

Close to 5M Could Become Uninsured if Congress Doesn't Extend Subsidies

Millions who buy their health insurance on Affordable Care Act marketplaces will pay higher premiums next year, a report says.

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Without congressional action, more than 7 million people who buy their health insurance on Affordable Care Act marketplaces would pay much higher premiums next year. Close to 5 million of them wouldn't be able to absorb the price hike – nor would they be able to afford to buy coverage anywhere else, according to a new analysis.

[The study](#) by the Urban Institute, a left-leaning research organization, estimates that in eight states (Georgia, Louisiana, Mississippi, Oregon, South Carolina, Tennessee, Texas, and West Virginia) the number of people buying subsidized insurance from the marketplace would drop by at least half. Non-Hispanic Black people, non-Hispanic white people, and young adults would see the largest increases in the number of insured.

Enrollment in marketplace coverage surged from 11.4 million people in 2020 to 24.3 million this year, largely because of [enhanced federal subsidies](#) first made available by the American Rescue Plan Act in 2021 and later extended through the end of 2025 by the Inflation Reduction Act.

Unless Congress extends the subsidies, they will expire at the end of this year.

The Urban Institute projects that in 2026, the average premium paid by individuals or households with incomes below 250% of the federal poverty level (250% of the federal poverty level is \$39,125 for an individual) would be \$919, up from \$169. Premiums would more than double, from \$1,171 to \$2,455, for people with incomes from 250% to 400% of the federal poverty level. And they would nearly double, from \$4,436 to \$8,471, for people with incomes above 400% of the federal poverty level.

Jessica Banthin, a senior fellow at the Urban Institute, said in an interview that the expiration of the tax credits would leave millions without access to any affordable health care options. She also noted that it likely would raise the cost of insurance for those who do remain on the marketplaces.

"People who are sicker will make the effort or find the money to stay enrolled," Banthin said.

"People who are healthier are more likely to leave the marketplace and either find another source

of coverage or stay uninsured — they're more likely to risk it."

"And so what that means is the people remaining in the marketplace are a little bit sicker on average than they were before, and that means the risk pool is more costly, and premiums go up across the board."

Last week, Democratic governors from 18 states sent a [letter](#) to congressional leaders of both parties, urging them to extend the subsidies.

"The timing couldn't be more urgent. Insurers are already setting 2026 rates. If Congress acts quickly, states can lock in lower premiums and spare families a wave of sticker shock this fall," the letter said. "If not, the damage will be felt for years."

Congressional Republicans recognize the political peril in allowing the credits to expire less than a year before the midterm elections. Earlier this month, 10 GOP representatives [introduced legislation](#) that would extend the subsidies for one year. Senate Majority Leader John Thune, a South Dakota Republican, [told reporters](#) last week that GOP leaders are open to addressing the issue of the expiring credits but not until later this year.

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