

Older Americans Face Obamacare Cost Burdens in Shutdown Fight

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Erin Durkin, Health policy reporter

Many older Americans face losing access to premium assistance for their health coverage next year if Congress fails to extend enhanced Obamacare tax credits.

During the Covid-19 pandemic, Congress passed legislation to make the premium subsidy more generous. It also lifted the income limit of 400% the federal poverty level so more people could have access to assistance. This group pays no more than 8.5% of incomes toward premiums.

The number of people making more than 400% of the federal poverty level who get their plans through the Obamacare exchanges was around 7% in 2025, Centers for Medicare & Medicaid Services data show. Individuals aged 50 to 64 make up about half that population, according to KFF.

“They’re going to be hit even harder,” said Cynthia Cox, director of KFF’s program on the ACA. “So it’s not just that they are losing their tax credit, it’s that they have to pay the underlying premium now too, you know, the unsubsidized premium. That is going up by double digits next year.”

Democrats and Republicans have battled to over extending these tax credits, a fight central to the government shutdown.

Republicans have multiple criticisms for the subsidies, including the income cap lift.

“Democrats removed all income eligibility limits on existing Obamacare tax credits - allowing those making upwards of \$600,000 a year to receive taxpayer-subsidized health care coverage - and stripped out even modest cost-sharing for low- and middle-income Americans,” House Budget Committee Chairman Jodey Arrington (R-Texas), wrote in a *Washington Examiner* op-ed last month.

New analysis from the Center on Budget and Policy Priorities this week paints a different picture: benefits aren’t expected to go to households with incomes above \$500,000. The vast majority of the benefits went to people with incomes less than 400% of the federal poverty level—around \$63,000 for an individual—in 2025.

Age Rating Rules

Along with losing premium tax credits if the enhanced versions expire, older adults face steeper costs because of age rating rules under the Affordable Care Act, policy experts said. Health plans can charge up to three times more for older people.

“This tends to be folks that are approaching Medicare eligibility but they’re not quite 65 yet, but they may have retired or they may be shifting what the kind of work they’re able to do given their age,” Jennifer Sullivan, director of health coverage access at the Center on Budget and Policy Priorities, said.

Congress could still act before the end of year, Sullivan said. Consumers are encouraged to go back to the marketplace, which opens to them Nov. 1, and get an updated eligibility determination, she said, adding that people can make changes before open enrollment ends in January.

“Don’t assume that what you see on Nov. 1 is the final word,” she said.

Premium payments for individuals making more than 400% of the federal poverty level will nearly double in 2026 without the enhanced tax credits—to \$8,471 annually from \$4,436 a year, a September analysis from the Urban Institute found. The group anticipates 900,000 people in this income category will lose subsidized coverage in the marketplace.

While 200,000 are expected to go uninsured in this population, should the tax credits lapse, the majority likely will find additional coverage, Jessica Banthin, a senior fellow at the Urban Institute, said.

“That group, because they’re mostly older, are going to scramble as best they can and find some other way to get coverage,” she said.