

Early Analyses of Marketplace Open Enrollment Data Reveal Warning Signs

Without the Enhanced Premium Tax Credits (EPTCs), consumers across Marketplaces have seen significant increases in their health insurance premiums. State-based health insurance Marketplaces (SBMs) have been closely monitoring open enrollment (OE) trends, detailed below, to better understand the impact of increased premiums on consumers in their respective states.

Current data do not tell the full picture of this OE, and many SBMs anticipate more consumers will drop coverage in the months to come. The first phases of data likely underestimate how many individuals will ultimately lose coverage. More current Marketplace consumers are expected to drop coverage as they receive their first bills in January or February. Some SBMs report lower rates of people paying their first premium, while other enrollees are still waiting before making the decision to drop their coverage. Several SBMs expect continued disenrollments as grace periods to pay premium bills expire through March, April, and May. Some SBMs anticipate that some households will reevaluate their coverage throughout the year and make the difficult decision to disenroll as higher premiums compete with other rising costs for essentials like housing, dependent care, groceries, or an unanticipated expense like a car repair.

Early analyses from SBMs illustrate some trends, although there are variations across states. These trends serve as warning signs of continued disenrollments, increased out-of-pocket consumer costs, and market disruption in the months ahead.

High disenrollment rates. Several SBMs are reporting record-high rates of enrollees exiting their Marketplaces, most of whom they anticipate will become uninsured. For many, this trend is expected to worsen in February, March, and April if EPTCs are not extended and individual households do not see reductions in their premiums. Compared to last year:

- In **Colorado**, cancellations are up 83 percent.
- **Idaho** reports four times the number of disenrollments.
- **Maryland** has seen a 49 percent increase in disenrollments, nearly 400 a day, even with a new state premium assistance program.
- **Massachusetts** has seen double the number of proactive disenrollments.
- **Minnesota** reports that disenrollments are up 47 percent.
- **Pennsylvania** has seen 1,000 individuals drop coverage a day, with a total termination number nearly 4 times higher.
- Cancellations in **Virginia** have more than doubled.

Significant reductions in enrollment for some populations. Some SBMs have experienced lower enrollment during this OE for certain populations, including young adults and middle-class older adults.

- In **California**, new enrollments are down 31 percent compared to this time last year; among middle-income consumers, they are down 63 percent. Among current middle-income enrollees, cancellations have doubled since last year.
- In **Pennsylvania**, older adults (age 55-64) and younger adults (age 26-34) are terminating coverage at a higher rate compared with all other age groups.

More consumers are purchasing lower premium plans with higher out-of-pocket costs. Many SBMs have seen a significant percentage of consumers switch from gold or silver level plans to bronze as a means of lowering their monthly premium costs. While these plans still cover minimum essential benefits, they potentially put individuals and families at higher financial risk. For example, a family purchasing a bronze plan has an average \$7,500 deductible as compared to \$1,700 for gold plans.

- In **California**, 73 percent of renewing enrollees who switched plans have moved to a bronze plan. This compares to 27 percent at this time last year.
- In **Maine**, enrollment in bronze plans has increased by 10 percentage points and now represents nearly 60 percent of all plan selections.
- In **Rhode Island**, 38 percent of new consumers are picking bronze plans, compared to 15 percent who selected bronze last year.

Some SBMs have taken steps to mitigate the absence of EPTCs, but these actions are not sustainable. Some states took action to reduce the impact of high-premium costs on their consumers this OE. For example, eight SBMs expanded or created state subsidy programs to help offset the cost of EPTC expirations (CA, CO, CT, MD, MA, NJ, NM, and WA). These states report that their subsidy programs have led to higher retention rates among populations who qualify. However, not all states have the resources or ability to quickly implement such programs. Even for those states that have acted, the EPTC loss is much too large to backfill and sustain under limited budgets.

The impact of the increased health insurance premiums is clear — more people are dropping coverage and many who are enrolled may incur higher health care costs. As people who remain enrolled shift their budget to accommodate increased health care costs, they will have less money for other necessities and for supporting local economies.

SBM leaders will continue to analyze OE data to better understand consumer behavior over the coming weeks and months. They remain committed to implementing strategies that support stronger markets and affordable options for consumers.

View updated information about the 2026 OE season at: statemarketplacenetwork.org/open-enrollment