



**STATE OF NORTH CAROLINA  
OFFICE OF THE GOVERNOR**

**JOSH STEIN  
GOVERNOR**

September 10, 2025

The Honorable Mike Johnson  
Speaker, U.S. House of Representatives  
Washington, D.C. 20515

The Honorable John Thune  
Majority Leader, U.S. Senate  
Washington, D.C. 20515

The Honorable Hakeem Jeffries  
Minority Leader, U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Charles Schumer  
Minority Leader, U.S. Senate  
Washington, D.C. 20515

Speaker Johnson, Leader Jeffries, Leader Thune, Leader Schumer, and North Carolina's congressional delegation:

With major health care changes ahead, I write to urge Congress to quickly extend the Affordable Care Act's (ACA) enhanced premium tax credits by September 30, 2025, to prevent costs from skyrocketing for hundreds of thousands of North Carolinians. In North Carolina, more than 924,000 people get health insurance through the Affordable Care Act (ACA) Marketplace. This includes farmers, small business owners, independent contractors, gig workers, families whose employers do not offer insurance, and many others who contribute to our economy.

North Carolinians who get their health insurance through Marketplace plans will soon start receiving letters from their insurance companies announcing significant increases in their 2026 monthly premiums. Though enhanced premium tax credits expire on December 31, 2025, Congress must extend ACA enhanced tax credits by September 30, 2025, in order to avoid customer confusion and coverage losses before Open Enrollment in November. If Congress waits until December 31, regulators and health plans will not have time to adjust their rates before January 1, 2026 – and it will be too late for many people to opt into affordable health insurance.

Enhanced premium tax credits, which began in 2021 and were extended in 2022, have helped the vast majority of North Carolina Marketplace enrollees (about 888,000 people, or 96% of Marketplace enrollees) afford monthly health insurance premiums. Nearly 80% of enrollees were

able to find plans that would cost \$10 or less per month with the enhanced premium tax credits in 2023-2024, compared with only 36% able to find such plans without the help of enhanced premium tax credits in 2020.

If Congress does not extend the enhanced premium tax credits, these 888,000 individuals will have their out-of-pocket premiums double on average starting in January 2026. For about 157,000 North Carolinians, these out-of-pocket premium increases will mean they will be unable to afford health insurance altogether and will become uninsured, raising costs for everyone. If the enhanced premium tax credits expire, the average Marketplace enrollee in North Carolina is expected to pay \$672 more per year for the same health insurance. Rural residents will be hit even harder, paying \$703 more per year. In rural eastern and western North Carolina, the counties of Dare, Hyde, Brunswick, Pamlico, and Transylvania would face the highest average loss of premium tax credits, paying more than \$1,000 more per year.

Unfortunately, the people who will be hit the hardest across the nation are those who can least afford to lose their health insurance. People who enrolled in the Marketplace with the lowest incomes would see the greatest percentage increases in their annual premiums. For example, annual premiums for a 45-year-old person with an annual income of \$25,000, or 166% of the federal poverty level, would rise an average of 573%, or \$917, for a benchmark silver plan. This means the annual premium payment would increase from \$160 to \$1,077. Younger people ages 19 to 34 are most likely to become uninsured due to expiration of premium tax credits.

Too many North Carolinians risk either being priced out of health insurance entirely or paying exorbitant costs to continue to get essential health coverage. The small percentage of North Carolinians who purchase health insurance on the Marketplaces without premium tax credits are not spared either. The NC Department of Insurance announced on July 31, 2025, that insurers participating in the individual market have requested rate increases with a weighted average 29% increase amid a range of 6.9% to 36.4%. These are the highest rate increases since 2016. Insurers have stated that they are raising rates due to health care inflation, the possible expiration of enhanced premium tax credits, and changes to the Marketplace as a result of the federal reconciliation law and the Marketplace Integrity and Affordability Final Rule.

The NC Department of Insurance has indicated the expiration of premium tax credits “will make it more difficult for people to afford their premiums.” The Department of Insurance also said that “many people will become uninsured” and “more healthy and younger people are expected to drop their coverages, leaving the pool more costly.”

When younger, healthier people exit the marketplace, costs increase for everyone. It also creates a more volatile and untenable market for insurers, and there are concerns that more insurers would pull out of the individual market altogether. While nine insurance companies offered

individual/family health plans through North Carolina's marketplace in 2025, two have already stated they plan to exit the market by the end of 2025, limiting options for North Carolinians.

Due to the reconciliation law, North Carolina's health care system is already under extreme pressure; we cannot face even more people losing their insurance. Loss of insurance would put family finances and health in peril; increase costs for everyone, including those who get private or commercial insurance from their employers; drive up medical debt; and leave hospitals and providers on the hook for more uncompensated care. People won't simply stop getting sick. Their health care will just become more costly. Changes in the insurance market will have ripple effects, resulting in higher health insurance costs for everyone.

We have a responsibility to stay laser-focused on lowering costs for families, including by driving down health care costs. We cannot stand by as health care costs skyrocket for families across North Carolina and the country, and I urge you to do your part and take swift action to extend the enhanced premium tax credits.

Sincerely,

A handwritten signature in black ink, reading "Josh Stein". The signature is fluid and cursive, with the first name "Josh" and last name "Stein" clearly legible.

Josh Stein  
Governor