

Enhanced Affordable Care Act Tax Credits: Impact on Rural Communities



Having health insurance that is affordable and covers comprehensive health services is essential for people with cancer. [Research](#) from the American Cancer Society shows that people without insurance are less likely to get regular cancer screenings, leading to later diagnoses. Individuals without health insurance are often diagnosed a full stage later, making the cancer harder and more expensive to treat. Policies that make insurance more affordable help more people get the coverage they need to stay healthy.

What Are Enhanced ACA Tax Credits?

The Affordable Care Act (ACA) helps people buy health insurance through the Marketplace by offering tax credits that lower the cost of monthly premiums. The American Rescue Plan Act (ARPA) enhanced these tax credits by (1) improving the generosity of the ACA tax credits by increasing the amount of the tax credits for those earning between 133% and 400% of the Federal Poverty Level (FPL) (\$20,815-\$62,600 for an individual in 2025), and (2) extending eligibility for tax credits to those earning above 400% FPL (\$62,600 for a single person in 2025), on a sliding scale. The Inflation Reduction Act (IRA) further extended these enhanced tax credits through the end of 2025.

Cancer's Impact in Rural Communities

Cancer outcomes are notably worse in rural areas compared to urban areas. While cancer incidence rates are lower in rural areas, the cancer death rate is significantly higher. [Rural residents](#) face significant challenges in receiving timely cancer care, which is compounded by a lack of specialists, longer travel distances to treatment centers and fewer preventive services like cancer screenings. The [National Cancer Institute reports](#) that rural patients are more likely to forgo necessary medical care due to cost, leading to worse health outcomes.

[Data from the CDC](#) also shows that rural residents are diagnosed with cancer at a later stage, making treatments more invasive and expensive. Additionally, preventive care, including cancer screenings, is significantly lower in rural areas, increasing the risk of later-stage diagnoses. With fewer oncologists per capita, the barriers to timely and effective treatment in rural settings are pronounced. Ensuring that residents in rural areas have access to affordable and comprehensive health insurance is a key factor in addressing disparities in cancer care and improving survival rates for this population.

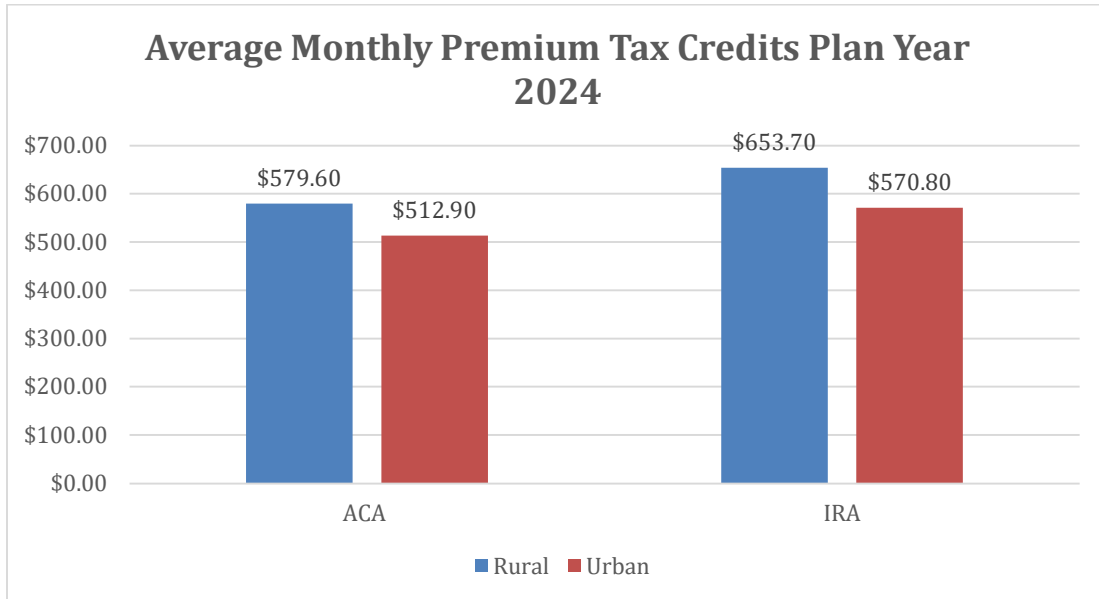
The Importance of Enhanced ACA Tax Credits for Rural Communities

Having affordable health insurance is essential for cancer patients, especially in rural communities where premiums tend to be [higher and incomes lower](#). [Approximately](#) 2.9 million rural residents are enrolled in Marketplace plans across the country (representing 17% of total Marketplace enrollment). Enhanced ACA tax credits help offset the higher insurance premiums that rural residents often face. Eighty-seven percent of rural residents can select a plan with a monthly premium of \$50 or less. These credits enable more people living in rural America to afford insurance that covers necessary cancer screenings, treatments and follow-up care. Without these credits, many rural residents may delay or forgo care altogether, leading to poorer health outcomes and higher mortality rates from cancer.

American Cancer Society Cancer Action Network | 655 15th Street, NW, Suite 503 | Washington, DC 20005

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The following chart shows the average monthly premium tax credit under the original ACA policy versus the enhancements provided in the ARPA, later extended by the IRA. On average, the enhanced tax credits increased monthly tax credits by \$74 in rural areas, compared to \$58 in urban areas.



Notes: Average monthly premium tax credits shown among subsidy-eligible enrollees in healthcare.gov states.

Source: [ASPE Report, Oct. 31, 2024](#)

ACS CAN Position

ACS CAN urges Congress to extend the enhanced ACA tax credits before they expire at the end of 2025. If these enhancements are not extended, people enrolled in Marketplace plans will face higher premiums and millions could lose coverage altogether, undoing much of the progress made in recent years. If the enhanced ACA tax credits are allowed to expire, affordability could become a barrier to lifesaving cancer screening, early detection, treatment and follow up care.

More information is available at

<https://www.fightcancer.org/what-we-do/health-insurance-affordability>

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