Health Capital Topics
Volume 18
Issue 12
December 2025
Jessica L. Bailey-Wheaton, Esq., Editor
Todd A. Zigrang, MBA, MHA, FACHE, CVA, ASA, ABV, Publisher

ACA Subsidy Extension Update as Year-End Deadline Looms

As discussed in prior *Health Capital Topics* articles, the record-long federal government shutdown that began October 1, 2025 was resolved on November 12, 2025, in part through a commitment by Senate Majority Leader John Thune (R-SD) to hold a December vote on legislation addressing the enhanced Affordable Care Act (ACA) premium tax credits set to expire on December 31, 2025.[1] That promise has now come due, yet the fate of the subsidies remains uncertain. This *Health Capital Topics* article provides an update on the ACA subsidy extension saga and the outlook for a resolution before the year-end deadline.

Background

The enhanced premium tax credits were enacted in 2021 as part of the American Rescue Plan Act (ARPA), a COVID-19 pandemic relief measure, and were subsequently extended through 2025 via the Inflation Reduction Act of 2022.[2] The enhanced subsidies increased the financial assistance available to existing ACA marketplace enrollees and expanded eligibility to Americans earning over 400% of the federal poverty level (FPL) – approximately $62,600 for an individual or $128,600 for a family of four in 2025[3] – who were previously ineligible for premium tax credits.[4] The enhanced credits also capped out-of-pocket premium payments at 8.5% of household income; they were originally capped at 9.5%.[5]

The Kaiser Family Foundation (KFF) estimates that approximately 22 million of the 24 million total ACA marketplace enrollees received a premium tax credit in 2025.[6] If the enhanced credits expire, subsidized enrollees would see their annual premium payments more than double, from $888 in 2025 to $1,904 in 2026.[7] Households with incomes just over the 400% FPL threshold are particularly vulnerable, as they would lose eligibility for premium tax credits entirely and face full, unsubsidized premiums. For example, "[o]n average, a 60-year-old couple making $85,000 (or 402% FPL) would see yearly premium payments rise by over $22,600 in 2026."[8] The Congressional Budget Office (CBO) has estimated that approximately 2.2 million additional Americans would become uninsured in 2026 if the enhanced subsidies expire.[9]

December 2025 Update

On December 11, 2025, the Senate voted on two competing healthcare proposals, both of which failed to achieve the 60 votes necessary to overcome the filibuster threshold.[10] Democrats proposed a three-year extension of the enhanced ACA subsidies, which failed by a vote of 51-48.[11] The Republican alternative, which also failed 51-48, would have paid Americans earning less than 700% of FPL up to $1,500 annually in health savings account (HSA) payments, but would not have extended the ACA premium tax credits.[12] Democrats opposed the measure, arguing it did not address health insurance premiums and objected to provisions restricting abortion and gender-affirming care.[13]

Following the Senate's failure to advance either proposal, House Speaker Mike Johnson (R-LA) unveiled a healthcare package on December 12, 2025, titled the *Lower Health Care Premiums for All Americans Act*.[14] The House bill does not include an extension of the enhanced ACA subsidies but instead comprises several alternative Republican health policy priorities, including:

(1) Expanding the availability of association health plans, which allow small businesses and self-employed individuals to assemble to purchase coverage;

(2) Imposing new transparency requirements on pharmacy benefit managers (PBMs) to lower drug costs; and

(3) Restoring federal funding for ACA cost-sharing reduction (CSR) payments, which would provide funds to insurers to reduce deductibles and out-of-pocket costs for lower-income ACA marketplace enrollees, though it would not directly address rising premium costs.[15] The Trump Administration halted CSR payments during the first Trump term, prompting insurers to adopt "silver loading," i.e., raising silver plan premiums to offset the lost payments, which paradoxically increased federal spending on premium subsidies.[16]

(Continued on next page)

House Republican leaders have indicated they expect to allow an amendment vote on extending the ACA subsidies, though the specific parameters of such an amendment are still being negotiated. The House is scheduled to vote on the healthcare package this week, during its final legislative session of 2025.

Bipartisan Discharge Petitions

On December 17, 2025, a faction of moderate Republicans, primarily from swing districts, broke with party leadership by endorsing bipartisan discharge petitions, a procedural mechanism that could force a floor vote on subsidy extension legislation without committee approval if 218 signatures are obtained.[17] Four House Republicans signed on to the petition filed by House Minority Leader Hakeem Jeffries (D-NY) for a clean three-year extension of the ACA subsidies, pushing the petition, which had attracted 214 Democratic signatures but no Republican support, over the required threshold.[18]

However, this proposal will not be brought to a vote in the House until January 2026, after the subsidies expire.[19] Even if the proposal is passed, it is likely to not move forward in the Senate, where Republicans blocked a three-year extension a week prior.[20]

White House Position

The White House circulated a draft healthcare proposal in late November 2025 that would have extended the enhanced ACA subsidies for two years while imposing new eligibility restrictions, including capping eligibility at 700% of FPL and requiring all ACA marketplace enrollees to pay some premium amount—effectively eliminating zero-premium plans.[21] However, the proposal was never formally released and has stalled amid divisions within the Republican Party over whether to extend, modify, or eliminate the subsidies entirely.

President Donald Trump has repeatedly expressed preference for redirecting federal healthcare funds directly to individuals rather than extending subsidies paid to insurers.[22] Healthcare policy analysts have previously raised concerns about the feasibility of such an approach, noting that direct payments might not be used to purchase insurance coverage and could destabilize the ACA risk pool.[23]

Outlook

With Congress's holiday recess set to begin on December 20, the prospects for legislative action before the December 31, 2025 deadline appear dim.[24] Even if the House were to pass healthcare legislation this week, the Senate is not expected to vote on any additional proposals before adjourning for 2025.[25]

Nevertheless, the timeline has already passed for many ACA marketplace enrollees who needed to meet the December 15, 2025, deadline to ensure their exchange plan coverage began on January 1, 2026.[26] A November 2025 survey of ACA marketplace enrollees found that 25% of respondents indicated they would be "very likely" to go uninsured if their monthly premium doubled, with that figure rising to 28% among enrollees in states with Republican governors.[27] Some market analysts have suggested that ACA-related legislation may ultimately pass in late January 2026 after the subsidies have already lapsed,[28] potentially triggering a special enrollment period to allow consumers to adjust their coverage selections.

Healthcare Provider Implications

The Urban Institute has estimated that expiration of the enhanced premium tax credits would increase uncompensated care in the U.S. by approximately $7.7 billion, a 12% increase over the $66.7 billion baseline.[29] The additional uncompensated care burden would be absorbed by several different types of providers, with approximately $2.2 billion by hospitals, $1.0 billion by physician offices, $3.1 billion by other services, and $1.5 billion by prescription drug manufacturers/providers.[30] Non-Medicaid expansion states would experience disproportionately higher increases in uncompensated care.[31]

Whether Congress will ultimately extend the enhanced premium tax credits (and under what terms) remains to be seen. Health Capital Topics will continue to monitor these legislative developments and provide updates as events unfold.

1 "Federal Government Reopens After Record-Long Shutdown" Health Capital Topics, Vol. 18, Issue 11 (November 2025), https://www.healthcapital.com/hcc/newsletter/11_25/HTML/GOV/convert_government-reopens.php (Accessed 12/16/25); "Government Shutdown Update: Healthcare Impacts Deepen" Health Capital Topics, Vol. 18, Issue 10 (October 2025), https://www.healthcapital.com/hcc/newsletter/10_25/HTML/GOV/convert_government-shutdown-update.php (Accessed 12/16/25); "Healthcare Policy Disputes Threaten Government Shutdown" Health Capital Topics, Vol. 18, Issue 9 (September 2025), https://www.healthcapital.com/hcc/newsletter/09_25/HTML/SPEND/convert_government-spending-bill.php (Accessed 12/16/25).

2 "Five Things to Know about the Renewal of Extra Affordable Care Act Subsidies in the Inflation Reduction Act" By Cynthia Cox, Kaiser Family Foundation, August 11, 2022, https://www.kff.org/policy-watch/five-things-to-know-about-renewal-of-extra-affordable-care-act-subsidies-in-inflation-reduction-act/#:~:text=Subsidies%20in%20the%E2%80%A6-,Five%20Things%20to%20Know%20about%20the%20Renewal%20of%20Extra%20Affordable,in%20the%20Inflation%20Reduction%20Act&text=As%20part%20of%20the%20Inflation,previously%20priced%20out%20of%20coverage. (Accessed 12/16/25).

3 "2025 Poverty Guidelines: 48 Contiguous States (all states except Alaska and Hawaii)" U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, https://aspe.hhs.gov/sites/default/files/documents/dd73d4f00d8a819d10b2fdb70d254f7b/detailed-guidelines-2025.pdf (Accessed 12/16/25).

4 "ACA Marketplace Premium Payments Would More than Double on Average Next Year if Enhanced Premium Tax Credits Expire" Kaiser Family Foundation, October 14, 2025, https://www.kff.org/affordable-care-act/aca-marketplace-premium-payments-would-more-than-double-on-average-next-year-if-enhanced-premium-tax-credits-expire/ (Accessed 12/15/25).

 (Continued on next page)

5 "Uncertainty over ACA subsidies persists as enrollment deadline looms" By Greg Iacurci, CNBC, December 10, 2025, https://www.cnbc.com/2025/12/10/aca-subsidies-uncertainty-enrollment-deadline-looms.html#:~:text=Under%20the%20enhanced%20subsidies%2C%20households,household%20budget%2C%22%20Wager%20said. (Accessed 12/16/25).

6 "2025 KFF Marketplace Enrollees Survey" By Lunna Lopes, et al., Kaiser Family Foundation, December 4, 2025, https://www.kff.org/public-opinion/2025-kff-marketplace-enrollees-survey/ (Accessed 12/16/25); "ACA Marketplace Premium Payments Would More than Double on Average Next Year if Enhanced Premium Tax Credits Expire" Kaiser Family Foundation, October 14, 2025, https://www.kff.org/affordable-care-act/aca-marketplace-premium-payments-would-more-than-double-on-average-next-year-if-enhanced-premium-tax-credits-expire/ (Accessed 12/15/25).

7 "ACA Marketplace Premium Payments Would More than Double on Average Next Year if Enhanced Premium Tax Credits Expire" Kaiser Family Foundation, October 14, 2025, https://www.kff.org/affordable-care-act/aca-marketplace-premium-payments-would-more-than-double-on-average-next-year-if-enhanced-premium-tax-credits-expire/ (Accessed 12/15/25).

8 Kaiser Family Foundation, October 14, 2025.

9 Letter from Director Phillip L. Swagel, Director, Congressional Budget Office, to Honorable Ron Wyden, Honorable Jeanne Shaheen, Honorable Richard Neal, and Honorable Lauren Underwood, dated December 5, 2024, RE: The Effects of Not Extending the Expanded Premium Tax Credits for the Number of Uninsured People and the Growth in Premiums, https://www.cbo.gov/system/files/2024-12/59230-ARPA.pdf (Accessed 12/16/25).

10 "Competing health care plans fail in the Senate as ACA premium hikes loom" NPR, December 11, 2025, https://www.npr.org/2025/12/11/g-s1-101655/senate-aca-premium-vote (Accessed 12/15/25).

11 "Senate health bills fail as exchange subsidy expiration nears" By Michael McAuliff, Modern Healthcare, December 11, 2025, https://www.modernhealthcare.com/politics-regulation/mh-senate-healthcare-vote-aca-subsidies (Accessed 12/15/25).

12 NPR, December 11, 2025.

13 *Ibid.*

14 "House Republicans unveil health care package that does not extend ACA subsidies ahead of next week's vote" ABC News, December 13, 2025, https://abcnews.go.com/Politics/house-republicans-unveil-health-care-package-extend-aca/story?id=128363919 (Accessed 12/15/25).

15 "What's in the House GOP health care bill" CNN, December 15, 2025, https://www.cnn.com/2025/12/15/politics/gop-health-care-new-bill-house (Accessed 12/15/25).

16 *Ibid.*

17 "Growing number of House Republicans sign on to effort to force vote on ACA subsidies -- defying Speaker Johnson" ABC News, December 13, 2025, https://abcnews.go.com/Politics/growing-number-house-republicans-sign-effort-force-vote/story?id=128321013 (Accessed 12/15/25).

18 "Republicans push Democrats' bid to force a vote on health care subsidies over the finish line" By Michael Goold, New York Times, December 17, 2025, https://www.nytimes.com/live/2025/12/17/us/trump-news#obamacare-subsidies-house (Accessed 12/17/25); "Congress races against the clock to avert skyrocketing health care costs for millions" CNN, December 14, 2025, https://www.cnn.com/2025/12/14/politics/health-care-congress-bills-aca-subsidies (Accessed 12/15/25).

19 *Ibid.*

20 *Ibid.*

21 "White House circulates a plan to extend Obamacare subsidies as Trump pledges health care fix" PBS News, November 2025, https://www.pbs.org/newshour/politics/white-house-circulates-a-plan-to-extend-obamacare-subsidies-as-trump-pledges-health-care-fix (Accessed 12/15/25).

22 "After failure in the Senate, House GOP has its own health care proposal" NPR, December 13, 2025, https://www.npr.org/2025/12/13/nx-s1-5643535/health-care-senate-house-gop-proposal (Accessed 12/15/25).

23 "Is Trump's idea to pay Americans directly for health care possible?" By Mary Kekatos, ABC News, November 12, 2025, https://abcnews.go.com/Health/trumps-idea-pay-americans-directly-health-care/story?id=127410223#:~:text=Under%20the%20ACA%2C%2080%25%20of,is%20considered%20a%20bad%20idea.%22 (Accessed 12/17/25).

24 "How the long-running Obamacare fight came to thwart enhanced subsidies in Congress" By Sam Gringlas, NPR, December 17, 2025, https://www.npr.org/2025/12/17/nx-s1-5645846/congress-health-care-subsidies (Accessed 12/17/25).

25 "Congress races against the clock to avert skyrocketing health care costs for millions" CNN, December 14, 2025, https://www.cnn.com/2025/12/14/politics/health-care-congress-bills-aca-subsidies (Accessed 12/15/25).

26 *Ibid.*

27 "2025 KFF Marketplace Enrollees Survey" By Lunna Lopes, et al., Kaiser Family Foundation, December 4, 2025, https://www.kff.org/public-opinion/2025-kff-marketplace-enrollees-survey/ (Accessed 12/15/25).

28 "Uncertainty over ACA subsidies persists as enrollment deadline looms" By Greg Iacurci, CNBC, December 10, 2025, https://www.cnbc.com/2025/12/10/aca-subsidies-uncertainty-enrollment-deadline-looms.html (Accessed 12/17/25).

29 "Changes in Health Care Spending and Uncompensated Care under Enhanced Tax Credit Expiration for Marketplace Coverage: Updated 2026 State and National Estimates" By Fredric Blavin and Michael Simpson, Urban Institute, September 2025, https://www.urban.org/sites/default/files/2025-09/9.24_Changes%20in%20Health%20Care%20Spending%20and%20Uncompensated%20Care%20under%20Enhanced%20Tax%20Credit%20Expiration%20for%20Marketplace%20Coverage.pdf (Accessed 12/17/25), p. 3.

30 *Ibid*, p. 4.

31 *Ibid*, p. 5-6.

(Continued on next page)

HEALTH CAPITAL CONSULTANTS

(800) FYI -VALU

Providing Solutions in an Era of Healthcare Reform

- Firm Profile
- HCC Services
- HCC Leadership
- Clients & Projects
- HCC News
- Health Capital Topics
- Contact Us
- Email Us

- Valuation Consulting
- Commercial Reasonableness Opinions
- Commercial Payor Reimbursement Benchmarking
- Litigation Support & Expert Witness
- Financial Feasibility Analysis & Modeling
- Intermediary Services
- Certificate of Need
- ACO Value Metrics & Capital Formation
- Strategic Planning
- Industry Research

LEADERSHIP

Todd A. Zigrang, MBA, MHA, FACHE, CVA, ASA, ABV, is the President of **HEALTH CAPITAL CONSULTANTS** (HCC), where he focuses on the areas of valuation and financial analysis for hospitals, physician practices, and other healthcare enterprises. Mr. Zigrang has over 30 years of experience providing valuation, financial, transaction and strategic advisory services nationwide in over 2,500 transactions and joint ventures. Mr. Zigrang is also considered an expert in the field of healthcare compensation for physicians, executives and other professionals.

Mr. Zigrang is the co-author of "*The Adviser's Guide to Healthcare - 2nd Edition*" [AICPA - 2015], numerous chapters in legal treatises and anthologies, and peer-reviewed and industry articles such as: *The Guide to Valuing Physician Compensation and Healthcare Service Arrangements* (BVR/AHLA); *The Accountant's Business Manual* (AICPA); V*aluing Professional Practices and Licenses* (Aspen Publishers); *Valuation Strategies; Business Appraisal Practice*; and, *NACVA QuickRead*. Additionally, Mr. Zigrang has served as faculty before professional and trade associations such as the American Society of Appraisers (ASA); the National Association of Certified Valuators and Analysts (NACVA); the American Health Lawyers Association (AHLA); the American Bar Association (ABA); the Association of International Certified Professional Accountants (AICPA); the Physician Hospitals of America (PHA); the Institute of Business Appraisers (IBA); the Healthcare Financial Management Association (HFMA); and, the CPA Leadership Institute. He also serves on the Editorial Board of The Value Examiner and QuickRead, both of which are published by NACVA.

Mr. Zigrang holds a Master of Science in Health Administration (MHA) and a Master of Business Administration (MBA) from the University of Missouri at Columbia. He is a Fellow of the American College of Healthcare Executives (FACHE) and holds the Certified Valuation Analyst (CVA) designation from NACVA. Mr. Zigrang also holds the Accredited in Business Valuation (ABV) designation from AICPA, and the Accredited Senior Appraiser (ASA) designation from the American Society of Appraisers, where he has served as President of the St. Louis Chapter. He is also a member of the America Association of Provider Compensation Professionals (AAPCP), AHLA, AICPA, NACVA, NSCHBC, and, the Society of OMS Administrators (SOMSA).

Jessica L. Bailey-Wheaton, Esq., is Senior Vice President and General Counsel of HCC. Her work focuses on the areas of Certificate of Need (CON) preparation and consulting, as well as project management and consulting services related to the impact of both federal and state regulations on healthcare transactions. In that role, Ms. Bailey-Wheaton provides research services necessary to support certified opinions of value related to the Fair Market Value and Commercial Reasonableness of transactions related to healthcare enterprises, assets, and services.

Additionally, Ms. Bailey-Wheaton heads HCC's CON and regulatory consulting service line. In this role, she prepares CON applications, including providing services such as: health planning; researching, developing, documenting, and reporting the market utilization demand and "need" for the proposed services in the subject market service area(s); researching and assisting legal counsel in meeting regulatory requirements relating to licensing and CON application development; and, providing any requested support services required in litigation challenging rules or decisions promulgated by a state agency. Ms. Bailey-Wheaton has also been engaged by both state government agencies and CON applicants to conduct an independent review of one or more CON applications and provide opinions on a variety of areas related to healthcare planning. She has been certified as an expert in healthcare planning in the State of Alabama.

Ms. Bailey-Wheaton is the co-author of numerous peer-reviewed and industry articles in publications such as: The Health Lawyer (American Bar Association); Physician Leadership Journal (American Association for Physician Leadership); The Journal of Vascular Surgery; St. Louis Metropolitan Medicine; Chicago Medicine; The Value Examiner (NACVA); and QuickRead (NACVA). She has previously presented before the American Bar Association (ABA), the American Health Law Association (AHLA), the National Association of Certified Valuators & Analysts (NACVA), the National Society of Certified Healthcare Business Consultants (NSCHBC), and the American College of Surgeons (ACS).

Janvi R. Shah, MBA, MSF, CVA, serves as Senior Financial Analyst of HCC. Mrs. Shah holds a M.S. in Finance from Washington University Saint Louis and the Certified Valuation Analyst (CVA) designation from NACVA. She develops fair market value and commercial reasonableness opinions related to healthcare enterprises, assets, and services. In addition she prepares, reviews and analyzes forecasted and pro forma financial statements to determine the most probable future net economic benefit related to healthcare enterprises, assets, and services and applies utilization demand and reimbursement trends to project professional medical revenue streams and ancillary services and technical component (ASTC) revenue streams.

For more information please visit:
www.healthcapital.com