UTAH/FEDERAL GOVERNMENT NEXUS

Health Insurance Marketplace

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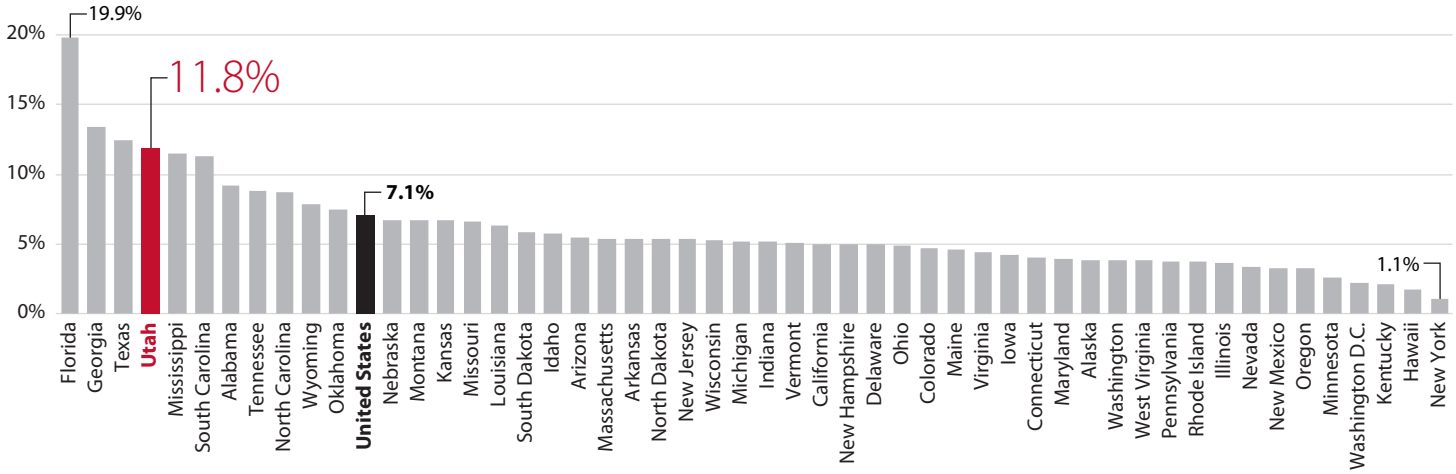
Nearly 130 years ago, Utah became the 45th state in the nation. This long battle for statehood set in motion a beneficial and, at times, tumultuous relationship between the U.S. government and the Beehive State. Among other national contributions, Utah settled vast acreages of land, led out on women's suffrage, provided raw materials, served as the connection point for the transcontinental railroad, supported two World Wars, and, more recently, emerged as one of the nation's most successful and dynamic economies. As the federal government reinvents itself through significant policy changes and cost-cutting measures, decision-makers will benefit from a data summary of the key economic linkages between Utah and the federal government. This data summary presents the Utah-federal government nexus for the Affordable Care Act (ACA) Health Insurance Marketplace.

Size and Composition

The ACA Marketplace is a health insurance platform run by federal or state governments that helps families and individuals including small business owners, their employees, and self-employed workers: (1) compare the cost and coverage benefits of different health insurance plans; (2) enroll in or change health insurance plans; and (3) learn about tax credits for private health insurance. The Marketplace is designed to help qualifying individuals purchase health insurance who do not have access to health care coverage through their work or public programs like Medicaid or Medicare. The federal government finances tax credits and cost-sharing reductions for health insurance plans purchased through the Marketplace for eligible individuals, families, and small business employees that reduce the cost of private health insurance and out-of-pocket health care expenses.

Utah uses the Federally Facilitated Marketplace (FFM), managed by the U.S. Department of Health and Human Services (HHS). Utah chooses to participate in the FFM over operating its own state-based marketplace. Health insurance plans sold through FFM are eligible for federally financed premium tax credits and

Figure 1: Share of Total Population Enrolled in the ACA Marketplace by State, 2025



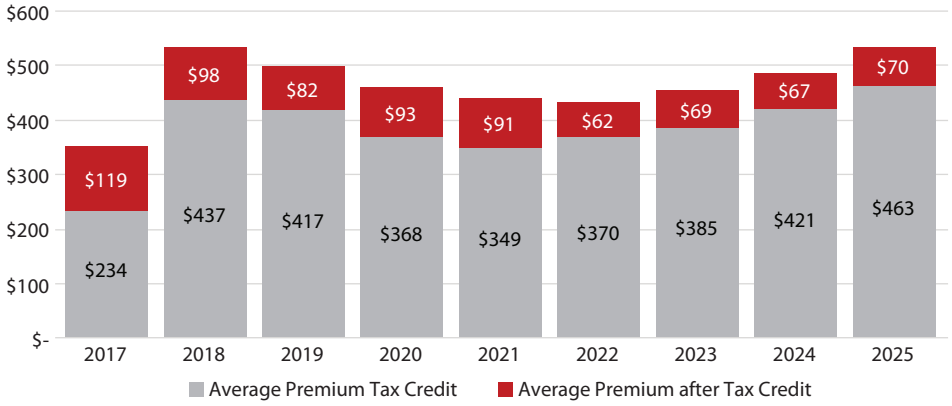
Source: Kaiser Family Foundation estimates based on Marketplace Open Enrollment Period Public Use Files

cost-sharing reductions. Over 421,900 Utahns purchase health insurance through the FFM. This represents about 11.8% of Utah's population, which is 4th highest among all U.S. states and higher than the share of Utah's population enrolled in Medicaid (9.7% as of February 2025).

The federal government funded up to an estimated $1.7 billion in premium tax credits[1] for Utahns purchasing health insurance through the ACA Marketplace in 2024. About 96% of Utah Marketplace enrollees will receive a premium tax credit in 2025 and 56% will receive cost-sharing reductions. Utahns with a Marketplace plan receive an average tax credit of $463 that goes towards the cost of their health insurance premium. This results in an average monthly premium of $70.

The majority of Marketplace enrollees choose to receive an advanced premium tax credit through a mechanism where the federal government sends the tax credit directly to the health plan, which lowers the enrollee's monthly premium. Enrollees can also choose to pay their full premium to the health plan and then claim the tax credit when they file their federal income tax return.

Figure 2: Average Monthly Tax Credit for Utah ACA Marketplace Plans, 2017-2025



Note: 'Average premium after tax credit' is the monthly per person average premium after taking into account advanced premium tax credits; includes all consumers, even those who did not receive an advanced premium tax credit. 'Average premium tax credit' is the monthly average advanced premium tax credit allocated to each individual for consumers with an allocated advanced premium tax credit amount greater than $0.
Source: Kaiser Family Foundation estimates based on Marketplace Open Enrollment Period Public Use Files

The largest share of Marketplace enrollees in Utah are children under the age of 18 (27.9%). Utah reports the highest share of Marketplace enrollees under the age of 18 among all U.S. states. In terms of income, most enrollees earn

Table 1: ACA Marketplace Tax Credit Details

	What it is	Who qualifies	How it works
Premium tax credit	A federal tax credit that helps eligible individuals and families afford monthly premiums for health insurance purchased through the Marketplace.	Households with incomes below 400% of the federal poverty level (FPL) who do not have access to affordable employer-sponsored insurance or other public health care coverage programs. Households with incomes at or below 138% FPL are eligible for Medicaid in Utah and cannot enroll in a Marketplace plan.	The tax credit amount is based on income, household size, and the cost of a Marketplace benchmark plan. It can be claimed when an enrollee files their annual federal income tax or claimed in advance to lower monthly payments (Advanced Premium Tax Credit).
Advanced premium tax credit	When the premium tax credit is paid in advance to an enrollee's Marketplace health plan, rather than the enrollee paying the full monthly premium and claiming the tax credit during their federal income tax filing. The advanced premium tax credit lowers the enrollee's monthly premium payment. Most Marketplace enrollees that receive a premium tax credit choose to receive the tax credit in advance.	Any Marketplace enrollee eligible for the premium tax credit or the enhanced premium tax credit.	Consumers estimate their annual income when enrolling in a Marketplace plan. Based on that estimate, the federal government pays part of the premium directly to the health plan each month. An enrollee's actual income is reconciled with the tax credit received during their federal income tax filing. If too much credit was used, the excess may need to be repaid by the enrollee; if too little is used, the difference is refunded back to the enrollee.
Enhanced premium tax credit	A temporary expansion of the premium tax credit introduced under the American Rescue Plan Act (2021) and extended through 2025 by the Inflation Reduction Act (2022). The enhanced premium tax credit increases the size of the premium tax credit, expands eligibility beyond 400% FPL, and caps premiums at a percentage of household income. **Expected premium contribution as percent of household income** **Annual household income** (% FPL) / **Expected premium payment** (% income) Up to 150% / 0% 200% / 2% 250% / 4% 300% / 6% 400% or above / 8.5%	Households with incomes above 400% FPL in addition to households who qualify under the standard premium tax credit criteria.	The process to apply for and claim the enhanced premium tax credits is the same as the standard premium tax credit.

Sources: Kaiser Family Foundation (2024), Explaining Health Care Reform: Questions About Health Insurance Subsidies. The Commonwealth Fund (2025), Enhanced Premium Tax Credits for ACA Health Plans: Who They Help, and Who Gets Hurt if They're Not Extended. HealthCare.gov glossary of terms.

Figure 3: Share of Utah ACA Marketplace Enrollment by Federal Poverty Level and Age, 2025

Source: 2025 Open Enrollment Period Public Use Files, Centers for Medicare & Medicaid Services

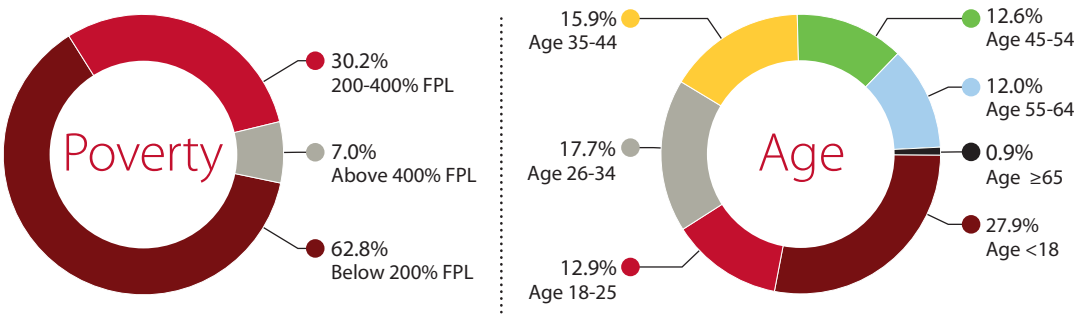
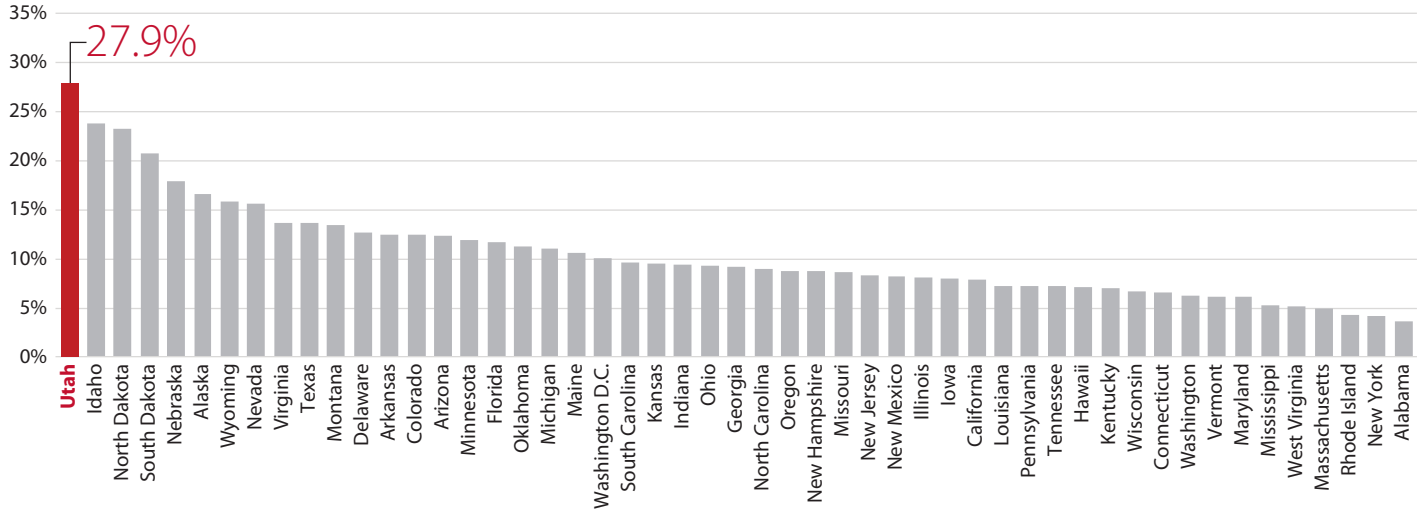


Figure 4: Share of ACA Marketplace Enrollment Among Children Under Age 18 by State, 2025



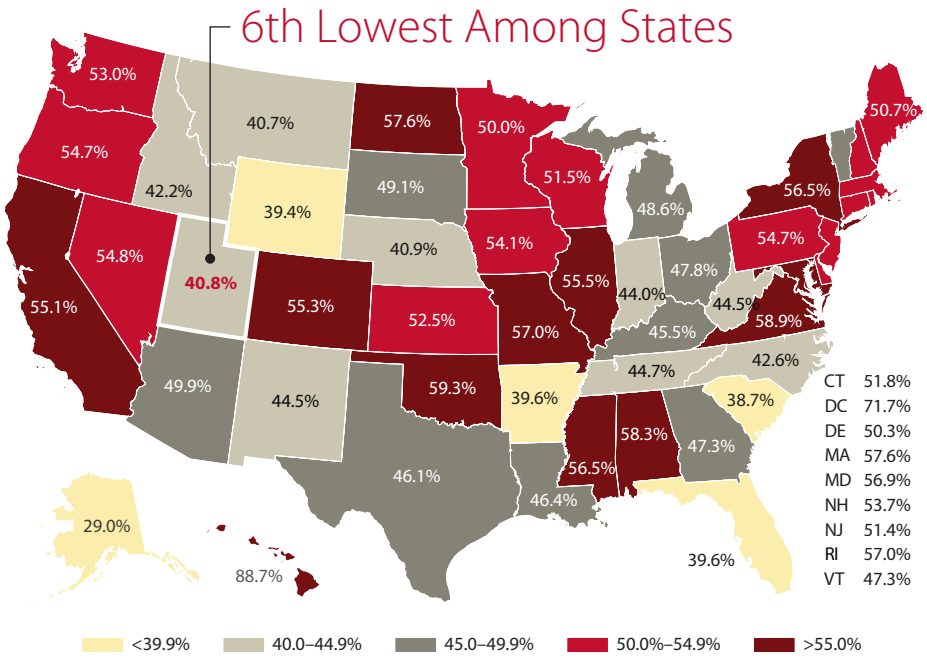
Note: Share is calculated as ACA Marketplace enrollees under the age of 18 as a percent of total ACA Marketplace enrollment.
Source: 2025 Open Enrollment Period Public Use Files, Centers for Medicare & Medicaid Services

incomes below 200% of the federal poverty level (FPL) (62.8%). This equates to individuals earning less than roughly $31,300 per year and families of four earning less than $64,300 per year in 2025.

The ACA Marketplace and the accompanying tax credits help make health insurance coverage affordable, particularly for Utahns that do not have access to health insurance coverage through work[2] or public health care coverage programs. These include small business owners, their employees, and self-employed workers.

Small businesses (with less than 50 employees) are not obligated to provide health insurance coverage to their employees.[3] About 710,000 Utahns work for small businesses and only 40.8% of those Utahns work at establishments that offer health insurance (6th lowest among U.S. states).[4]

Figure 5: Share of Small Business (<50 Employees) Private-Sector Employees that Work for Establishments that Offer Health Insurance, 2021–2023

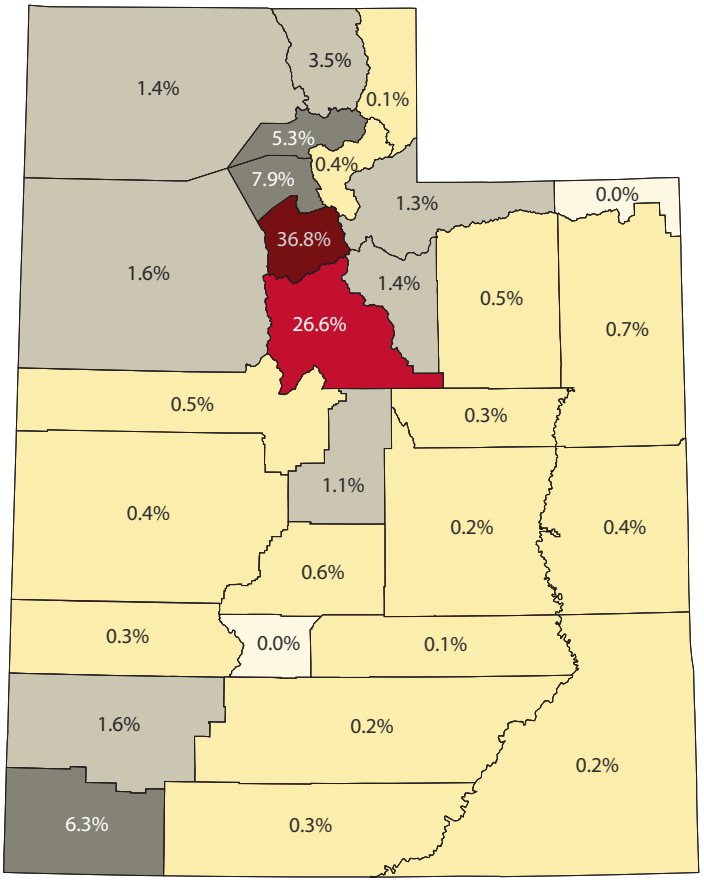


Source: Center for Financing, Access, and Cost Trends, Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey Insurance Component, Private-Sector Establishments, 2021–2023

Location

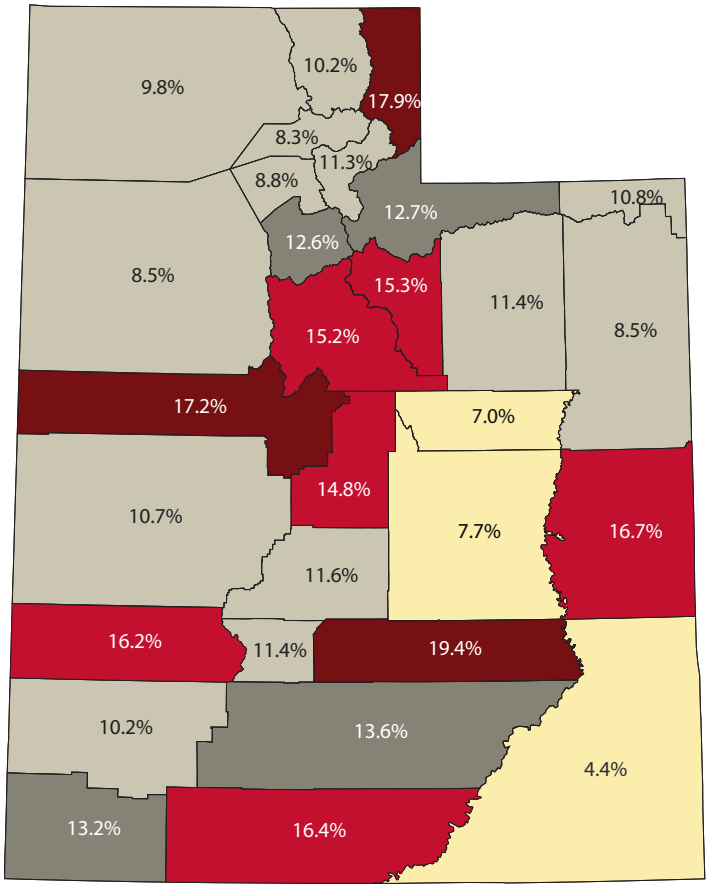
Most Marketplace enrollees reside along the Wasatch Front and Washington County. When viewed as a share of each county's total population, Marketplace enrollment is highest in Wayne County (19.4%), Rich County (17.9%), and Juab County (17.2%).

Figure 6: ACA Marketplace Enrollment by County as Share of Total State Enrollment, 2025



Source: 2025 Open Enrollment Period Public Use Files, Centers for Medicare & Medicaid Services

Figure 7: ACA Marketplace Enrollment as Share of Total County Population, 2025



Source: 2025 Open Enrollment Period Public Use Files, Centers for Medicare & Medicaid Services

Historical Context

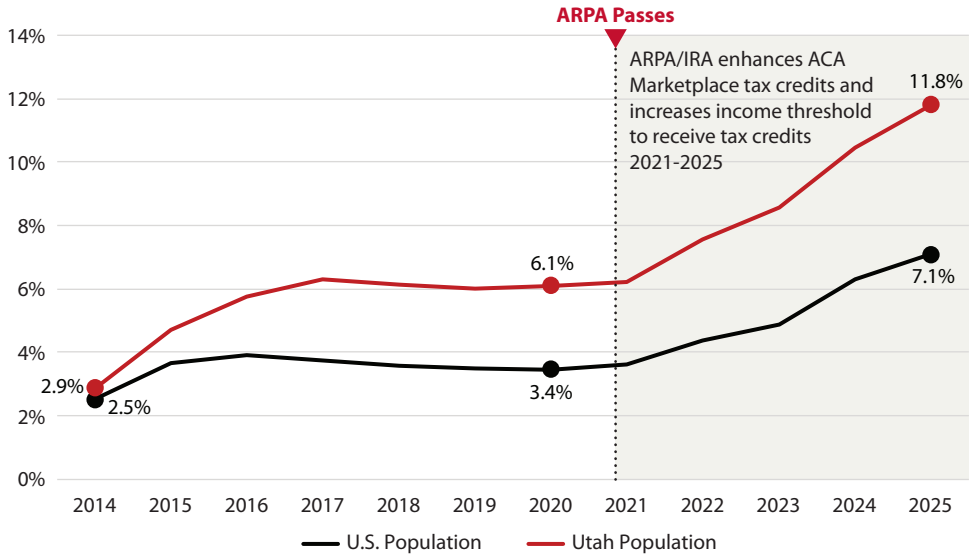
The Affordable Care Act (ACA), signed into law in 2010, established the framework for the health insurance marketplaces. Enrollment in the ACA Marketplace began in October 2013 and became fully operational in January 2014.

Nearly all Marketplace enrollees receive a federally financed premium tax credit that lowers their monthly payment for health insurance (92% of Marketplace enrollees nationally and 96% in Utah, 2025). Established as part of the ACA, premium tax credits were originally available for Marketplace enrollees with incomes between 100% and 400% FPL (who do not have access to affordable employer-sponsored insurance or other public health care coverage programs). In March 2021, the American Rescue Plan Act (ARPA) introduced the enhanced premium tax credit that increased the amount of the tax credit, expanded eligibility to households with incomes over 400% FPL ($128,600 for a family of four in 2025), and limited the cost of out-of-pocket premiums for a benchmark plan to 8.5% of a household's income.

Utahns' enrollment in the Marketplace significantly increased since the introduction of the enhanced premium tax credits, more than doubling from 200,300 Utahns in 2020 to 421,900 in 2025 (11.8% of the Utah population). The largest increase is among Utahns with incomes below 200% FPL, increasing from 98,100 in 2020 to nearly 270,000 in 2025. Counties with the largest increase in enrollment as a share of county population include Beaver, Wayne, and Kane counties with increases in enrollment above 8% between 2020 and 2025.

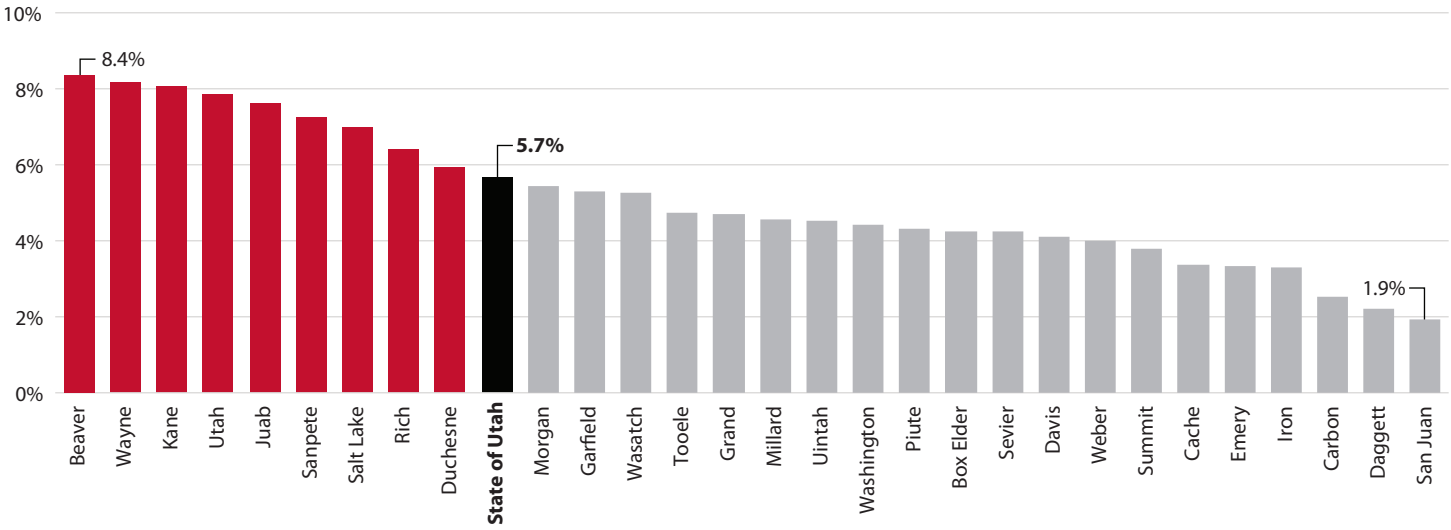
The number of Utahns receiving a premium tax credit or cost-sharing reduction to help pay for the cost of health insurance also nearly doubled during this same time period, increasing from 180,900 Utahns in 2020 to 349,700 in 2025. The enhanced premium tax credits were set to expire at the end of 2022 but were extended through 2025 as part of the Inflation Reduction Act of 2022. Enhanced premium tax credits are now set to expire January 1, 2026, eliminating expanded income eligibility and enhanced tax credit amounts.

Figure 8: Share of Utah and U.S. Population Enrolled in the ACA Marketplace, 2014-2025



Note: American Rescue Plan Act (ARPA). Inflation Reduction Act (IRA).
Source: Kaiser Family Foundation estimates based on Marketplace Open Enrollment Period Public Use Files

Figure 9: Percent Increase in the Share of County Populations Enrolled in the ACA Marketplace from 2020 to 2025



Source: Open Enrollment Period Public Use Files, Centers for Medicare & Medicaid Services 2020 and 2025

Key Concepts

- **State-Based Marketplace (SBM) and Federal Facilitated Marketplace (FFM) –** States may choose to operate a SBM or participate in the FFM. Utah participates in the FFM. Utah residents apply for and enroll in coverage through HealthCare.gov, which is operated by the U.S. Department of Health and Human Services (HHS).
- **ACA health plan types (metal levels) –** ACA Marketplace health plans are organized into four categories or metal levels (bronze, silver, gold, and platinum). Metal levels determine an enrollee's cost of care and amount of coverage. Bronze plans tend to have the lowest premiums but have the highest deductibles and other cost sharing, meaning the enrollee pays more in out-of-pocket costs when receiving covered services. Platinum plans have the highest premiums but very low out-of-pocket costs.
- **Cost-sharing reductions (CSR) –** A federally funded subsidy that reduces a Marketplace enrollees' out-of-pocket costs for covered services (deductibles, copayments, and coinsured). To qualify, individuals must enroll in a silver-tier Marketplace plan, be eligible for the premium tax credit, and have a household income between 100% and 250% FPL. CSRs are only offered through silver-tier plans.
- **Small business employee tax credit eligibility –** Individuals offered employer-sponsored health insurance that exceeds 9.02% of their income, or insurance that covers less than 60% of their average health care costs (the percentage paid by the plan) are eligible for premium tax credits through the Marketplace if they meet other eligibility requirements.[5]
- **Benchmark plan –** The second-lowest cost silver-tier plan available through the Marketplace in a given area. The premium tax credit limits an enrollee's premium for the "benchmark plan" based on a sliding income scale. In 2025, enrollees with household income up to 150% FPL pay $0, while those with income at or above 400% FPL contribute up to 8.5% of their household income.
- **American Rescue Plan Act (ARPA) –** Federal legislation passed in March 2021 that temporarily expanded subsidies to Marketplace enrollees by raising premium tax credit limits and extending eligibility for premium tax credits above 400% FPL. The enhanced premium tax credits and extended eligibility lowered Marketplace enrollee premiums and increased enrollment.
- **Inflation Reduction Act (IRA) –** Federal legislation passed in 2022 that extended ARPA's enhanced premium tax credit through 2025, maintaining eligibility above 400% FPL and capping premium contributions at 8.5% of household income for the benchmark plan regardless of household income level.

Impact on Utah's Economy

- **Increased affordability –** The federal government funded up to an estimated $1.7 billion in premium tax credits for Utahns purchasing health insurance through the Marketplace in 2024. The majority of these are advanced premium tax credits, which lower an enrollee's health insurance costs by an average of $463 per month. These credits increase the affordability of health insurance for individuals, families, small business employees, and self-employed workers in Utah.
- **Financial stability –** Having access to affordable health insurance stabilizes households' health care costs through low and predictable monthly premiums. It also reduces the probability of experiencing high-costs from unexpected emergency care, increases the use of lower cost preventive health care, and helps patients access necessary care for chronic disease management.
- **Small business budgets –** While employers with fewer than 50 employees are not required to offer health insurance, they can still provide a contribution to their employees to help them purchase Marketplace plans. Having access to the Marketplace, enhanced premium tax credits, and the ability to provide these contributions helps small businesses support and maintain a broader pool of employees, particularly those who prioritize health care coverage.[6]
- **State budgets –** Increasing access to affordable private health insurance reduces states' uninsured rates. This reduces pressure on state budgets by decreasing amounts states may pay for programs or services that support the health care of individuals who are uninsured.
- **Hospital and health system budgets –** By increasing health insurance coverage rates, the Marketplace helps reduce uncompensated care costs for hospitals, health systems, and other provider groups.
- **Improved population health and economic opportunity –** Having quality health insurance is key to accessing health care services and maintaining good health. When people have better health, they are happier, more active, and more productive—positively impacting their emotional and physical well-being, communities, and the economy.

Endnotes

1. Kaiser Family Foundation estimates based on Centers for Medicare and Medicaid Services' (CMS) Effectuated Enrollment: Early 2024 Snapshot and Full Year 2023 data. State data is annualized based on the number of effectuated enrollees receiving advanced premium tax credits in February of the reported year multiplied by the average monthly advanced premium tax credit for February of that year. Because enrollment trends tend to fluctuate during the year, the actual amount of the premium tax credits received by consumers in each state may differ from annualized amount reported, and may be somewhat lower.
2. Employer coverage is considered affordable if the required premium contribution is no more than 9.02% of household income in 2025. The employer's coverage must also meet a minimum value standard that requires the plan to provide substantial coverage for physician services and for inpatient hospital care with an actuarial value of at least 60% (meaning the plan pays for an average of at least 60% of all enrollees' combined health spending). The plan must also have an annual out-of-pocket limit on cost sharing of no more than $9,200 for individual coverage and $18,400 for family coverage in 2025. Individuals who are offered employer-sponsored coverage that fails to meet either the affordability threshold or minimum value requirements can qualify for Marketplace tax credits if they meet the other eligibility criteria. Source: Kaiser Family Foundation (2024). Explaining Health Care Reform: Questions About Health Insurance Subsidies.
3. The employer mandate applies to full-time employees and/or full-time equivalents (FTEs).
4. Medical Expenditure Panel Survey Insurance Component (MEPS-IC), 2023.
5. Kolb, K., Radley, D. C., & Collins, S. R. (2024, December 10). Trends in employer health insurance costs, 2014–2023: Coverage is more expensive for workers in small businesses (Issue Brief). The Commonwealth Fund.
6. Health Reimbursement Arrangements (HRAs) for small employers | HealthCare.gov

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