

(Without Reference to File)**ASSEMBLY THIRD READING**

AJR 25 (Bonta)

As Introduced January 29, 2026

Majority vote

SUMMARY

Urges the United States Congress and President of the United States to immediately restore and extend the Patient Protection and Affordable Care Act (ACA) enhanced premium tax credits (ePTCs).

Major Provisions

Resolves, on behalf of the Assembly and Senate of the State of California, jointly, the following:

- 1) The Legislature urges the federal government to immediately restore and extend the ePTCs, in order to reverse harmful premium increases, protect access to affordable health care, and ensure that families in California and across the nation are not forced to choose between medical care and basic necessities; and,
- 2) The Chief Clerk of the Assembly transmit copies of this resolution to the President of the United States, the Majority and Minority Leaders of the United States Senate and House of Representatives, and each Member of the California Congressional Delegation.

COMMENTS

ACA. Signed into law by President Obama in 2010, the ACA marked a significant overhaul of the American health care system. According to the Kaiser Family Foundation, prior to the passage of the ACA high rates of uninsurance were prevalent due to unaffordability and exclusions based on preexisting health conditions. Additionally, insured people faced extremely high out-of-pocket costs and coverage limits. With the goal of addressing these issues, the ACA built upon the existing health insurance system and made significant changes to Medicare, Medicaid, and the employer-sponsored plan system. This impacted all aspects of the health system, from insurers, providers, state governments, employers, taxpayers, and consumers.

A significant aspect of the ACA is the establishment of regulated health insurance exchange markets, or Exchanges, which allow consumers to shop directly for ACA-compliant insurance products. The ACA further includes health insurance subsidies for those with incomes up to 400% of the federal poverty level (FPL).

ePTCs. Federal ePTCs drastically improved the affordability of commercial coverage through Covered California, the state's Exchange for ACA plans. The ePTCs removed all income caps and limited ACA premiums to 8.5% of income for all enrollees. Since the introduction of ePTCs through the American Rescue Plan Act of 2021 and their extension through the Inflation Reduction Act of 2022, Covered California reached a record enrollment number of 1.98 million individuals. However, federal inaction led to the ePTCs expiring at the end of 2025. This loss of an estimated \$2.5 billion in enhanced subsidies led to a staggering 97% premium increase for nearly 1.7 million Californians enrolled in subsidized coverage. Covered California estimates

that this rise in premiums will lead to 400,000 Californians being priced out and foregoing their health coverage altogether.

The state collects revenue from a tax penalty on individuals without health coverage (individual mandate), which is deposited into the Health Care Affordability Reserve Fund (HCARF). In the 2025-2026 budget, the Legislature and Governor allocated HCARF dollars to establish state-funded premium subsidies for enrollees earning up to 165% FPL. These subsidies will ensure that the lowest income Covered California enrollees can keep their premium costs in a similar range as to what they were paying in 2025.

According to the Author

Since their establishment in 2021, ePTCs made health care affordable for millions of Americans and Californians. They significantly lowered monthly premiums, giving countless individuals and families financial breathing room and the security of meaningful access to health care. This was one of the most effective cost-cutting health policies in decades, yet Republican leadership in Washington intentionally let it expire on January 1 of this year. California has been leading the nation in expanding coverage, our uninsured rate reached an all-time low after the enactment of the ePTCs. Now, nearly 1.7 million Californians are seeing their monthly premiums double, paying hundreds to thousands more per month, money they simply don't have. Our state is losing up to \$2.5 billion in premium savings. And as many as 400,000 Californians could be forced to drop coverage entirely as their premium costs become unmanageable. Congress must immediately restore and extend ePTCs so individuals and families across the nation can get the relief they deserve.

Arguments in Support

None.

Arguments in Opposition

None.

FISCAL COMMENTS

None.

VOTES

UPDATED

VERSION: January 29, 2026

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