2026 ACA premium landscape: What health insurers need to know—and do know—now

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Executive summary

The 2026 ACA Marketplace is experiencing its most significant disruption since enhanced premium subsidies were enacted in 2021 through the American Rescue Plan and extended through the Inflation Reduction Act, contributing to material changes in the size and composition of the Marketplace. With enhanced subsidies expiring, benchmark silver premiums rising 30% on average, and consumer purchasing patterns expected to shift dramatically, health insurers in 2026 face both unprecedented challenges and strategic opportunities.

Bottom Line: In 2026, net premiums after subsidies are increasing on average 65% for bronze, 121% for silver, and 80% for gold plans. However, the impact varies materially by state, county, income level, and age—insurers who understand and act on these dynamics will be better positioned to support future strategic initiatives more effectively.

Key numbers at a glance

METRIC	2026 IMPACT
Benchmark silver increase (gross)	+30% average (range: −2% AK to +69% AR)
Lowest cost bronze net premium change1 (age 40, avg FPL)	+65% average (range: −26% in AR to +182% in AK) +$22 PMPM (range: −$16 in AR to +$127 in AK)
Lowest cost silver net premium change1 (age 40, avg FPL)	+121% average (range: +61% in OR to +233% in MS) +$76 PMPM (range: +$48 in MS to +$193 in AK)
Lowest cost gold net premium change1 (age 40, avg FPL)	+80% average (range: −35% in AR to +177% in MS) +$62 PMPM (range: −$57 in AR to +$171 in AK)
Counties with $0 bronze (age 40, 225% FPL)	20% (down from 85%)
Counties with $0 gold (age 40, 144% FPL)	21% (down from 49%)
Counties with catastrophic plans	68% (down from 82%)

1. Net premium changes reflect comparisons of average premium rates for lowest-cost bronze (LCB), lowest-cost silver (LCS), and lowest-cost gold (LCG) plans available in 2025 and 2026 across 30 states utilizing HealthCare.gov during the 2026 Open Enrollment Period. Changes include gross premium rate changes and direct effects related to the assumed expiration of enhanced Marketplace premium subsidies in 2026. These changes reflect market-level premium rate comparisons and may involve comparisons of 2025 and 2026 premium rates for two carriers (i.e., a consumer enrolled in a low-cost plan in 2025 may need to switch to a different insurer to receive the low-cost plan rate in 2026).

This article delivers four insights that could shape strategies for health insurers.

Why this matters to your organization

The expiration of enhanced ACA subsidies is not just a policy change—it's a fundamental reset of market dynamics that will reshape enrollment patterns, risk pools, and competitive positioning across the individual market.

Strategic **I**mplications

- **Market consolidation:** Older, higher-income consumers (400%+ FPL) face the steepest increases and may drop ACA coverage entirely or consider catastrophic tier coverage via the expanded hardship exemption, potentially shrinking your addressable market while concentrating risk.
- **Product mix shift:** Expect accelerated migration from silver to bronze and gold tiers as consumers seek to optimize subsidy dollars—requiring portfolio rebalancing.
- **State-level differentiation matters more than ever:** Arkansas consumers will see net premium *decreases* on bronze/gold (−26%/−35%) while Mississippi sees +177% on silver—understanding characteristics of each local market is more critical than ever to your geographic strategy.

Financial **I**mplications

- **Risk pool dynamics:** If healthier, price-sensitive consumers exit the market, remaining pools may skew less healthy and demographic distributions may also shift—factor these considerations into your 2027 rate development process now.
- **Revenue volatility:** The political uncertainty around subsidy extensions means scenario planning is essential—prepare for both extended and expired subsidy environments.
- **CSR loading strategies:** States mandating CSR load (such as Arkansas, Washington, Texas, and other states) are impacting the rate change picture both on a gross and net premium basis—understand how your state's approach affects your competitive position. Also, consider how political uncertainty about the funding of CSRs could change those market dynamics.

Marketing **AND S**ales **I**mplications

- **Messaging pivot required:** The narrative that 'all premiums are doubling' is misleading—lower-income consumers (100–200% FPL) have coverage pathways with minimal premium impact if they are made aware of these options, potentially through targeted outreach, and ultimately choose to shop actively.
- **Broker education critical:** Complex dynamics around metal tier optimization mean brokers may need more sophisticated guidance than past years to help consumers find the best value.
- **Target segment recalibration:** For some issuers who derive margin from the leaner metal tiers (e.g., bronze), focused acquisition efforts on segments with continued $0 premium access may be considered; more broadly, targeted retention strategies for at-risk older/higher-income segments may also be worthwhile.

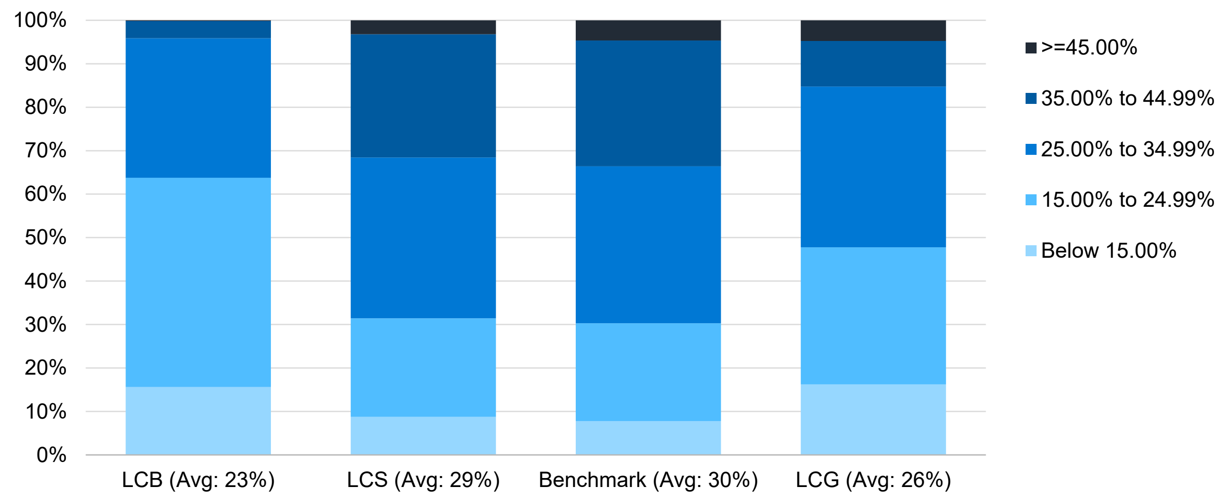
Operational **I**mplications

- **Call center preparation:** Expect significantly higher member inquiry volumes as consumers navigate unfamiliar premium levels—staff and script accordingly.
- **Plan shopping behavior:** Higher churn rates are likely as consumers actively seek lowest-cost options—network adequacy and provider retention become more competitive.
- **Catastrophic plan considerations:** CMS's expanded hardship exemption creates new dynamics—if you offer catastrophic plans, expect enrollment mix changes and adjust risk assumptions.

1. Benchmark silver increases outpacing bronze and gold increases may be a silver lining

Across the 30 states utilizing the federal HealthCare.gov platform for enrollment functions during the current Open Enrollment Period (OEP), gross premiums before subsidies for the second-lowest cost silver plan (i.e., "benchmark silver premium") will increase 30% on average in 2026. Meanwhile, average gross premiums for lowest-cost bronze (LCB), lowest-cost silver (LCS), and lowest-cost gold (LCG) plans will increase by 23%, 29%, and 26%, respectively.[1]

FIGURE 1: DISTRIBUTION OF CHANGES IN AVERAGE UNSUBSIDIZED PREMIUM RATES FOR LOWEST-COST PLANS BY METAL TIER AND COUNTY (WITH DISTRIBUTION WEIGHTS BASED ON 2025 OPEN ENROLLMENT PERIOD PLAN SELECTIONS BY COUNTY)



The headline numbers (e.g., 30% average benchmark silver increases) sound alarming, but what matters for your strategy is that benchmark increases outpacing other plans *improve* affordability for those plans on a net premium basis (all else equal).

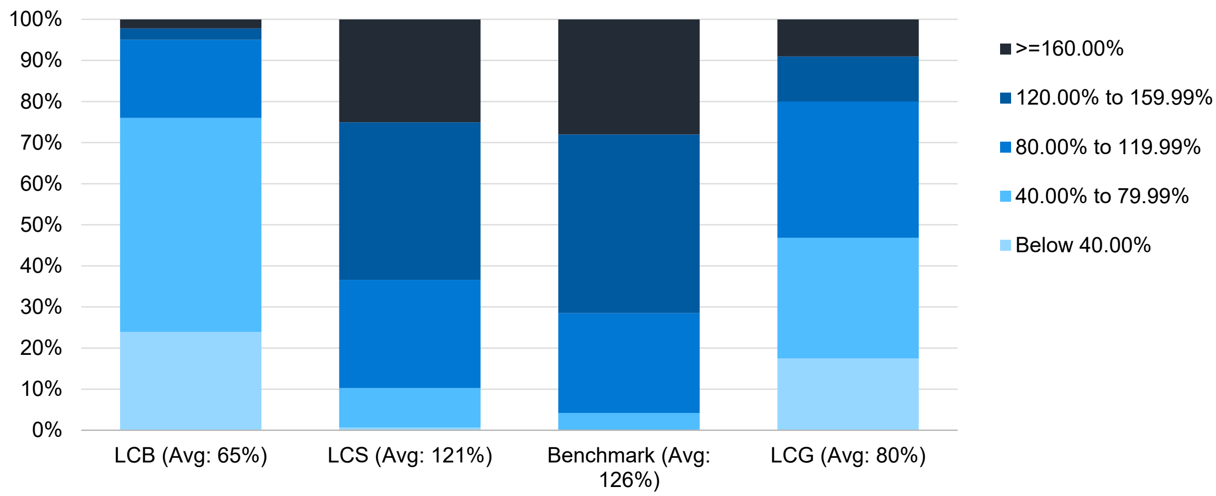
Since subsidies are calculated off the benchmark silver rate, higher benchmark premiums generate more subsidy dollars. Since consumers can use those subsidies toward other Exchange coverage (such as bronze or gold plans), premium net of subsidies (or "net premiums") can decline even as gross premiums rise—as long as the gross premium of that coverage increases less than the gross premium of the benchmark silver plan.

Percentage changes in net premiums are more significant than gross premium changes noted above, as these reflect the premiums consumers will actually experience. Although media coverage has highlighted the potential for net premiums to more than double on average,[2] there are nuances contributing to highly variable changes by consumer segment. CSR-eligible members are partially insulated from gross premium changes as both the original and Enhanced Premium Tax Credit schedules result in required contributions that are less than prevailing premiums.

1. Results vary significantly by state and county. Figures 1 and 2 illustrate the distribution of 2026 premium rate changes on an unsubsidized and average subsidized basis, with weights reflecting 2025 Open Enrollment Period plan selections by county. Figures 7 and 8 in the Technical Appendix provide state-level rate increase results based on county-specific results underlying Figures 1 and 2. As an example, Figure 1 indicates the average change in lowest-cost bronze rates is 23% on a gross premium basis across all 30 states analyzed—the rate changes for each of the 2,055 counties in these 30 states are bucketed into less than 15%, 15–25%, 25–35%, 35–45%, and at least 45%, and each individual county is assigned a weight based on their 2025 OEP mix—16% of counties (based on OEP mix) have LCB changes below 15%, 48% of states have LCB changes between 15% and 25%, etc.
2. Lo, J., et al. (2025, September 30). ACA Marketplace premium payments would more than double on average next year if Enhanced Premium Tax Credits expire. KFF. https://www.kff.org/affordable-care-act/aca-marketplace-premium-payments-would-more-than-double-on-average-next-year-if-enhanced-premium-tax-credits-expire/

Although changes are substantial and represent meaningful dollar amounts as a percentage of subsidized consumer income, the net premium increases are driven primarily by subsidy structure changes as opposed to underlying rate increases filed by carriers. If carriers had filed lower benchmark rates, it would have *reduced* affordability for bronze and gold coverage (all else equal). Thus, although changes in required out-of-pocket premium for Marketplace coverage are likely to contribute to difficult financial decisions for many consumers in 2026, the *relative* change in benchmark premium represents a "silver lining" for consumers in many regions.

FIGURE 2: DISTRIBUTION OF CHANGES IN AVERAGE SUBSIDIZED PREMIUM RATES FOR LOWEST-COST PLANS BY METAL TIER AND COUNTY (WITH DISTRIBUTION WEIGHTS BASED ON 2025 OPEN ENROLLMENT PERIOD PLAN SELECTIONS BY COUNTY) | RATE CHANGES SPECIFIC TO AGE 40, AVERAGE ACROSS ALL INCOME LEVELS



What this means for you:

- Do not assume your lowest-income members will flee—they may have affordable coverage pathways
- Bronze and gold plan positioning becomes more attractive for subsidized consumers in many areas
- Silver plan enrollment may decline disproportionately in these areas as the "value proposition" shifts
- Product portfolio optimization should account for this subsidy flow dynamic
- Investments in member education and marketing to emphasize available options rather than echoing "premium shock" headlines may pay dividends in retention

2. Zero-dollar premium coverage is not gone (just harder to find)

Although access to zero-dollar bronze plans drops from 85% to 20% of Marketplace consumers (at 225% of the federal poverty level [FPL]), this varies dramatically by state and income level.[3] Alaska, Arkansas, West Virginia, and Wyoming maintain 100% access to zero-dollar premium bronze coverage. Texas maintains 64% access. Even in less favorable markets, lower-income consumers (125% FPL) retain near-universal access to zero-dollar premium bronze options. Members within CSR-eligible income levels should evaluate the trade-offs between lower out-of-pocket premiums available via bronze coverage and the potential for much higher average cost-sharing (relative to CSR-enhanced silver plans) in the event any significant medical needs should arise.

Gold coverage also remains accessible at zero-dollar premium for many low-income consumers in states with large Marketplace populations, such as Texas (77% at 144% FPL), creating a realistic alternative to silver CSR plans with lower required out-of-pocket premium and less severe effects on average member cost-sharing (relative to a buy-down to bronze coverage).

What this means for you:

- Market-specific analysis is essential—national (and even statewide) averages mask local opportunities
- Gold plan positioning may be increasingly important for issuers seeking to provide coverage alternatives for the CSR-eligible population
- Consumers will need guidance to find zero-dollar premium options (where such opportunities exist based on consumers' age, location, and income level)—this is a service opportunity

FIGURE 3: PROPORTION OF MARKETPLACE CONSUMERS RESIDING IN COUNTIES WITH AT LEAST ONE ZERO-DOLLAR PREMIUM BRONZE PLAN AVAILABLE TO AGE 40, 225% FPL MEMBER (30 HEALTHCARE.GOV STATES)

30-STATE AVERAGE IN 2025 WITH ENHANCED SUBSIDIES = 85.2%		
% OF MARKETPLACE WITH ACCESS TO 1+ ZERO-DOLLAR PREMIUM BRONZE	**STATE(S)**	**STATE COUNT**
100%	All Other States	19
Between 75% and 100%	TX (94.2%), SC (89.4%), WI (81.9%)	3
Between 50% and 75%	UT (62.0%), OH (56.3%)	2
Between 25% and 50%	MI (28.5%)	1
Between 0% and 25%	AZ (10.6%)	1
0%	AR, IN, MS, NH	4

3. Figure 3 highlights the change in the availability of at least one zero-dollar premium bronze plan for an illustrative age 40 member earning 225% FPL in 2025 and 2026. The percentages represent the proportion of Marketplace consumers (2025 OEP) in each state residing in counties in which at least one bronze plan is available to consumers for $0 net premium at this age and income level. We group each state into the appropriate cohort on a 2025 and 2026 net premium basis based on the availability of at least one zero-dollar premium bronze plan for the illustrative member in each year. Figure 4 provides the same information but shows the change in the availability of at least one zero-dollar premium gold plan for an illustrative age 40 member earning 144% FPL in 2025 and 2026.

FIGURE 3 (CONTINUED): PROPORTION OF MARKETPLACE CONSUMERS RESIDING IN COUNTIES WITH AT LEAST ONE ZERO-DOLLAR PREMIUM BRONZE PLAN AVAILABLE TO AGE 40, 225% FPL MEMBER (30 HEALTHCARE.GOV STATES)

30-STATE AVERAGE IN 2026 WITHOUT ENHANCED SUBSIDIES = 20.3%		
% OF MARKETPLACE WITH ACCESS TO 1+ ZERO-DOLLAR PREMIUM BRONZE	**STATE(S)**	**STATE COUNT**
100%	AK, AR, WV, WY	4
Between 75% and 100%	Not applicable	0
Between 50% and 75%	TX (63.7%), MT (58.1%)	2
Between 25% and 50%	LA (35.8%), SD (26.5%)	2
Between 0% and 25%	AL (21.8%), KS (16.1%), OK (9.1%), WI (7.8%), MI (7.8%), TN (5.2%), UT (3.5%), FL (2.1%), AZ (0.4%)	9
0%	All other states	13

FIGURE 4: PROPORTION OF MARKETPLACE CONSUMERS RESIDING IN COUNTIES WITH AT LEAST ONE ZERO-DOLLAR PREMIUM GOLD PLAN AVAILABLE TO AGE 40, 144% FPL MEMBER (30 HEALTHCARE.GOV STATES)

NATIONWIDE AVERAGE WITH ENHANCED SUBSIDIES = 48.6%		
% OF MARKETPLACE WITH ACCESS TO 1+ ZERO-DOLLAR PREMIUM GOLD	**STATE(S)**	**STATE COUNT**
100%	AK, DE, IA, ND, NE, TX, WV, WY	8
Between 75% and 100%	MO (99.5%)	1
Between 50% and 75%	FL (52.4%)	1
Between 25% and 50%	TN (48.7%), MI (37.4%), OK (28.3%)	3
Between 0% and 25%	WI (15.4%), UT (15.0%), KS (3.8%)	3
0%	All other states	14

NATIONWIDE AVERAGE WITHOUT ENHANCED SUBSIDIES = 20.8%		
% OF MARKETPLACE WITH ACCESS TO 1+ ZERO-DOLLAR PREMIUM GOLD	**STATE(S)**	**STATE COUNT**
100%	AK, AR, WV, WY	4
Between 75% and 100%	TX (76.9%)	1
Between 50% and 75%	Not applicable	0
Between 25% and 50%	Not applicable	0
Between 0% and 25%	ND (24.5%), KS (13.0%), IA (5.2%), FL (1.4%)	4
0%	All other states	21

3. Segmentation is everything

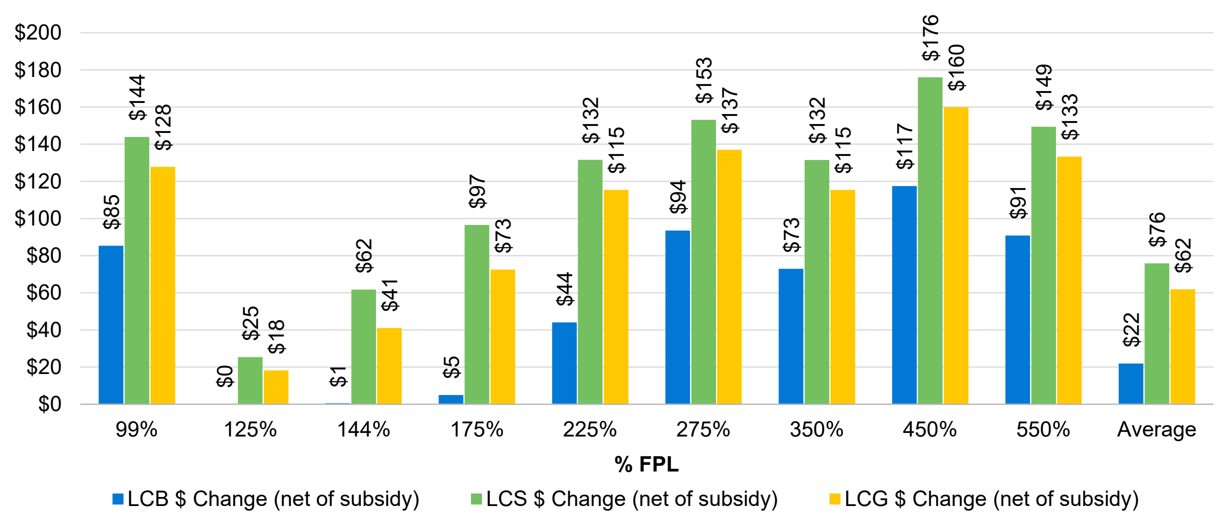
Average numbers obscure enormous variation.[4] A 40-year-old at 175% FPL sees a $5 PMPM increase on bronze; that same increase represents a 12,540% change because 2025 premiums were near-zero. Meanwhile, a 60-year-old at 450% FPL faces a $754 PMPM increase (a 328% change) for the lowest-cost bronze coverage. For many consumer cohorts, net premium changes represent a material percentage of disposable income for these members.[5]

SEGMENT	NET PREMIUM $ IMPACT[6] (METAL: AGE 40 PMPM | AGE 60 PMPM)	COVERAGE PATHWAYS[7]
Low-income (100–200% FPL)	LCB: $0 to $5 PMPM | $0 to $1 PMPM LCS: $25 to $97 PMPM | $19 to $91 PMPM LCG: $18 to $73 PMPM | $21 to $53 PMPM	Remain heavily subsidized in 2026—may shop for most affordable options or drop coverage
Mid-income (200–400% FPL)	LCB: $44 to $94 PMPM | $5 to $19 PMPM LCS: $132 to $153 PMPM | $127 to $148 PMPM LCG: $115 to $137 PMPM | $87 to $114 PMPM	Remain partially subsidized in 2026—likely to shop for more affordable options or drop coverage
Higher-income (400%+ FPL)	LCB: $91 to $117 PMPM | $647 to $754 PMPM LCS: $149 to $176 PMPM | $772 to $879 PMPM LCG: $133 to $160 PMPM | $738 to $844 PMPM	Lose access to subsidies in 2026—likely to consider most affordable bronze or catastrophic options or drop coverage

What this means for you:

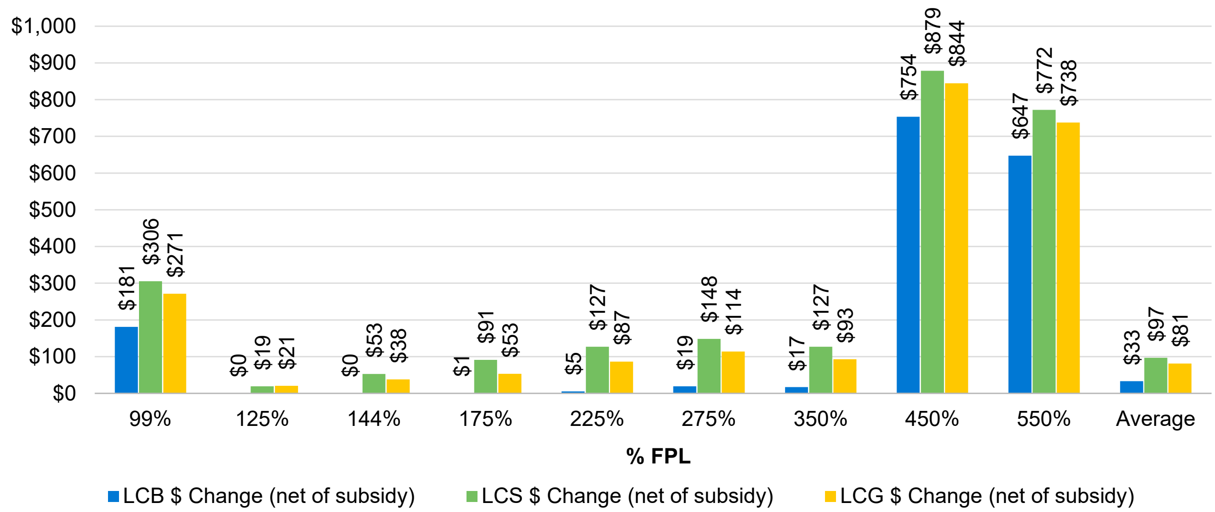
- Develop segment-specific retention strategies—one size does not fit all
- Older consumers above 400% FPL are your highest attrition risk—consider targeted outreach
- Young subsidized consumers (225–350% FPL) face proportionally higher increases than older peers—monitor this segment

FIGURE 5: AVERAGE PMPM CHANGE IN AGE 40 MONTHLY PREMIUM NET OF SUBSIDY BY INCOME LEVEL (30-STATE AVERAGE)



4. Figures 5 and 6 illustrate average PMPM changes in net premium by income level for an individual age 40 and individual age 60 Marketplace member. Figures 9 and 10 in the Technical Appendix illustrate the percentage change from 2025 net premiums implied by these PMPM changes.
5. Figure 11 highlights the value of average 2026 net premium PMPM as a percentage of income across various income levels (i.e., FPL thresholds).
6. PMPM impacts based on results shown in Figure 5 (age 40) and Figure 6 (age 60), with the “low-income” segment represented by FPL point estimates of 125%, 144%, and 175%, the “mid-income” segment represented by FPL point estimates of 225%, 275%, and 350%, and the “higher-income” segment represented by FPL point estimates of 450% and 550%.
7. Markets with significant changes in competitive positioning between participating carriers (i.e., those with carrier exits, new carrier entries, and/or highly variable rate changes filed between carriers) may see a higher prevalence of members shopping.

FIGURE 6: AVERAGE PMPM CHANGE IN AGE 60 MONTHLY PREMIUM NET OF SUBSIDY BY INCOME LEVEL (30-STATE AVERAGE)



4. Catastrophic plans face a new reality

CMS's September 2025 expansion of hardship exemption eligibility means catastrophic plans are now available to anyone ineligible for subsidies—not just those under 30. This may fundamentally change the risk profile of the catastrophic pool.

Some carriers were permitted to adjust rates, prompting some instances of much higher rate changes filed for catastrophic plans relative to other plans.[8] Meanwhile, five states saw 100% termination of existing catastrophic plans,[9] five states saw partial exits,[10] and three states saw expanded access to catastrophic coverage.[11] In six states, catastrophic plans are not available to any consumers in 2025 or 2026.[12]

What this means for you:

- If you offer catastrophic plans, expect materially older and less healthy enrollment
- HSA compatibility (effective January 1, 2026, per Public Law 119-21) increases catastrophic plan appeal
- Monitor competitor exits/entries—market share shifts are likely

8. There are 11 states in which with 100% of consumers have access to at least one catastrophic plan in both 2025 and 2026. In four of these states (Alabama, Hawaii, North Dakota, and Oklahoma), the average change in low-cost catastrophic rates exceeded the average change in benchmark silver premium by a margin of 6% (Hawaii) to 46% (North Dakota), which may suggest opportunities to adjust catastrophic rates explicitly for 2026 were indeed implemented. In seven of these states (Delaware, Michigan, Montana, New Hampshire, South Dakota, Texas, and West Virginia), the average change in low-cost catastrophic rates was lower than the average change in benchmark silver premium by a margin of 0% (South Dakota) to −8% (Texas); in these states, carriers may have been explicitly prevented from implementing changes specific to catastrophic plans, opted to not adjust rates, or other competitive market dynamics drove these changes (e.g., new carrier entering with a catastrophic plan in 2026).

9. This includes Nebraska, North Carolina, Ohio, South Carolina, and Tennessee. In 2025, approximately 41% of Marketplace selections in North Carolina and 55% of Marketplace selections in Tennessee occurred in counties in which catastrophic plans were available; in 2026, there are 0% of consumers in these two states with access to a catastrophic plan. In Nebraska, Ohio, and South Carolina, the changes in catastrophic coverage access are even more substantial with percentages shifting from 100% in 2025 to 0% in 2026.

10. This includes Arizona, Florida, Kansas, Missouri, and Wisconsin, with access changes varying by state. In Wisconsin, catastrophic coverage access changed from 100% in 2025 to 36% in 2026. In Arizona, only a slight reduction in catastrophic coverage access occurred (85% in 2025 to 84% in 2026).

11. This includes Arkansas, Indiana, and Iowa. Catastrophic coverage access changed from 74% to 78% in Iowa, from 0% to 100% in Arkansas, and from 0% to 96% in Indiana.

12. This includes Alaska, Louisiana, Mississippi, Oregon, Utah, and Wyoming.

Recommended actions

IMMEDIATE (THIS OEP)

- Update member communications to emphasize available coverage pathways—counter the "sticker shock" narrative with facts
- Brief your broker network on metal tier optimization strategies specific to your products
- Implement proactive outreach to high-risk segments (e.g., older, 400%+ FPL) before they disenroll
- Monitor early OEP enrollment signals for your products vs. market

NEAR-TERM (Q1 2026)

- Analyze final OEP enrollment mix vs. projections—adjust 2026 budget projections and 2027 rate development assumptions
- Monitor 2025 risk scores for members renewing/terminating coverage in 2026
- Evaluate catastrophic plan strategy in light of new eligibility rules

STRATEGIC (2027 PLANNING)

- Incorporate net premium illustrations and subsidy scenario modeling into rate development
- Evaluate geographic expansion/contraction based on state-level dynamics
- Consider product portfolio optimization—bronze/gold vs. silver emphasis along with key levers like customized drug formularies and provider network breadth

The bottom line

The 2026 ACA landscape rewards preparation. The insurers who will be best positioned for success will be those who understand the segmented reality behind the headlines, communicate proactively with members, and position products strategically for the new subsidy environment. The uncertainty is real—but there is true

Background

On October 28th, CMS published the 2026 Qualified Health Plan (QHP) landscape file containing all 2026 premium rates for Marketplace plans available on HealthCare.gov (30 total states), along with other Public Use File (PUF) datasets providing insights into the product offerings available to consumers for 2026. These files provide a wealth of valuable information for issuers, brokers, researchers, and the general public pertaining to individual ACA insurance plans and the rates currently underpinning the 2026 HealthCare.gov shopping experience. We leverage the most recent version of the QHP Landscape file published November 6, 2025 (accessed November 13, 2025).

Technical appendix:

STATE-SPECIFIC RESULTS SUPPORTING FIGURES 1 AND 2

FIGURE 7: AVERAGE % CHANGE IN LOWEST-COST PREMIUM RATE BY METAL TIER AND STATE (*EXCLUDING PREMIUM SUBSIDIES*)

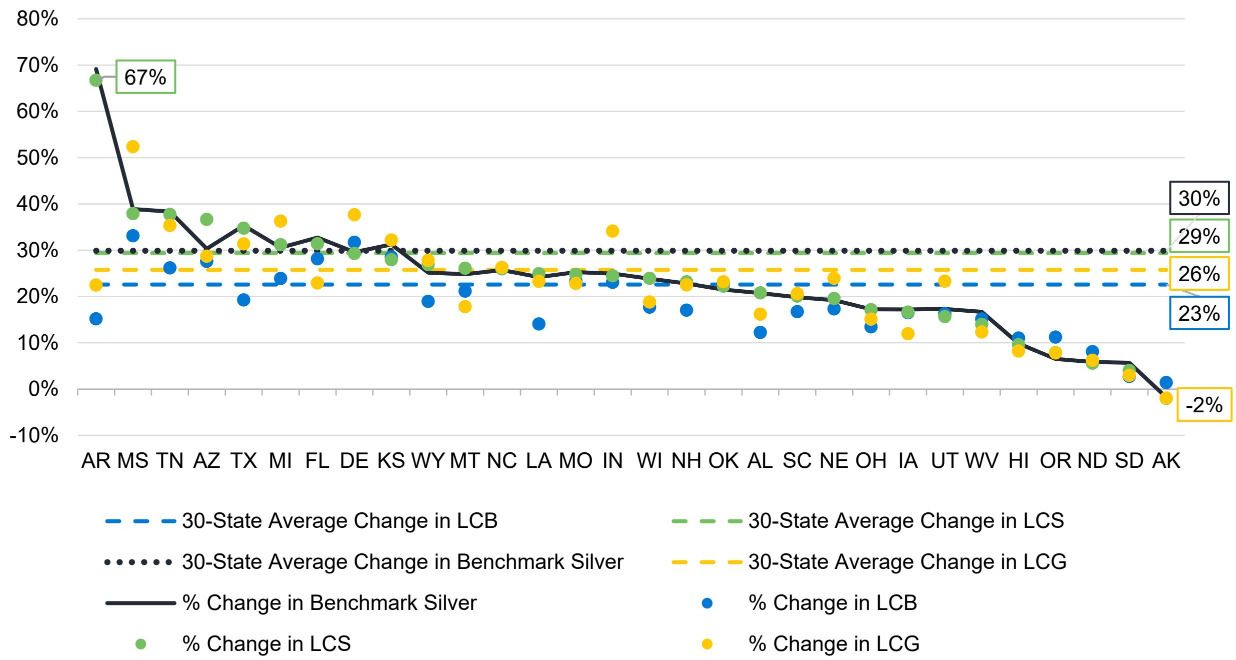
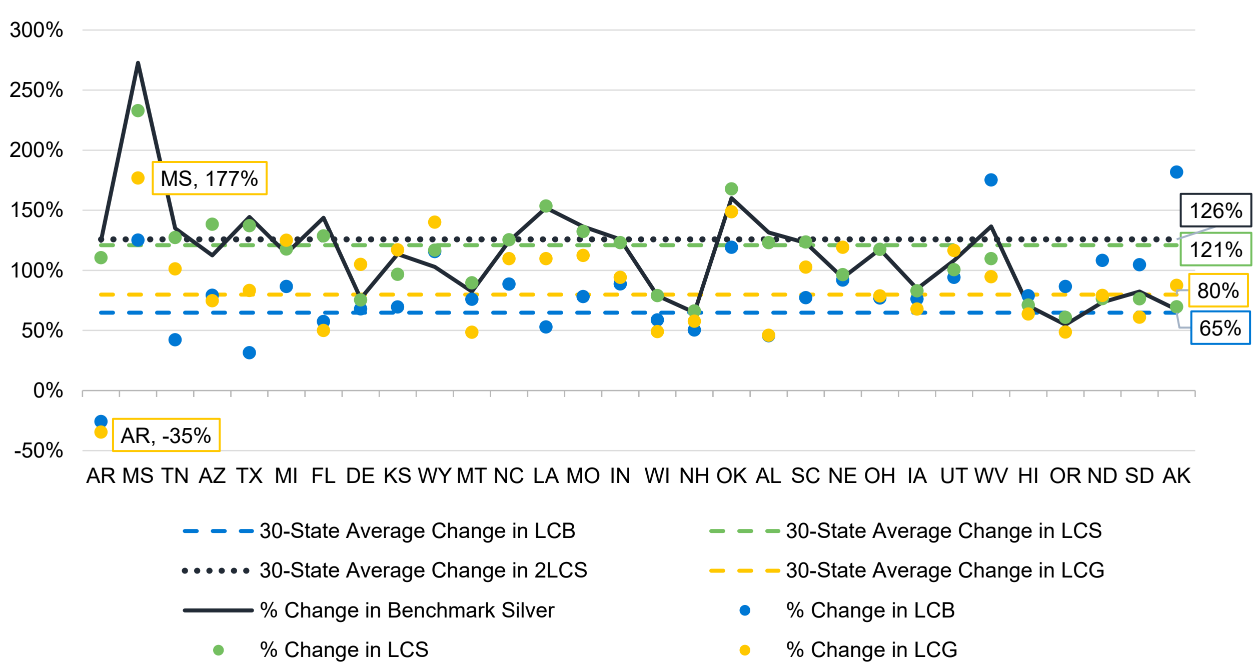


FIGURE 8: AVERAGE % CHANGE IN LOWEST-COST PREMIUM RATE NET OF SUBSIDY BY METAL TIER AND STATE FOR INDIVIDUAL AGE 40 MEMBER (AVERAGE ACROSS ALL INCOME LEVELS)



FPL-SPECIFIC PERCENTAGE CHANGE RESULTS UNDERLYING FIGURES 5 AND 6

Evaluating changes in premium net of subsidy on a granular member-level basis (e.g., age and income level within each region) is critical to understanding the potential changes for the Marketplace population in 2026. For example, many consumers in lower income cohorts (e.g., between 150% and 200% FPL) will incur materially higher average percentage rate increases net of their subsidy changes compared to the averages noted in this article, but this is primarily a function of the very low starting 2025 premiums resulting from the subsidy enhancements in place since 2021 (e.g., a member earning 175% FPL will incur a relatively low absolute dollar change of $5 PMPM average monthly premium net of subsidies for LCB plans; however, this will equate to average increase in premium net of subsidy exceeding 10,000% on a percentage basis due to near-zero average premium net of subsidy for LCB plans in 2025). **When calculable (i.e., when average 2025 net premium values exceed $0), the implied percentage rate increases for Marketplace consumers with incomes between 100% and 200% FPL are higher than any other cohort. The absolute dollar increases are lowest for these same income levels, and net premiums as a percentage of income must also be considered in assessing the potential impacts.**

Figures 5 and 6 highlight the PMPM increases in average net premium for low-cost coverage for age 40 and age 60 individual members, respectively. Figures 9 and 10 highlight the percent increases in net premium from the estimated 2025 net premium. For the 100–150% FPL cohort (represented by 125% and 144% segments in our analysis), the percentage increases for low-cost bronze and low-cost silver coverage are displayed as “99,999%” but in reality cannot be calculated since the 2025 net premiums were $0 for these low-cost plans in these income levels (i.e., cannot divide by zero).

FIGURE 9: AVERAGE PERCENTAGE CHANGE IN AGE 40 MONTHLY PREMIUM NET OF SUBSIDY BY INCOME LEVEL (30-STATE AVERAGE)

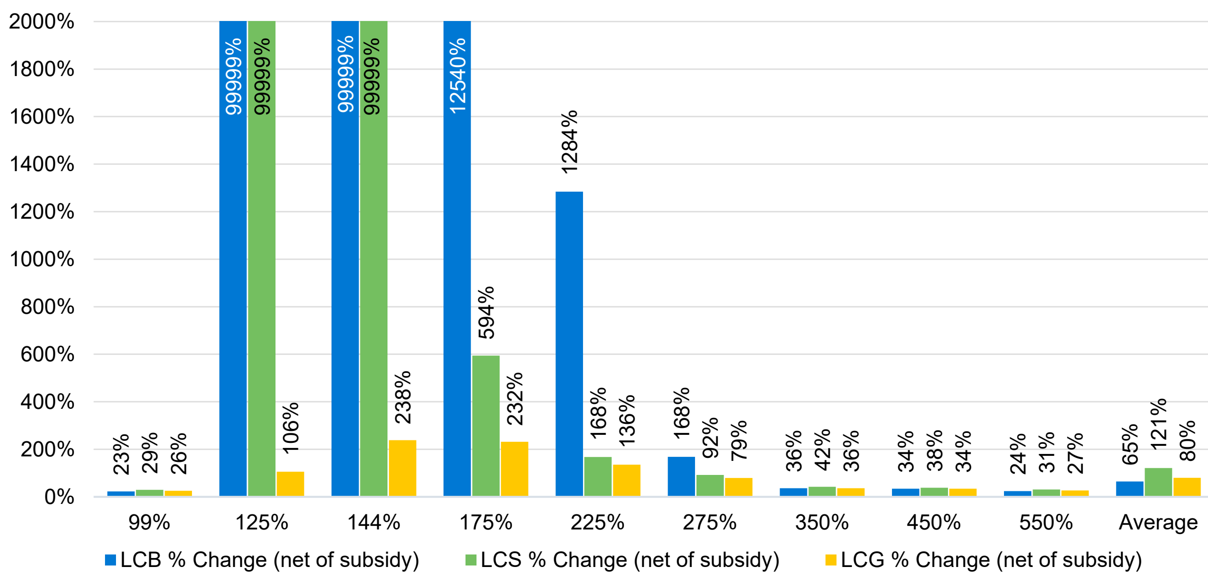
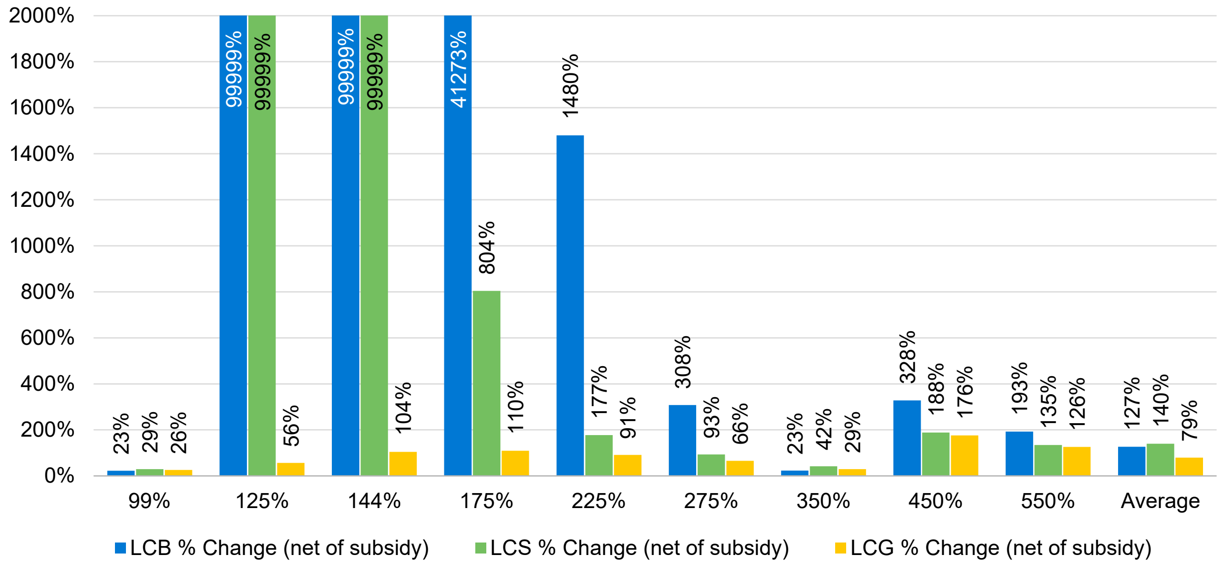
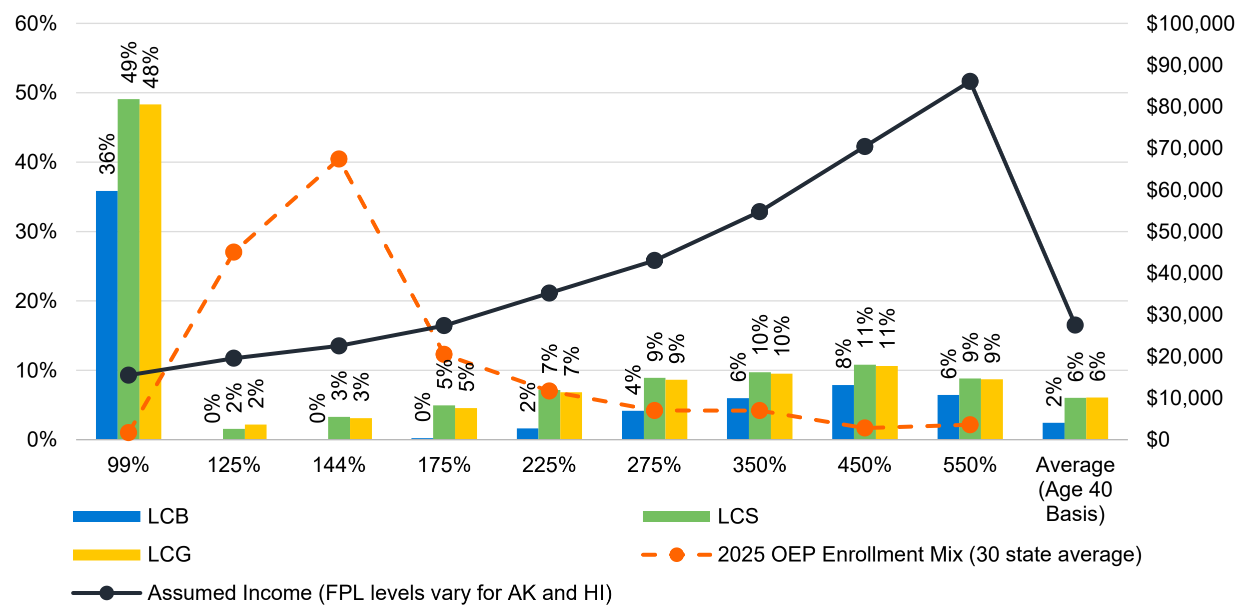


FIGURE 10: AVERAGE PERCENTAGE CHANGE IN AGE 60 MONTHLY PREMIUM NET OF SUBSIDY BY INCOME LEVEL (30-STATE AVERAGE)



As referenced above, when considering the potential Marketplace population changes for 2026 resulting from net premium changes, it is crucial to also consider the resulting 2026 net premium values as a percentage of consumer income levels, as even low dollar amount changes are still meaningful to subsidized Marketplace consumers at all income levels (and particularly meaningful to those losing access to subsidies, or for those not eligible for Marketplace subsidies in any prescribed scenario[13]). Figure 11 summarizes the average 2026 premium net of subsidy available to age 40 Marketplace consumers for LCB, LCS, and LCG plans as a percentage of income for each representative income level included in the analysis.

FIGURE 11: 2026 PREMIUM NET OF SUBSIDY FOR LOW-COST PLAN OPTIONS AS A PERCENTAGE OF CONSUMER INCOME (BY INCOME LEVEL)



13. For example, individuals with income below 100% FPL who are ineligible for Marketplace subsidies.

For Age 60 Marketplace enrollees, the premium net of subsidy as a percentage of income results shown in Figure 11 is similar for the 100% to 400% FPL cohorts, skews two to three times higher than the percentages shown above for the >400% FPL segments, and exceeds 76% of income for lowest-cost bronze coverage[14] for the <100% FPL segment (due to very low income and no access to Marketplace premium subsidies).

Although enrollment mix varies considerably by state, over 75% of Marketplace consumers across the 30 states analyzed report incomes between 100% and 200% FPL in the 2025 OEP. In 2026, these cohorts will incur an estimated net premium increase of less than $10 PMPM for LCB coverage and less than $80 PMPM for LCG coverage, with higher increases between $25 and $97 PMPM for LCS rates.[15] Silver plans would generally allow these members to retain richer coverage via 87% or 94% CSR-level benefits, but if net premium changes are too excessive for these consumers, buying down to lower-priced plans would also provide a feasible coverage pathway for anyone willing to accept leaner benefits (e.g., a 94% CSR plan member could consider buying down to gold or bronze level coverage [depending on the market] to yield low or $0 monthly premium consistent with their 2025 rate under the enhanced subsidy structure). Ultimately, subsidy-eligible consumers in the Marketplace can access lowest-cost coverage for 10% or less of annual income (and with the richest subsidies, 5% or less for the <200% FPL cohorts). For those not subsidy-eligible, Marketplace coverage is unlikely to be as affordable for many consumers (particularly those below 100% FPL).

Methodology

Key data sources for this analysis include various datasets published by CMS:

- CMS 2025 and 2026 Exchange PUF datasets
- 2025 and 2026 QHP Landscape Individual Medical dataset
- Marketplace OEP datasets
- Projected National Health Expenditure (NHE) data for 2023–2032

ANALYTICAL APPROACH

For each county in each state, we determined the five lowest-cost rates by metallic tier filed by carriers in 2025 and 2026. The gross premium changes were determined by comparing 2026 filed premium rates for lowest-cost plans to 2025 filed premium rates for lowest-cost plans within the 30 states utilizing HealthCare.gov for enrollment functions during the 2026 OEP. We calculated the premium net of subsidy value for each of these low-cost plans available in 2025 and 2026 for an age 40 individual member across each representative point estimate FPL level noted below. We used age 40 as an approximate/rounded estimate of the average age in the Marketplace.

We assumed 2025 and 2026 FPL values consistent with the 2024 and 2025 federal poverty guidelines in the Federal Register notice published at https://www.govinfo.gov/content/pkg/FR-2024-01-17/pdf/2024-00796.pdf and https://www.govinfo.gov/content/pkg/FR-2025-01-17/pdf/2025-01377.pdf, as described below:

- Contiguous 48 states and Washington, DC: $15,060 in 2025, $15,650 in 2026
- Alaska: $18,810 in 2025, $19,550 in 2026
- Hawaii: $17,310 in 2025, $17,990 in 2026

14. For lowest-cost silver and lowest-cost gold coverage, percentages increase to 104% and 103%, respectively (i.e., required age 60 gross premium for this level of coverage exceeds the member's income).

15. PMPM changes stated are specific to age 40 members (Figure 5), with the $97 PMPM value aligning with the 175% FPL cohort and the $25 PMPM value aligning with the 125% FPL cohort. Figure 6 shows similar but slightly lower PMPM changes for age 60 members.

Subsidies were calculated at the county level using 2025 and 2026 benchmark silver premiums (i.e., second lowest-cost silver plan for each county) extracted from CMS PUF datasets, calibrated to an individual age 40 member based on the CMS 3:1 age curve in effect for the 30 states discussed in this article (1.278 age rating factor). Enhanced Premium Tax Credit amounts were calculated using the 2025 schedule published by the IRS at https://www.irs.gov/pub/irs-drop/rp-24-35.pdf. To calculate 2026 premium tax credits, we leveraged the percentages published by the IRS at https://www.irs.gov/pub/irs-drop/rp-25-25.pdf. The change in net premium from 2025 to 2026 thus captures both the change in subsidy structure as well as the change in gross premiums and benchmark silver premium (i.e., subsidy funding) between years.

For our analysis, we used the following FPL ranges for enrollment weighting, which align with the noted FPL point estimates for premium and subsidy calculations:

- <100% of FPL (99% FPL point estimate[16])
- ≥100% to ≤138% of FPL (125% FPL point estimate)
- ≥138% to ≤150% of FPL (144% FPL point estimate)
- 150% to ≤200% of FPL (175% FPL point estimate)
- 200% to ≤250% of FPL (225% FPL point estimate)
- 250% to ≤300% of FPL (275% FPL point estimate)
- 300% to ≤400% of FPL (350% FPL point estimate)
- 400% to ≤500% of FPL (450% FPL point estimate)
- >500% of FPL (550% FPL point estimate)

We then developed a statewide average value of lowest-cost gross premium for each metallic tier as well as corresponding net premiums for each income range by weighting the county-level premium values with the state's distribution of Marketplace selections by county as reported in CMS PUF data. Combined with the county-level calculations, which captured each county's unique distribution of enrollment by FPL, this methodology ensured that the statewide average premium change values accounted for both the distribution of enrollment by county and the state's unique distribution of enrollment by FPL at the county level.

Across the 30 HealthCare.gov states, the overall average gross and net premium values were calculated for each income range by weighting the state-level average premium values by income level with the distribution of marketplace selections by state. We then calculated the final overall average change in gross and net premium values across all 30 states analyzed by weighting the overall average net premium value for each income level by the distribution of enrollment by FPL range within the 30 states analyzed.[17]

We utilized a constant individual age 40 member for illustrative purposes. In reality, each state has a unique age mix within its risk pool; accounting for the unique demographic characteristics of each state would have resulted in higher or lower average subsidy levels relative to the estimates in this report, since net premium varies by age for a given income level. Figures 5 and 6, as well as Figures 9 and 10 in the Technical Appendix, present the variation in average net premium changes for age 40 and age 60 members on a nationwide basis, but the results differ by market and more granular age band.

For simplicity, we assumed all of the low-cost plans utilized in the analysis for 2025 and 2026 covered only Essential Health Benefits (EHBs). Under this assumption, subsidized consumers can utilize allotted subsidies toward the entire gross premium amount for each plan. In practice, certain plans in the lowest-cost options may cover non-EHBs. Members electing these plans would receive subsidies based on the gross premium for the plan adjusted for the EHB percentage, with no subsidy provided for the non-EHB portion of premium (such that $0 premium net of subsidy can only be achieved for plans covering exclusively EHBs).

16. Any income level below 100% FPL is assumed not to be eligible for enhanced or original premium subsidies in the Marketplace. For 2025 and earlier, permanent residents with incomes below 100% FPL who are ineligible for Medicaid coverage in their first five years of residence are eligible for ACA subsidies applicable as if their income were 100% FPL. Beginning in 2026, these individuals will no longer be eligible for subsidies per Public Law 119-21.

17. This distribution is depicted by the orange line included in Figure 11.

SUBSIDY STRUCTURE COMPARISON

Under the original ACA subsidy structure, premium tax credits were available to individuals with incomes between 100% and 400% FPL. The expected contribution toward the benchmark plan ranged from approximately 2% of income for those at the lower end of eligibility to 9.5% at the upper limit of 400% FPL, indexed for inflation. Individuals with incomes above 400% FPL were not eligible for subsidies regardless of premium costs.

The enhanced subsidies significantly reduced the expected contribution percentages and eliminated the 400% FPL cap:

- Individuals with incomes up to 150% FPL received a 0% expected contribution (i.e., access to benchmark silver plans for $0 net premium)
- All other income levels up through 400% FPL also received reduced expected contribution percentages, resulting in more generous premium subsidies compared to the original ACA structure
- Individuals with incomes above 400% FPL were eligible for subsidies if their benchmark premium exceeds 8.5% of their income

Figure 12 illustrates maximum contribution percentages under the enhanced (2025) and non-enhanced (2026) subsidy structures assumed to be in effect for the various income levels.

FIGURE 12: ASSUMED MAXIMUM PREMIUM CONTRIBUTION AS A PERCENTAGE OF INCOME IN 2025 (ENHANCED SUBSIDY STRUCTURE) AND 2026 (ORIGINAL ACA SUBSIDY STRUCTURE INDEXED FOR INFLATION)

FPL POINT ESTIMATE	2025 SUBSIDY STRUCTURE (ENHANCED SUBSIDIES)	2026 SUBSIDY STRUCTURE (ORIGINAL ACA BASIS INDEXED TO 2026)
99%	100.00%	100.00%
125%	0.00%	2.10%
144%	0.00%	3.82%
175%	1.00%	5.40%
225%	3.00%	7.52%
275%	5.00%	9.20%
350%	7.25%	9.96%
450%	8.50%	100.00%
550%	8.50%	100.00%

PROPORTION OF MARKETPLACE WITH ACCESS TO $0 NET PREMIUM

Using the lowest-cost plan premium rate information previously referenced, we calculated the subsidy amount available to an age 40 Marketplace member at various income levels (e.g., 125% FPL, 144% FPL, 225% FPL). We then calculated subsidized premium amounts for this hypothetical member shopping between the five lowest-cost plan options within each metal tier. Based on this analysis, we identified the number of counties on a state and national basis (30 HealthCare.gov states) in which the representative Marketplace member has access to zero-dollar premium plans. Using CMS Marketplace OEP data, we then calculated the Marketplace enrollment associated with the counties in which the plan(s) are available for $0 net premium and divided by the total number of statewide/nationwide Marketplace selections to determine the proportions underlying Figures 3 and 4.

Limitations

The analyses presented in this article have relied on data and other information related to health insurance Marketplace premium rates, enrollment, and subsidy parameters obtained from the Centers for Medicare & Medicaid Services (CMS) and other publicly available federal government data. The data and other information have not been audited or verified, but a limited review was performed for reasonableness and consistency. If the underlying data or information is inaccurate or incomplete, the results of this analysis may likewise be inaccurate or incomplete.

The views expressed in this report are made by its authors and do not represent the collective opinions of Milliman. Other Milliman consultants may hold different views and reach different conclusions.

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Qualifications

Guidelines issued by the American Academy of Actuaries require actuaries to include their professional qualifications in all actuarial communications. Matt Mraz, Ken Laskowski, and Barb Collier are members of the American Academy of Actuaries and meet the qualification standards for performing the analyses in this report.

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