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## **Costs, Coverage, and Enrollment Changes: Exploring Current Public Opinion and Policy on the ACA Marketplaces**

**Host:** Hello, and welcome to today's event, Costs, Coverage, and Enrollment Changes: Exploring Current Public Health or Public Opinion and Policy on ACA Marketplaces. If you have questions, you can submit them at any time using the Q&A button at the bottom of the Zoom control panel. We will get to as many questions as we can during the Q&A portion of the event. Also, the recording, transcript, and supplemental materials will be emailed to those who RSVP'd after the event concludes. Sign language interpretation is available. If you would like to access it, click on the interpretation button on your Zoom control panel and select American Sign Language. And now, it's my pleasure to introduce Dr. Drew Altman, president and CEO at KFF.

**Drew Altman:** Honored, thank you. Welcome everyone. I'm Drew Altman, the longtime CEO at KFF. I'm guessing I know a good many of you, wherever you are or whatever time zone you're in, thank you very much for joining us. We really appreciate it. With me is Larry Levitt, who I think most of you also know our executive vice president who leads our policy analysis group, and Cynthia Cox, our senior vice president, who heads our ACA program, which is in that group, and Lunna Lopes, who is our senior survey manager and our terrific polling group. And just a short introduction from me today. And then Larry's going to moderate, and I think I will hang around to join you for the ... See what questions you have. As I hope you all know, at KFF, we combine our policy research and our polling and survey research and our newsroom, KFF Health News, in one organization to provide different kinds of information on the big national health issues for a broad range of audiences.

And in our polling, we specialize in scientifically surveying the hardest to reach groups, which are of policy interest. And at the moment, that absolutely means Medicaid beneficiaries and it means marketplace enrollees. And so with the decision not to extend the ACA subsidies doubling premiums on average for marketplace enrollees, we surveyed marketplace enrollees and we just surveyed the same marketplace enrollees again to see what the impact has been on them so far. And I'm sure we will be surveying them again as we continue to follow what that impact is. And really it's not pretty so far with millions dropping coverage and switching to high deductible plans. And to me, a big finding, more than half telling us that they can't afford food and other basic needs because of their new higher healthcare costs.

And we anticipated, I think you all did, that the biggest impact of losing the credits would be dropping coverage or switching to those very high deductible plans. Those are big and very real impacts. But for me, the surprise in the survey was that in terms of just the raw numbers of people who are affected, the biggest impact was actually on those who are paying more to keep their coverage because they feel they need it. It reflects how much people value health insurance coverage, but then they have to skimp on everything else in their lives on other basic needs. All of the impacts that we see, dropping coverage, switching to plans with higher deductibles, having to skimp on other needs, all of that is probably going to get worse as enrollees struggle to keep up the payments through the year.

And as the grace period they have ends, which I believe Cynthia will cover, these struggles with, and I think this is important to say, healthcare costs, they are not unique to the marketplaces at all. We especially see them across the employer-based system, which as you know, we also survey every year. And so this is just one of several reasons why we're seeing something else in our polling generally, and that is health moving to the very top of the list of the economic worries that voters and the American people have. Surprisingly, ahead of the costs of food, utilities, housing, and gas. That's not something that we've seen very often.

If we've ever seen it before, it's likely that the cost of gas will rise on voters' minds as the war drives that issue up on the minds of voters. But health costs will be in the mix and will probably return to the top or very near the top, as we'll see. But as the war comes to some kind of conclusion, I actually wrote a column about how that might work, which I think we published earlier in the week. Democrats historically have an advantage on health. They have won now on healthcare costs. And so President Trump has encouraged Republican candidates to talk about his administration's efforts to address drug costs to narrow that gap. So far that is not working.

Democrats turns out have an advantage on drug costs too, but it's early. And we will follow that and we will track how this is playing out in the midterms. So today we're going to talk about this second survey, the follow-up survey on marketplace enrollees. We're going to take a pretty deep dive on the marketplaces with you. And Larry is going to moderate that and I may be back as get to the questions a little bit later on, and I will turn it over to Larry.

Larry Levitt:

Thanks, Drew. With Congress's attention elsewhere right now, the ACA Marketplaces and the expiration of the enhanced premium subsidies have, for the most part, dropped off the current political agenda, but the roughly 20 million enrollees are definitely still experiencing the decrease in premium assistance, as Drew talked about. And the ACA will be very much back on the political radar this summer as the midterm campaign heats up. There will be a

focus on affordability generally in the campaign and specifically healthcare affordability with the ACA changes that have happened and the Medicaid cuts poised to hit.

So today, Cynthia's going to provide some background on the ACA Marketplace changes and what we know so far. Then Lunna is going to present findings from our follow-up survey of marketplace enrollees, which Drew mentioned. As a reminder, you can submit questions at any time through the Q&A button in Zoom, and we'll get to as many of them as we can after the brief presentations. So with that, I'll turn it over to Cynthia.

Cynthia Cox:

Hi, everyone. I'm Cynthia. So I'm going to talk about what we know about ACA Marketplace enrollees and what the data that we have so far is showing, and then what we don't know too. So I'm just going to quickly remind everyone where we are. So for 2025 marketplace enrollees, they faced on average a 114% increase in how much they would have to pay for their premiums if they wanted to keep the same plan. And going to the next slide. Now, ACA Marketplace enrollees are people who buy their own health insurance on the individual market, but at the same time, many of them actually are employed and in fact are employed at small businesses. About half of the marketplace is people who are either small business owners or self-employed or work at small businesses that most likely just do not offer health insurance coverage. Next slide.

And there's also a lot of other people who tend to be self-employed who are disproportionately relying on the ACA Marketplace. That includes, for example, farmers and ranchers who are unlikely to get health insurance coverage through their jobs. Next. So the Congressional Budget Office had projected that in the first year there'd be about two million more people who would be uninsured as a result of the expiration of the enhanced premium tax credits, but that eventually that number would climb up to almost four million people, formerly an additional people being uninsured as a result of the enhanced premium tax credits expiring. Next.

So what we know so far is pretty limited, and that's because we haven't really gotten the best kind of administrative data that the government usually puts out, but so far we know that 23 million people either signed up or were automatically re-enrolled into a plan for this year. That's about a little bit more than a million people fewer than had been signed up or automatically re-enrolled at this time last year. Next slide. Oh, I'm sorry. Well, okay, let me just say, so this varies of course by state. In most states, signups are down. In, for example, North Carolina or Ohio, signups are down by about a fifth. Whereas in some states, signups did actually increase, in particular in New Mexico, which I can explain later, has actually replaced the enhanced premium tax credits with state funds. Next slide.

So the limitations of this signup data are that, as I mentioned, these are people who signed up or were automatically re-enrolled. That doesn't necessarily mean that they've actually paid their premium and have started their coverage. So there's this work called effectuating your health insurance coverage. That means you've paid your premium and that you've actually been enrolled in health insurance. The sign-up numbers might be inflated because we know, for example, that some people have not paid their premium, and if that goes on, there's a grace period where they might be dis-enrolled if they have not paid a premium by the end of this month, in which case we might see another drop-off in the number of people who are signed up in ACA coverage. Next.

So we have some expectations that either in the next few days or in the next month, there will be a bigger open enrollment report that the federal government will release, and that will have, again, sign-up data. So we're not going to know how many people have paid their premium yet, but that data will be at least more detailed. So we'll know of those 23 million people who either signed up or were automatically renewed into a plan, for example, more about where they live and how much they're paying and whether they signed up for a bronze or a silver plan. So we're expecting more of those details to come out soon. But as I mentioned before, that's all based on signups, not based on who's actually paid their premium.

It won't be until the summer, probably in July that we will know who has paid their premium. But then at that point, the effectuated enrollment report that comes out in July will likely not have that same kind of detail about, for example, how much people are paying or whether they're in a bronze or silver plan. So again, the data's going to be limited and we won't really have good official numbers on the uninsured rate probably until sometime next year. So that's why this survey that KFF has done is so important because it's providing information that probably will not be available in government sources for quite some time. Next slide. All right, turning it over to Lunna.

Lunna Lopes:

Great. Thank you, Cynthia. Thanks everyone for joining us today. So I'll be walking you through findings from our follow-up survey of ACA Marketplace enrollees, research that really captures how people with marketplace coverage are navigating a significant shift in their healthcare costs. So to just start with a little bit of context about how we conducted the survey, back in November 2025, shortly after the start of open enrollment, we conducted a probability-based survey of more than 1,300 adults with marketplace coverage, where we asked enrollees about their awareness of the pending expiration of the enhanced premium tax credits, what they expected to happen to their premiums, and what they were likely to do if their costs went up.

So this year in late February, after the credits had expired and after the first premium bills were due, we went back and re-interviewed more than 1,100 of those same individuals. So that's over 80% of the original sample. And by following up with these 2025 marketplace enrollees, we were able to get a better understanding of how they navigated their coverage choices for 2026 and how they're dealing with their healthcare costs this year. Next slide, please.

So I want to start by looking at the big picture. While coverage loss is one part of the story, the findings we'll be walking through today point to a broader picture. The majority of 2025 enrollees have maintained their marketplace coverage, but they're doing so under real financial strain. So as you can see here in the dark green bars here, 8 in 10 returning marketplace enrollees say their healthcare costs are higher this year compared to last year, and that includes half who say their premium deductibles or copays are a lot higher. And still having marketplace insurance doesn't really just insulate people from worrying about affording medical care.

As you see here in the light blue bars, nearly three in four returning marketplace enrollees say they are worried about affording emergency care or hospitalizations, and about half are worried about affording routine medical care and prescription drugs. And these higher healthcare costs and affordability concerns are leading to direct action with 55% of returning enrollees saying they're cutting back on food and basic household expenses in order to afford their healthcare costs. Next slide.

So looking at what type of coverage 2025 marketplace enrollees have now, we see that the majority, about 7 in 10, have maintained marketplace coverage, either in the same plan they had in 2025 or by switching to a different marketplace plan. About one in five have transitioned to other sources of coverage such as employer-sponsored plans, Medicaid or Medicare, and it's worth noting that some amount of movement on and off the marketplace is normal. ACA Marketplace coverage is often a transitional source of coverage for a lot of people when they might be between jobs or before becoming eligible for other programs. So some level of churn in and out each year is expected.

We also found that about 1 in 10 2025 marketplace enrollees are now uninsured. However, as people face the financial pressure of higher costs, more may find themselves uninsured. So for example, among those who've re-enrolled in marketplace coverage, so who still have their marketplace plan, one in six, so 17% say they're not confident that they'll be able to afford their monthly premium for the full year, which means that they may be at risk of losing coverage at some point later on this year if those financial pressures really kind of keep going. Next slide.

So focusing in on those 1 in 10 2025 marketplace enrollees who are now uninsured, when we asked them to tell us why they don't have coverage, cost really stands out as the main reason. Several respondents cited the direct financial impact of the premium tax credit expiration. One noted that with no subsidy, they just could not afford their premium. Another respondent stated that the end of the ACA subsidies caused a huge increase in the premiums, which they just couldn't afford. And the responses in the survey really reflect a range of individual circumstances, but cost really is the common factor among those who are now uninsured. I also want to note that we also asked those who re-enrolled in marketplace, but switched to a different plan, why they switched to a different marketplace plan, and there too we found that the cost of premiums were really the most commonly cited reason given for changing their marketplace plan. Next slide.

So turning to costs among those who have maintained marketplace coverage, we see that about 6 in 10 returning enrollees report that their premiums are higher in 2026 compared to last year. More than 4 in 10 also report higher deductibles. It's worth noting that about a quarter of those who switched plans moved to a lower metal tier, for example, from a silver plan to a bronze plan, and these lower tier plans typically carry lower premiums, but higher out-of-pocket costs, so the shift may reduce monthly costs while increasing financial exposure when medical care is needed. Next slide.

So we wanted to understand whether these healthcare costs were creating trade-offs with other essential expenses, and the data shows that more than 4 in 10 returning enrollees say their healthcare costs are making it harder for them to afford food, housing, and other basic bills and necessities. The financial strain is even more pronounced among those with lower incomes, and especially among those with chronic health conditions. So we see here that for people with chronic health conditions, keeping their insurance is really an imperative that can come at the expense of other bills and other necessities. Next slide.

So consistent with those reported financial difficulties, we see the majority of returning marketplace enrollees say that they've already taken or planned to take steps to cut back on spending in order to cover their healthcare costs. A majority say they have or will cut spending on food and basic household items. And something to note is that among those with chronic conditions, that share actually rises to nearly two-thirds, just further emphasizing how these trade-offs are particularly affecting people with chronic health conditions.

We also see that 4 in 10 returning and enrollees are also taking on additional work or considering planning to take on additional work or hours in order to afford their healthcare costs. And while increase in income from additional work

could help them afford premiums and deductible payments, it could also mean that they then become eligible for less financial assistance. So again, these are these budgetary trade-offs that these marketplace enrollees are dealing with right now. Next slide.

So here we see in their own words how higher healthcare costs are impacting people. Several people mentioned reducing food spending, choosing cheaper groceries and limiting other household expenses when we asked them what are actions they're taking in order to afford their healthcare costs this year. Others describe budgeting more tightly or putting medical debt on payment plans. And one respondent noted that an unexpected home repair, a broken water heater, went unaddressed just because his healthcare costs had increased to the point where they couldn't afford to fix it. And I think that quote really is a reminder of the concrete ways that healthcare affordability intersects with everyday life. And these responses really illustrate just some of the ways in that healthcare costs can impact other household expenses. Next slide.

So with 8 in 10 returning enrollees reporting higher healthcare costs this year compared to last year, we wanted to know who they think deserves the blame for their increased costs. And health insurance companies are the most commonly cited target of blame, which may not be surprising since that's who enrollees are paying their bills to, their insurance bills to. But lawmakers, they're not off the hook. Just over half of returning enrollees say Congressional Republicans and President Trump deserve a lot of blame for their increased healthcare costs, and about a third say the same of Congressional Democrats. Next slide.

So when we break this out by political affiliation, we see that large majorities of Democrats say President Trump and Republican lawmakers deserve a lot of blame, while a majority of Republicans say Congressional Democrats deserve a lot of blame, which given the partisanship in the country right now, you might expect. But notably, one in four Republicans say Republicans in Congress deserve a lot of blame for their higher healthcare costs, and one in five say the same of President Trump. And then when we look at independents with marketplace coverage, they're twice as likely to place a lot of blame on President Trump and Republicans than on Congressional Democrats for the increase in their healthcare costs. So that kind of brings us to what that may mean for the upcoming midterm elections. Next slide.

So among the 2025 marketplace enrollees who are registered voters, majority say that healthcare costs will have an impact both on their decision to vote in the 2026 midterms and on which parties' candidates they choose to support. And then we also see that about half say will have a major impact. Notably, Democrats seem to be more motivated by healthcare costs as an issue, as

they're more than twice as likely as Republicans to say it's going to have a major impact on their decision to vote and on which candidate they may support.

People who get health insurance from the ACA Marketplace are a small share of overall voters, but with the expiration of the enhanced premium tax credits, they are feeling the rising cost of healthcare really more acutely than most. And we've seen in recent KFF polling that healthcare costs and affordability concerns are among the top economic concerns for voters more broadly. So with the election still more than six months away, a lot can happen as we've seen just in the first three months of this year. So we'll have to see how this further develops and how cost pressures really continue to impact people throughout the year.

Larry Levitt: Thanks, Lunna and Cynthia. Just a reminder, you can submit questions through the Q&A button in Zoom, and we have a lot of questions from you all already, so we'll jump into those. A few technical ones to start. So Lunna, there are a couple questions about the survey itself. How did we identify marketplace enrollees, and did we survey people nationally in all states?

Lunna Lopes: Yeah, so this is a national survey, so it covers all states. And the way we originally identified marketplace enrollees in that first survey was we asked ... We used probability-based panels, so people who had indicated that they purchased their own insurance, and then we reconfirmed that with a series of questions to make sure that they had marketplace coverage. And so this survey was going back to that same sample.

Larry Levitt: And Cynthia, for you, the data you presented on the average premiums, out-of-pocket premiums that people face, and the increase in those out-of-pocket premiums, are those monthly, annual averages, or for people of specific ages or family sizes?

Cynthia Cox: Sure. So the dollar figures, I don't know if we want to pull that slide back up. This is the one that shows a 114% increase. That is for a single person. The dollar figures are an annual premium payment. So that is on average how much people are paying towards their premium. Now, most of the premium of the actual total premium that the insurance company charges is being paid for by the federal government. So for people who continue to get a subsidy, those are people who make between one and four times the federal poverty level, what they pay is really just set by Congress. Maybe before they were paying \$0 per month, and now they're paying 2 to 4% of their income. Or maybe before they were paying 8.5% of their income, but now they might pay closer to 10% of their income.

But then there are some people who make above four times poverty. Those are the people who are no longer eligible for any financial assistance at all. And so for those folks, before their premium payment was capped at 8.5% of their income, now they have to pay full price. And so the premium increase for those people is not only reflecting the loss of the premium tax credit, but also the increase in what insurance companies are charging. And this year, insurance companies increased premiums on average by about 20% or more. And so those people, the people who make more than four times poverty are the ones who are hit by what we've called a double whammy. They not only lost their tax credit, but they're also paying an increase in what the insurance company charges.

I should say that's a relatively small share of marketplace enrollees. That's maybe a couple million people out of 23 million people, but they are the ones who were likely hit the hardest, some of whom may have even seen increases of several thousand dollars or maybe even \$10,000 or more over the course of the year and how much they would have to pay out of their own pockets for their premium.

Larry Levitt: And as you said, I mean, everyone, every marketplace enrollee is seeing a decrease in the amount of premium assistance they're getting. It's those people above four times the poverty level who are losing eligibility for subsidies entirely. Also, a number of questions about the deductibles that people are facing. And Lunna, I mean, you talked about the survey shows that there are people who are looking for lower premiums and move to lower premium plans, premium plans in lower metal tiers of bronze versus silver, that's right?

Lunna Lopes: Yes, that's right. Yeah, we saw that about a quarter of people moved down in metal tiers. And what we're seeing is that there's real concern about affording deductibles, and we see that also with that concern about people being worried about affording emergency care hospitalizations where that can run up your deductible quite quickly. So we definitely see that there's ... Even if you try to mitigate the premium increase, you're still facing some other cost concerns with higher deductibles and copays.

Larry Levitt: And Cynthia, what do those deductibles look like? I mean, if you were in a silver plan, what kind of deductible might you have had? What would you be facing in a bronze plan?

Cynthia Cox: So for a silver plan, it also depends on what your income was. So if you're a low income beneficiary, then you not only got a tax credit to help you with your premium payment, but you also got a reduced deductible. And so normally a silver plan might have a deductible of, say, \$5,000, but if you're really low income with an income just above the poverty level, then your deductible could

have been as low as maybe \$150 for a silver plan. But then if you wanted to, say, keep a \$0 premium payment, in other words, to keep a low premium payment, but switch to a bronze plan, that might mean that you have a deductible of \$7,000 or more.

And so going from a deductible of \$150 to a deductible of \$7,000 is obviously a huge difference. A lot of low-income people were faced with this choice of do I try to keep a \$0 premium payment by moving into a bronze plan or do I have to pay two to 4% of my income to keep that low deductible plan in a silver plan?

Larry Levitt: And just to emphasize, the bronze plans, the average deductible is over \$7,000 now, right?

Cynthia Cox: Yes.

Larry Levitt: So we also had questions about the partisan makeup of marketplace enrollees. Lunna, what do we know from this in other surveys about party ID of ACA enrollees?

Lunna Lopes: Yeah. So we see that it kind of reflects broadly a lot of the public. We see that there's a lot of independents in there, but it's pretty split with Republicans and Democrats being part of the makeup there. And obviously we see some partisan differences hold even in our survey in November, right? Republican enrollees were more likely to say that they were fine to let their credits expire. But that said, even among Republican enrollees, most of them wanted the credits to be extended and most feel that that was the wrong thing to let them expire.

Larry Levitt: And Cynthia, I mean, we had a big debate at the end of last year in the beginning of this year in the House and then in the Senate. Obviously the midterms are coming up. When you look at enrollment by congressional district, by state, how does that break down in terms of whether those districts or states are represented by a Republican or a Democrat?

Cynthia Cox: So on average, the ACA Marketplaces do not make up a large share of voters. The number of people with ACA Marketplace coverage in total is, as I mentioned before, somewhere maybe a little bit below 23 million people. So that's not a big share of the population. But when you look at certain states, particularly southern red states, there's a larger share of the population that's in ACA Marketplace coverage. That's because a lot of low income people in those states would've been on Medicaid if their state had expanded Medicaid, but instead they're getting ACA Marketplace coverage. For example, in Florida, there are some congressional districts with about a third of people who live in those districts are ACA Marketplace enrollees.

So in some parts of the country, there certainly are enough ACA Marketplace enrollees that they make up a significant share of voters, and if they're motivated by their cost increases to either decide not to vote or to vote for a different person, then that could have a big effect. But even in some congressional districts where they have a very narrow vote margin in the last election in swing districts, there are several swing districts where there are many times more ACA Marketplace enrollees than there was the vote margin in the last election. So even in those places where there might not be a lot of ACA Marketplace enrollees, the vote margin was so tight that even a small number could make a difference in the election.

Larry Levitt: And overall, there are more ACA enrollees in Republican House districts than in Democratic House districts, right?

Cynthia Cox: Yes. And across states, 8 in 10 states that went to ... Or sorry, I was going to say 8 in 10 marketplace enrollees are in a state that was won by President Trump in the last election. So this is a large part because of the Medicaid expansion dynamic that like I mentioned before, in Southern red states, there's just a lot more ACA Marketplace enrollees. That's also where we saw most of the growth from the enhanced premium tax credits. So there were five states, Texas, Florida, Georgia, and the Carolinas where we saw that about half of the growth in the ACA Marketplaces since the enhanced premium tax credits were implemented were concentrated in those five states.

Larry Levitt: And Lunna, we had a question about people with chronic conditions. Do we know anything about what people with more serious health conditions, older people versus younger people, and what we're seeing in the survey in terms of how they reacted to the end of the enhanced premium subsidies?

Lunna Lopes: Yeah, I think what we see is that for people where health insurance is really critical, the costs of burden are really impacting them because they've kept their coverage, right? So one thing we found in the survey was that 18 to 29-year olds were a bit more likely to say that they're uninsured now. And I think people are young, they feel like they're healthy, that might not be as an imperative for them, at least in their calculations, right? But for people with chronic conditions, their health insurance really is critical for them. And so that means that what we saw in the data is that they're more likely to say that they've had to cut back on spending and other household expenses in order to afford that.

They're also more likely to be worried about costs more generally because they're obviously more likely to be using their health insurance as well. So if they were one of those people who switched down a metal tier, now they're facing potentially more deductible payments and things like that. So it really is an issue where the people with chronic health conditions are really, really

feeling the pinch of the financial pressure of trying to pay for their health insurance and pay for all the other things that they need in their life.

Larry Levitt: And given that this is kind of a dynamic situation, I mean, people are not committing to health insurance for the whole year, they won't have another opportunity to enroll, but if they are enrolled, it's a month-by-month decision as to whether they can pay their premium. And from the survey, do you see risks that people might drop out of the market as the year progresses?

Lunna Lopes: Yeah, so we saw that 17% of people who still have their marketplace coverage are saying that they're not confident that they can afford to pay their premiums for the entire year. So for that 17% especially, they're thinking that given the bills that they're facing right now for their insurance, that's not something that they might be able to continue given other cost pressures and expenses that they might have. So they're at risk potentially either deciding to drop their coverage and becoming uninsured or missing payments and then losing insurance in that manner.

Larry Levitt: So speaking of missing payments, Cynthia, everyone, all these enrollees got a letter in the mail saying what their new premium would be. On average, that was likely a doubling in their out of pocket premium. I think we know that some people, when they got that letter, they put it where you can imagine they put it. But we're approaching the end of this grace period, which you mentioned. Just provide a little more detail about how that grace period worked, who it applied to, and what the timing is.

Cynthia Cox: Sure. So if you took no action and you were enrolled in an ACA Marketplace coverage last year, the federal government automatically renews you into the same or similar plan for the coming year. And so because you made premium payment or you effectuated your coverage last year, generally speaking, you're no longer required to make another premium payment in January or February or March, until the end of March, when if you still have not made a premium payment, then you get retroactively rescinded back to the end of January. And so we are coming up on the next few days where marketplace enrollees who were automatically renewed or renewed to the same plan still have time to make their premium payment, but if they do not, then they will lose their coverage.

And so we know that in a normal year, most people who sign up or automatically renew into a marketplace plan, pay their premium. Usually it's more than 9 in 10 people who have been signed up for a marketplace plan end up paying their premium and keep that coverage, at least for the first part of the year. But this year we're suspecting that things might look different. Before the enhanced premium tax credits, it was earlier on in the ACA Marketplaces, it was

more like 8 in 10 people paid their premium, but this is the first time that there's been a big jump in what people have to pay out of their own pockets to keep their coverage.

So we really don't know what to expect in terms of whether it's going to be 80%, 90%, or maybe something like 60 or 70% of people who pay their premium. So that's why the survey was helpful because it shows that a significant number of people, about 4% of marketplace re-enrollees, still have yet to pay their premium, but I think we're still going to have to wait and see what the effectuated enrollment data looks like midsummer. And so it could be that, because as Lunna said, there's other people who maybe they did make a premium payment for January or February, but then they find that they just can no longer continue to make that premium payment. And so there could be more coverage loss too.

Larry Levitt:

And there's a particular change this year too, where many people had zero out-of-pocket premium silver plans, the lowest income enrollees, particularly in those states that didn't expand Medicaid, they would face now a premium to stay in those plans, which could affect how many people and end up effectuating their coverage. So we had a question also about medical debt, particularly with people either losing their coverage or facing an increase in their deductible or other things that strain their household spending. Lunna, what do we know about the share of the population who have medical debt from previous surveys?

Lunna Lopes:

Yeah, so there's a lot of ways to how you count medical debt, right? But we previously a few years back at KFF did a large survey on medical debt where we really had a broad description of what could be medical debt in terms of not just debt that you owe providers, but also debt that maybe you used a credit card to pay for a medical bill and now you have that debt. So we call that healthcare debt, healthcare related debt. And we saw that about 4 in 10 Americans had some medical debt, and that's a continuing issue, I think, especially when we just see just general affordability concerns.

So Drew mentioned at the beginning, as gas prices and transportation costs go up, food and grocery prices go up, then you're just less able to pay off medical bills and medical debt. So it's all kind of intertwined. We also saw in this survey with marketplace enrollees that some returning enrollees were saying that they might have to take out a loan or increase their credit card debt in order to be able to afford their healthcare costs and their other kind of household costs. So it is something that could grow as people feel just that the affordability pressures.

Larry Levitt: And Cynthia, you had mentioned that some states saw an increase in enrollment, notable was New Mexico, which saw the largest increase. And we had a question about why that might be the case. What did states do, New Mexico for example, that might've avoided enrollment losses or even led to an increase in enrollment?

Cynthia Cox: So states that use healthcare.gov, which are the states ... The majority of states, they don't really have an option to add additional subsidies, but states that run their own marketplace did have an option to add their own state-funded subsidies to help offset the expiration of the federal subsidies. And New Mexico is most notable because they temporarily extended subsidies in that state to basically fully replace the enhanced premium tax credit. It helps offset coverage costs for lower income people, and it also extends subsidies to those people above four times poverty just as the enhanced premium tax credits had.

And so it is really remarkable that New Mexico saw a double-digit percent increase in the number of people signed up for coverage in that state. There were other states that jumped in to, for example, California and Maryland added some new subsidies. Those are more limited than what New Mexico had done. They're more targeted for lower income enrollees. And then there are several other states like New Jersey and Massachusetts and Vermont and some others that had already offered some additional states funded support beyond what the federal government had done.

Still even more, there are other states, including states that use healthcare.gov that previously had created something called reinsurance, which can help lower unsubsidized premium payments a bit for the people who do not get a subsidy who make more than four times the poverty level. And then yet another strategy was what Texas and a couple other states have done, which is very wonky, but it basically affects how silver and bronze plans are priced. And so that was interesting that we saw that Texas actually saw a bit of an increase in signups too, because probably what's happening there is a lot of people were able to move into a zero premium bronze or maybe even a lower cost gold plan.

Larry Levitt: And just to emphasize, we are still talking here about signups, not effectuated coverage. So even these states that saw an increase in signups could still ultimately see a decrease in enrollment when all is said and done.

Cynthia Cox: That's correct.

Larry Levitt: So we had a question about the automatic renewal, which you talked about in connection with the grace period, and some changes in the HR1, the reconciliation law passed by Congress last year, some changes that might affect

auto renewal, as well as other changes the Trump administration has proposed to the marketplaces. So looking ahead, what might we see different?

Cynthia Cox:

So there's several big changes coming. So as you mentioned, there's implementation of what was called the One Big Beautiful Bill Act or the reconciliation package that was passed over the summer. And that includes looking ahead into future years and into auto renewals. So that would mean that people no longer ... When you get most health insurance comes with an automatic renewal. So if I sign up for my homeowner's insurance or my insurance through work, I don't have to keep signing up every single year. And that's been the case on the ACA Marketplaces too, but going forward, ACA Marketplace enrollees would have to take additional steps each year to reverify their income and where they live and their eligibility for subsidies.

And so this would have a pretty significant effect because as of now, I think it is something like 4 in 10 marketplace enrollees automatically re-enroll. And some other changes in that reconciliation package include removing repayment limits for people who reconcile their tax credit when they file their taxes. So to elaborate on this a bit, when ACA Marketplace enrollees sign up for coverage in say November or December, they are projecting what they think their income will be in the coming calendar year, but they won't know really probably until they file their taxes the next calendar year what their actual income ended up being.

And so we've done some studies that have shown that there's a lot of income volatility in this market. As you can imagine, a lot of the people who get ACA Marketplace coverage are self-employed. They might be Uber drivers, they might be working for tips, and so it can be hard to know exactly how much money you're going to make next year. And if you guess wrong, then you might have to repay some of that tax credit back. What the reconciliation package did is it removed repayment limits. So now if you've had a big change in your income, you would have to pay the entire difference in how much the tax credit that you got versus how much it turned out that you were eligible for. So that affects people who are enrolled this year. So when they file their taxes next year, they might have to pay back more than they otherwise would've had to.

The other thing to know is that this is coming at the same time that the enhanced premium tax credits are expiring. So for those people who maybe start out thinking that they're going to make below four times the poverty level but end up crossing over that threshold, they're going to have to repay the entire tax credit. So this is not a result of the reconciliation package, it's a return to how things used to be before the enhanced premium tax credits, but it's really important for people to know that if you think that your income's going to be below four times poverty, maybe just below, and then it ends up crossing

over four times poverty, then you would have to repay back all of the tax credit because you're no longer eligible for it.

So for those people who are kind of close to that threshold, it's important to keep an eye on their income, maybe talk to a CPA, and also understand whether there's contributions that you can make to an HSA or to a retirement account to adjust what your income is so that you can maintain eligibility for subsidies.

Larry Levitt:

And the Trump administration has also proposed some changes to the marketplaces. What are the couple big things in that proposal?

Cynthia Cox:

So this proposal has not yet been finalized, so we don't know if this is going to be the case or not yet, but what has been proposed are a couple of big changes to how marketplace plans work. One big change is around catastrophic plans where plans would be able to offer a multi-year catastrophic plan. And the gist here is that an enrollee could sign up for, say, a 10-year plan. Now, they can leave at any time. There's nothing that obligates them to keep that coverage for 10 years, but the result of that is that the insurer might be able to average out what they think their premiums and out-of-pocket costs over the 10 years could be.

That would allow insurers to offer a premium that is lower, but a deductible that's much higher. And so this is where you might've seen some news coverage that suggested there could be a \$30,000 deductible. I'm not sure if it's quite that high, but there's some possibility that there could be enormous deductibles or out-of-pocket maximums, but very low premiums. And so the idea here is that it would potentially attract people who needed health insurance coverage, but just could not afford unsubsidized plans. And maybe this would help you, say, in a very severe hospitalization where you were incurring tens and tens of thousands dollars of hospital costs, but everything else that you pay for would probably come out of your own pocket.

Now, the other big proposal is around non-network plans. This is similar to a concept called reference pricing. And so usually with health insurance coverage, the insurance company contracts with a network of doctors and hospitals and other providers. And if you go within that network, then that's how your coverage is applied. You might have different coverage or no coverage if you go out of network. Now, the proposal is that health insurance companies could have no network. And what that might mean would be that you as the enrollee would have to call doctors and see if they would take a certain reference payment and whether they would be willing to take that price or not.

And then if they don't, then you might have to pay the difference. And so there's some concern that this could lead to people getting what would

essentially be similar to a surprise medical bill or what's called a balance bill, and may not realize that they're on the hook for more costs than they realize. The other issue with these plans is that they could be priced significantly lower than competitor plans, which would affect how much financial assistance people get. And it could be that you would have to pay significantly more to be able to keep a traditional health insurance plan that does have a provider network.

Larry Levitt:

Thanks. We also had a question about what our expectations are for Congress actually extending these subsidies sometime this year. I'll start with that one. I think it's highly unlikely that Congress will do that. It's technically possible when the enhanced premium tax credits were originally created in 2021, it was in the middle of the year and they were retroactive to the beginning of the year. That certainly could happen this year. But I think as we saw in the negotiations in the Senate in January, the parties were, if anything, moving further apart.

There was not a critical mass of Republicans that seemed to support extending the enhanced premium subsidies and some big issues that never got resolved like abortion coverage in ACA Marketplace plans. Lunna, let me come back to you. You and Drew talked about that we're focusing on the ACA Marketplace enrollees here and their affordability concerns, but in fact, there are much broader healthcare affordability concerns among the general public as well. What are we seeing, not in this poll, but in our other polling about those broader concerns?

Lunna Lopes:

Yeah, I think what we see is that when we ask registered voters more broadly about what their concerns are, the economy lately, especially, has been top of mind, but when we dig further in there and we see, okay, well, what are some of the economic concerns? What are some of the affordability concerns that people have? That's where healthcare is usually among the top, right? So as Drew mentioned, sometimes you have these ... When gas prices go way up, you see gas and transportation rise as an affordability concern, but healthcare is usually right up there. And so we see that even though marketplace enrollees might be feeling this more acutely than most, just given what they're dealing with in terms of increased premiums or higher deductibles and copays. But this is an issue that really is top of mind for most voters within this kind of broader concern that they have of the economy and affordability.

Larry Levitt:

Cynthia, we made a question about some of the ideas that were tossed around during the debate over extending the enhanced premium subsidies about shifting that to contributions, to health savings accounts or something like a health savings account. Talk a little bit about what some of those ideas were and what the effects might be.

Cynthia Cox:

So there were a variety of proposals that had to do with health savings accounts. I think there were maybe eight at one point, and so I'll talk about a couple of them because they have very different implications depending on how they were structured. One idea was to fund health savings accounts using dollars that would have gone to the enhanced premium tax credits, and instead directing them to a health savings account that you would've been able to get if you signed up for a bronze plan on the ACA Marketplace. And so the idea there was that the enhanced premium tax credits are premium assistance that are stratified by income. And so lower income people get more premium assistance, higher income people get less premium help, but the HSA dollars likely would've been an average just across the board.

It would have been for people who get a bronze plan, which probably would've been middle or higher income people because lower income people would benefit from those lower deductibles that I mentioned earlier. And so it might've had some distributional effects where higher income people might have benefited if they were able to continue to afford to purchase a bronze plan, and it would've helped them with their deductible. So maybe instead of having a 7 or \$8,000 deductible, it would've been maybe \$1,000 lower almost, but it wouldn't have had much of a negative effect on the market in terms of causing any risk selection, I think.

I think the marketplace still would've been stable, but an alternative proposal would have allowed HSA dollars for all tax credits, not just the enhanced tax credits, and also would have allowed people who were uninsured or buying non-ACA compliant coverage off of the exchange to use those tax credit dollars in the form of an HSA, and that likely would have destabilized any market in a state that decided to take up that waiver program. And so the implication there would be that healthier people would decide that they were better off being either uninsured or underinsured and getting HSA dollars to purchase healthcare out of pocket.

Whereas sicker people would stay on the ACA Marketplace coverage, but they may not get enough of a tax credit to actually afford their premium. So then what you would see would essentially be a [inaudible 00:56:10] or adverse selection where more and more people would drop out of the ACA Marketplaces or insurance companies might not want to even participate in that anymore. So basically, long story short, the HSA proposals were really varied and had very different implications.

Larry Levitt:

And these proposals were very different from the way a health savings account works now, where people have to enroll in a high deductible plan, they can make contributions to that health savings account, and those tend to benefit

higher income people because those are people in higher tax brackets and get more benefit from that tax sheltered contribution.

Cynthia Cox:

Right.

Larry Levitt:

So we're coming to the end of the hour and we had a number of questions about what our future plans are. And I will say, are we planning a third survey of marketplace enrollees? And these are particularly as these marketplace changes play out, as changes in Medicaid from the One Big Beautiful Bill last year play out as well, we are certainly planning continued surveys of these groups of people and what they're experiencing from these changes in the healthcare system. So certainly keep an eye out on that. Thanks to Lunna and Cynthia, great presentations and great Q&A, and thanks to all of you out there for joining us and for the terrific questions as well..

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