State of New Jersey
DEPARTMENT OF BANKING AND INSURANCE
OFFICE OF THE COMMISSIONER
PO BOX 325
TRENTON, NJ 08625-0325

PHILIP D. MURPHY
Governor

TAHESHA L. WAY
Lt. Governor

JUSTIN ZIMMERMAN
Commissioner

May 8, 2025

The Honorable Nellie Pou
1007 Longworth House Office Building
Washington, DC 20515

Dear Representative Pou:

I am writing today to strongly urge you to support renewal of the expiring enhanced premium tax credits and prevent unnecessary increases in health coverage costs for New Jersey residents. If Congress does not act to extend the enhanced premium tax credits that are expiring at the end of this year, New Jerseyans will lose over half a billion dollars in federal support that currently lowers the cost of health insurance for hundreds of thousands of residents in our state.

These expanded tax credits – provided to tens of millions of eligible Americans through the American Rescue Plan Act of 2021 and the Inflation Reduction Act of 2022 – are instrumental in reducing the cost of quality health insurance coverage for over half a million New Jerseyans through Get Covered New Jersey, the State's Official Health Insurance Marketplace.

If Congress allows these enhanced premium tax credits to expire, more than 454,000 New Jerseyans would see their cost of health insurance skyrocket. 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 for a family of four. New Jerseyans approaching the age when they are eligible for Medicare would see the largest cost increases—an average of $1,860 per older person each year if expanded tax credits expire.

Get Covered New Jersey was established by the State of New Jersey in 2020 to build on the progress made through the Affordable Care Act and increase access to quality, affordable health insurance for New Jersey residents. Creating our own health insurance marketplace meant greater flexibility and control for our state's residents. Since that time, we have worked to maximize financial support and tailor the marketplace to best serve New Jersey. As a result, New Jerseyans have experienced greater affordability that has allowed enrollment to increase annually. This year, a record 513,217 residents have enrolled in a health plan 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 individuals and families who would not have been able to afford health insurance without the enhanced premium tax credits.

Enhanced premium tax credits increased levels of financial help that provided greater access to affordable health coverage. Currently, 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 these 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.

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 marketplace coverage for residents. The proposed rule change would drastically reduce the time individuals have to enroll to only six weeks, instead of the current three-month-long enrollment period. It could jeopardize initiatives to offer free or nearly free coverage to low-income residents throughout the year, including those who earn barely too much to qualify for Medicaid. Additionally, the proposed rule impacts the marketplace eligibility of DACA recipients. Last month, the Department submitted a comment letter in response to the proposed rule change.

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

Congress can prevent increases in health coverage costs for New Jersey residents by 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. Attached please find a fact sheet that further explains the impact on New Jerseyans statewide and in your Congressional District should Congress allow these expanded tax credits to expire.

Sincerely,

Justin Zimmerman
Commissioner

May 2025

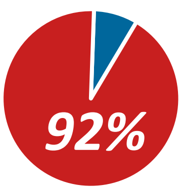
New Jersey Congressional District 9

Residents Will Pay More for Health Insurance if Congress Allows Enhanced Premium Tax Credits to Expire

New Jerseyans could lose more than half a billion dollars in federal support and face higher health insurance costs

58,407 Residents in **Congressional District 9** enrolled in health coverage through GetCoveredNJ

53,634 Residents in **Congressional District 9** enrolled in health coverage through GetCoveredNJ **who will pay more** if enhanced tax credits expire



The percentage of residents in **Congressional District 9** enrolled in health coverage through GetCoveredNJ **who will pay more** if enhanced tax credits expire

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

A family of four in Passaic County with a household income of **$135,000** would see a **premium increase of $11,153 for the year** without the enhanced tax credits, a **186% increase** that would consume **17% of their income**.

A couple in their early 60s in Passaic County with a household income of **$84,975** would see a **premium increase of $20,041 for the year** without the enhanced tax credits, a **138% increase** that would consume **41% of their income.**