

## The Issue

**The House-passed One Big Beautiful Bill Act (OBBBA, H.R. 1) makes significant changes to the Affordable Care Act (ACA) marketplaces that would lead to millions of people losing their coverage and becoming uninsured.** These policies would make it more challenging for individuals to enroll and could result in higher premiums by reducing the amount of available tax credits. As a result, the Congressional Budget Office estimates that at least 3 million current marketplace enrollees would lose coverage.<sup>1</sup> These coverage losses would be in addition to the estimated coverage losses due to the expiration of the enhanced premium tax credits.

## AHA Take

The marketplaces are a vital piece of the U.S. health insurance coverage framework, providing access to quality health care for millions of Americans. When individuals lose health insurance coverage, they ultimately turn to their local hospital when they need care. This affects everyone, not only the uninsured, leading to overcrowded emergency departments, longer wait times and increased costs for care, which acts as a “hidden tax” on all. **The AHA urges the Senate to reject the changes to the marketplaces in the House bill that will result in millions of people becoming uninsured.**

## Background

For more than a decade, tens of millions of Americans who do not have access to affordable coverage through their employer or a government program (e.g., Medicare, Medicaid) have relied on the marketplaces to access comprehensive coverage. Marketplace enrollees are often small business owners, self-employed or those with multiple part-time jobs or jobs that pay hourly. Nearly three out of four enrollees have incomes that are between 100-250% of the Federal Poverty Level.<sup>2,3</sup>

In 2025, over 24 million people enrolled in coverage through the marketplaces. Over 90% of those enrollees receive federal tax credits that lower their monthly premiums for marketplace coverage, with amounts based on their income.<sup>4</sup> In 2021, Congress established enhanced tax credits by increasing and expanding eligibility; however, those policies are scheduled to expire at the end of 2025.<sup>5</sup>

## One Big Beautiful Bill Marketplace Provisions

The OBBBA includes many provisions that, when taken together, will result in over 3 million marketplace enrollees becoming uninsured. Notably, the bill:

- **Eliminates automatic reenrollment for individuals receiving premium tax credits by requiring annual re-verification of tax credit eligibility.** Nearly 11 million people enrolled through automatic, or passive, reenrollment in 2025, which is over half of all returning enrollees.<sup>6</sup> Currently, the marketplaces use prior information from the enrollees’ original application along with updated tax data acquired through an automated process to complete reenrollment and updated tax credit eligibility verification without the returning enrollee submitting updated information or paperwork.

## One Big Beautiful Bill Marketplace Provisions (Continued)

Under the OBBBA, enrollees would be required to submit updated information on an annual basis to receive tax credits, resulting in a new administrative burden for enrollees and significantly higher premiums for those who fail to reenroll promptly.

- **Eliminates provisional eligibility for premium tax credits while applicants are awaiting eligibility determinations.** This would require Marketplace enrollees to pay the full, unsubsidized premiums for weeks or months while their applications are being verified.
- **Removes the cap on the amount of tax credits that enrollees must repay to the government if their income changes during the year.** Tax credit amounts are based on income expectations for the enrollment period. Currently, if an enrollee receives excess premium tax credits due to their actual income exceeding their expectations, they must repay the excess during the tax filing process. For most enrollees, there is a repayment cap based on household income. Under the OBBBA, all premium tax credit recipients would be required to pay the full amount of the excess, regardless of their income. This would add additional financial risk to subsidized enrollees who often experience unpredictable incomes, especially those with the lowest incomes.<sup>7</sup>
- **Shortens the annual open enrollment period.** Currently, open enrollment periods for federally facilitated marketplaces run from Nov. 1-Jan. 15 and state-based marketplaces have the flexibility to extend open enrollment beyond that window. The OBBBA would shorten the open enrollment period to Nov. 1-Dec. 15 for all marketplaces. In 2025, roughly 40% of enrollees enrolled after Dec. 15.<sup>8</sup>
- **Ends the monthly low-income special enrollment period and state-based marketplaces' special enrollment periods based on income.** Income-based special enrollment periods offer lower-income people additional opportunities to enroll in health insurance coverage throughout the year. Losing these enrollment opportunities is particularly problematic when coupled with other OBBBA provisions that add barriers to enrollment through more burdensome eligibility and enrollment processes.
- **Imposes new administrative burden on enrollees** by adding additional income verification processes for individuals with incomes between 100-400% of the Federal Poverty Level.
- **Funds the cost-sharing reduction payments,** which will result in less generous tax credit amounts and increased premiums for subsidized enrollees. This policy will be challenging for insurers to implement beginning in 2026, potentially resulting in insurers exiting the markets.

**Additionally, the bill does not extend the marketplace enhanced premium tax credits.** These tax credits have enabled millions of additional low and middle-income working individuals and families to purchase affordable health care coverage through the marketplaces. The expiration of these credits would effectively be a tax increase of \$700 on average for millions of people across the nation and result in an additional 4.2 million people becoming uninsured.<sup>9</sup>

**Taken together, the cumulative impact of the changes to the ACA marketplaces in the OBBBA and the expiration of the enhanced premium tax credits would result in nearly one-third of all current marketplace enrollees losing access to affordable health care coverage.** In addition, these policies are likely to destabilize the marketplaces, reducing access to health insurance coverage and increasing the number of uninsured and the amount of uncompensated care provided by hospitals.

---

## End Notes:

- 1 [cbo.gov/system/files/2025-06/Wyden-Pallone-Neal\\_Letter\\_6-4-25.pdf](https://www.cbo.gov/system/files/2025-06/Wyden-Pallone-Neal_Letter_6-4-25.pdf)
- 2 [cms.gov/files/document/health-insurance-exchanges-2025-open-enrollment-report.pdf](https://www.cms.gov/files/document/health-insurance-exchanges-2025-open-enrollment-report.pdf)
- 3 In 2025, this equals \$15,650-\$39,125 per year for an individual and \$32,150-\$80,375 for a family of four.
- 4 [cms.gov/files/document/health-insurance-exchanges-2025-open-enrollment-report.pdf](https://www.cms.gov/files/document/health-insurance-exchanges-2025-open-enrollment-report.pdf)
- 5 [aha.org/system/files/media/file/2025/02/Fact-Sheet-Enhanced-Premium-Tax-Credits-20250207.pdf](https://www.aha.org/system/files/media/file/2025/02/Fact-Sheet-Enhanced-Premium-Tax-Credits-20250207.pdf)
- 6 [cms.gov/files/document/health-insurance-exchanges-2025-open-enrollment-report.pdf](https://www.cms.gov/files/document/health-insurance-exchanges-2025-open-enrollment-report.pdf)
- 7 [kff.org/affordable-care-act/issue-brief/marketplace-enrollees-with-unpredictable-incomes-could-face-bigger-penalties-under-house-reconciliation-bill-provision/](https://www.kff.org/affordable-care-act/issue-brief/marketplace-enrollees-with-unpredictable-incomes-could-face-bigger-penalties-under-house-reconciliation-bill-provision/)
- 8 [cms.gov/files/document/health-insurance-exchanges-2025-open-enrollment-report.pdf](https://www.cms.gov/files/document/health-insurance-exchanges-2025-open-enrollment-report.pdf)
- 9 [cbo.gov/system/files/2025-06/Wyden-Pallone-Neal\\_Letter\\_6-4-25.pdf](https://www.cbo.gov/system/files/2025-06/Wyden-Pallone-Neal_Letter_6-4-25.pdf)