



Insurers and Customers Brace for Double Whammy to Obamacare Premiums

If expanded ACA subsidies expire, policy experts estimate, the amount people pay for coverage could rise by an average of more than 75%.

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Most of the 24 million people in Affordable Care Act health plans face a potential one-two punch next year — double-digit premium increases along with a sharp drop in the federal subsidies that most consumers depend on to buy the coverage, also known as Obamacare.

Insurers want higher premiums to cover the usual culprits — rising medical and labor costs and usage — but are tacking on extra percentage point increases in their 2026 rate proposals to cover effects of policy changes advanced by the Trump administration and the Republican-controlled Congress. One key factor built into their filings with state insurance departments: uncertainty over whether Congress allows more generous, COVID-era ACA tax subsidies to expire at the end of December.

“The out-of-pocket change for individuals will be immense, and many won’t actually be able to make ends meet and pay premiums, so they will go uninsured,” said JoAnn Volk, co-director of the Center on Health Insurance Reforms at Georgetown University.

Especially if the higher subsidies expire, insurance premiums will be among the first financial pains felt by health care consumers after policy priorities put forward by President Donald Trump and the GOP. Many other changes — such as additional paperwork requirements and spending cuts to Medicaid — won’t occur for at least another year. But spiking ACA premiums, as the nation heads into key midterm elections, invites political pushback. Some on Capitol Hill are exploring ways to temper the subsidy reductions.

“I am hearing on both sides — more from Republicans, but from both the House and Senate” — that they are looking for levers they can pull, said Pennsylvania-based insurance broker Joshua Brooker, who follows legislative actions as part of his job and sits on several insurance advisory groups.

In initial filings, insurers nationally are seeking a median rate increase — meaning half of the

proposed increases are lower and half higher — of 15%, [according to an analysis](#) for the Peterson-KFF Health System Tracker covering 19 states and the District of Columbia. KFF is a national health information nonprofit that includes KFF Health News.

That's up sharply from the last few years. For the 2025 plan year, for example, KFF found that the median proposed increase was 7%.

Health insurers "are doing everything in their power to shield consumers from the rising costs of care and the uncertainty in the market driven by recent policy changes," wrote Chris Bond, a spokesperson for AHIP, the industry's lobbying group. The emailed response also called on lawmakers "to take action to extend the health care tax credits to prevent skyrocketing cost increases for millions of Americans in 2026."

Neither the White House nor the Department of Health and Human Services responded to requests for comment.

These are initial numbers and insurance commissioners in some states may alter requests before approval.

Still, "it's the biggest increase we've seen in over five years," said analysis co-author Cynthia Cox, a KFF vice president and director of its Program on the ACA.

Premiums will vary based on where consumers live, the type of plan they choose, and their insurer.

For example, Maryland insurers have requested increases ranging from 8.1% to 18.7% for the upcoming plan year, [according to an analysis of a smaller set of insurers](#) by Georgetown University researchers. A much larger swing is seen in New York, where one carrier is asking for less than a 1% increase, while another wants 66%. Maryland rate filings indicated the average statewide increase would shrink to 7.9% from 17.1% — if the ACA's enhanced tax credits are extended.

Most insurers are asking for 10% to 20% increases, the KFF report says, with several factors driving those increases. For instance, insurers say underlying medical costs — including the use of expensive obesity drugs — will add about 8% to premiums for next year. And most insurers are also adding 4% above what they would have charged had the enhanced tax credits been renewed.

But rising premiums are just part of the picture.

A bigger potential change for consumers' pocketbooks hinges on whether Congress decides to extend more generous tax credits first put in place during President Joe Biden's term as part of the American Rescue Plan Act in 2021, then extended through the Inflation Reduction Act in 2022.

Those laws raised the subsidy amounts people could receive based on their household income and local premium costs and removed a cap that had barred higher earners from even partial subsidy assistance. Higher earners could still qualify for some subsidy but first had to [chip in 8.5% of their](#)

[household income](#) toward the premiums.

Across the board, but especially among lower-income policyholders, bigger subsidies [helped fuel record enrollment](#) in ACA plans.

But they're also costly.

A permanent extension [could cost \\$335 billion](#) over the next decade, according to the Congressional Budget Office.

Such an extension was left out of the policy law Trump signed on July 4 that he called the "One Big Beautiful Bill." Without action, the extra subsidies will expire at the end of this year, after which the tax credits will revert to less generous pre-pandemic levels.

That means two things: Most enrollees will be on the hook to pay a larger share of their premiums as assistance from federal tax credits declines. Secondly, people whose household income exceeds [four times the federal poverty level](#) — \$84,600 for a couple or \$128,600 for a family of four this year — won't get any subsidies at all.

If the subsidies expire, policy experts estimate, the average amount people pay for coverage [could rise by an average of more than 75%](#). In some states, ACA premiums could double.

"There will be sticker shock," said Josh Schultz, strategic engagement manager at Softheon, a New York consulting firm that provides enrollment, billing, and other services to about 200 health insurers, many of which are bracing for enrollment losses.

And enrollment could fall sharply. [The Wakely Consulting Group estimates](#) that the combination of expiring tax credits, the Trump law's new paperwork, and other requirements will result in ACA enrollment dropping by as much as 57%.

According to KFF, insurers added premium increases of around 4% just to cover the expiration of the enhanced tax credits, which they fear will lead to lower enrollment. That would further raise costs, insurers say, because people who are less healthy are more likely to grit their teeth and reenroll, leaving insurers with a smaller, but sicker, pool of members.

Less common in the filings submitted so far, but noticeable, are increases pegged to Trump administration tariffs, Cox said.

"What they are assuming is tariffs will drive drug costs up significantly, with some saying that can have around a 3-percentage-point increase" in premiums as a result, she said.

Consumers will learn their new premium prices only late in the fall, or when open enrollment for the ACA begins on November 1 and they can start shopping around.

Congress could still act, and discussions are ongoing, said insurance broker Brooker.

Some lawmakers, he said, are consulting with the CBO about the fiscal and coverage effects of various scenarios that don't extend the subsidies as they currently exist but may offer a middle ground. One possibility involves allowing subsidies for families earning as much as five or six times the poverty level, he said.

But any such effort will draw pushback.

Some conservative think tanks, such as the Paragon Health Institute, [say the more generous subsidies led people](#) to fudge their incomes to qualify and led to other types of fraud, such as brokers signing people up for ACA plans without authorization.

But others note that many consumers — Democratic and Republican — have come to rely on the additional assistance. Not extending it could be risky politically. [In 2024, 56% of ACA enrollees](#) lived in Republican congressional districts, and 76% were in states won by Trump.

Allowing the enhanced subsidies to expire could also reshape the market.

Brooker said some people may drop coverage. Others will shift to plans with lower premiums but higher deductibles. One provision of Trump's new tax law allows people enrolled in either "bronze" or "catastrophic"-level ACA plans, which are usually the cheapest, to qualify for health savings accounts, which allow people to set aside money, tax-free, to cover health care costs.

"Naturally, if rates do start going up the way we anticipate, there will be a migration to lower-cost options," Brooker said.

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