EPIC FAQs: The Biden COVID Credits

This document answers frequently asked questions about Biden's COVID Credits.

Q: What are the Biden COVID Credits?

Using the COVID-19 pandemic as justification, the Biden Administration temporarily expanded Obamacare Premium Tax Credit (PTC) subsidies for individuals who purchase health insurance plans on state or federal exchanges. For Obamacare subsidies provided between 2021 and 2025, the Biden COVID Credits: (1) eliminated the maximum income limit for subsidy eligibility, and (2) significantly expanded the size of the subsidy by reducing or eliminating the individual expected premium contribution.

Q: How expensive are the Biden COVID Credits?

A: The alternative Continuing Resolution released by Ranking Members of the House and Senate Appropriations Committees, Rep. Rosa DeLauro (D-CT-03) and Sen. Patty Murray (D-WA), would extend the Biden COVID Credits permanently. That provision alone would cost $410 billion (including interest costs) over the next decade. Annualized, this is more than the cost of the entire U.S. Departments of Commerce and Interior combined.

Q: Who is eligible for the Biden COVID Credits?

A: While the PTCs originally created by Obamacare can go to households with incomes of up to 400% of the federal poverty level ($62,600 for an individual), Biden's expanded credits can go to households earning more than half a million dollars. This represents a troubling expansion of the welfare state. A "compromise" to extend subsidies for households earning up to $200,000 per year would still be deeply problematic given both the dire state of the federal government's finances and the underlying issues with the subsidies.

Q: What happens to the pre-Biden subsidies if the Biden COVID Credits expire?

A: Households who meet income thresholds and are properly enrolled will still be eligible for generous tax credit subsidies on individual market health insurance plans.

Q: Why would removing only Biden's COVID Credit expansion reduce health insurance coverage?

A: The Congressional Budget Office (CBO) estimates that extending the Biden COVID Credits would increase the number of people with health insurance by 3.8 million in 2035. The assumption is that if people either lose the subsidies (those earning more than 400% of poverty level) or start paying modest premiums, some will opt not to continue their insurance plan. For perspective, the monthly premium for some plans would still be less than $50 per month, an amount smaller than many standard takeout orders or what the average American spends on streaming services. This suggests that many people do not highly value the insurance plans, even if they only have to cover a small percentage of the cost.

According to the CBO's estimates, it would cost taxpayers more than $10,100 on average to insure each additional individual using Biden COVID Credits. By 2035, the taxpayer cost per newly insured individual would exceed $11,500.

Q: Who really loses out if the COVID credits expire?

A: Biden's COVID Credits have led to an explosion of fraudulent enrollments. 12 million people on individual health insurance markets did not file a single claim, including 40% of people with fully subsidized plans. While some of this can be explained by certain healthy young adults not having medical needs in a given year, fraudulent enrollment is a larger factor.

This includes instances of insurance brokers signing people up without their knowledge due to brokers having a financial incentive to do so – meaning the coverage is real for insurance companies and brokers but fake for enrollees.

Q: The One Big Beautiful Bill included a provision that defunds major abortion providers in the Medicaid system. Does that apply to the Biden COVID Credits?

A: No. The Biden COVID Credits cover insurance plans that pay for abortion without restriction, meaning that taxpayers are subsidizing abortions. (This is also the case for insurance plans that cover transgender hormones and related medical procedures).

Q: Why is there an attempt to link extending the Biden COVID Credits with undoing recent Medicaid reforms?

A: There is an agenda to maximize federal healthcare spending and increase reliance on the government. Medicaid and the Premium Tax Credits suffer from many of the same problems. "Just" extending the Biden COVID Credits would be a tacit undermining of Medicaid reform, since it would condone rampant fraud, allow for taxpayer subsidized abortion, and encourage a dangerously large welfare state.

Q: What do the Biden COVID Credits have to do with government funding and a potential shutdown?

A: A government funding bill is considered "must-pass," and this is an attempt to hold it hostage with a highly controversial and extremely expensive demand. Neither the expanded Biden COVID Credits nor the original Obamacare subsidies are otherwise related to annual appropriations spending.