2.6 Million Americans Lost Health Insurance in 2025 After ACA Subsidies Expired, Leading to Real Health Consequences

Research suggests that losing healthcare coverage can cause financial strain, delays in care and worse health outcomes.

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Millions of Americans who buy their own health insurance coverage through the Affordable Care Act marketplaces faced a stark choice this year: pay more than twice as much to keep the same plan or go without. Many did not keep their coverage.

Federal data released on June 26, 2026, shows that marketplace enrollment fell from 21.8 million people in February 2025 to 19.2 million in February 2026, a decline of about 2.6 million people, or 12%. That is the steepest single-year decline since the marketplaces opened in 2014. ACA marketplaces (or exchanges) are government-regulated platforms where individuals and small businesses can shop for and purchase compliant private health insurance.

As a health economist who studies how insurance coverage affects people's health, I see the drop as more than a numbers story. The key question is: What happens to people's health when coverage becomes too expensive to keep?

Why enrollment fell

The drop in enrollment numbers traces back largely to the expiration of the ACA's enhanced premium tax credits, which lowered enrollees' monthly payments when they were in effect from 2021 through 2025.

Those subsidies, enacted during the COVID-19 pandemic to make marketplace coverage more

affordable, more than doubled marketplace enrollment between 2020 and 2024. But when they lapsed at the end of 2025, the average subsidized enrollee's cost to keep the same plan jumped about 114%.

Many people switched to cheaper, higher-deductible plans, but average premium payments still rose 58% and deductibles climbed 37%, or more than US$1,000 per person.

By February 2026, only 83% of people who selected a marketplace plan had paid their premiums and kept their coverage, down from 91% the previous year.

Fraud or price hike?

The Trump administration gives another explanation. A June 2026 federal government brief argues that when subsidies made some plans free, it became easier for brokers to sign people up improperly, including some people who did not know they had been enrolled. The brief says the Centers for Medicare & Medicaid Services, the federal agency that oversees Medicare, Medicaid and the ACA marketplaces, canceled 250,000 unauthorized enrollments and identified 200,000 unauthorized plan switches in 2025.

Independent analysts, however, point to a simpler explanation: Coverage became much more expensive when the extra subsidies ended, and many people either dropped coverage or never paid their first premium.

Both factors probably contributed to the decline. The federal government removed some improper enrollments, but the price increase appears to have played a major role.

The pattern also differed sharply by state. In states using HealthCare.gov, the federal website for ACA enrollment, the numbers declined much more – 18.7%, on average – than in states that run their own exchanges, where the drop averaged out to 6.3%. State-run marketplaces may have had more tools to reach consumers, help them compare plans or provide extra financial assistance that enabled people to stay enrolled.

Health policy experts expect enrollment to decline further, perhaps to 16.5 million to 17.5 million by the end of 2026. Costs could rise again in 2027. Insurers selling ACA marketplace plans are asking for a typical premium increase of 14% for 2027. If regulators approve those increases, it would be the second year in a row that premiums rose by double digits.

Health insurance makes people healthier

Decades of research show what happens when people gain insurance coverage.

Much of that research comes from studies comparing states that expanded Medicaid under the ACA with states that did not. Perhaps unsurprisingly, people who gain coverage receive more preventive care, use more services, face less financial strain and report better overall health}.

The Oregon Health Insurance Experiment studied a 2008 lottery in Oregon that gave some low-income uninsured adults the chance to enroll in Medicaid. Researchers found that gaining coverage improved access to care reduced depression and nearly eliminated catastrophic medical bills. Some studies link coverage to survival: One analysis of the ACA's Medicaid expansions estimated that gaining coverage reduced mortality among older low-income adults by about 9%.

My colleagues and I studied what happened after some states expanded Medicaid in 2014 while others did not. We found that expansion states saw more early-stage cancer diagnoses, meaning tumors were more likely to be caught while still treatable.

Losing coverage has a cost, too

There's less evidence on what happens to people who lose health insurance, but the studies that do exist suggest that losing coverage makes care harder to get and harder to afford. After Tennessee dropped 170,000 adults from its Medicaid program in 2005 – one of the largest disenrollments in the program's history – those who lost coverage were more likely to delay or skip care because of cost, and they reported worse health.

A similar pattern emerged after pandemic-era Medicaid protections ended in 2023. When states restarted eligibility checks that had been paused during the pandemic, millions lost Medicaid coverage. In a survey of people who were dropped from the program, 3 in 4 worried about their physical health and 6 in 10 about their mental health, with many citing cost as the barrier to finding new coverage.

Losing coverage does not merely undo the benefits of having had it before. The disruption can interrupt care and leave people saddled with medical bills they cannot afford. Much of the harm comes from a concept that health economists like me call churn – the cycling in and out of insurance that many lower-income Americans experience.

Even brief gaps can do lasting damage. Among adults enrolled in the Medicaid program, emergency department visits and hospitalizations for conditions that can often be managed with regular care, such as diabetes complications, heart failure and asthma, more than doubled in the first month after a coverage gap. That finding matters because many people who lose coverage do eventually regain it. But even a short gap can mean skipped medications, delayed appointments or untreated symptoms that become urgent and potentially more serious than they would otherwise have been.

The data released in June only tracks enrollment through February 2026, so it leaves some unanswered questions, such as how many people found other coverage and how many are uninsured.

For now, the numbers show a sharp reversal in marketplace coverage. The health effects will take longer to measure, but past research offers a clear warning: When coverage disappears, the consequences often appear later in doctors' offices, emergency rooms and family budgets.

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