Uninsured Patients Rise Sharply, Hospitals Report, Citing Obamacare Cuts

More people who lost coverage after congressional Republicans ended enhanced federal subsidies are now seeking care in emergency rooms and unable to pay bills.

By Reed Abelson The New York Times
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More and more uninsured patients are showing up in hospital emergency rooms and clinics, having lost their coverage under the Affordable Care Act.

Executives running some of the biggest hospital systems, including large for-profit chains spanning many states, expressed concern over the unexpectedly sharp rise in uninsured patients and the costs associated with treating them.

And many executives said that the hospitals were also reporting more unpaid medical bills and providing more in the way of charity care. Some hospital systems also found that patients were forgoing or postponing lucrative elective surgeries like knee replacements in recent months.
The significant increase in uninsured patients, about 20 percent in some cases, was disclosed in earnings reports in the past week and interviews with nonprofit hospital groups. Major hospital officials expressed growing unease over lost revenues amounting to hundreds of millions of dollars across the country's vast health systems.

Some executives attributed the diminishing numbers to the decision by congressional Republicans to end the more generous subsidies, or tax credits, that were initially put in place during the Covid pandemic and helped many people pay their monthly insurance premiums. While the vast majority of people enrolled in an A.C.A. plan this year still receive a federal subsidy, the federal assistance is less generous. People are paying significantly more for a plan in 2026, on average, and anyone making more than four times the federal poverty level — $62,600 for an individual — no longer qualified for help.

Since the beginning of the year, enrollment in Obamacare has dropped by about three million, or 13 percent, according to the latest government figures. Insurance companies expect even more people to drop their A.C.A. plans.

The Trump administration has described the falloff largely as a result of its crackdown on fraud. But many people covered by Obamacare said they were struggling to afford the monthly costs, according to a survey by KFF, the health research group.

The rise in unpaid bills underscores the difficult financial strains facing many families.
"What that tells me is that there are patients who are completely unable to pay," said Laura Kaiser, the chief executive of SSM Health, a nonprofit Catholic hospital group, who is expected to become chairwoman of the American Hospital Association, an industry trade group, in 2028. "We're really crushing people who are desperately trying to pay their bills."
The hospitals "are absorbing that, and we can't," she said.

Americans have repeatedly cited the rising costs of health care as a top concern in public opinion polls during this midterm election year, with the economy and affordability important issues for voters.
But relief from higher insurance and medical expenses is not about to arrive any time soon. Roughly 30 million adults and children in the United States are uninsured. And to offset the losses, experts predict that hospitals will raise prices for those enrolled in plans, including policies offered by employers.

Increases in both premiums and deductibles have affected Americans covered by private plans as well. Many individuals have been forced to seek out cheaper plans with high deductibles, which require patients to pay thousands of dollars in medical bills before their insurance kicks in.
In an earnings call with analysts last Friday, executives at HCA Healthcare, the nation's largest for-profit hospital chain, said patients who were previously enrolled under the Affordable Care Act appeared unable to find other sources of coverage but still needed emergency care from a hospital.
They had "migrated almost one for one to uninsured," Sam Hazen, the chief executive of HCA, said. The American company, which operates 190 hospitals in 19 states and Britain, said the impact was greatest at its hospitals in Florida and Texas as well as South Carolina and Georgia.
Company officials warned investors that the most likely result would be about roughly $1 billion less in operating profits this year.

At Community Health Systems, another for-profit chain that reported its six-month results last week, the visits by patients who did not use insurance to pay for medical care rose 20 percent, compared with last year.

In addition, an executive pointed to a drop in patients enrolled in Medicaid, the federal-state program for the poor. Some appeared to have difficulty signing up, while others chose not to enroll, he said.
Centene, the for-profit health insurer that specializes in government programs, told investors on Tuesday that its Medicaid enrollment was declining more than expected, even before the looming changes from the One Big Beautiful Bill Act. Millions of people on Medicaid are expected to lose coverage in the coming years.

Hospital executives also said there were signs that people were putting off care, like deferring joint replacements or skipping testing for a heart condition.

"As gas prices go up, that has a pretty significant impact on disposable income for those households, and health care seems to be one of the first things that people will delay or at least attempt to delay if they can," Kevin Hammons, the chief executive of Community Health Systems, told analysts.
Officials at Tenet Healthcare, another for-profit hospital group, said its experience was similar to that of HCA, in which some patients who had Obamacare coverage were now without any.
The company is "roughly seeing a pretty consistent conversion from exchange patient volume into uninsured on a pretty much one-to-one basis," Tenet's chief financial officer, Sun Park, said on the earnings call last week.

Executives at nonprofit hospitals are seeing the same patterns. At SSM Health, there has been a significant jump in the number of people who have not paid their medical bills, according to Ms. Kaiser, the chief executive.

The number of uninsured patients increased almost 21 percent from last year, and bad debt — patient medical bills that a hospital has been unable to collect over time — is up almost 37 percent, which includes people with insurance whose plans leave them with sizable out-of-pocket costs.
The speed with which hospitals are experiencing the fallout from the lower A.C.A. enrollment is worrisome, said Jeff Wurzburg, a health care lawyer at Norton Rose Fulbright. The big hospital groups are "the tip of the spear," with the impact very likely to be visible at smaller systems next.
Under federal law, hospitals are required to care for people with medical emergencies, regardless of their ability to pay. "We're all going to end up paying more as hospitals take on more uncompensated care and bad debt," Mr. Wurzburg said.

While the fallout from the lapse in enhanced subsidies varies from hospital to hospital, industry surveys suggest these recent reports are not unusual.

"When we look at this data, we have been seeing rising bad debt and charity care," said Erik Swanson, a managing director at Kaufman Hall, a consulting firm that publishes a monthly report on hospital finances. In May, uncompensated care as a percentage of revenues was 21 percent higher than it was three years ago.

The hospitals most vulnerable to the falloff in enrollment in government programs like the Affordable Care Act and Medicaid are smaller rural hospitals and safety net hospitals that treat a large share of people without insurance. Because these types of hospitals make so little profit, “every little weight on the scale brings additional challenges,” said Duane Fitch, who advises hospitals for Plante Moran, a consulting firm.

Few industry experts predicted a surge in the number of closed hospitals, but many said hospitals were starting to shutter individual clinics and cut services like maternal care and behavioral health services. Some hospitals will cut back on big projects and defer maintenance on their facilities.
“We have seen systems quietly closing services,” said Dan Steingart, who oversees Moody’s Ratings coverage of nonprofit hospitals. The facilities are not making announcements, he said, but cutting services to reduce costs.

Banner Health, a nonprofit system based in Arizona that operates nearly three dozen hospitals, said more than a quarter of the uninsured patients it had recently treated had coverage last year.
Hospitals will face even more unpaid bills as the changes to Medicaid are expected to go into effect next year, said Amy Perry, the chief executive of Banner. Hospital systems like hers are looking at where they can save money, including closing facilities, which may mean patients would have to travel farther for care. “We’re doing that in every market in our portfolio,” Ms. Perry said.
What is going on now is “a slow burn,” Ms. Perry said, but she warned that the impact would be greater as more people lost their insurance coverage in the coming years, and hospitals took more drastic steps to cut costs.

“We see this about to happen,” she said. “We’re basically saying, ‘Please don’t touch the stove.’”
Reed Abelson covers the business of health care, focusing on how financial incentives are affecting the delivery of care, from the costs to consumers to the profits to providers.