Research brief

MARKETPLACE COVERAGE & KANSAS

How recent federal changes will impact Marketplace insurance

United Methodist Health Ministry Fund
REACH healthcare foundation

SEPTEMBER 2025

Congress recently passed the One Big Beautiful Bill Act (OBBBA), which was signed into law July 4 by President Trump. This bill will cut an estimated $300 billion from the Supplemental Nutrition Assistance Program (SNAP) and $1 trillion from Medicaid, as well as make it harder and less affordable to enroll in health plans through the Affordable Care Act's Health Insurance Marketplace.

Currently, more than 24 million Americans receive their health coverage through Marketplace plans. In Kansas, more than 200,000 people receive their health insurance through this program. In 45 Kansas counties, at least 7% of Kansans are enrolled in Marketplace coverage. And, many counties with the highest Marketplace enrollment are in rural areas.

To help people afford plans in the Marketplace, the federal government provides low- and middle-income individuals with premium tax credits. In 2021, Congress enhanced the tax credits to make them available to even more people. Authorized originally by the American Rescue Plan Act, the enhanced premium tax credits were later extended by the Inflation Reduction Act through 2025. These changes made Marketplace plans more affordable and led to double the enrollment from 2021 to 2025.

However, provisions in OBBBA will make it harder for individuals to enroll or re-enroll in subsidized coverage through the Marketplace. Most provisions begin in the 2026 plan year. And, unless Congress acts, the enhanced premium tax credits will expire at the end of 2025. That will lead to higher costs for Marketplace enrollees and an increase in uninsured Kansans.

This comes as the Centers for Medicare & Medicaid Services (CMS) issued a final rule in June 2025 that restricts eligibility, reduces benefits and adds new paperwork requirements — all of which take effect in 2025 and 2026. According to the Congressional Budget Office (CBO), Marketplace enrollment is expected to decline significantly due to OBBBA and other federal policy decisions. At the same time, steep cuts to a critical federal program that helps people navigate and enroll in Marketplace coverage will make it even harder for people to get insured.

ESTIMATED IMPACT ON KANSAS

200,000
KANSANS ENROLLED IN MARKETPLACE PLANS

45 COUNTIES
WITH AT LEAST 7% OF POPULATION ENROLLED IN MARKETPLACE

77%
INCREASE IN COSTS WITHOUT ENHANCED PREMIUM TAX CREDITS

108,000
KANSANS PROJECTED TO LOSE MARKETPLACE COVERAGE OVER 10 YEARS

CHANGES MAKING ENROLLMENT & ELIGIBILITY MORE COMPLICATED

OBBBA makes significant changes to the Marketplace that will shrink enrollment, primarily by making it harder to enroll and re-enroll, according to Manatt Health. The Health Fund and REACH Healthcare Foundation partnered with Manatt Health, a leading health research firm, to better understand how OBBBA will impact Kansas. Their findings project coverage losses for Kansans enrolled in the Marketplace, which likely will increase their medical debt and the costs for health care providers due to providing more uncompensated care. According to Manatt Health, the following key changes will impact the Marketplace.

KEY MARKETPLACE CHANGES

Removes the limitation on Advanced Premium Tax Credits (APTC) repayment.

Prior to the bill passing, enrollees would estimate their income when signing up for a Marketplace plan. Based on that, the government paid an APTC to the insurer each month to lower the enrollee's monthly premium. Upon filing taxes, if the insured's actual income was higher than initially estimated, they would have to repay some of the funds. However, there was a cap on how much they would need to repay as long as their income stayed under a certain level. Under OBBBA, however, there is no cap. Anyone who makes more money than they estimated, and therefore receives more APTC to help to reduce their monthly premiums, will have to pay back the full amount — no matter the cost.

Requires enrollees receiving APTC to file taxes and reconcile the credit.

Prior to OBBBA, enrollees would need to file their taxes and "reconcile" the APTC they received during the year based on their actual vs. estimated income. If they didn't file and reconcile, they could continue receiving the tax credit for up to two years before being removed from the plan. Under OBBBA, that grace period is eliminated. If an enrollee fails to file and

Sources: Manatt Health, The Commonwealth Fund and Kansas Health Institute reconcile, they will immediately lose their APTC eligibility for the next year, causing monthly premiums to increase.

Ends tax credits for income-based Special Enrollment Periods (SEP), unless it's tied to a life change.
Prior to OBBBA, people could enroll in Marketplace insurance outside the normal enrollment window if they earned less than 150% of the Federal Poverty Level. However, this option was eliminated under OBBBA starting in August 2025, unless the drop in income is paired with a life change, such as birth of a child, loss of other coverage, marriage, etc.

Ends automatic re-enrollment.
All enrollees must now verify their information on their application (such as household income, family size, immigration status, enrollment in or eligibility for other health coverage) and enroll in a health plan each year, even if no information has changed.

Prevents enrollees from using their APTC until all verification is complete.
This requirement may be waived for individuals enrolling through a SEP for a change in family size.

Expands the ability to pair health plans with a health savings account.
One welcome change is that starting in 2026, all bronze and catastrophic Marketplace plans will qualify as a high-deductible health plan, allowing enrollees to contribute to an HSA. Prior to OBBBA, many plans with high deductibles did not qualify as a high-deductible health plan to use with an HSA. This change will significantly expand the number of individuals able to contribute to an HSA to help cover their health expenses.

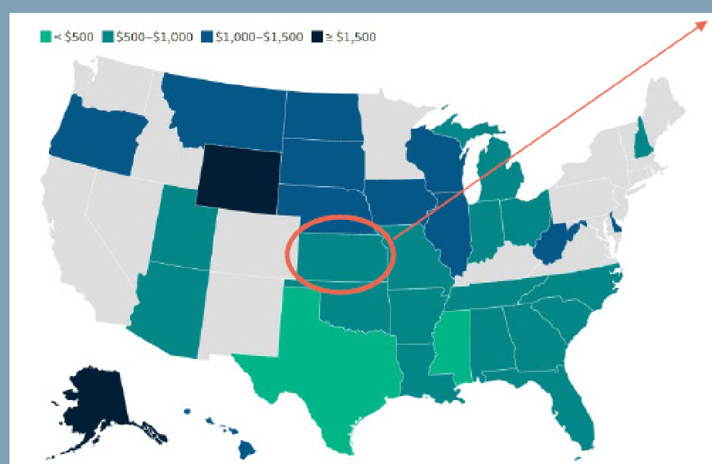
INCREASING COSTS & COVERAGE LOSSES

Increasingly, Kansans are relying on the Marketplace for coverage. However, if Congress doesn't extend the enhanced premium tax credits, Kansans will face sharply higher costs and coverage losses.

At the same time, most insurance companies selling health plans in Kansas' Marketplace have proposed the highest rate increases since 2018. According to a KFF report, they cite numerous reasons for the increases, including inflation, increasing labor costs and the high price of specialty drugs, like the GLP-1 weight loss medication. Rate increases of up to 40% have been proposed.

If the enhanced premium tax credits expire at the same time plan prices are increased, Marketplace enrollment will drop, and Kansans will lose health coverage.

AVERAGE DOLLAR CHANGE IN PREMIUM PAYMENTS AMONG STATES WITHOUT ENHANCED PREMIUM TAX CREDITS



Average Marketplace premium payments would increase 77%, or $708 annually, from $924 to $1,632 per year without the enhanced premium tax credit.

Higher costs will lead to coverage losses, more medical debt and rising uncompensated care for health care providers.

LESS ENROLLMENT SUPPORT

Not only will recent changes make obtaining Marketplace insurance more costly and challenging, funding that helped people enroll in such plans was drastically reduced. Funding for federal Navigators, who are trained guides that help people select and enroll in health insurance plans through Marketplace and Medicaid, was cut by 90%. Funding was reduced from $100 million to just $10 million per year. As a result, organizations in Kansas will lose staff and capacity to help Kansans navigate and enroll in a more complicated Marketplace system.

CONCLUSION

At a time when record numbers of Kansans have sought Marketplace health insurance, these changes will make it harder and more expensive to obtain coverage. As a result, more Kansans will become uninsured. This, in turn, puts hospitals and providers at greater financial risk and drives up health care costs for everyone else, who must help cover the uncompensated care for the uninsured.