

One in Five HealthCare.gov Enrollees Dropped Insurance Coverage This Year

More Americans are dropping out of health care marketplaces than usual, after Congress let pandemic-era Affordable Care Act subsidies lapse.

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The numbers are bearing out what many lawmakers feared: Many Americans can't afford health insurance through the federal marketplaces without boosted subsidies.

More than one in five people who enrolled in health insurance through [HealthCare.gov](#) during open enrollment and in the weeks immediately following were dropped from coverage for failing to pay their first month's premium, according to internal Centers for Medicare and Medicaid Services, or CMS, documents obtained by NOTUS that haven't been made public.

The roughly 21% decline in enrollment in the 30 states using the federal marketplace is significantly higher than the rate of last year, when 12% of enrollees dropped off over the same time frame.

The numbers support widespread fears that the end of extra, pandemic-era subsidies, which congressional Republicans declined to extend in December, would leave Affordable Care Act plans unaffordable for some Americans.

Faced with such a stark drop in enrollment, leadership at CMS, which is led by Administrator Mehmet Oz, is seeking to attribute a majority of the enrollment

declines to rooting out fraud rather than people not paying their premiums, according to three CMS sources. The sources said it's unlikely fraud is behind most of the cancellations.

While marketplace fraud has been a problem in recent years, partly because insurance agents and brokers [exploited](#) Biden administration policies allowing year-round sign-ups, it's more likely that a majority of the cancellations are among customers who were automatically reenrolled in their plans from last year and just never paid the premiums.

That happens every year, but this year's rate of cancellations is significantly higher. This year also saw fewer sign-ups to begin with, leaving total ACA enrollment at around 19 million people, around 3 million fewer than one year ago, according to CMS documents.

A CMS spokesperson said ACA fraud "skyrocketed under the Biden administration" and depicted the enrollment surge as "largely the result of people being enrolled onto ACA plans without their consent or enrolling into subsidized ACA plans that they did not qualify for based on income."

"President Trump's CMS has been laser-focused on lowering premiums and rooting out persistent fraud in the ACA system on behalf of American taxpayers," the spokesperson said.

Enrollment on [HealthCare.gov](#) remains far higher than before the COVID-19 pandemic even with the declines. Signups more than doubled from 11 million enrollees to around 24 million, after Congress temporarily boosted subsidies for Americans to enroll across the board and raised the eligibility ceiling. Those subsidies expired on Dec. 31, 2025.

It's typically been Democrats who downplay high costs in the ACA, which they passed under then-President Barack Obama in 2010. But that script flipped after the Republican-led Congress didn't give into Democratic demands to extend the enhanced subsidies last year — something Democrats are hammering Republicans on in this year's midterm elections.

Nationally, ACA enrollment has declined somewhat less — around 17% percent — between February and April. That's because the 20 states running

their own marketplaces were able to retain far more customers, losing 8% since the beginning of the year, according to the CMS documents.

Around half those states used their own funds to replace some of the expiring federal subsidies, helping blunt coverage losses. New Mexico, which fully covered the subsidy losses with its own dollars, managed to grow its marketplace enrollment.

CMS officials have stressed that regular subsidies are still available for the vast majority of marketplace customers. Around 87% of enrollees were subsidized this year and they were able to buy the lowest-cost marketplace plan for \$50 a month on average, Oz has said.

It was earners above 400% of the federal poverty level — around \$87,000 for a couple — who may have felt the loss of the extra subsidies most keenly, as they no longer qualified for assistance and had to start paying their full monthly premiums for the first time in five years.

At the same time, premiums rose significantly. For [example](#), a 40-year-old has to pay \$644 a month on average for a “silver” plan, up from \$497 last year.

Charles Gaba, who has for years crunched ACA data on his website [ACASignups.net](#), said he had expected to see the steeper plan cancellations this year. But he said that’s only half the story.

“The other part of the story is how many people were forced to downgrade to cheaper coverage,” Gaba said, adding that’s what he and his wife did when their premium costs skyrocketed.

Insurers who sell marketplace plans have been reporting higher rates of plan cancellations this year. The Blue Cross Blue Shield Association, which sells plans in all 50 states, said its plans have lost 13.5% of the customers who enrolled earlier this year.

Those dropping coverage are most often between 25 and 40 and had purchased a mid-level “silver” plan, said Blue Cross Blue Shield Association’s Tom Wildsmith, a senior legislative director.

“This is the pattern we would have expected,” Wildsmith said.

The Blue Cross Blue Shield Association and other major marketplace insurers, including Centene and UnitedHealth, have reported significant year-over-year declines among their marketplace customers. Cigna has announced it will exit the marketplaces next year.