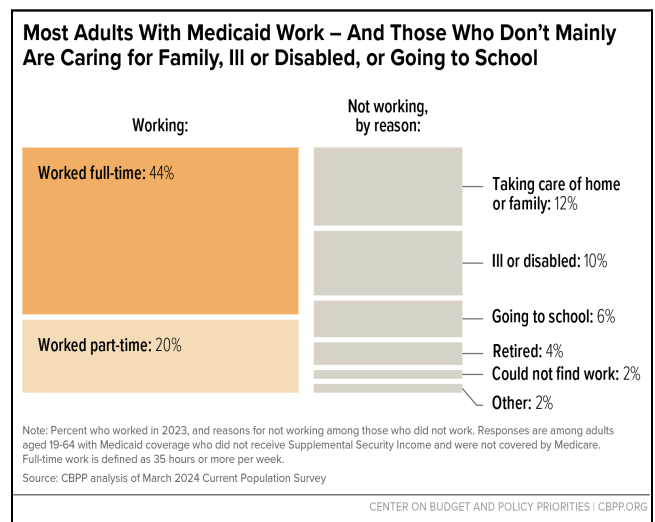


# Nebraskans Rely on Medicaid and the ACA Marketplace

**Medicaid keeps Nebraska communities and economies healthy.** Medicaid is efficient and effective - it increases diagnosis and treatment of chronic conditions, improves educational achievement and future earnings for children, and provides comprehensive care while costing less per enrollee than private insurance. Medicaid addresses disparities and is an important source of health coverage for rural communities and communities of color. Medicaid supports schools to provide health and mental health services to students. Medicaid supports Nebraska's state and local economies, health care providers, hospitals and systems.

**Nebraskans are clear: No Cuts to Medicaid!** Cuts to Medicaid will harm Nebraskans, health care providers, our communities, and Nebraska economies. Cuts to Medicaid will take health care away and increase costs for Nebraskans. All of the following proposals are effectively cuts to Medicaid, and each would create more harms than any potential benefits:

- **Work requirements don't work.** Implementing work requirements would drastically increase state spending. Most Medicaid enrollees are already working or would be exempt from most versions of work requirements because they are attending school, have disabilities, or are caregiving. States that have implemented work requirements find that enrollees who meet requirements or are exempt get caught up in red tape and are improperly disenrolled. Implementing work requirements would result in 600,000 more uninsured Americans. These requirements are ineffective and do not increase workforce participation.



- **Reducing the Federal Medical Assistance Percentage (FMAP) for any category - including Medicaid expansion - will harm Nebraskans.** As of November 2024, 66,881 Nebraskans rely on the Medicaid expansion category to access health care. A reduced federal match for Medicaid expansion or any other category would strap states with huge added costs. If a reduced match forced states to discontinue Medicaid expansion, ripple effects would even harm children, older adults, and people with disabilities enrolled in other categories. Any rise in uninsured rates will increase uncompensated care, hurting health care providers and state and local budgets.
- **Federal caps or block grants exacerbate inequities, particularly for rural communities, people with disabilities, and communities of color.** Caps and block grants will force states to make cuts to coverage, and leave them unable to adapt to any potential future recession, pandemic, new drug or technology, or growth in health care costs. All of the radical cuts forced by caps or block grants would hurt enrollees, especially children, older adults, persons with disabilities, and pregnant people.
- **Any other cuts to Medicaid will negatively impact Nebraskans.**

**Medicaid is highly popular.** Three-fourths of the public say they have a favorable view of the program, while only one-fifth say they have an unfavorable view. A majority of Democrats (89%), independents (75%), and Republicans (65%) view the program favorably.

Factsheet prepared by Nebraska Appleseed.

Please contact Kelsey Arends, [karends@neappleseed.org](mailto:karends@neappleseed.org), with any questions or to request citations.

# Nebraskans Rely on Medicaid and the ACA Marketplace

**Keep health care affordable by extending the Enhanced Premium Tax Credits (EPTC).** Nebraskans are counting on Congress to make the EPTCs permanent and ensure continued access to the Affordable Care Act (ACA) Marketplace. As of January 4, 2025 (prior to the close of open enrollment), **132,896 Nebraskans are enrolled in Marketplace coverage for 2025.**

**Allowing the ACA Enhanced Premium Tax Credits (EPTC) to expire will harm Nebraska families, health care providers, and the economy.**

First, Nebraskans rely on EPTCs to afford their health care. Necessary and preventative care will become even more out of reach if the EPTCs are not extended. In Nebraska, individuals and families at every income bracket would be affected. Families over 400% of the Federal Poverty Level (FPL) would lose all subsidies if the EPTC protections expire, including the current cap of 8.5% of income to premiums, the result would be unrestricted premium costs. For people under 100% FPL, who often do not have bank accounts, requiring them to pay premiums will cost significant administrative investment.

Enhanced Premium Tax Credits and the Cost of Marketplace Coverage in Nebraska								
This chart shows the average annual premium cost per covered person for people with subsidized marketplace coverage who choose the same metal tier coverage under current law and removal of EPTCs, 2025 (dollars) <sup>1</sup>								
All Marketplace with Subsidies			Below 250% of FPL			Above 250% of FPL		
Enhanced PTC			Enhanced PTC			Enhanced PTC		
With	Without	Change	With	Without	Change	With	Without	Change
314	815	+501	124	686	+562	544	971	+427

Additionally, if the EPTCs expire, health care providers and the Nebraska economy will suffer because of reduced revenue and increased uncompensated care. Nation-wide, expiration of the EPTCs would lead to numerous negative effects:

- 4 million people would become **uninsured**; making them more likely to go without health care services, and requiring local providers and taxpayers to absorb emergency costs;
- Health care spending would decline by:
  - \$8.2 billion on hospital services;
  - \$3.1 billion on office-based physician services;
  - \$5.6 billion on other health care services;
  - \$4.0 billion on prescription drugs; and
- Uncompensated care would increase by \$6.3 billion.

Finally, research shows that the declines in health care spending and the harms from eliminating the EPTCs would be more pronounced **in rural communities, for older adults, and for groups that already face health disparities based on race.**

<sup>1</sup> Michael Simpson, Jessica Banthin; Urban Institute; *Household Spending on Premiums would Surge if Enhanced Premium Tax Credits Expire*; Dec. 9, 2024; [https://www.urban.org/research/publication/household-spending-premiums-would-surge-if-enhanced-premium-tax-credits-expire?utm\\_source=urban\\_ea&utm\\_campaign=PTC\\_Household\\_Spending&utm\\_id=health\\_and\\_health\\_care&utm\\_content=general&utm\\_term=health\\_and\\_health\\_care](https://www.urban.org/research/publication/household-spending-premiums-would-surge-if-enhanced-premium-tax-credits-expire?utm_source=urban_ea&utm_campaign=PTC_Household_Spending&utm_id=health_and_health_care&utm_content=general&utm_term=health_and_health_care).

# Nebraskans Rely on Medicaid and the ACA Marketplace

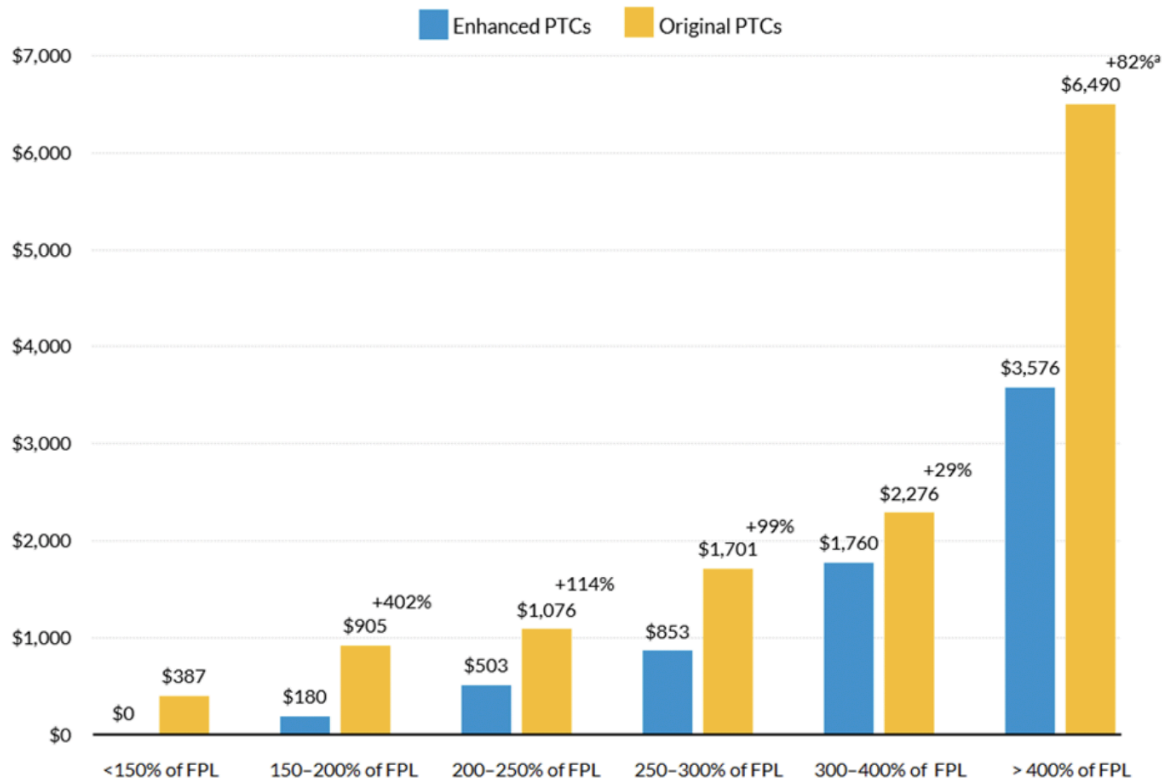
Nebraskans enrolled in ACA marketplace plans at record rates supported by advanced premium tax credits (APTCs) in the 2024 plan year, particularly in the 3rd Congressional District:

State	Congressional district (CD)	Representative	MARKETPLACE PLAN SELECTIONS			APTC UPTAKE	
			Number of people who selected plans	Proportion of CD population <65 that selected plans	% of CD population <65 that selected plans	% with APTC	Number with APTC
Nebraska	NE-01	Mike Flood (R)	33,000	1 in 17	6%	94	31,000
Nebraska	NE-02	Don Bacon (R)	34,000	1 in 17	6%	91	31,000
Nebraska	NE-03	Adrian Smith (R)	51,000	1 in 10	10%	96	49,000

2

Expiration of the EPTCs would increase costs for households among all income levels.

Average Annual Premium Paid by People with Subsidized Marketplace Coverage with and without Enhanced Premium Tax Credits, by Income, 2025 (dollars)



URBAN INSTITUTE

3

<sup>2</sup> Nicole Rapfogel, Center for American Progress, *2024 Affordable Care Act Marketplace Plan Selections by Congressional District*, May 2, 2024, <https://www.americanprogress.org/article/2024-affordable-care-act-marketplace-plan-selections-by-congressional-district/>.

<sup>3</sup> Urban Institute, *supra* note 1.

Factsheet prepared by Nebraska Appleseed.

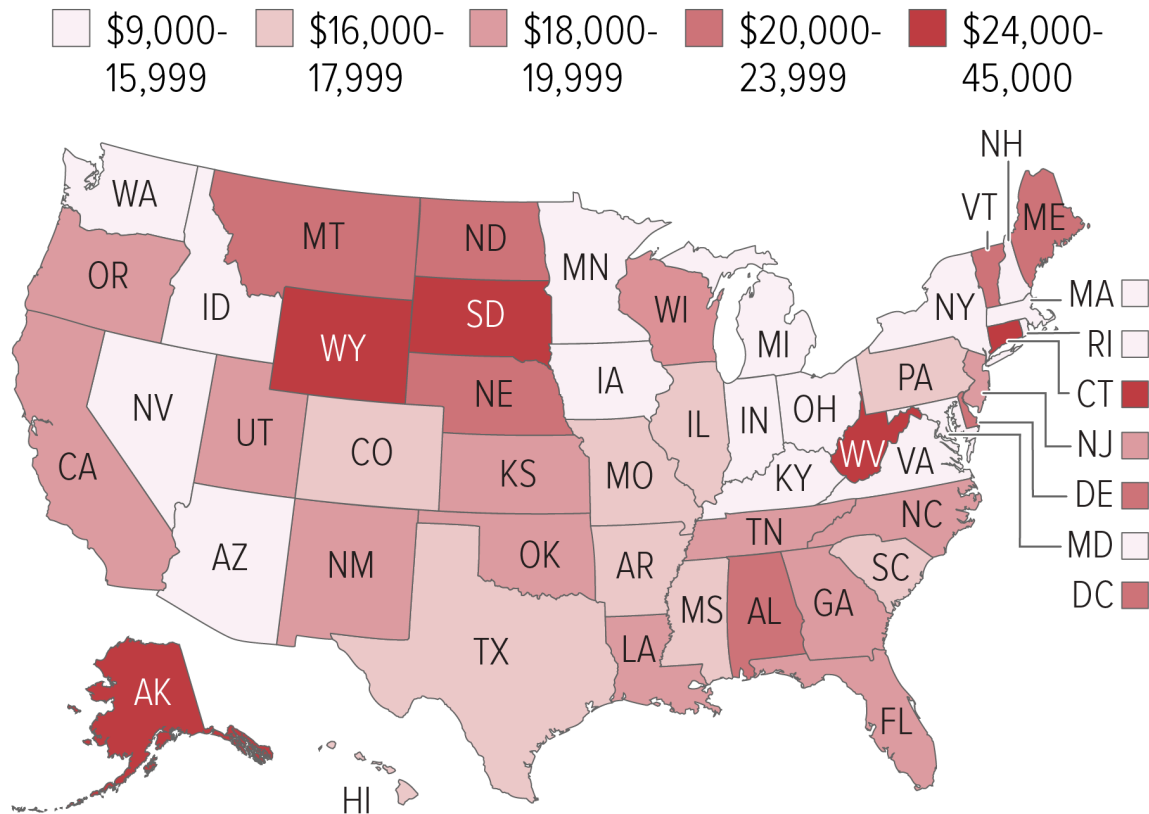
Please contact Kelsey Arends, [karends@neappleseed.org](mailto:karends@neappleseed.org), with any questions or to request citations.

# Nebraskans Rely on Medicaid and the ACA Marketplace

Nebraska is among the states that would see one of the highest jumps in premiums for folks over 400% FPL - between \$20,000-23,999 annually - if EPTCs expire.

## Premiums Would Rise Dramatically for Some Groups if Tax Credit Enhancements Expire

Annual premium increase, 60-year-old couple with income of \$82,000 (401% FPL)



Note: FPL = federal poverty level. The FPL for these calculations is based on 2024 poverty guidelines, which are used to determine premium tax credits for 2025 marketplace coverage. Examples are illustrative and based on 2025 state average benchmark (second-lowest-cost silver plan) premiums with age adjustments. Calculations for Alaska and Hawai'i are for incomes of 401% of state poverty levels, which differ from the FPL. Calculations do not account for any state subsidized marketplace premiums beyond the federal subsidy because such state policies may be dependent on the federal tax credit enhancements.

Source: CBPP calculations and Congressional Budget Office estimates of applicable percentages without enhancements in 2025.

<sup>4</sup> Gideon Lukens & Elizabeth Zhang, Center on Budget and Policy Priorities, *Premium Tax Credit Improvements Must be Extended to Prevent Steep Rise in Health Care Costs*, Nov. 14, 2024, <https://www.cbpp.org/research/health/premium-tax-credit-improvements-must-be-extended-to-prevent-steep-rise-in-health>.

Factsheet prepared by Nebraska Appleseed.

Please contact Kelsey Arends, [karends@neappleseed.org](mailto:karends@neappleseed.org), with any questions or to request citations.