



## Research

# Health and Economy Baseline Estimates

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## CENTER FOR HEALTH AND ECONOMY

A Research Initiative of the American Action Forum

Following the passage of One Big Beautiful Bill (OB BB) in July 2025, the insurance market continues to face challenges from rising premiums, shifting enrollment trends, and uncertainties in the future of federal support. The Center for Health and Economy (H&E) is dedicated to assessing the impact of proposed health insurance policy reforms. The following report details the most recent updates to the H&E baseline estimates of insurance coverage, federal budgetary impact, plan choice, and the premium landscape of health insurance for Americans under the age of 65.

### KEY FINDINGS:

- The individual market includes an estimated 22 million members in 2025, with 18 million lives covered through subsidized insurance offered in the Health Insurance Marketplace; the total size of the individual market is estimated to decline throughout the budget window, sinking to 15 million in 2035.
- There is a substantial drop in individual market enrollment following the ending of enhanced subsidies at the end of the 2025 plan year with 2 million fewer individuals enrolled in 2026.

- Medicaid enrollment is expected to drop, as well, with the changes in eligibility criteria for able-bodied workers specified in the OBBB and additional provisions reducing the incentives for Affordable Care Act Medicaid expansion states to be permissive in enrollment.
- Premium increases will lead to reduced enrollment in the subsidized insurance population and growth in the lower cost catastrophic and bronze plan designs.
- The health insurance coverage provisions under current law for the non-elderly are estimated to increase federal outlays by \$9.2 trillion from 2025-2035.

## INSURANCE COVERAGE

H&E estimates there are 263 million non-elderly U.S. residents with health insurance in 2025 - 95 percent of the total non-elderly population. Estimates of health insurance coverage encompass four primary categories: the individual market, employer-sponsored insurance, Medicaid, and other public insurance. The individual market is divided into two subsets: subsidized and unsubsidized coverage. Subsidized coverage is purchased through the Health Insurance Marketplace, and unsubsidized coverage is composed of similar insurance plans purchased either directly from the insurer (represented in Other Non-Group Insurance) or through the Marketplace without financial assistance.

H&E makes no distinction between unsubsidized enrollees through the Marketplace and households that purchase individual market insurance directly from an insurer. Estimates concerning Medicaid also include beneficiaries of the Children's Health Insurance Program. Other public insurance is primarily composed of Medicare coverage for disabled persons, but also includes Tricare, the Indian Health Service, and other federal health care programs for specific populations.

Table 1. Health Insurance Coverage (Millions)

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Individual Market*	22	20	20	20	20	19	19	18	17	16	15
Health Insurance Marketplace	18	14	14	14	14	13	13	12	11	10	9
Other Non-Group Insurance	3	6	6	6	6	6	6	6	6	6	6
Employer Sponsored Insurance	158	158	158	158	158	158	158	158	158	158	158
Medicaid	78	77	73	73	73	74	74	74	74	74	74
Other Public Insurance	5	5	5	5	5	5	5	5	5	5	5
<b>Total Non-Elderly Population</b>	<b>277</b>	<b>277</b>	<b>277</b>	<b>278</b>	<b>278</b>	<b>278</b>	<b>279</b>	<b>279</b>	<b>279</b>	<b>280</b>	<b>280</b>
<b>Total Insured<sup>2</sup></b>	<b>263</b>	<b>260</b>	<b>255</b>	<b>256</b>	<b>255</b>	<b>255</b>	<b>255</b>	<b>254</b>	<b>254</b>	<b>253</b>	<b>252</b>
<b>Uninsured<sup>2</sup></b>	<b>14</b>	<b>17</b>	<b>22</b>	<b>22</b>	<b>23</b>	<b>23</b>	<b>24</b>	<b>25</b>	<b>26</b>	<b>27</b>	<b>28</b>
<b>Percent Uninsured</b>	<b>5%</b>	<b>6%</b>	<b>8%</b>	<b>8%</b>	<b>8%</b>	<b>8%</b>	<b>8%</b>	<b>9%</b>	<b>9%</b>	<b>10%</b>	<b>10%</b>

<sup>1</sup> Other Public Insurance includes under-65 Medicare enrollment.

<sup>2</sup> All insurance coverage estimates refer only to the under-65 population - Short-terms plans are counted as insured.

\* Individual Market and Total Insured numbers may not equal the sum of other sub-categories due to rounding.

The enrollment for the Health Insurance Marketplace in 2025 is partially calibrated to the effectuated enrollment reported by the Centers for Medicare and Medicaid Service (CMS) for the 2022 program year. In 2025, H&E estimates there are 14 million uninsured. The increase in insured Americans is primarily the result of 2024 programs from the Biden Administration to drive additional enrollment in the Health Insurance Marketplace. The population of non-elderly Medicaid beneficiaries is estimated to be 78 million in 2025 at the start of the year and will decrease to 74 million by 2035.[\[i\]](#)

H&E does not make any assumptions about future take-up of state Medicaid expansion due to the many variables involved in projecting the magnitude of the effects of potential future expansions. Accordingly, the Medicaid enrollment and spending noted in this baseline only reflect the projected costs and enrollment of the Medicaid program if it were to remain as it currently is.

As seen in Table 1, the number of individuals with unsubsidized, individual market insurance is expected to decrease. The individual market is estimated to decline from 22 million covered lives in 2025 to 15 million in 2035, driven by premium increases in the Marketplace. Unsubsidized enrollment will continue at approximately the same level from 6 million during 2026-2035 with variations no greater than 250,000-500,000. Currently the

expanded subsidies through 2025 are reducing the unsubsidized population by 2 million until 2026. Rising costs and higher income contributions for subsidized enrollees are estimated to lead to higher uninsured numbers later in the analysis period.

## PREMIUMS

Estimates of the subsidy-eligible premiums available in the Marketplace are calculated using publicly available data on plans offered in the Federally Facilitated Marketplaces. Premium estimates for unsubsidized health insurance are calculated from a sample of plans available through the Robert Wood Johnson Foundation.<sup>[ii]</sup> In both cases, H&E uses the default age rating curve put forth by the Department of Health and Human Services and by individual states to impute the applicable premium for a household. For simplification and comparability, H&E uses a standard family size of four (two adults and two children) when estimating family premiums. Subsidy payments and tax revenue are adjusted for the appropriate average family size in budget impact estimates.

**Table 2. Average Premiums in the Individual Market**

		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Single Coverage	Platinum	9,800	9,900	10,300	10,800	11,200	11,700	12,200	12,700	13,300	13,800	14,400
	Gold	8,900	8,900	9,300	9,700	10,100	10,600	11,100	11,500	12,000	12,500	13,000
	Silver	8,400	8,600	8,900	9,300	9,800	10,200	10,700	11,200	11,800	12,300	12,800
	Bronze	7,100	7,000	7,300	7,600	8,000	8,300	8,700	9,100	9,400	9,800	10,100
	Catastrophic	4,300	4,900	5,200	5,400	5,700	6,000	6,300	6,600	6,900	7,300	7,600
Family Coverage <sup>1</sup>	Platinum	20,400	19,800	20,600	21,400	22,200	23,300	24,300	25,500	26,600	27,800	29,200
	Gold	20,500	19,400	20,100	20,900	21,600	22,800	23,700	24,800	25,700	26,900	28,400
	Silver	18,400	18,700	19,500	20,400	21,400	22,400	23,600	24,700	26,100	27,300	28,700
	Bronze	17,500	16,300	16,800	17,400	17,900	18,700	19,400	20,200	20,800	21,600	22,500
	Catastrophic	9,200	11,100	11,600	12,100	12,500	13,000	13,400	13,900	14,400	14,800	15,300

<sup>1</sup>Family coverage estimates are based on a family size of four persons.

<sup>2</sup>Silver plans offered to low income households receive cost-sharing benefits that alter the effective premium relative to un-assisted Silver plans.

Subsidized insurance plans offered in the Marketplace are divided into four categories – Platinum, Gold, Silver, and Bronze – that correspond to four approximate actuarial values – 90 percent, 80 percent, 70 percent, and 60 percent. The actuarial value refers to the expected percentage of annual medical expenses covered by the insurance plan.

Eligible households may purchase subsidized coverage for a specified percentage of household income that ranges from 2.01–9.56 percent in 2025–2035, depending on income. For 2025 and 2026, the range is from zero to 8.5 percent depending on income and continues through all income levels above 136 percent. A federal subsidy pays the remaining portion of the premium that is not covered by the household’s specified income contribution. This specified income contribution is also subject to annual increases if the annual increase in health insurance costs exceeds a measure of household income growth.

**Table 3. Average Subsidized Premiums in the Individual Market**

		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Single Coverage	Platinum	5,700	5,800	5,900	6,100	6,300	6,400	6,600	6,700	6,800	6,900	7,000
	Gold	3,800	3,900	4,000	4,100	4,200	4,200	4,300	4,300	4,300	4,400	4,400
	Silver	2,000	2,200	2,300	2,300	2,400	2,300	2,400	2,300	2,300	2,200	2,200
	Bronze	1,400	1,200	1,100	1,100	1,100	1,100	1,000	1,000	900	900	800
Family Coverage <sup>1</sup>	Platinum	10,900	10,500	10,500	10,700	10,900	11,100	11,300	11,700	11,800	12,000	12,100
	Gold	7,100	6,700	6,600	6,600	6,700	6,700	6,700	6,700	6,600	6,600	6,600
	Silver	2,900	3,100	3,100	3,100	3,200	3,200	3,200	3,300	3,300	3,300	3,300
	Bronze	2,500	1,500	1,400	1,300	1,200	1,100	1,100	1,000	900	900	800

<sup>1</sup>Family coverage estimates are based on a family size of four persons.

<sup>2</sup>Silver plans offered to low income households receive cost-sharing benefits that alter the effective premium relative to un-assisted Silver plans.

It is important to note that, because of additional cost-sharing assistance, the plan designs categorized as Silver vary significantly in actuarial value across different income categories. For enrollees in the marketplace that earn between 100–150 percent of the federal poverty level (FPL), Silver plans have an actuarial value of 94 percent, the highest of any plan offered in the Marketplace. For enrollees earning between 150–200 percent of FPL, Silver plans have an actuarial value of 87 percent, and for enrollees earning between 200–250 percent of FPL, Silver plans have a 73 percent actuarial value. H&E estimates the unsubsidized premiums for these high-value Silver plans using the true actuarial value of the plan, rather than the Silver plan price.

Unsubsidized insurance plans, purchased in the Marketplace or directly from an insurer, are similar in design and price to those eligible for subsidies. The Affordable Care Act (ACA) requires that all health insurance plans meet certain requirements to certify as qualified coverage.

## PLAN CHOICE

H&E assumes an underlying health insurance cost growth of 5.8 percent throughout the rest of the 10-year window based on premium increases above 6 percent between 2026–2035 and projections that similar growth will continue moving forward.<sup>[iii]</sup> Actual year-over-year premium growth estimates vary as a result of changes in the enrollment mix and other factors. Due to growing applicable income contribution rates, subsidized premium growth for some plan designs is expected to exceed the underlying health insurance growth rate.

**Table 4. Plan Choice Distribution in the Individual Market<sup>1</sup>**

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Platinum	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Gold	4%	3%	3%	3%	3%	3%	3%	3%	3%	2%	2%
Silver <sup>2</sup>	48%	49%	47%	45%	45%	44%	43%	43%	42%	41%	40%
Bronze	40%	35%	36%	38%	38%	39%	39%	39%	40%	39%	39%
Catastrophic <sup>3</sup>	9%	14%	14%	14%	14%	14%	14%	15%	16%	17%	18%
<b>Total Enrollment (millions)</b>	<b>22</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>19</b>	<b>19</b>	<b>18</b>	<b>17</b>	<b>16</b>	<b>15</b>

<sup>1</sup> The Individual Market refers to the commercial, non-group market and includes sales of insurance within the Marketplace and direct sales by insurers.

<sup>2</sup> Silver plans include plans that receive cost-sharing assistance.

<sup>3</sup> Catastrophic plans include short term and limited duration health plans.

H&E uses the subsidized and unsubsidized Marketplace enrollment in each metal level after the first year to calibrate plan preferences in the individual market and estimate plan choices throughout the 10-year analysis window.

H&E estimates that as premiums rise and consumers with less generous subsidy amounts adjust to higher premiums. The majority of Silver plan enrollment is estimated to be predominantly composed of households eligible for extra cost-sharing benefits. As the market grows to include more households that are eligible for premium credits, the distribution of subsidized enrollment among the four metal levels is expected to become more evenly distributed later in the budget window.

Table 5. Plan Choice Distribution in the Health Insurance Marketplace

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Platinum	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Gold	4%	3%	3%	3%	3%	3%	3%	2%	2%	2%	2%
Silver <sup>2</sup>	54%	61%	59%	56%	57%	55%	56%	56%	55%	56%	56%
Bronze	42%	35%	38%	40%	40%	42%	42%	41%	42%	41%	42%
<b>Total Enrollment (millions)</b>	<b>18</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>13</b>	<b>13</b>	<b>12</b>	<b>11</b>	<b>10</b>	<b>9</b>

<sup>1</sup> The Individual Market refers to the commercial, non-group market and includes sales of insurance within the Marketplace and direct sales by insurers.

<sup>2</sup> Silver plans include plans that receive cost-sharing assistance.

Beyond 2025, lower-cost insurance plans are estimated to gain market share, shifting away from more generous plans in response to the steadily rising cost of health insurance.

Throughout the budget window, Silver plan enrollment is expected to dominate the Health Insurance Marketplace as cost-sharing benefits are only available for Silver plans. As time passes and premiums rise, however, enrollment in Bronze plans remains stable over time.

## BUDGET

H&E estimates the impact on the federal budget of the major health insurance coverage provisions under current law as they apply to the non-elderly population. Budget impact estimates do not include estimates for non-ACA tax expenditures encoded in current law, such as the employer-sponsored health insurance tax. [\[iv\]](#)[\[v\]](#)

Table 6. Cost of Current Law Coverage Provisions (billions)<sup>1</sup>

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2035
Uses of Funds <sup>2</sup>												
Health Insurance Marketplaces												
Cost Sharing Benefits	0	0	0	0	0	0	0	0	0	0	0	0
Premium Tax Credits	148	114	121	127	131	136	138	136	134	127	124	1435
Medicaid	572	592	589	621	655	691	729	769	811	856	903	7,786
Other	0	0	0	0	0	0	0	0	0	0	0	0
<b>Subtotal</b>	<b>720</b>	<b>705</b>	<b>710</b>	<b>748</b>	<b>786</b>	<b>827</b>	<b>867</b>	<b>905</b>	<b>945</b>	<b>982</b>	<b>1027</b>	<b>9,221</b>
<b>Net Budgetary Impact<sup>3</sup></b>	<b>-720</b>	<b>-705</b>	<b>-710</b>	<b>-748</b>	<b>-786</b>	<b>-827</b>	<b>-867</b>	<b>-905</b>	<b>-945</b>	<b>-982</b>	<b>-1027</b>	<b>-9221</b>

<sup>1</sup> Cost estimates refer only for the under-65 population.

<sup>2</sup> Positive values denote increases in spending; negative values denote decreases in spending.

<sup>3</sup> Positive values denote surplus; negative values denote deficit.

Medicaid coverage and expenditure estimates are calculated based on the number of states that had chosen to implement Medicaid expansion by July 1, 2025. These predictions are sensitive to future state-level decisions on expansion as well as new program waivers that alter coverage under a state's Medicaid program.

Beginning in 2026, H&E assumes the expiration of the enhanced premium tax credits authorized under the Inflation Reduction Act. The simulation reflects a reversion to pre-American Rescue Plan Act subsidy levels, resulting in higher expected household contributions, the reintroduction of the subsidy eligibility cliff, and reduced individual market enrollment and federal outlays relative to the 2021-2025 period.

Over the decade spanning between 2025-2035, H&E estimates that non-elderly coverage provisions under current law will cost \$9.2 trillion. The ACA introduced a number of taxes that are not directly related to the health insurance coverage of the non-elderly population and are therefore not included in this report.

## PRODUCTIVITY AND ACCESS

The Provider Access Index (PAI) is designed to reflect the availability of primary and specialty physicians and facilities. Plans with large networks, such as Platinum plans offered in the individual market, are ascribed high scores for providing exceptional access. Bronze and other low-cost plans that afford access only to limited networks are ascribed low PAI

scores. The index ranges from a low of 1.0 to a high of 5.0.

Table 7. Medical Productivity Index

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Individual Market	2.9	2.8	2.9	2.9	2.9	2.9	2.9	2.9	2.9	3.0	3.0
Marketplace	2.8	2.7	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Other Non-Group	3.0	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.2	3.2

Table 8. Provider Access Index

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Individual Market	3.0	2.9	2.9	2.9	2.9	3.0	3.0	3.0	2.9	3.0	2.9
Marketplace	3.1	2.9	3.0	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1
Other Non-Group	2.4	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7
Employer Sponsored Insurance	3.7	3.7	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6
<b>Private Insurance</b>	<b>3.5</b>	<b>3.5</b>	<b>3.5</b>	<b>3.4</b>	<b>3.4</b>	<b>3.4</b>	<b>3.4</b>	<b>3.4</b>	<b>3.4</b>	<b>3.4</b>	<b>3.4</b>
Medicaid	1	1	1	1	1	1	1	1	1	1	1
<b>Total Insured<sup>1</sup></b>	<b>2.9</b>	<b>2.9</b>	<b>2.8</b>	<b>2.8</b>	<b>2.8</b>	<b>2.8</b>	<b>2.8</b>	<b>2.8</b>	<b>2.8</b>	<b>2.8</b>	<b>2.8</b>

<sup>1</sup> Productivity and access estimates refer only to the under-65, non-disabled population.

## CHANGES FROM PREVIOUS BASELINE ESTIMATES

H&E is constantly reevaluating the assumptions and technical methods that are used to create baseline and proposed estimates of health insurance coverage provisions under current law. This publication is the ninth comprehensive baseline report, and the seventh to include detailed estimates on the net budgetary impact of the ACA and Medicaid for individuals under 65.

For this baseline, H&E updated the under-65 microsimulation model. Just like the model used in previous estimates, the new under-65 model employs micro-data available through the Medical Expenditure Panel Survey to analyze the effects of health policies on the health insurance plan choices of the under-65 population and interpret the resulting impact on national coverage, average insurance premiums, the federal budget, and the accessibility and efficiency of health care. The updated model utilizes recent integrated private health insurance choice data that allows H&E to make improved predictions regarding the

individual marketplace.

## UNCERTAINTY IN PROJECTIONS

H&E uses a peer-reviewed micro-simulation model of the health insurance market to analyze various aspects of the health care system.<sup>5</sup> As with all economic forecasting, H&E estimates are associated with substantial uncertainty. While the estimates provide good indication of the nation's health care outlook, there is a wide range of possible scenarios that can result from policy changes, and current assumptions are unlikely to remain accurate over the course of the next 10 years.

Aside from the potential policy changes, premium increases in the individual market are a substantial area of uncertainty in this report. In May 2021, CMS reported that new enrollment during the Special Enrollment Period combined with additional subsidies for the Marketplace in 2021 and 2022 plan years yielded nearly 1 million new enrollees.<sup>[vi]</sup> H&E accounts for the extension of these enhanced subsidies through the 2025 plan year, consistent with current law under the Inflation Reduction Act. These subsidies are scheduled to expire after December 31, 2025, however, introducing additional uncertainty about the affordability of subsidized coverage and its impact on future enrollment. Premiums could decrease if Congress extends these subsidies or takes additional action to address health care financing after 2025, though such options remain uncertain beyond the current plan year.

<sup>[i]</sup> H&E's method for estimating Medicaid enrollment was also part of the under-65 model update. As a result, Medicaid enrollment is higher than in previous baselines, accounting for all of the under-65 Medicaid population with the exception of those that are dually eligible for Medicare and Medicaid.

<sup>[ii]</sup> Accessed at: <https://www.hixcompare.org/>

<sup>[iii]</sup> Centers for Medicare and Medicaid Services. National Health Expenditure Data.

Accessed at:

<https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/>

<sup>[iv]</sup> The CBO estimates that the tax exclusion for employer sponsored insurance will cost \$3.4 trillion over 10 years. See *Distribution of Major Tax Expenditures in the Individual Income Tax System*, Congressional Budget Office, May 2013, at: [http://www.cbo.gov/sites/default/files/cbofiles/attachments/43768\\_DistributionTaxExpenditu](http://www.cbo.gov/sites/default/files/cbofiles/attachments/43768_DistributionTaxExpenditu)

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[v] In past baselines, H&E has included various estimates related to the employer sponsored insurance market that included: the excise tax on high cost employer sponsored plans, Medical Productivity in the employer marketplace, and Provider Access in the employer marketplace. These were left out of this baseline do to the update of the under-65 model.

[vi] <https://www.nytimes.com/2021/05/06/upshot/obamacare-signups.html>