

# Democrats float extending enhanced Affordable Care Act subsidies in year-end deal

Dems also proposed extending telehealth flexibilities and boosting doctor pay

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WASHINGTON — Democrats have asked Republicans whether they'd be willing to extend Affordable Care Act subsidies for an additional year, as part of talks over a year-end health care package, three sources familiar with the talks told STAT.

Democrats in 2021 passed expanded subsidies for health plans in the ACA that led to record enrollment — 79% more people were enrolled in ACA plans in 2024 compared with 2021, according to data [analyzed by the nonpartisan health policy research and polling firm KFF](#). The subsidies are set to expire at the end of 2025. The policy is expensive to extend on a long-term basis.

Now that Republicans are set to take control of Congress and the White House next year, it's unclear whether the subsidies could be extended in their current form. This is Democrats' last chance to have any influence over whether they can prolong, at least temporarily, one of the Biden administration's signature achievements.

In the course of [back-and-forth negotiations over a year-end deal](#), Democrats floated the idea of extending the subsidies through 2026, and paying for it with a budgetary maneuver that would theoretically extend budget cuts that haven't actually been implemented. It's not known whether Republicans would be open to the idea, and the negotiations are ongoing.

Democrats sent Republicans the counteroffer on Thursday night.

According to the three people familiar with the talks, the package includes a number of other proposals, including extending pandemic-era Medicare telehealth flexibilities for an additional two years and boosting

pay for doctors for an additional year. Democrats also proposed extending public health programs in Medicare and Medicaid for two years, increasing pay for community health centers, and adopting bipartisan provisions on mental health care. Reforms to how pharmacy middlemen operate were also included.

Republicans had proposed a longer extension of telehealth flexibilities, but Democrats' doctor pay proposal is more generous. Republicans had proposed flat funding for community health centers. Both proposals had similar pharmacy benefit manager reforms, though Republicans' offer didn't include mental health policies.

Lawmakers are facing a deadline of Dec. 31 to negotiate a package before funding for telehealth policies and other health programs expires.

The Center for American Progress estimates that 5 million people could lose coverage without the enhanced premium subsidies, and the states where those losses would be greatest are led by Republicans. However, budget-conscious conservatives have criticized the subsidies and said they have increased fraud.

Telehealth flexibilities that allow Medicare patients much broader access to telehealth services from their homes and regardless of where they live have broad bipartisan support on Capitol Hill.

Multiple committees in both chambers of Congress have passed versions of policies to rein in pharmacy benefit managers, and it's unclear which exact policies are in play. However, a policy that PBMs opposed was included in both Democrats' and Republicans' proposals: a measure that would prohibit PBMs from linking their pay to list prices.