



Policy explainer

Changes to the federal health insurance marketplace

November 2025

Marketplace background

- Created as part of the 2010 Affordable Care Act (ACA), health insurance marketplaces allow people to compare and purchase private health insurance plans.
- Marketplaces are a source of coverage for people whose income is too high for Medicaid, but don't have access to affordable insurance through their employer.
- Most marketplace enrollees, based on their income level, are eligible for premium tax credits. The consumer can choose to have the tax paid in advance directly to insurers to lower the cost of premiums or taken as credit that can be claimed as a refund on an annual tax return.¹
 - Some enrollees in specific marketplace plans are also eligible for cost-sharing subsidies to lower out-of-pocket expenses such as deductibles, copayments and coinsurance.
- States have the option to set up their own insurance exchange or participate in the federally run Healthcare.gov marketplace.
 - Ohio is one of 23 states that participates in the federal marketplace.
- Marketplaces are especially important in rural areas, where many jobs do not offer health coverage.²
 - In 2023, more than a quarter (27%) of farmers, ranchers and agricultural managers got insurance through an ACA marketplace.³



Quick facts

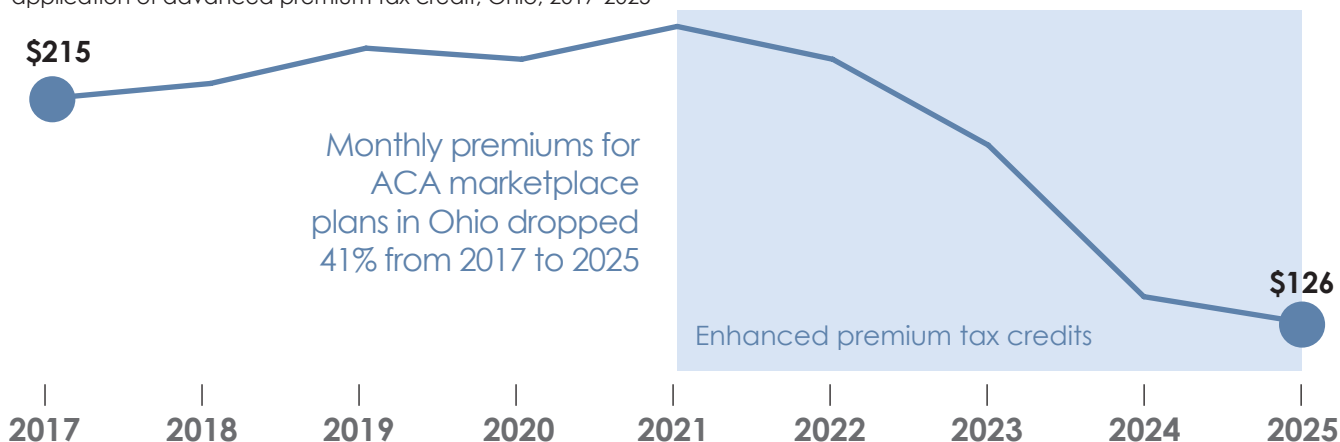
- ▶ Nearly 600,000 Ohioans got health insurance through the marketplace in 2025.
- ▶ Enhanced premium tax credits over the past four years have made coverage affordable for more Ohioans.
- ▶ With enhanced tax credits expiring next year and large increases in the cost of premiums, more than 100,000 Ohioans are expected to no longer purchase insurance coverage in 2026.

What are enhanced premium tax credits?

In 2021, Congress passed the [American Rescue Plan Act](#), which included increased premium tax credits for ACA marketplace plans. The legislation also increased the income limits for these credits, making marketplace plans more affordable, as illustrated below. The change led to enrollment in marketplace plans more than doubling in recent years (see graphic on page 2). These enhanced premium credits were extended until the end of 2025 by the 2022 [Inflation Reduction Act](#).

Average monthly premiums per person for ACA marketplace plans in Ohio

Average monthly premium for enrollees in the federal ACA health insurance marketplace or state-based exchanges after application of advanced premium tax credit, Ohio, 2017-2025

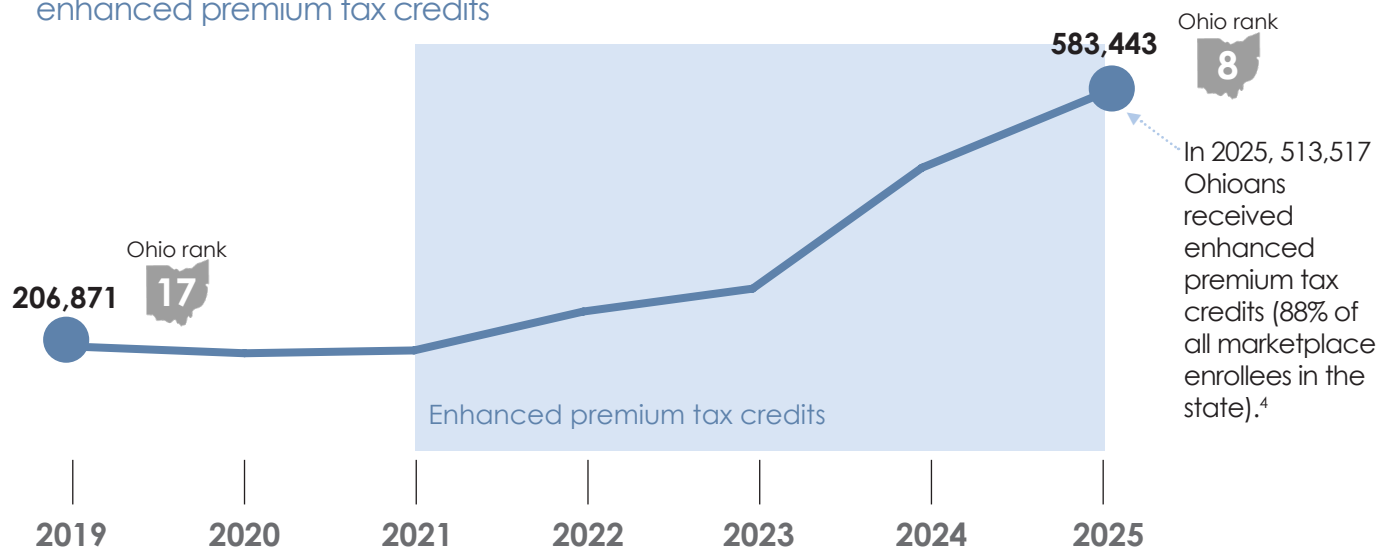


Source: Centers for Medicare and Medicaid Services, Marketplace Open Enrollment Period Public Use Files

ACA marketplace enrollment in Ohio

Number of individuals who selected a marketplace plan, Ohio, 2019-2025

Marketplace enrollment in Ohio more than doubled following the introduction of enhanced premium tax credits



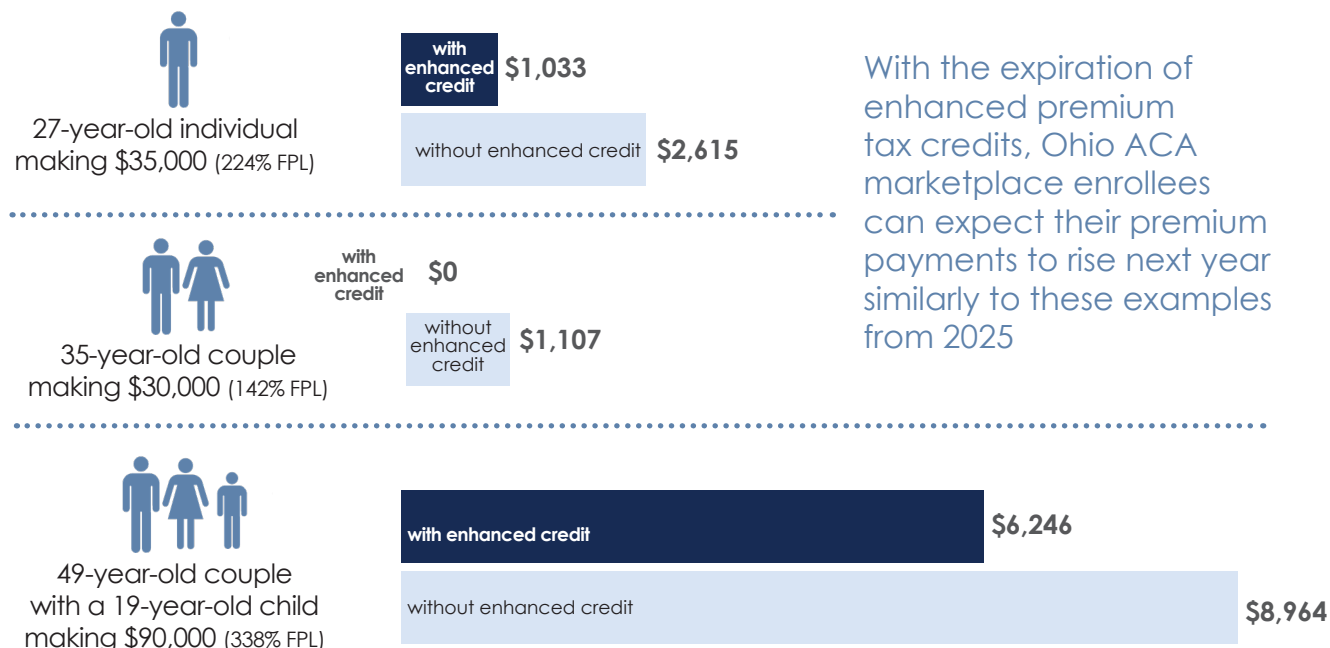
Source: Centers for Medicare and Medicaid Services, Marketplace Open Enrollment Period Public Use Files, as compiled by KFF

How are premiums changing for marketplace plans in 2026?

Expiration of enhanced tax credits

Enhanced premium tax credits are set to expire at the end of 2025, and there are currently no plans to extend them. As Ohioans begin to consider coverage for 2026, they can expect to pay substantially more for their premiums on the federal marketplace. Rates from 2025 with or without the enhanced credits, as illustrated below, give an example of the type of increase Ohioans can expect.

Examples of 2025 annual marketplace premiums with and without enhanced tax credits



Note: Premium payments for the above scenarios were calculated by KFF using 2025 benchmark (silver plan) premium data with the appropriate required contribution payment caps applied. 2025 federal poverty level guidelines were used to calculate required contribution percentages.

Source: KFF

Premium rates increasing

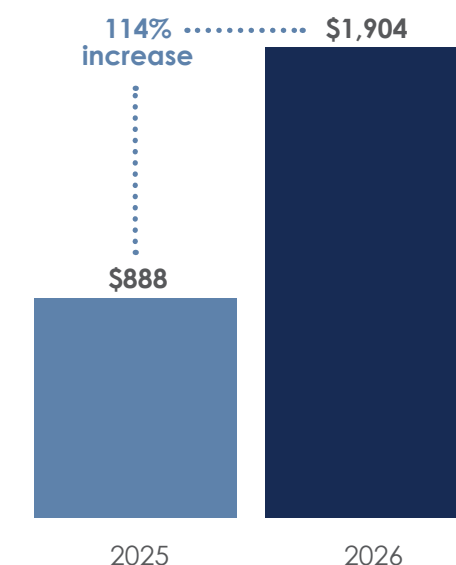
The U.S. Department of Health and Human Services recently released premium rates for marketplace plans for 2026, and they show that, on average, premiums will rise by 26%. In states that run their own marketplace, premiums are expected to increase by 17%, while states including Ohio that use the federal [Healthcare.gov](https://www.healthcare.gov) marketplace are expected to see an average increase of 30%.⁵ This is the largest rate change insurers have requested since 2018.⁶ Insurers have cited several reasons for the premium increases, including^{7,8}:

- Rising hospital costs
- Increasing use of expensive pharmaceuticals and biologics, such as Ozempic
- Economic forces such as potential tariffs on medical supplies, inflation and labor shortages
- Expectation that some people, especially those who are younger and healthier, may drop coverage due to the expiration of enhanced premium tax credits

Average ACA marketplace premium payments, 2025 and 2026

Anticipated annual out-of-pocket premium payments for Affordable Care Act marketplace enrollees, U.S.

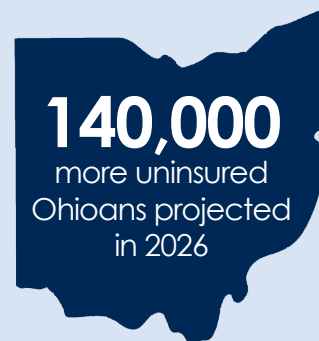
The expiration of enhanced tax credits and increased premiums are projected to make 2026 average annual premium costs more than double what they were in 2025



Source: KFF

Impact on Ohio's uninsured rate

The Urban Institute estimates that Ohio could see an additional 140,000 people who are uninsured because of the expiration of enhanced premium tax credits, which would increase the state's uninsured rate by 29%.⁹ The significant rise in costs for coverage in the marketplace is expected to lead to some Ohioans dropping their coverage. Because those previously enrolled in marketplace coverage will likely be ineligible for Medicaid coverage because of their income level and usually do not have insurance coverage offers through their job, most will likely become uninsured.



Source: Urban Institute

2026 premium rates for Ohio now available

The 2026 marketplace premium rates have now been posted at [healthcare.gov](https://www.healthcare.gov). KFF has updated its [calculator](#) for estimating premiums and subsidies to reflect the new premiums and rules released by the IRS for 2026.

Estimate
marketplace
premiums and
subsidies
for 2026 ▶



How will HR 1 impact the federal health insurance marketplace?

HR 1 — the federal reconciliation bill signed into law in July, sometimes referred to as the One Big Beautiful Bill Act — includes several provisions related to ACA marketplaces, including provisions that¹⁰:

- Categorize individual marketplace bronze and catastrophic plans, which have lower premiums and higher amounts of cost sharing, as high-deductible health plans that can be paired with a health savings account
- Require verification of eligibility for premium tax credits before enrollment, including for returning individuals (a change from previous years when returning enrollees have been auto-renewed in the same or similar plan during open enrollment)
- Restrict subsidized ACA marketplace coverage eligibility for certain immigrants, eliminating eligibility for many lawfully present immigrants (including refugees, asylees and people with Temporary Protected Status) beginning Jan. 1, 2027



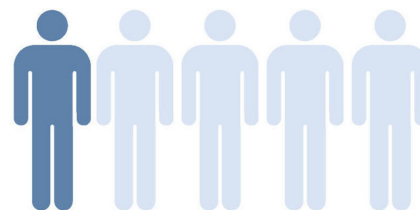
About HPIO's healthcare access and affordability in Ohio series

For many Ohioans, the cost of basic necessities — such as housing, childcare, food, transportation and health care — is outpacing their income. The median household income in Ohio is \$67,769, lagging below the national median of \$77,719. Simultaneously, the cost of necessities continues to rise, particularly health care. Total healthcare spending rose 7.5% in 2023 alone, putting an increasing burden on Ohio families.

Health care expenses do not just constrain the budgets of Ohio families. When individuals must choose between health care and other living expenses, it can have significant long-term financial and health consequences. Approximately one in 10 Ohioans described being unable to see a doctor because of cost. However, this proportion varies substantially across household income levels.

This **series of HPIO publications** includes data and analysis about the current challenges facing working Ohioans and examines how recent policy changes, such as **HR 1** (the federal reconciliation bill) and **HB 96** (the state budget bill) will impact access to care and affordability in Ohio.

More than **1 in 5** (21%) of Ohioans had trouble paying off medical bills in 2023



Source: Ohio Medicaid Assessment Survey, 2023

Notes

1. "Questions and answers on the Premium Tax Credit." Internal Revenue Service, accessed Oct. 31, 2025. <https://www.irs.gov/affordable-care-act/individuals-and-families/questions-and-answers-on-the-premium-tax-credit>
2. Eisenstein, Sarah, et. al. "Health Insurance Coverage in Rural and Urban Areas in the U.S., 2023." RUPRI Center for Rural Health Policy, University of Iowa, September 2025. https://rupri.public-health.uiowa.edu/publications/policybriefs/2025/Health_Insurance_Coverage.pdf
3. Cox, Cynthia and Gary Claxton. "Occupations with Large Shares of Workers Who Rely on Individual Market Coverage." KFF, Sept. 25, 2025. <https://www.kff.org/affordable-care-act/occupations-with-large-shares-of-workers-who-rely-on-individual-market-coverage/>
4. "Estimated Total Premium Tax Credits Received by Marketplace Enrollees." KFF, Accessed Oct. 31, 2025. <https://www.kff.org/affordable-care-act/state-indicator/average-monthly-advance-premium-tax-credit-aptc>
5. Cox, Cynthia. "ACA Insurers Are Raising Premiums by an Estimated 26%, but Most Enrollees Could See Sharper Increases in What They Pay." KFF, Oct. 28, 2025. <https://www.kff.org/quick-take/aca-insurers-are-raising-premiums-by-an-estimated-26-but-most-enrollees-could-see-sharper-increases-in-what-they-pay/>
6. "Insurers' Preliminary Rate Filings Anticipate Biggest Increases in ACA Marketplace Plan Premiums Since 2018." KFF news release, July 18, 2025. <https://www.kff.org/health-costs/insurers-preliminary-rate-filings-anticipate-biggest-increases-in-aca-marketplace-plan-premiums-since-2018/>
7. Ortaliza, Jared, et. al. "How much and why ACA Marketplace premiums are going up in 2026." Peterson-KFF Health System Tracker, Aug. 6, 2025. <https://www.healthsystemtracker.org/brief/how-much-and-why-aca-marketplace-premiums-are-going-up-in-2026/>
8. McGough, Matt, et. al. "How much and why premiums are going up for small businesses in 2026." Peterson-KFF Health System Tracker, Sept. 24, 2025. <https://www.healthsystemtracker.org/brief/how-much-and-why-premiums-are-going-up-for-small-businesses-in-2026/>
9. Buettgens, Matthew, et. al. "4.8 Million People Will Lose Coverage in 2026 If Enhanced Premium Tax Credits Expire." Urban Institute, Sept. 17, 2025. <https://www.urban.org/research/publication/48-million-people-will-lose-coverage-2026-if-enhanced-premium-tax-credits>
10. "H.R. 1's health care impacts explained." American Association of Family Physicians, July 23, 2025. <https://www.aafp.org/news/government-medicine/hr1-primary-care.html>