

Pennie Enrollees Down 8% as Subsidies Expire

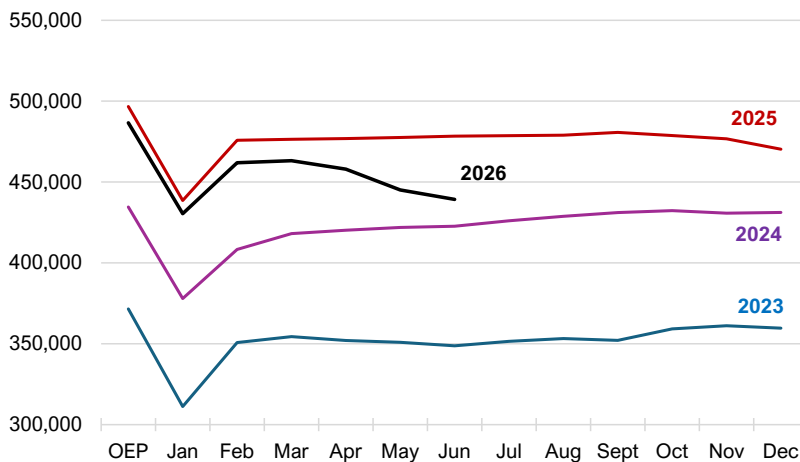


Independent Fiscal Office | Research Brief | July 2026

Effective January 2026, the enhanced healthcare exchange subsidies enacted by the American Rescue Plan (June 2021) and extended by the Inflation Reduction Act (August 2022) expired. The Affordable Care Act (ACA) established income-based subsidies to partially cover monthly premiums for enrollees in state healthcare exchanges. The subsidies are paid directly to insurers as advance premium tax credits (APTC) that are used to reduce monthly premiums paid by enrollees. The subsidies are based on income levels (sliding scale) and annual premiums for the second lowest-cost silver plan (the “benchmark plan”). Under enhanced subsidies, the cap on annual premiums was as follows: no cost for income at 150% or less of the federal poverty level (FPL); 0%-2.0% of income for 150%-200% FPL; 2.0%-4.0% for 200%-250% FPL; 4.0%-6.0% for 250%-300% FPL; 6.0% to 8.5% for 300%-400% FPL; and 8.5% for income above 400% FPL.¹ For 2026, the income thresholds are as follows: 2.10% of income (<133% FPL); 4.19% (150% FPL); 6.60% (200% FPL); 8.44% (250% FPL); 9.96% (300%-400% FPL); and no subsidies for income above 400% FPL.^{2,3}

Recent data suggest that the expiration of enhanced subsidies reduced healthcare exchange enrollment. The graph displays Pennie enrollment (the Pennsylvania exchange) for the open enrollment period (OEP, includes automatic reenrollments) and monthly effectuated enrollments (premiums were paid) during the year. Notable trends include:

Pennie Effectuated Enrollment



Note: OEP is open enrollment period.

Source: Pennie.

- The average number of enrollees increased dramatically under enhanced subsidies: up +20% in 2024 and +13% in 2025. This outcome is also attributable to outreach efforts by Pennie, brokers and community partners.
- A steep contraction each January followed by a recovery as premiums were paid.
- A modest contraction at the end of 2025. In prior years, enrollment had increased during the year.
- A notable decline in 2026. June enrollment data show an 8% (-39,100) reduction in effectuated enrollments from the prior year.

1 For 2026, the FPL thresholds are as follows for singles: \$21,227 (133%); \$31,920 (200%); \$47,880 (300%); \$63,840 (400%). For a family of four, the respective levels are: \$43,890, \$66,000, \$99,000 and \$132,000. Federal benefits such as SNAP, housing vouchers, SSI and veteran’s benefits are not included in the FPL.

2 See: IRS [Revenue Procedure 2025-25](#).

3 This brief considers premiums only, and does not consider the impact from cost-sharing reductions for enrollees under 250% FPL who qualify for out-of-pocket savings. CMS data show that 30% of Pennie enrollees had cost-sharing reduction payments (silver plan only), which lower deductibles, copayments and out-of-pocket maximums. See: [Cost Sharing Reductions](#).

The Centers for Medicare and Medicaid Services (CMS) publishes data for all states based on outcomes from the OEP.⁴ The table displays data for Pennie based on income level (as a % of FPL) and plan type.⁵ The data show these preliminary impacts from the expiration of enhanced subsidies:

- A clear reduction for enrollees with income above 400% FPL. Previously, that group had qualified for enhanced subsidies.

Pennie Open Enrollment Period Data

FPL %	2025	2026	Change	Percent
<150	117,294	130,463	13,169	11%
150-200	111,026	109,971	-1,055	-1%
200-300	119,640	113,389	-6,251	-5%
300-400	57,218	62,947	5,729	10%
>400	51,166	38,486	-12,680	-25%
Unknown	<u>40,317</u>	<u>46,203</u>	<u>5,886</u>	<u>15%</u>
Total	496,661	501,459	4,798	1%

Plan	2025	2026	Change	Percent
Bronze	113,793	151,590	37,797	33%
Silver	164,736	131,343	-33,393	-20%
Gold	216,496	216,977	481	0%
Other	<u>1,636</u>	<u>1,549</u>	<u>-87</u>	<u>-5%</u>
Total	496,661	501,459	4,798	1%

Note: Other includes platinum and catastrophic.

Source: CMS.

- A migration from silver plans to bronze plans. Analysts believe that enrollees migrated to lower premium/higher deductible plans to offset the impact from the expiration of enhanced subsidies. That outcome is similar to the U.S., as national data show that the share of enrollees in silver plans fell from 57% in 2025 to 43% in 2026.⁶
- No change for gold plan enrollment. That group generally has higher income levels than those enrolled in lower-tier plans.

The final table displays the change in monthly premiums after expiration of the enhanced subsidies using published CMS data for the 2025 and 2026 OEP. For all enrollees, the average net monthly premium after application of the APTC increased by \$64 (+34%). The data show

that only 80% of enrollees now qualify for an APTC, compared to 86% last year.

Later this summer, CMS will publish data for effectuated enrollments for all states through May 2026. Those data will provide a more complete picture regarding the impact from the expiration of enhanced subsidies. Those data will also contain detail on income levels and demographics for those enrolled who paid premiums during the first half of 2026.

Average Monthly Premiums

	2025	2026	Change	Percent
Avg Monthly Premium	\$655	\$742	\$87	13%
Premium After APTC	\$187	\$251	\$64	34%
Share with APTC	86%	80%	--	--

Note: Data for Open Enrollment Period only.

Source: CMS.

Staff Contact

Please direct any questions or inquiries regarding this report to contact@ifo.state.pa.us.

4 See: CMS [Public Use Files](#).

5 This table uses CMS OEP data, which due to different reporting methods, has a higher number for 2026 than Pennie (486,577). However, the composition of plan types is very similar.

6 See: [KFF enrollment analysis](#).