for low-cost or free coverage from NJ FamilyCare. It was established by state law and created by New Jersey, for New Jersey. For more information about Get Covered New Jersey, please visit [GetCovered.NJ.gov \(https://nj.gov/getcoverednj/\)](https://nj.gov/getcoverednj/).

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Office of Governor PO Box 001  
Trenton, NJ 08625  
609-292-6000