

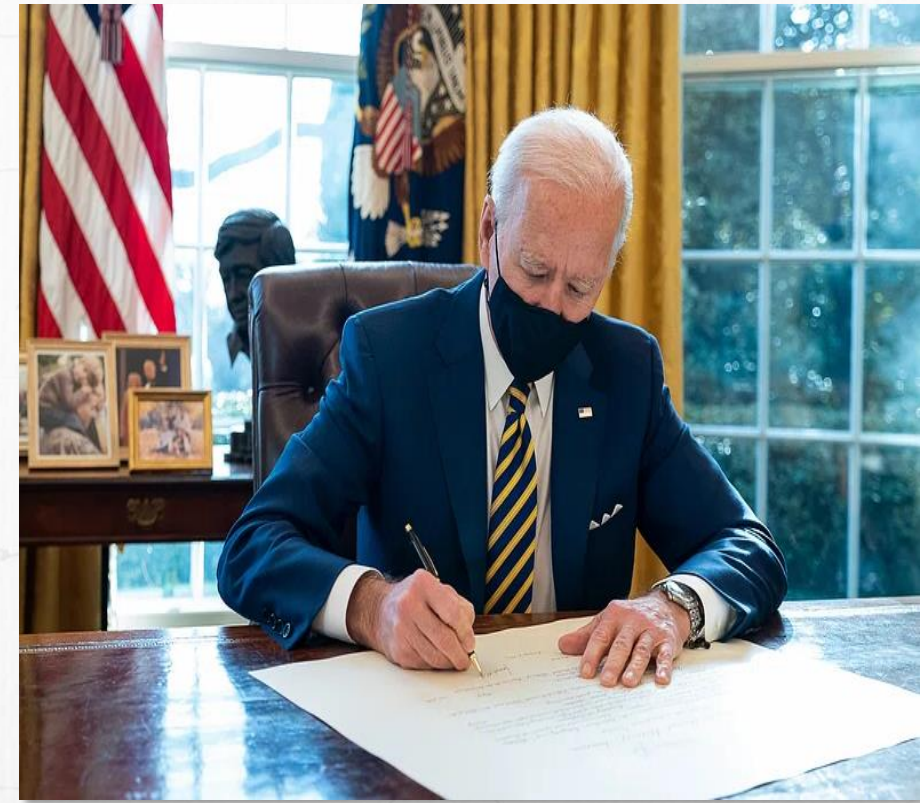


What You Need to Know About the Enhanced Obamacare  
Subsidies, or Biden's COVID Credits

[paragoninstitute.org](https://paragoninstitute.org)

# Main Points on the Enhanced Obamacare Subsidies, aka Biden's COVID Credits

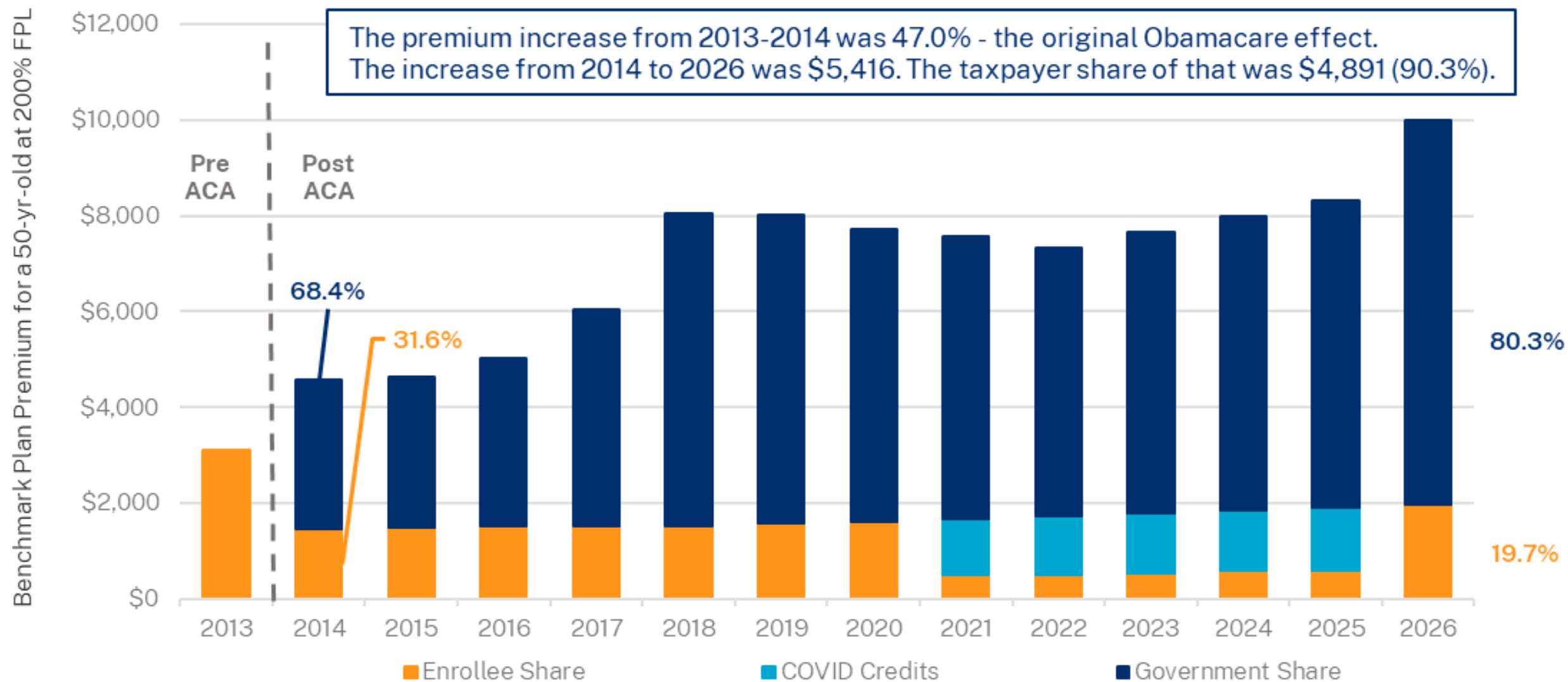
- This debate is not about Obamacare subsidies. The debate is about Biden-era subsidy add-ons that were enacted to address the COVID pandemic with no Republican support.
- Biden's COVID Credits fueled massive fraud, with more than 6 million ineligible enrollees and nearly \$30 billion in improper spending annually.
- After the COVID credits expire, taxpayers will still cover at least 80% of the cost of the premium for most enrollees.
- COVID credits expiring responsible for a 4% increase in premiums in 2026, largely because they remove some improper and zero-claim enrollees.





# Almost Entire Obamacare Premium Increases Paid for by Taxpayers

## COVID Credits Further Shifted Cost from Enrollees to Taxpayers

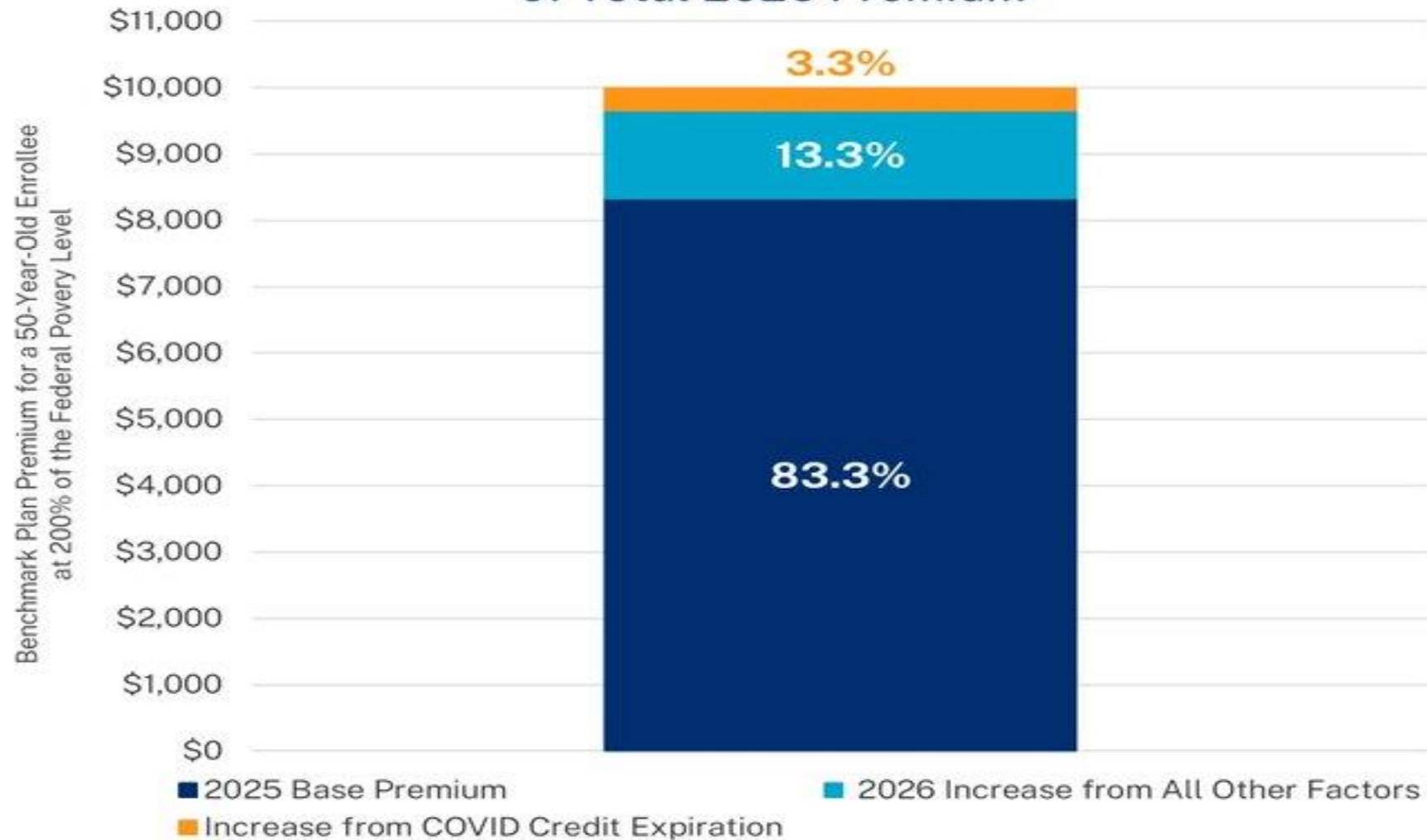


SOURCE: Authors' calculations based on data from the Kaiser Family Foundation's Health Insurance Marketplace Calculator and ASPE Data Point (2017), "Individual Market Premium Changes: 2013 - 2017," US Department of Health and Human Services.



## Obamacare 2026 Premiums Largely Unaffected by Expiration of Biden's COVID Credits

*Expiring COVID Credits are Responsible for 3.3%  
of Total 2026 Premium*

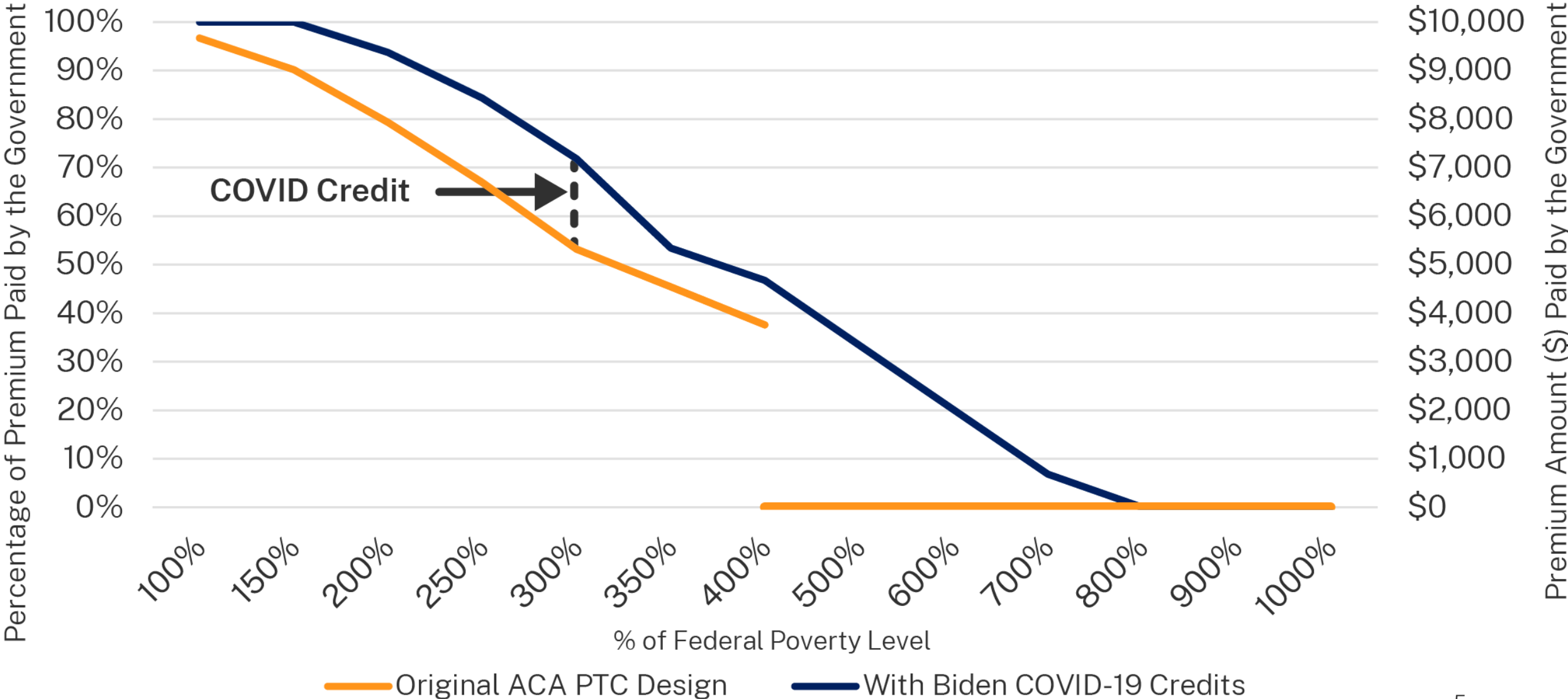


SOURCE: KFF Analysis of Insurer Rate Filings "How Much and Why ACA Marketplace Premiums Are Going Up in 2026"





# Taxpayer Share of Benchmark Premium for a 50-Year-Old Enrollee (2026)



SOURCE: Authors' calculations based on data from the Kaiser Family Foundation's Health Insurance Marketplace Calculator.

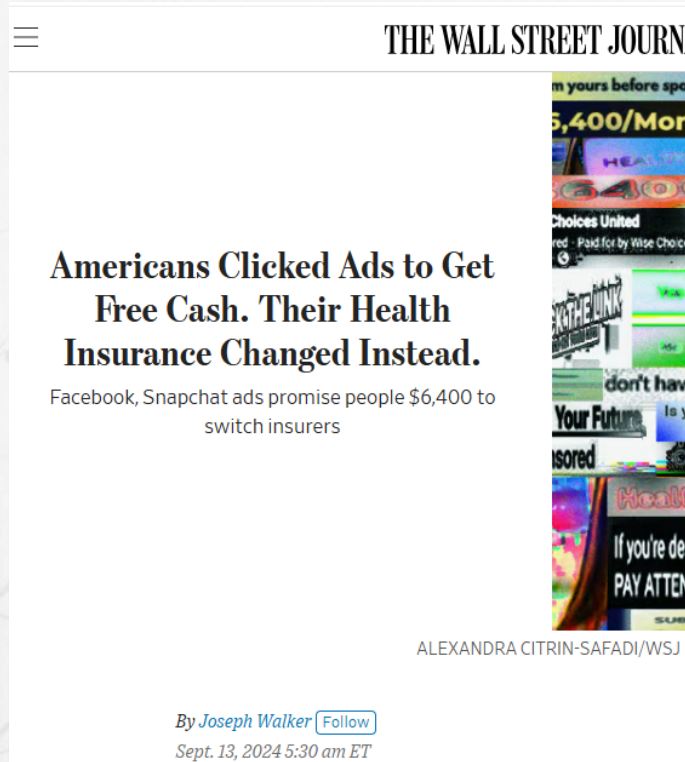
# Taxpayers will pay most of enrollees' premiums after Biden's COVID credits expire

*Average per-person weekly premium for the cheapest silver-tier plan after accounting for subsidies*

	<b>Weekly premium paid by average enrollee</b>	<b>Share of premiums paid by taxpayers</b>
100 percent FPL	\$3.45/week	98%
150 percent FPL	\$14.12/week	92%
200 percent FPL	\$32.00/week	81%
250 percent FPL	\$52.43/week	68%

*Source: Authors' calculations*

# Rise of Obamacare Fraud




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## \$6,400 SUBSIDY

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**Enter ZIP to Claim your \$6,400 Health Subsidy**

With your health insurance savings you can pay for gas, groceries, and anything else.

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Text "Tap Here to Get Yours Now" 📲 Today Is The Last Day To Apply' [Learn more](#)

**Hurry, 24 Hours Left to Get Your \$6,400 Government Approved Health Subsidy. Chat Below to Get Yours For Free Today.**

Emily is Online.

Hi 📲

I'm Emily from the Enrollment Center.

Do you want to see if you qualify to get your \$6,400 Government Health Subsidy? Tap Yes! 📲

Yes

Do you make less than \$60k a year?

Yes

Are you currently on these government programs?

No

🎉 Congratulations! 📲

You're pre-approved for a \$6395 health subsidy.

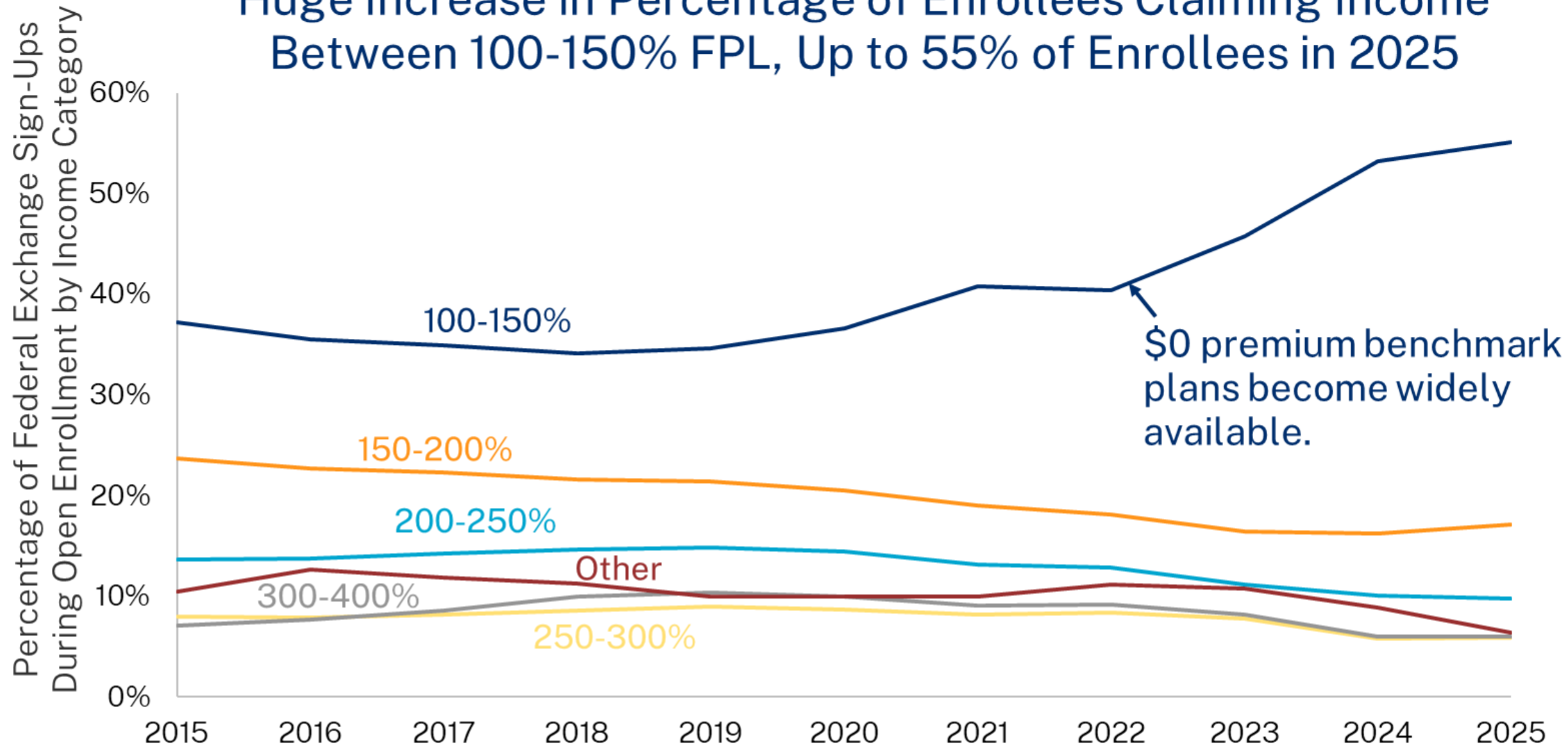
You can use savings at stores across the nation (like Walmart and other major chains). Use for things like gas, rent, and groceries! Hold on while I finalize things..

Good News! I have an agent available right now! Tap the number button below to call now- it only takes minutes.



# Evidence of Improper Enrollment - Exhibit A

## Huge Increase in Percentage of Enrollees Claiming Income Between 100-150% FPL, Up to 55% of Enrollees in 2025



SOURCE: Compiled from CMS Marketplace Open Enrollment Period Public Use Files.

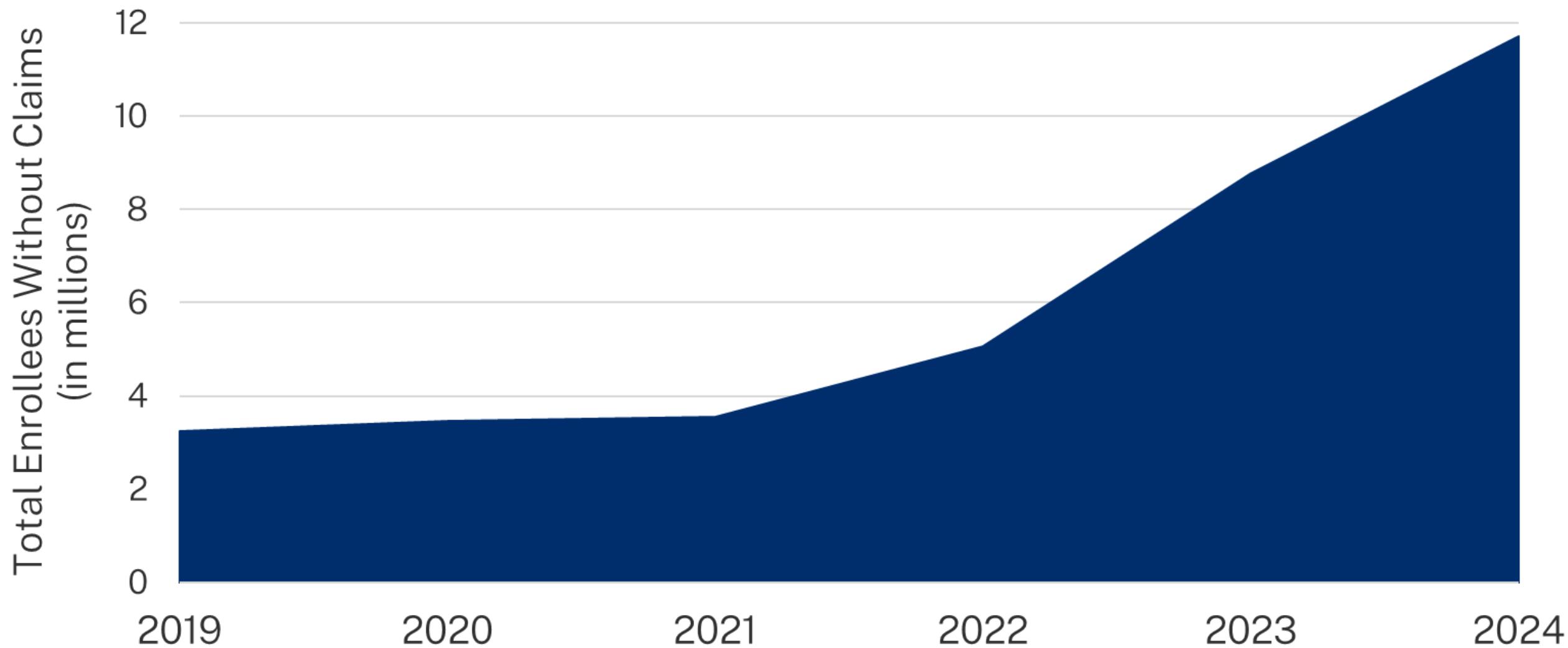
NOTE: The lines represent percentages of the federal poverty level (FPL). The other category includes people with income below 100% FPL, those above 400% FPL, and those with uncertain income.





# Evidence of Improper Enrollment - Exhibit B

## Huge Increase in Enrollees Without Any Medical Claims in a Year



NOTE: CMS reports enrollees as anyone with coverage during the year.

SOURCE: Center for Medicare & Medicaid Services, 2019-2024 Enrollees Without Claims by State Market Metal Level data.

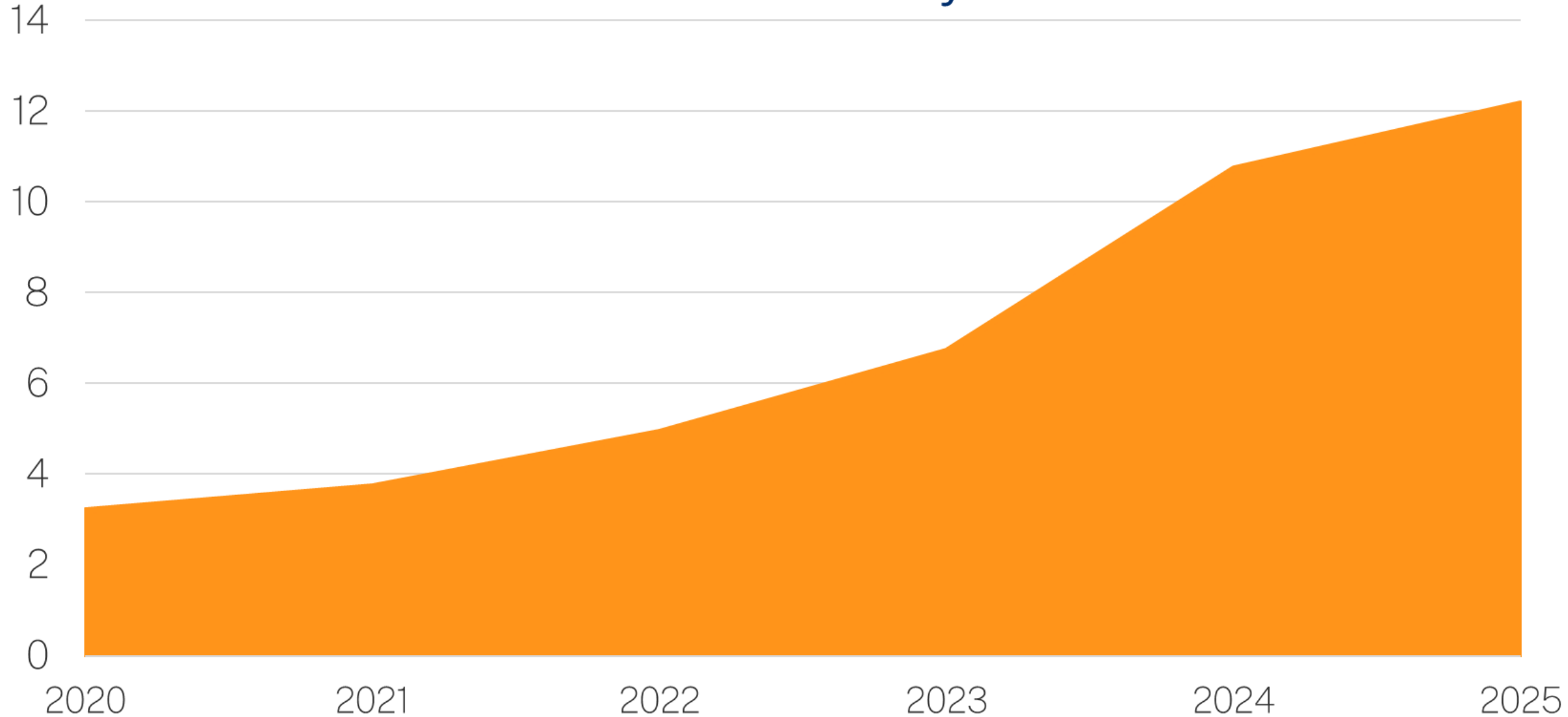
<https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.cms.gov%2Ffiles%2Fdocument%2Fenrolleeswithoutclaims-2019-24.xlsx&wdOrigin=BROWSELINK>



# Evidence of Improper Enrollment - Exhibit C

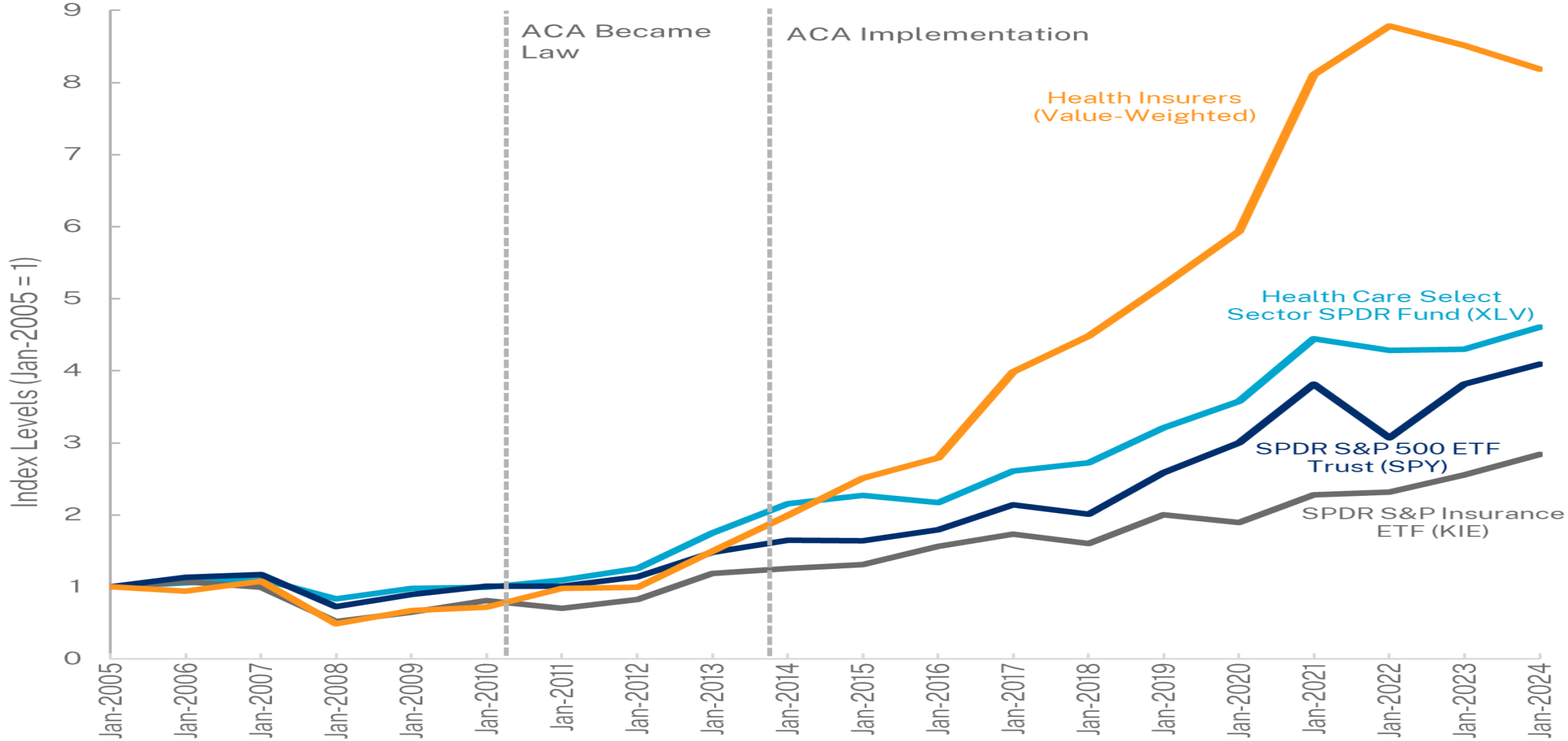
## Huge Increase in the Number of Enrollees with Unknown Race or Ethnicity

Total Exchange Plan Enrollees with Unknown Race/Ethnicity (in Millions)





# Insurer Stock Prices Soaring After Giant ACA Subsidies



Source: Compustat  
Note: The "health insurers" line includes Centene (CNC), Cigna (CI), Elevance (ELV), Humana (HUM), Molina (MOH), and United Health Group (UNH). This line is market value-weighted (weighted by yearly market cap).

# Other Considerations Around the COVID Credits

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1. They cost more than **\$40 billion** a year.
2. Zero-claim enrollees are more than **two times** the number of people projected to lose coverage.
3. Extending the COVID credits will cause **4 million people** to lose employer coverage.
4. Subsidies go directly to health insurers.