



Statement for the Record

Senate Finance Committee

Hearing on

“The Rising Cost of Health Care: Considering Meaningful Solutions for all Americans”

November 19, 2025

Prepared by *Families USA*

1225 New York Avenue, NW
Suite 800
Washington, DC 20005
(202) 628-3030

Chair Crapo and Ranking Member Wyden, we want to thank you for holding this important and timely hearing on health care affordability, and to offer our sincere appreciation to all of the witnesses and senators who are lifting up the impact that unaffordable health care costs have on our nation's families. In particular, we want to thank Bartley Armitage, the witness from Eugene, Oregon who traveled across the country to give voice to the millions of Americans just like him who stand to lose access to affordable health coverage if Congress doesn't take urgent action.

Despite having had several opportunities to act this year on meaningful affordability solutions, this Congress has failed to provide Americans with desperately needed relief from crushing health care costs. This is unacceptable. Congress must take immediate steps to support families whose health and financial security are in jeopardy and to address the root causes of our nation's health care cost crisis by holding corporate health systems accountable for charging excessive health care prices.

The first step is to come together to extend – in their current form and without harmful changes – enhanced premium tax credits for the nearly 22 million Americans who rely on them to purchase comprehensive health coverage from the federal or state health insurance Marketplaces.¹ Open enrollment began on November 1, and now millions of Americans are logging in to re-enroll in coverage only to see their health insurance premiums skyrocketing for next year — more than doubling on average,² with people paying not just hundreds but thousands of dollars more. Many will not be able to afford to buy a plan at all: if Congress fails to act, roughly 4 million people are likely to lose coverage next year altogether.³

Congress' delay in extending these tax credits has only further exacerbated a health care cost crisis that has been brewing for decades. The Finance Committee has a key role to play in discussing and advancing commonsense legislation that would remedy some of the most obvious health system failings that drive unaffordable care, and the American people are eager to see action. **A new poll from Families USA and Hart Research Associates shows that lowering health care costs is the top priority for Americans across demographics, even surpassing concerns related to housing, jobs, crime, and immigration.** Over 9 in 10 voters think it is important that Congress and the President act to lower health care costs to reduce stress on family budgets, bring down the cost of living, and to make health care more affordable and accessible to millions of families around the country.⁴

A Health System in Crisis: High and Rising Costs, Including Skyrocketing Premiums

Across the country, Americans are sounding the alarm: the cost of health care is too high, the system too complex, and relief is desperately needed. In 2025, nearly half of all Americans struggle to afford the health care that they and their families need due to the high cost.⁵ More than a quarter of all Americans skip or delay needed health care due to cost and over 100 million people in the U.S. have medical debt totaling over \$200 billion nationally, leading many to make significant sacrifices such as cutting back on necessities like food or taking on credit card debt that they can never pay back.⁶ High prices driven by unchecked health care consolidation also come directly out of worker's paychecks in the form of higher premiums and out-of-pocket health care costs, which have resulted in nearly \$1 trillion dollars in lost workers' wages since 2012.⁷

This was all true even before recent policy changes like the passage of H.R. 1, which cut \$1 trillion from our health care system, compounding this crisis by limiting access to affordable care while failing to provide families with relief from high health care costs.

Decades of data clearly shows that **prices for hospital services and prescription drugs continue to be the leading drivers of high and rising health insurance premiums** for both people who get coverage through their employers and people who purchase insurance in the Affordable Care Act (ACA) Marketplaces. The majority of 2026 rate filings directly connect higher insurance rates to these high and rising costs.⁸ To make matters worse, this year, insurers also raised premiums to account for the looming expiration of enhanced premium tax credits, which will force millions of people to drop their coverage and lead to a smaller and sicker insured population, thus significantly destabilizing insurance risk pools.

In addition to the direct impact on families and individuals, the impact of high health care costs on state economies is undeniable. In 2021, over 10% of state and local expenditures went to health and hospitals, making it the third highest spending category for states.⁹ As a result of rising health care costs, state and local government spending on health and hospitals increased by 266% in inflation-adjusted dollars from 1977 (\$103 billion) to 2021 (\$377 billion).¹⁰ No state has been spared from high health care spending. Even Utah which boasts the lowest health care spending per capita (\$7,522) spends notably more on health care than the average spending of wealthy countries (\$6,850 per capita), and per capita health care expenditures in states like New York, Alaska, and Massachusetts are over 30% higher than the U.S. average of \$10,191.¹¹

To address this crisis, policymakers must pursue policy solutions that provide direct and immediate relief from crushing health care costs to individuals, families, and small business owners AND policies that get at the root causes of high and irrational prices in the first place.

Congress Must Act Now to Pass a Clean Extension of Health Care Tax Credits

The most pressing priority for Congress right now is to extend the expiring enhanced premium tax credits to ensure millions of people can continue to afford their health insurance. Despite Congress having several opportunities over the last year to extend these premium supports, no fix for families has moved forward. Now, in the midst of open enrollment, millions of families find themselves either being forced to try to secure health insurance with premiums that are double or triple their current amount or going without ANY health care coverage purely due to the cost.

The scale of this problem is significant: 22 million American workers who don't get coverage on-the-job or through Medicaid or Medicare qualify for premium tax credits for a plan through healthcare.gov or a state marketplace. That means their current household income is at least \$15,060 for an individual or \$31,200 for a family of four, and they do not have other options for affordable health coverage.¹² These tax credits are a lifeline for workers and their families, including those with serious and chronic health conditions like diabetes, heart disease, and cancer who need access to regular care to stay healthy and keep working when they don't get insurance through their job.¹³

The numbers are compelling, but so too are the stories of the real people who rely on premium tax credits for their health and financial wellbeing. The enhanced premium tax credits have been lifechanging for people like Amy from New Castle, Colorado who runs a small print publishing

business with her husband that garners a household annual income of about \$40,000. While her husband is covered by Medicare, Amy relies on the marketplace for the health insurance she needs to manage her chronic health condition. Utilizing enhanced premium tax credits, her monthly premiums dropped from a staggering \$923 to just \$1.57 each month. Only with these credits can Amy get the coverage she needs to stay healthy, keep their small business open, and contribute to the local economy.¹⁴

Or take Claire, a 43-year-old small business owner in Lafayette, Louisiana, who has been self-employed for her entire career. Diagnosed with breast cancer at 27, she relies on the Affordable Care Act's premium tax credits to afford the ongoing care she needs to stay healthy. Living with a preexisting condition that requires comprehensive care, she could never be well-served by the kind of short-term "junk plans" often misleadingly marketed as ideal for young adults. Thanks to the enhanced premium tax credits, she is able to secure the comprehensive insurance she needs through the health care marketplace. She now pays about \$117 per month for her plan after tax credits — compared to the \$570 that she would pay without them — allowing her to maintain her coverage for frequent screenings and biannual oncology visits. "My appointments are really important to not only my physical health but my mental health," she said. Losing those credits, losing access to her trusted physicians, or being forced into a cheaper plan with higher out-of-pocket costs worries her deeply. "Not being able to afford to go to the doctor is a reason that a lot of people don't go," she shared.¹⁵

Amy and Claire need Congress to take immediate action, and they are not alone: **Roughly three-quarters of Americans polled from across the country — and across party lines — want Congress to act to extend the enhanced credits.**¹⁶

Working Families Need Real Solutions – Not Meaningless Alternatives

Issues stemming from high health care prices are by no means limited to those in the ACA marketplaces. In fact, the base premiums of marketplace plans are comparable to those in employer-based coverage and other forms of private insurance. But individuals who have to purchase their own insurance plan don't get the advantages of purchasing power and tax benefits that large employers can convey through the plans they provide, leaving those in the marketplace even more vulnerable to rising premium costs. The reality is that the high cost of health care requires immediate action to help Americans across all sources of coverage.

As families grapple with the rising cost of health care, rising unemployment, and continued high costs of living, Congress must focus on serious solutions that actually meet peoples' needs and not on exacerbating the effects of a health care system that separates those who can afford higher quality coverage from those who cannot afford coverage at all. For instance, any suggestion that people losing tax credits can instead be made whole through a one-time cash handout or coupon, or through bigger uptake of Health Savings Accounts (HSAs), Flexible Savings Accounts (FSAs), or Health Reimbursement Accounts (HRAs), utterly fails to meet this moment and would strand millions of people without any meaningful access to care.

Tax-advantaged spending accounts (HSAs, FSAs, and HRAs) take various forms. FSAs and HRAs are available to people with employer-sponsored coverage, and HSAs are available to people with high-deductible health plans. They generally permit people to draw down pre-tax funds to pay certain health care costs, like deductibles, copayments, and over-the-counter medications. They

might work as an incentive for insured Americans who can afford to save money to cover future out-of-pocket health expenses, but they do nothing to guarantee affordable coverage for people who need to buy their own health insurance and pay monthly premiums. For instance, in the marketplace, the lowest cost plans that can be paired with HSAs are “bronze” and “catastrophic.” Bronze plans typically have deductibles of \$7,476 for an individual in 2026, plus additional cost sharing for services.¹⁷ Catastrophic plans have deductibles of \$10,600 for an individual or \$21,200 for a family.¹⁸ Without this amount *fully* funded, a family would be left vulnerable in the case of major illness. So while additional tax flexibility or designated health funds can be helpful in offsetting some portion of health care costs, this is not sustainable for people in need of ongoing care and wholly insufficient for families living paycheck to paycheck.¹⁹

In fact, while many families – regardless of income – are struggling with the high cost of health care, HSAs primarily are a tool to support higher income families rather than the enhanced tax credits which largely support those with lower incomes. According to the IRS, the most likely people to contribute to these types of accounts are those who make over \$500,000 per year, while 85 percent of people enrolled in the ACA make less than \$50,000 for an individual or \$100,000 for a family of four.²⁰

Conflating the purpose of these spending accounts with the importance of premium tax credits marks a total failure to recognize why families struggle to afford coverage. It also fails to acknowledge why these tax credits have ensured record enrollment in ACA marketplace insurance in 2025,²¹ and some of the lowest rates of people going without insurance in U.S. history.²²

Committing to an Agenda that Addresses Root Causes of High Health Costs

The extension of enhanced premium tax credits is a desperately needed and essential immediate-term fix for families collapsing under the weight of health care costs. But they are not designed to lower skyrocketing health care costs across the system over the long term. That is why this Committee must also commit to an agenda that takes on the corporate interests and underlying drivers of high health care costs in the first place.

To that end, the below list of pro-consumer reforms to the health care system would put money back in people’s pockets, have strong bipartisan and bicameral support in Congress, and would make important strides to begin addressing corporate abuses in health care.

These bold actions are overwhelmingly popular with voters across the political spectrum and have proven to be effective at getting at the drivers of rising health care costs:²³

- Requiring all hospitals to disclose rates they charge in dollars and cents (91% support)
- Allowing Medicare to negotiate lower prices on more drugs (89% support)
- Closing legal loopholes that allow drug companies to raise prices by blocking generics (87% support)
- Prohibiting health systems from charging Medicare more for the same procedure if performed at a hospital facility instead of a doctor’s office (84% support)
- Prohibiting Medicare Advantage companies from exaggerating health risks to get paid more (79% support)
- Eliminating legal loopholes that allow health care providers to overcharge (75% support)
- Restricting aggressive billing practices like surprise billing (73% support)

- Reducing unnecessary middlemen between patients and providers, who increase costs (72%)
- Reforming the way doctors and providers are paid, so pay is based on keeping people healthy and quality of care rather than the number of procedures (80% support).

Families Need Workable Solutions Now

The urgency couldn't be clearer. Americans are demanding relief from rising health care costs and this Congress has a responsibility to deliver.

Since Congress failed to act to extend the health care tax credits before Marketplace Open Enrollment began, it is critical to both cleanly extend the tax credits without delay AND to ensure people who have already decided they cannot afford to keep their coverage have the opportunity and assistance to come back and re-enroll. We recommend that Congress also:

1. **Extend the current open enrollment period or authorize a Special Enrollment Period (SEP) to allow time for the new rates to be adjusted and for enrollees to shop for a plan that best meets their needs.** This year, the uncertainty over tax credits is already making it challenging to attract consumers to the marketplace and to determine which plan will best serve them. Given that Open Enrollment has already begun, consumers must be notified as quickly as possible with up-to-date information to ensure their families are covered by January 1st with the right plan. Since Marketplace insurers maintain up-to-date contact information and send trusted communications to enrollees about their health coverage, they should also be required to notify consumers about changes to the enhanced premium tax credits that will impact a consumer's enrollment decision.
2. **Restore \$90 million in funding for Affordable Care Act (ACA) Navigators to help ease confusion among enrollees.** Earlier this year, CMS announced a \$90 million reduction in funding for the ACA Navigator program, which provides outreach and free assistance to people shopping on the federal marketplace for health coverage.²⁴ We anticipate that there will be significant confusion among consumers about their options since decisions about enhanced premium tax credits were still pending when the Open Enrollment Period began. ACA Navigators are well-positioned to clear up questions regarding enrollment this year and can help ensure that consumers are informed about their options for coverage.

Thank you again for holding this timely and critical hearing. Now, more than ever, families across the country are feeling the negative impacts of our nation's affordability crisis firsthand and are eager for Congress to pass legislation that provides meaningful relief and reaffirms that their elected representatives are doing all they can to deliver on their promises to lower costs and improve health care. The journey to fully transform our health care system so that it truly works for American families is long, but Congress holds the power to take the next critical steps. Families USA stands ready to support you in this essential and urgently needed work.

¹ Centers for Medicare & Medicaid Services. "2025 Marketplace Open Enrollment Period Public Use Files." May 12, 2025. <https://www.cms.gov/data-research/statistics-trends-reports/marketplace-products/2025marketplace-open-enrollment-period-public-use-files>

² Andrew Sprung, "Trump administration takes one more whack at the ACA marketplace." Xpostfactoid. September 4, 2025. <https://xpostfactoid.substack.com/p/trump-administration-takes-one-more>

³ Congressional Budget Office, "The Effects of Not Extending the Expanded Premium Tax Credits for the Number of Uninsured People and the Growth in Premiums." December 4, 2024. <https://www.cbo.gov/system/files/202412/59230-ARPA.pdf>.

-
- ⁴ Families USA, “New Poll: Crushing Health Care Costs Top Priority for Voters.” October 22, 2025, <https://familiesusa.org/press-releases/new-poll-crushing-health-care-costs-top-priority-for-voters/>
- ⁵ Sparks et al., “Americans’ Challenges with Health Care Costs.” KFF. July 11, 2025. <https://www.kff.org/health-costs/issue-brief/americans-challenges-with-health-care-costs/>
- ⁶ John August, “Healthcare Insights: How Medical Debt is Crushing 100 Million Americans.” ILR Scheinman Institute at Cornell. October 21, 2024. <https://www.ilr.cornell.edu/scheinman-institute/blog/john-august-healthcare/healthcare-insights-how-medical-debt-crushing-100-million-americans;>
see also, Rakshit et al., “The burden of medical debt in the United States.” KFF. February 12, 2024. [https://www.healthsystemtracker.org/brief/the-burden-of-medical-debt-in-the-united-states/;](https://www.healthsystemtracker.org/brief/the-burden-of-medical-debt-in-the-united-states/)
see also, Collins, Roy, and Masitha, “Paying for It: How Health Care Costs and Medical Debt Are Making Americans Sicker and Poorer.” Commonwealth Fund. October 26, 2023. <https://www.commonwealthfund.org/publications/surveys/2023/oct/paying-for-it-costs-debt-americans-sicker-poorer-2023-affordability-survey;>
see also, Board of Governors of the Federal Reserve System, Economic Well-Being of U.S. Households in 2023 (Washington: Board of Governors, 2024), <https://doi.org/10.17016/8960>.
- ⁷ Daniel Arnold and Christopher M. Whaley, “Who Pays for Health Care Costs?” RAND. July 28, 2020. https://www.rand.org/pubs/working_papers/WRA621-2.html
- ⁸ Letter from Georgetown University Center on Health Insurance Reforms to Senate, “Request for Information on Factors Driving 2026 Individual Market Premium Changes.” September 2, 2025. <https://georgetown.app.box.com/v/2026MarketplaceRatesMemo>
- ⁹ Urban Institute, “State and Local Backgrounders - Health and Hospital Expenditures.” Accessed November 18, 2025. <https://www.urban.org/policy-centers/cross-center-initiatives/state-and-local-finance-initiative/state-and-local-backgrounders/health-and-hospital-expenditures#:~:text=The%20share%20of%20state%20and.spending%20growth%20than%20the%20latter>
- ¹⁰ Ibid.
- ¹¹ KFF, “Health Care Expenditures per Capita by State of Residence.” 2020. <https://www.kff.org/state-health-policy-data/state-indicator/health-spending-per-capita/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>
- ¹² “Advance premium tax credit (APTC),” HealthCare.gov, U.S. Centers for Medicare & Medicaid Services, accessed July 25, 2025. <https://www.healthcare.gov/glossary/advanced-premiumtax-credit/> and “2024 federal poverty guidelines”, 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/7240229f28375f54435c5b83a3764cd1/detailed-guidelines-2024.pdf>”<https://aspe.hhs.gov/sites/default/files/documents/7240229f28375f54435c5b83a3764cd1/detailed-guidelines-2024.pdf>. The minimum income limits are slightly higher in Alaska and Hawaii due to those states’ poverty guidelines. The income limits will increase slightly for 2026 - people may qualify then if their incomes their incomes are above 2025 federal poverty guidelines, listed here: <https://aspe.hhs.gov/sites/default/files/documents/dd73d4f00d8a819d10b2fdb70d254f7b/detailed-guidelines-2025.pdf>. The minimum income limits are slightly higher in Alaska and Hawaii due to those states’ poverty guidelines. The income limits will increase slightly for 2026 - people may qualify then if their incomes their incomes are above 2025 federal poverty guidelines, listed here: <https://aspe.hhs.gov/sites/default/files/documents/dd73d4f00d8a819d10b2fdb70d254f7b/detailed-guidelines-2025.pdf>
- ¹³ Cheryl Fish-Parcham, “Health Premiums To Spike for American Workers and Small Business Owners If Enhanced Health Care Tax Credits Are Not Made Permanent.” Families USA. November 2025. https://familiesusa.org/wp-content/uploads/2025/10/National-ImportancePremiumTaxCredits-FactSheet_October-2025-Update.pdf
- ¹⁴ Lauren Rubenstein, “Behind the Numbers: The Real Americans who will be Hardest Hit if Congress Lets Premium Tax Credits Expire.” Families USA. September 25, 2025. <https://familiesusa.org/resources/behind-the-numbers-the-real-americans-who-will-be-hardest-hit-if-congress-lets-premium-tax-credits-expire/>
- ¹⁵ Families USA, “Health Premiums To Spike for Louisiana Workers and Small Business Owners If Enhanced Health Care Tax Credits Are Not Made Permanent.” November 2025. https://familiesusa.org/wp-content/uploads/2025/11/Louisiana-ImportancePremiumTaxCredits-FactSheet_November-2025-Update.pdf
- ¹⁶ Families USA, “New Poll: Crushing Health Care Costs Top Priority for Voters” October 22, 2025. <https://familiesusa.org/press-releases/new-poll-crushing-health-care-costs-top-priority-for-voters/>
- ¹⁷ KFF, “Deductibles in ACA Marketplace Plans, 2014-2026.” November 6, 2025. <https://www.kff.org/affordable-care-act/deductibles-in-aca-marketplace-plans/>
- ¹⁸ KFF, “What is a Catastrophic health plan?” September 25, 2025. <https://www.kff.org/faqs/faqs-health-insurance-marketplace-and-the-aca/marketplace-health-plans-and-premiums/what-is-a-catastrophic-health-plan/>
- ¹⁹ 26 CFR 601.602: Tax forms and instructions (2025). <https://www.irs.gov/pub/irs-drop/rp-25-19.pdf>

²⁰ Gideon Lukens, “Five Reasons Lawmakers Should Reject Expansions of Health Savings Accounts.” Center on Budget and Policy Priorities. May 7, 2025. <https://www.cbpp.org/blog/five-reasons-lawmakers-should-reject-expansions-of-health-savings-accounts>

²¹ Jared Ortaliza, Justin Lo, and Cynthia Cox. “Enrollment Growth in the ACA Marketplaces.” KFF. April 2, 2025. <https://www.kff.org/affordable-care-act/enrollment-growth-in-the-aca-marketplaces/>

²² Tolbert et al., “The Uninsured Population and Health Coverage.” KFF. October 8, 2025. <https://www.kff.org/uninsured/health-policy-101-the-uninsured-population-and-health-coverage/>

²³ Families USA, “New Poll: Crushing Health Care Costs Top Priority for Voters” October 22, 2025. <https://familiesusa.org/press-releases/new-poll-crushing-health-care-costs-top-priority-for-voters/>

²⁴ Centers for Medicare & Medicaid Services, “CMS Announcement on Federal Navigator Program Funding.” February 14, 2025. <https://www.cms.gov/newsroom/press-releases/cms-announcement-federal-navigator-program-funding>