Fiscal Policy Institute
540 Broadway
Albany, NY 12207
fiscalpolicy.org

info@fiscalpolicy.org

Congress Must Ensure Healthcare Affordability

Nathan Gusdorf October 1, 2025

Republican demand to cut premium tax credits would spike New Yorkers' healthcare costs

Late last night, the federal government shut down due to a dispute in Congress over extending tax credits that lower the cost of health insurance for millions of Americans. The shutdown, no matter its length, will be disruptive to the lives of the 54,000 federal civil servants[a] who live and work in New York and the millions of New Yorkers who rely on federal programs. The prospect is especially frightening under the Trump administration, which has threatened to fire thousands of federal workers, a dangerous breach of precedent that will put the functioning of the federal government at risk.

Congressional Democrats have had little choice but to force a shutdown, however. Republicans have refused to extend enhanced Premium Tax Credits for Americans who purchase health insurance on the individual market. The expiration of these tax credits would cause dramatic premium increases for families across the country. In our own state, the Department of Health has estimated that failing to extend these credits would cause healthcare costs in New York to spike by 38 percent[b] for 140,000 individual market enrollees and cut funding to the Essential Plan, which provides healthcare to 1.7 million New Yorkers.

Such a massive increase in health insurance costs, coming on top of draconian cuts to the healthcare safety net enacted this summer under the "One Big Beautiful Bill Act"—which is expected to strip more than 1 million New Yorkers of their health insurance—is likely to further destabilize New York's insurance market.

Links

a https://www.congress.gov/crs-product/R47716
b https://info.nystateofhealth.ny.gov/sites/default/files/2025%20Congressional%20District%20Fact%20Sheets.pdf