

## CMS and ASPE Release Data on Health Insurance Coverage Gains Amid Concerns Over an Upcoming Trump–Vance Administration

The Centers for Medicare & Medicaid Services (CMS) and the Office of the Assistant Secretary for Planning and Evaluation (ASPE) have **released** new updates and analyses on health insurance coverage ahead of the end of the Marketplace Open Enrollment Period on January 15<sup>th</sup>. While enrollment gains under the Biden-Harris administration signal progress toward broader access to affordable care, growing concerns remain about the potential impact of the incoming Trump-Vance Administration and a Republican-controlled Congress on key Marketplace and Medicaid policies.

Below, we highlight new data from CMS and ASPE, look ahead to the future of enhanced Premium Tax Credits (EPTCs) and Medicaid financing, and provide an update on the DACA eligibility for Marketplace coverage amid ongoing litigation.

### **CMS Report on 2025 ACA Marketplace Enrollment**

CMS reports, in a new **national snapshot**, that 23.6 million consumers, as of January 4, 2025, have selected health coverage for 2025 through the ACA Marketplace, including 3.2 million new enrollees. The largest enrollments are in states like Florida (4.6 million), Texas (3.9 million), and California (1.9 million); notably, Florida and Texas have not expanded Medicaid. Nearly 80 percent of consumers on HealthCare.gov can access plans for \$10 or less per month due to the EPTCs provided by the Biden-Harris administration and Congress.

### **ASPE Key Insights on Health Coverage and Affordability (2021-2024)**

A new **ASPE report** highlights several trends in health care coverage from 2021 to 2024, with a focus on the impact of coverage and access policies under the Biden-Harris administration. See Appendix Table 1 on p. 14 for a summary of enacted by the administration.

- **Declining Uninsured Rate and Coverage Gains:** The uninsured rate dropped significantly to 7.6 percent by Q2 2024, with over 300 million Americans now covered, including more than 100 million in Medicaid or ACA Marketplace plans. However, 10.1 percent of non-elderly Americans (27.7 million) were still uninsured as of March 2024. The uninsured rate is higher among low-income groups, with individuals below the federal poverty level (FPL) representing 21.5 percent of the uninsured.
- **Impact of ARP and IRA on Affordability:** The American Rescue Plan (ARP) and Inflation Reduction Act (IRA) increased premium tax credits for ACA Marketplace plans, significantly improving affordability and boosting enrollments to 23.5 million Americans for 2025 coverage. However, the expiration of the EPTCs in 2025 could lead to a premium hike, potentially causing

4 to 5 million people to lose coverage, particularly among those earning between 100 percent and 200 percent FPL.

- **Improved Access to Care and Health Care Quality:** More Americans, especially children and adults, now have regular physician visits and a usual source of care. The Biden-Harris administration has worked to expand Medicaid, enhance Marketplace subsidies, and streamline enrollment processes, helping to stabilize coverage despite Medicaid losses during the "unwinding" phase. Additionally, efforts to improve health care quality included expanding Medicaid/CHIP services and reducing barriers to mental health care access.
- **Racial and Ethnic Disparities in Coverage:** Despite significant gains in coverage, Black, Latino/Hispanic, and American Indian/Alaska Native populations are still more likely to be uninsured compared to Whites and Asian Americans/Pacific Islanders. American Indian/Alaska Native populations face the highest uninsured rates.
- **Children's Coverage and Stability:** Children are less likely to be uninsured due to higher eligibility for public insurance (Medicaid or CHIP). However, many have experienced temporary coverage loss due to administrative challenges. To address this, the 2023 Consolidated Appropriations Act (CAA) required all states to provide 12 months of continuous eligibility for children under age 19 in Medicaid or CHIP, which started in January 2024.
- **Coverage Gap and Medicaid Expansion:** An estimated 1.5 million uninsured adults live in states that have not expanded Medicaid under the ACA. These individuals fall into the "coverage gap", meaning they are earning too much to qualify for Medicaid but too little for Marketplace subsidies. Uninsured rates in non-expansion states are 70 percent higher than in expansion states (14.5 percent vs. 8.5 percent).

### **Looking Ahead**

By highlighting the significant progress made by the Biden-Harris Administration to improve health insurance coverage, affordability, and access to care, the ASPE report points to successful Marketplace and Medicaid policies that may be threatened under the incoming Trump-Vance Administration and Republican-controlled Congress. The most timely issues are the enhanced PTCs expiring at the end of 2025 and Medicaid financing, which is expected to be a target to offset tax cuts in the forthcoming budget reconciliation package.

- **Enhanced PTCs.** Congressionally Republicans generally oppose extending the enhanced PTCs, citing concerns about [costs](#) and [fraud](#). However, the significant premium increases and coverage losses that would result from their expiration may convince them to strike a deal with Democrats. Sen. Lisa Murkowski (R-AK), one of three Republican senators who voted against the repeal of

the ACA in 2017, has [recently expressed](#) support for extending the enhancements. Given the timeline to develop and finalize individual market premiums, Congress will need to decide on the future of enhanced PTCs by the [spring of 2025](#). This timing aligns with House Speaker Mike Johnson's (R-LA) [ambitious plan](#) to deliver a budget reconciliation package (a potential legislative vehicle for extending enhanced PTCs) to President-elect Trump by the end of April.

- **Medicaid Financing.** Republican leadership is considering utilizing the budget reconciliation process (see [primer](#)) to make changes to federal Medicaid financing in order to offset the cost of renewing or expanding the 2017 tax cuts. Top Medicaid policy changes under consideration include reducing federal financing by reducing the share of Medicaid costs covered by federal funds and the addition of work requirements. Financing changes could take an array of different forms such as “normalizing” the Federal Medical Assistance Percentage (FMAP) such that states no longer received increased levels of federal support for certain populations (i.e. reducing the current 90% FMAP rate for Medicaid expansion populations so that the federal government covers a lower percentage), or capping Medicaid funding on either a per capita or block grant basis. Reducing federal Medicaid funding would shift costs to states and could result either in state budget difficulties or in reductions in coverage and care. As noted above, Speaker Johnson is aiming to deliver one large budget reconciliation package to the White House by April. For additional details regarding potential changes to Medicaid, please see our table [here](#).
- **Update on DACA Eligibility for Marketplace.** In its [latest alert](#), HealthCare.gov announced that Deferred Action for Childhood Arrivals (DACA) recipients in 19 states (affected by preliminary injunction in [Kansas v. United States](#)) do not have eligible immigration status for Marketplace coverage. On December 9, a district court judge blocked the implementation of a [final rule](#) that expanded Marketplace eligibility to DACA recipients beginning in 2025 ([IHPP summary](#)). The guidance does not mention the Eighth Circuit Court of Appeal's [temporary stay](#) on the preliminary injunction on December 16. The affected states are Alabama, Arkansas, Florida, Idaho, Indiana, Iowa, Kansas, Kentucky, Missouri, Montana, Nebraska, New Hampshire, North Dakota, Ohio, South Carolina, South Dakota, Tennessee, Texas, and Virginia.

On December 26, to comply with the district court order, the Marketplace began the process to disenroll DACA recipients from 2025 Marketplace coverage in the 16 states that use HealthCare.gov. Idaho, Kentucky, and Virginia operate state-based marketplaces. Kentucky provided a similar [notice](#) about DACA eligibility. DACA recipients in the other 31 states and the District of Columbia continue to have eligible immigration status for Marketplace coverage for 2025. However, the future of the coverage expansion for DACA recipients is at risk. The Trump-Vance administration will likely this policy through rulemaking.

Due to the ongoing litigation, HealthCare.gov appears to be taking a cautious approach to

preventing the discontinuation of coverage after it begins (i.e., avoid giving a false sense of security that 2025 Marketplace coverage for DACA recipients in affected states will not be discontinued). The latest guidance might also be confusing the conflicting appeals court decision, and there may be a need for increased education and awareness about Marketplace eligibility as the situation evolves.