CARING ACROSS GENERATIONS

The Affordable Care Act and Affordability on the Line: What Congressional Inaction Means for Care

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Congress has not reached a deal to extend the Affordable Care Act (ACA) tax credits, which means premiums increased for more than 20 million people who use these credits to purchase health insurance through the ACA marketplace, resulting in costs that are two to four times higher for millions nationwide. This includes millions of older adults, disabled people, family caregivers, and care workers already struggling to make ends meet because of the high costs of care. Congress must act now to extend these tax subsidies for the health, well-being, and economic security for families across the country.

In January, the House passed a bill to continue the ACA premium subsidies for three more years, but the Senate has yet to do the same, and any legislation would still require the President's signature.

More than 20 million working- and middle-class people rely on ACA marketplace tax credits to afford health coverage. These subsidies lower monthly premiums and cap costs based on income, keeping the cost of health insurance within most families budgets. Ninety-three percent of people enrolled using the marketplace receive some tax credits that help reduce the cost of health care. Without these tax credits, nearly five million people could become uninsured and costs would double on average and even quadruple for some. If these subsidies are not extended, the fallout will land hardest on the people who need care—and the people who provide it.

Everyone at some point in their life will need to give or receive care. Today, one in five adults receive some support for their everyday activities to live and age independently. More than 105 million adults, two out of every five adults in the US, are family caregivers for an older adult or disabled person. More than four million direct care workers provide aging and disability care that allows people to live and age in their homes and communities, and more than one million people are child care workers.

The expiration of the ACA tax credits would increase financial pressure on families already paying high care costs or struggling to access care entirely—at a time when caregivers are underpaid, unsupported, and stretched to the breaking point. The median cost of a home health care aide to support with long-term care ranges from $57,000 to $100,672 across the states–and Medicaid is the only insurance that meaningfully covers long-term care for the millions who need aging and disability care in homes and communities. Child care costs more than $13,000 a year on average for families, more than the annual cost of a mortgage, rent, or public college tuition in the majority of states. A lack of paid leave to care for oneself or loved one costs more than $34 billion in lost wages. Care is underfunded and undervalued leaving most care workers underpaid with few benefits—nearly half of direct care workers and more than two in five child care workers rely on public assistance. Families, workers, and communities need investments in affordable care at every stage of life. The cost of care is already squeezing families, disabled people, older adults, caregivers, and care workers. These premium increases will compound the already devastating consequences of nearly $1 trillion in cuts to Medicaid supported by the majority in Congress last summer to pay for trillions of dollars in tax giveaways for the ultrawealthy and big corporations.

For older adults in their 50s and early 60s, the ACA tax credits are a lifeline to affordable health care.

More than 5.2 million older adults ages 50 to 64 years old will face the steepest increase in premiums without the ACA tax credits. Middle-income adults ages 50 to 64 would pay, on average, more than an additional $4,000 per year without ACA tax credits. The impact is even higher for older adults residing in areas with the highest premium rates. For example, a middle-class 60-year-old couple in Jacksonville with a combined income of only $85,000, would see their premiums increase from $8,000 a year to $28,000 a year for the same plan. Moreover, many older adults ages 50 to 64-years-old are also caregivers themselves.

ACA Tax Credits are a lifeline for affordable care.

5 million
The number of people estimated to become uninsured without ACA tax credits.
(Urban Institute 2025).

$4000
The average annual premium increase for an older adult ages 50-64.
(AARP 2025).

93%
Percentage of people who use ACA tax credits to purchase ACA marketplace coverage.
(CBPP 2025).

Eliminating the ACA tax credits will force families to make impossible choices between the care they need for themselves or their loved ones and other day-to-day needs such as groceries, rent, and utility bills.

Loss of health insurance can be catastrophic for disabled people who overwhelmingly experience economic barriers and are more likely to be self-employed.

Although marketplace plans do not cover long-term care, having steady, affordable health insurance is critical for disabled people. In 2021, approximately 532,000 uninsured disabled adults became eligible for a zero-cost premium plan through the tax credit subsidies, reflecting just how vital tax credits are for affordable care. Disabled people under age 65 already incur out-of-pocket costs and medication costs five times higher than working-age adults without disabilities and working-age disabled adults spend about 20 percent of their incomes on disability-related needs. Disabled people are also over-represented among the self-employed, leaving the marketplace as the only option for comprehensive care. Disabled people, especially disabled people of color, are also much more likely to live in poverty compared to nondisabled adults, due to costs of care and income and employment barriers. Ending tax credits for affordable health care will result in further economic precarity for disabled people and their families.

Family caregivers, parents, and children rely on the ACA tax credits for affordable marketplace coverage. The absence of robust investments in the U.S. care economy leaves family caregivers undersupported, compromising their health and economic well-being.

26%

The percentage of income that family caregivers are already spending on caregiving costs. (AARP 2025)

Millions of family caregivers who provide support for older adults and disabled people directly purchase their health insurance. Family caregivers also have a higher uninsured rate than those without care responsibilities and are less likely to have access to coverage through an employer than other adults. These families already pay an average of $7,200 out of pocket, 26 percent of their income, for caregiving costs. More than four in ten family caregivers experience challenges related to their mental and physical health, underscoring how vital health insurance is to their ability to fill critical care needs. When people delay receiving care, whether for themselves or their loved ones, they face worse health outcomes. For caregivers who make it possible for disabled people or older adults to live at home, unmet health needs can become a catastrophe for both the caregiver and the person they care for.

Parents and children make up about four in ten marketplace enrollees under age 65. The high costs of child care mean that paying hundreds or thousands of dollars in higher premiums will be difficult for all and impossible for some. Parents and children enrolled in marketplace health care plans are more likely to see doctors and have necessary wellness visits than their uninsured counterparts. In states that have not expanded Medicaid, marketplace coverage is especially important for parents. These states have had the largest increase in parental enrollment in the marketplace. Tax credits for parents for affordable health care result in better health outcomes and financial stability for families.

Underpaid direct care workers and child care workers—who too often lack employer-provided coverage because the care sector is chronically underfunded—also face skyrocketing marketplace premiums.

$1000

The average annual increase in premiums for a direct care worker making only $26,000 a year.

(Urban Institute 2025; PHI 2025).

Following the passage of the ACA, the uninsured rate among direct care workers decreased by more than a quarter. The ACA tax credits supported more than 600,000 direct care workers who purchase health insurance through the ACA marketplace. Because Congress let the tax credits expire, the typical direct care worker, paid a median income of just $26,000 a year, saw their premiums double or triple this year, increasing average premium costs by more than $1,000 each year. Among child care workers, 18 percent directly purchase their health insurance, markedly higher than the national average of 11 percent. Home-based child care providers who earn the median annual income of only $18,500 and get insurance through the marketplace did not pay premiums before the tax credits expired. However, without the ACA enhanced tax credits, care workers will have to pay hundreds of dollars out of pocket. In addition, many aging and disability care and child care providers are small businesses that will be hit hard by skyrocketing costs. The consequences will be especially harmful in the ten states where policymakers chose not to expand Medicaid, leaving workers without other insurance options, increasing training and turnover costs for employers, and making it even more difficult for people who give and receive care to live, work, and age with dignity.

Conclusion

Family caregivers, direct care workers, older adults, disabled people, parents, children, and communities already struggling with the costs of care cannot afford health insurance without the support of the ACA tax credits. Open enrollment began on November 1, 2025, and since then, millions of people saw the drastic increase in premiums for 2026. Congress still has the power to extend the tax credits and decrease the impending health care cost crisis for millions of people in this country. Congress must act now to extend these tax credits—because families can't afford to wait.