

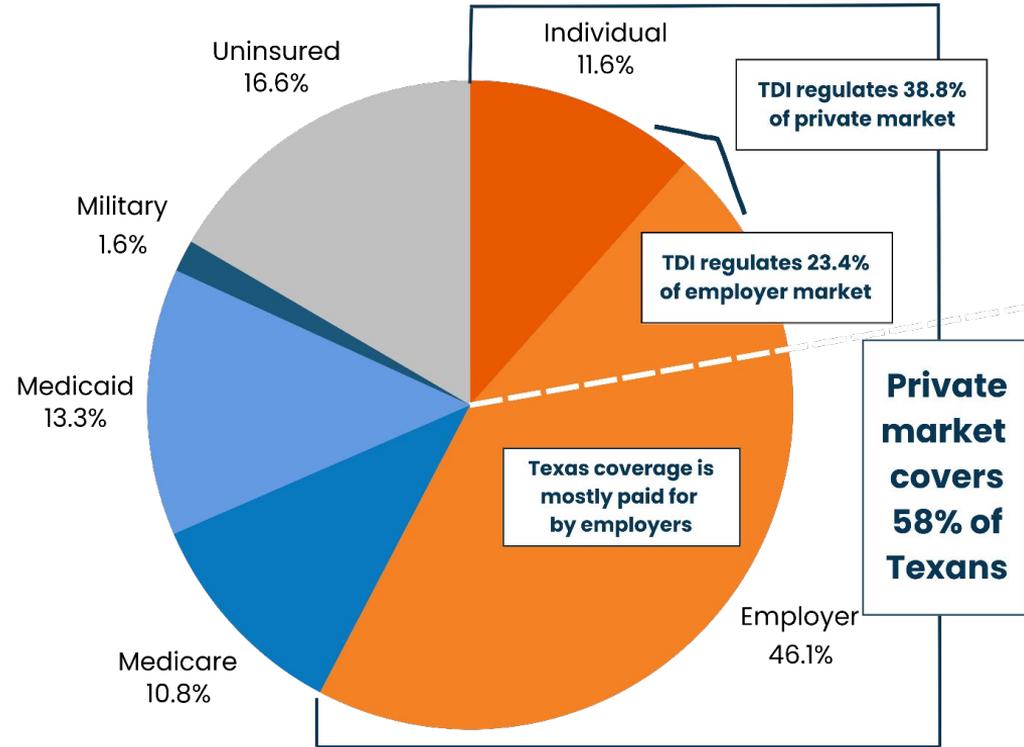
Marketplace Health Coverage in Texas: What's Changing in 2026

August 2025



Private Health Coverage Snapshot

- **80%** of private market coverage is employer-based
- **84%** of Texas workers have an employer that provides coverage
- **77%** of employer plans are self-funded (not regulated by TDI)
- **Individual market** coverage has grown popular as subsidies improve affordability
- **Uninsured Texans** cite employment as the top reason for not having health coverage
- **70%** of the uninsured are employed but less likely to have consistent, full-time jobs



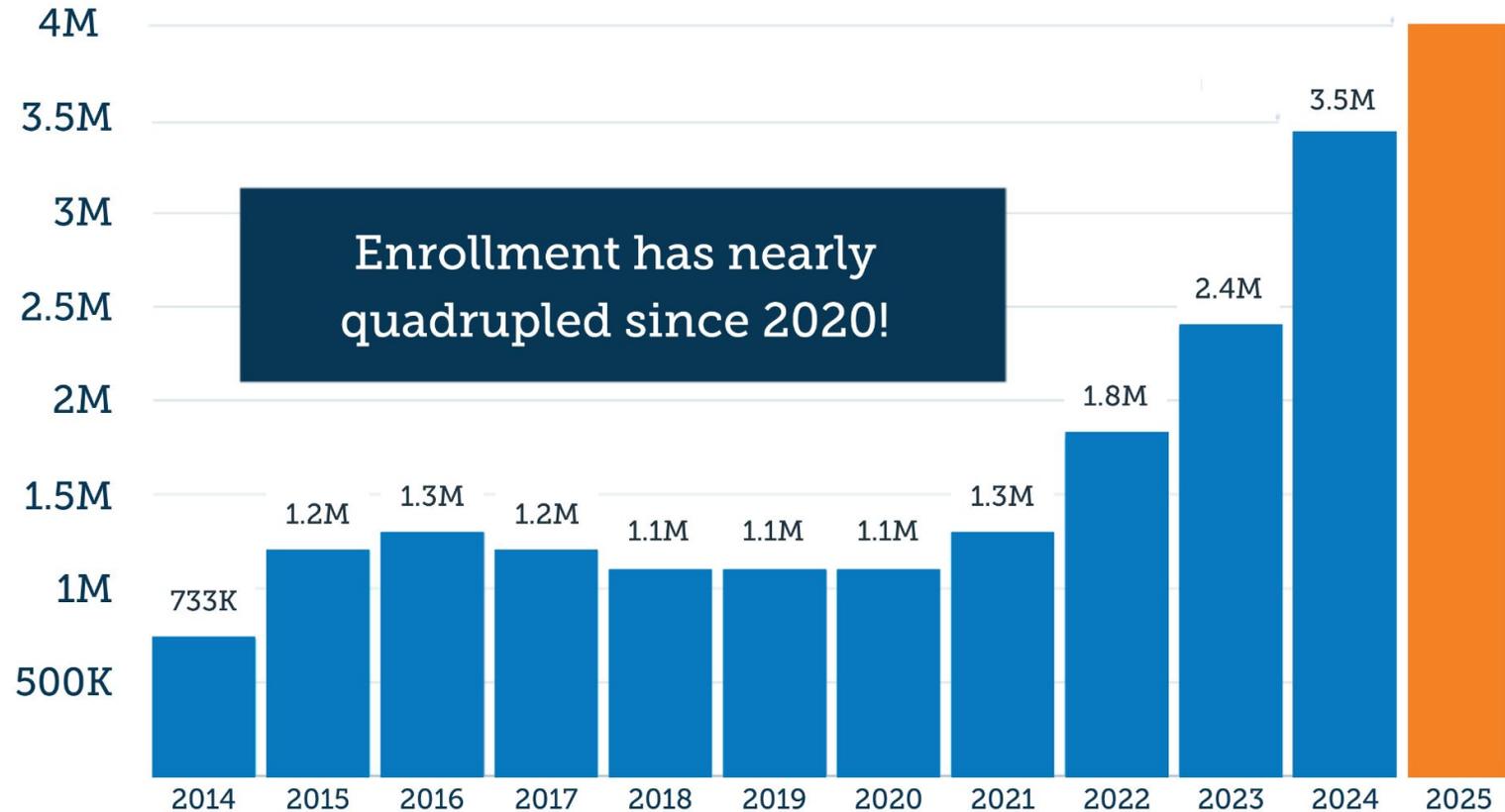
Individual Coverage Marketplace Explained

- **Texas employers cover about half of Texans** with private health insurance.
- **Millions more are covered through public programs** like Medicare and Medicaid.
- **Other Texans buy coverage on their own:** self-employed Texans, small business owners, and under 65 retirees.
 - **Healthcare.gov is the marketplace** established by the Affordable Care Act to offer comprehensive coverage options to these Texans.
- **Key Marketplace features:**
 - Upfront comparison tools
 - Minimum coverage requirements like the “essential health benefits”
 - Varying premiums, copays, and deductibles
 - Income based tax credit subsidies lower the cost

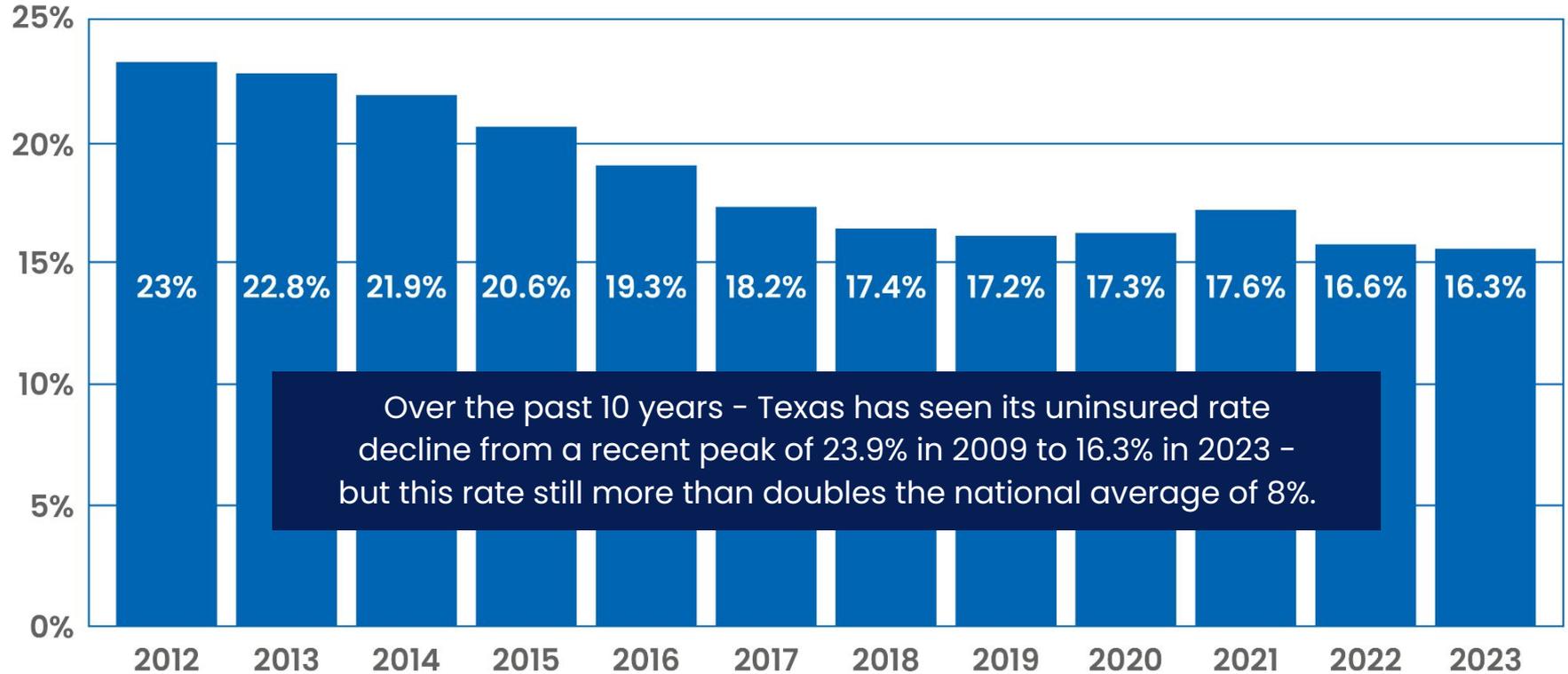


2024 Texas Individual Marketplace Record Setting #'s

3,966,266



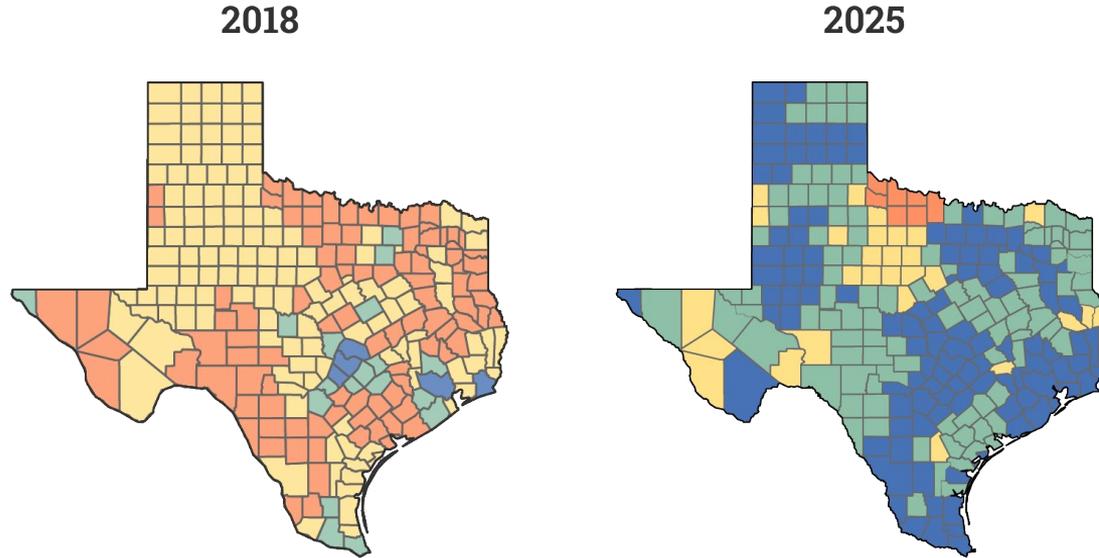
Texas population without health insurance



For 4 Years Texas Leads All States in Competition in the Individual Market

Location		2020	2021	2022	2023	2024	2025
		Number of Insurers					
1. Texas	.0	8.0	10.0	14.0	15.0	15.0	15.0
2. Wisconsin	.0	12.0	13.0	13.0	12.0	13.0	13.0
3. California	.0	11.0	11.0	12.0	12.0	12.0	12.0
3. New York	.0	12.0	12.0	12.0	12.0	12.0	12.0
3. Ohio	.0	9.0	9.0	9.0	10.0	11.0	12.0
6. Florida	.0	7.0	9.0	10.0	10.0	10.0	11.0
7. Illinois	.0	5.0	8.0	11.0	11.0	11.0	10.0

90%+ Texans have a choice of 3+ up from 60% in 2018



Number of Marketplace Insurers

- 1 Insurer (98 Counties)
- 2 Insurers (133 Counties)
- 3 Insurers (18 Counties)
- 4+ Insurers (5 Counties)

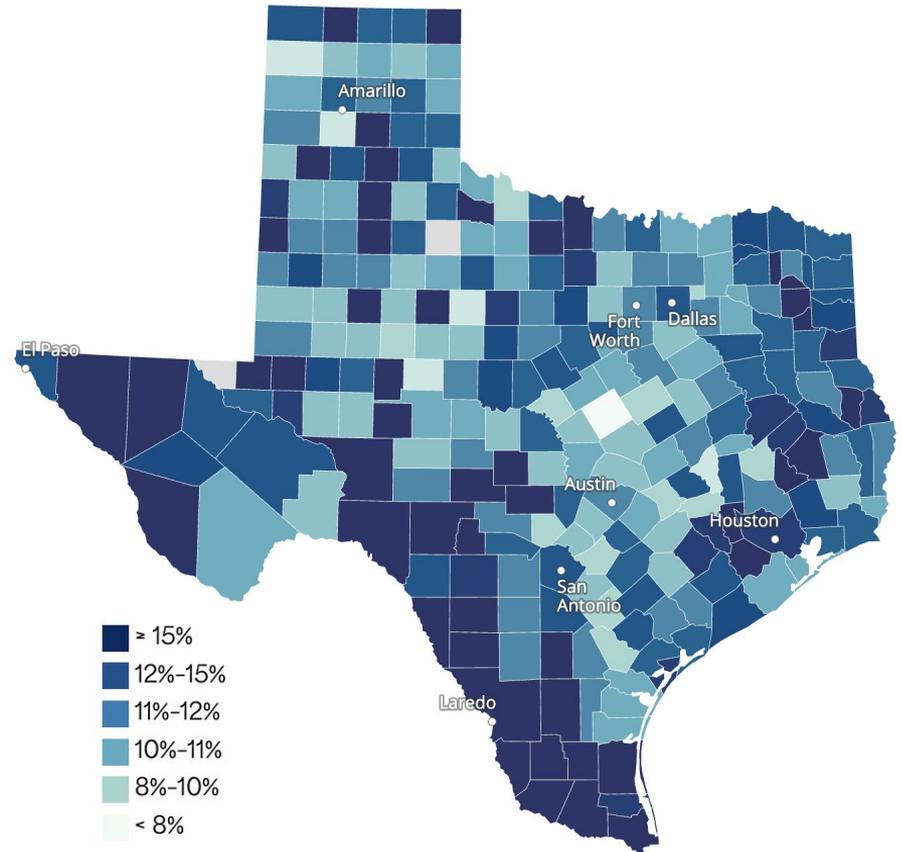
Number of Marketplace Insurers

- 1 Insurer (7 Counties)
- 2 Insurers (28 Counties)
- 3 Insurers (105 Counties)
- 4+ Insurers (114 Counties)

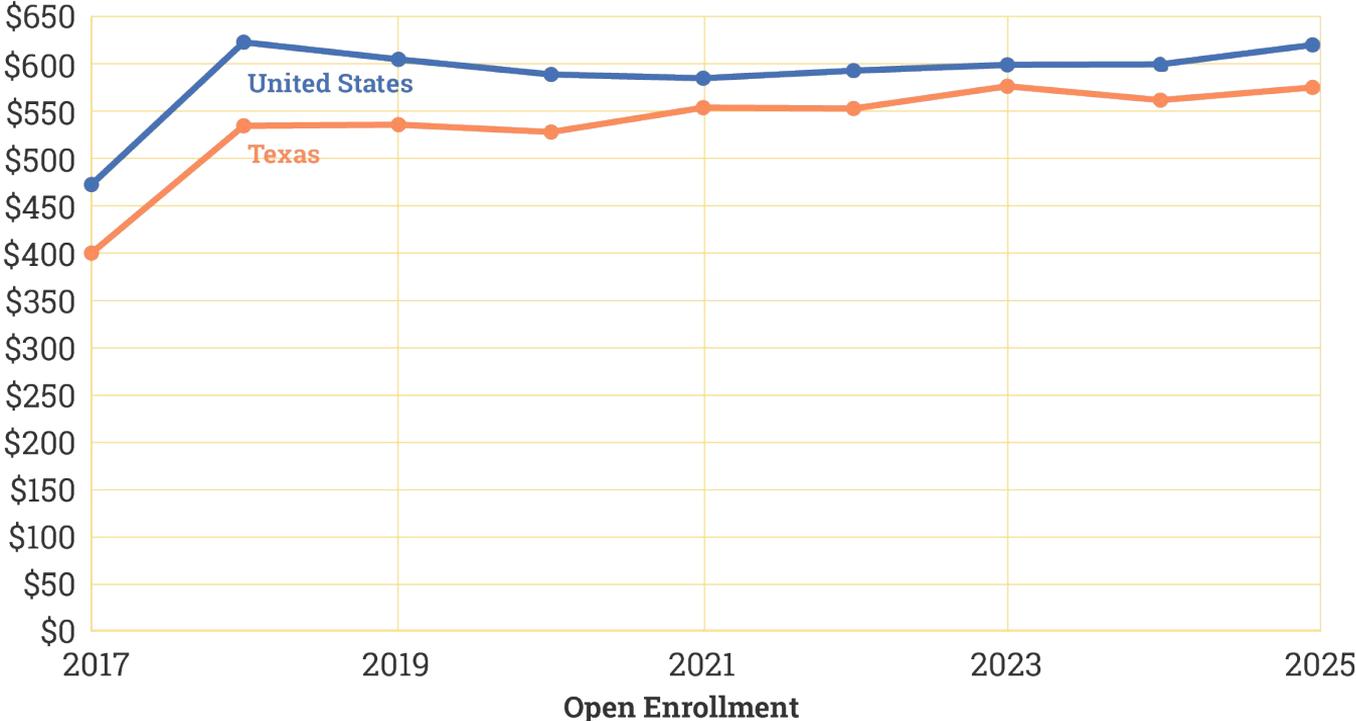
Only 7 counties have just one insurer, a decrease from 98 in 2018.

Percent of County Population Enrolled in Marketplace Plans 2024

- **West Texas, South Texas, and Rural areas** have higher percentages of Marketplace enrollment.
- **Source:** [Episcopal Health Foundation](#) & [Texas Tribune](#)

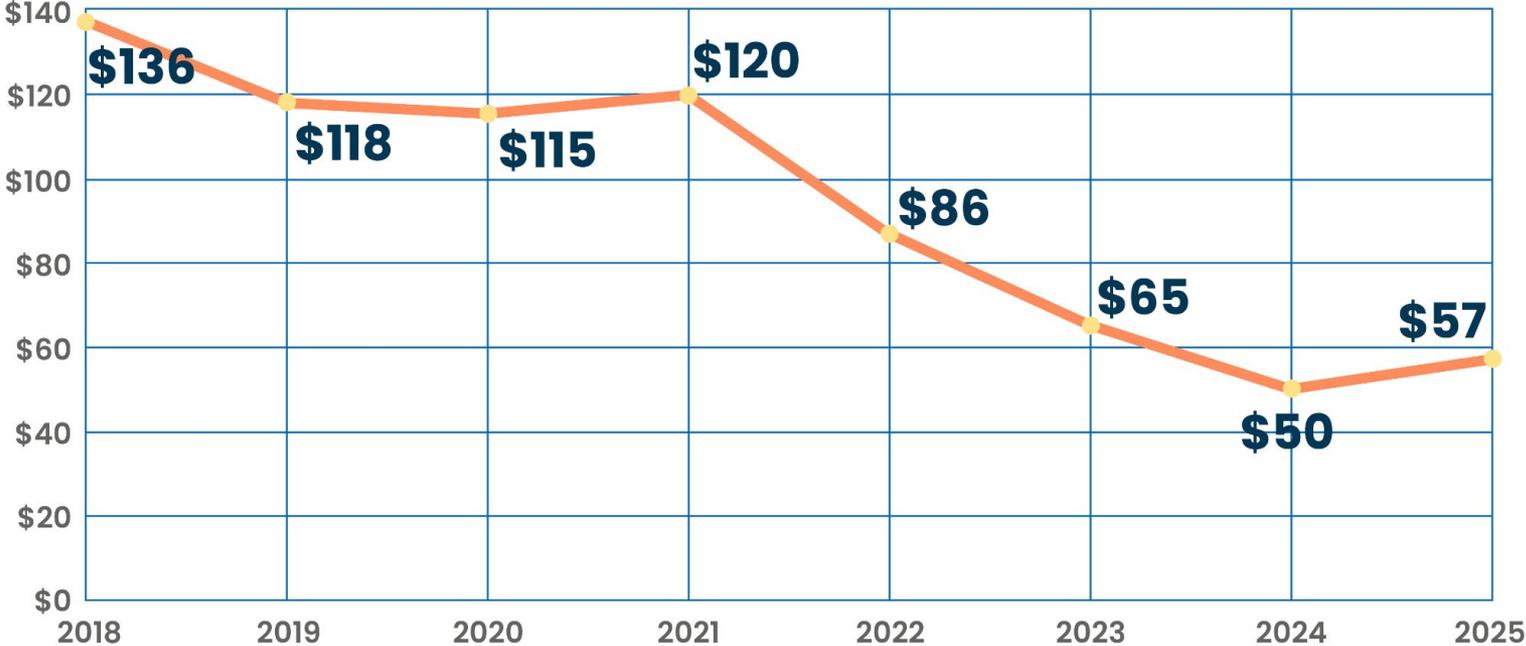


Seven Years of Stable Health Insurance Premiums



Source: [KFF](#), Single Individual Marketplace Average Premium Before Tax Credit Subsidies, Open Enrollment 2017 - 2025

Avg. Individual Monthly Premium After Subsidies



Source: [KFF](#)

Average Premium Change 2017–2026

	US	Texas
2018	30.5%	34.7%
2019	-1.5%	0.1%
2020	-2.8%	-2.2%
2021	-0.8%	3.4%
2022	-0.7%	1.3%
2023	1.9%	3.8%
2024	0%	-2.1%
2025	2.3%	1.2%
2026	24%	18%

- **After 7 Years of Stable Premiums, Texas will again face dramatic increases.**
- **Source:** [KFF](#), Marketplace Average Premiums, [Peterson-KFF](#) Marketplace 2026, [Texas Tribune](#)

Key Factors Driving 2026 Premium increase



Elevated Medical Cost Trends: Driven by inflation, increasing provider and labor prices, costly new therapies e.g., biologics, gene therapy, GLP-1 drugs.

- Third year of 8%+ medical cost increases.



Deteriorating Risk Pool Health: The end of enhanced premium tax credits (enacted in 2022) will reduce enrollment among healthier people.

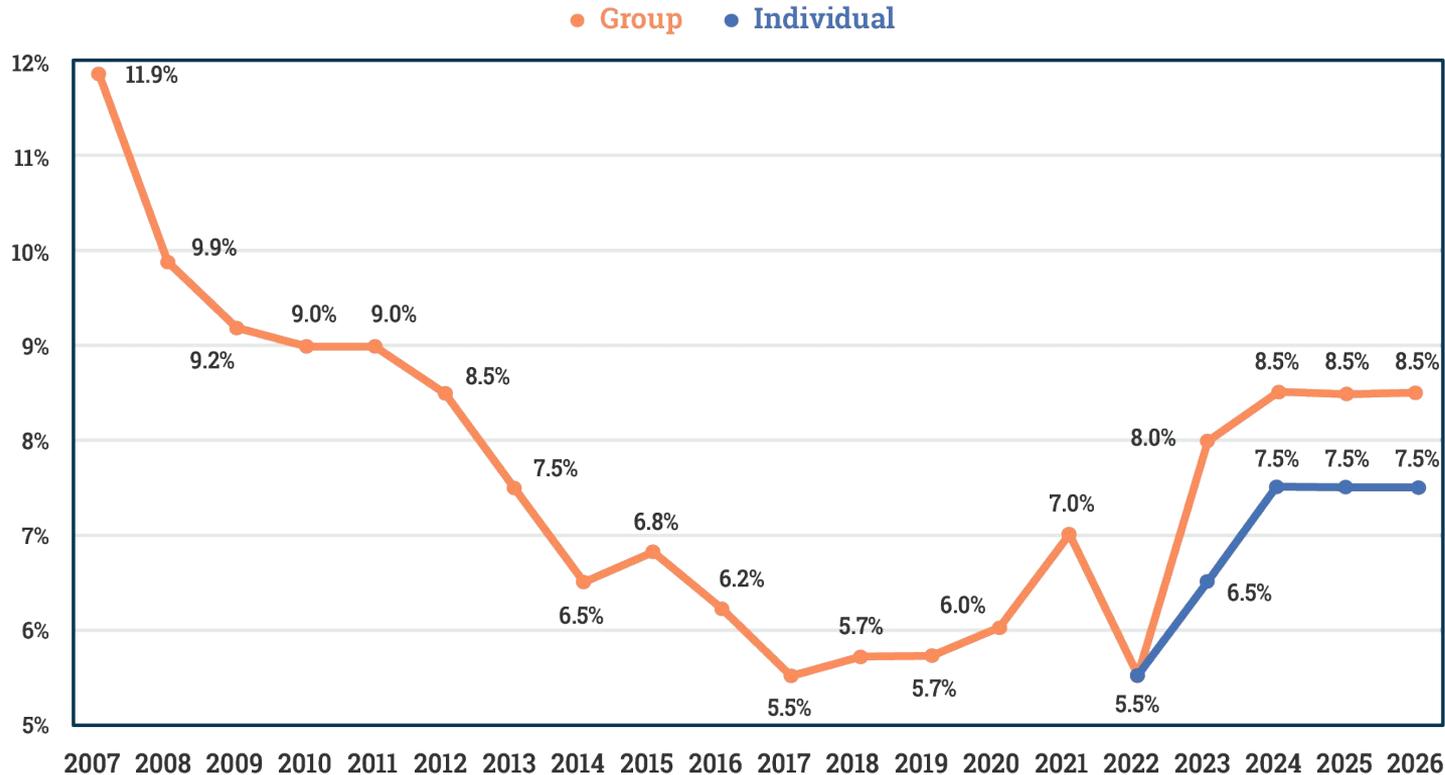
- Monthly costs go up, healthier people forego coverage, overall sicker risk pool, higher coverage costs per person.



Tighter Enrollment Rules: New Trump Admin rules & the One Big Beautiful Bill Act make enrollment & eligibility changes to the individual marketplace.

- Shortened enrollment period, special enrollment period limits, increased income scrutiny.

Medical Cost Trend: 2007-2026



Source: [PwC Behind the Numbers 2026](#)

Increased Medical Spending – Leading Drivers



GLP-1 Drugs: Spending on GLP-1 drugs (weight loss) in the US increased by more than 500% from 2018 to 2023 (from \$13.7 billion to \$71.7 billion).



Cancer Treatment: Spending on oncology increased from \$62B in 2019 to \$116B in 2024, expected to reach \$195B in 2029, average annual increase of 9.5–12.5%.



Mental Health Treatment: 50% increased post-pandemic demand.

Enhanced Premium Tax Credits Set to Expire in 2025

Max Required Contribution to Premiums as a Percentage of Household Income

Under 100%	Not eligible for subsidies*	Not eligible for subsidies*
100–138%	2.07%	0.0%
138–150%	3.10–4.14%	0.0%
150–200%	4.14–6.52%	0.0–2.0%
200–250%	6.52–8.33%	2.0–4.0%
250–300%	8.33–9.83%	4.0–6.0%
300–400%	9.83%	6.0–8.5%
Over 400%	Not eligible for subsidies	8.5%

- **Very low income family premiums return:** Low income enrollee (under 150% FPL) will have new monthly costs.
 - 150% FPL = \$23,475 individual/\$39,975 family of 3
- **Subsidy “cliff” returns:** Subsidies suddenly end at a single dollar above 400% FPL.
 - 400% FPL = \$62,600 individual/\$106,600 family of 3
- **Source:** [KFF](#)

Example of Ending Enhanced Subsidies

Single 40 year old, \$35K Annual Income, Basic "Silver" Health Insurance Plan

With Enhanced Premium Tax Credits:



- \$96 per month
- \$1,155 per year
- 3.3% of household income

Without Enhanced Premium Tax Credits



- \$197 per month
- \$2,370 per year
- 6.77% of household income
- **105% Increase**

Source: KFF Calculator

Texas Faces an Outsized Impact

Marketplace Coverage Drop:

- 1,039,000 Texans Expected to Lose Coverage (leads the nation)
- Comparison: 174,000 Californians Estimated to Lose Coverage

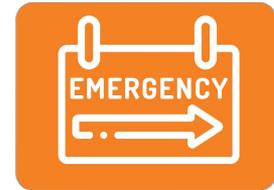
Why the difference? Texas is one of 10 states that did not expand Medicaid.

- Families in the 10 non-expansion states are eligible for subsidized Marketplace coverage starting at 100% of the federal poverty level (FPL) instead of 138%.
- In expansion states Medicaid covers that same population.
- Texas relies more on subsidized Marketplace coverage.

Average Monthly Premium Increase:

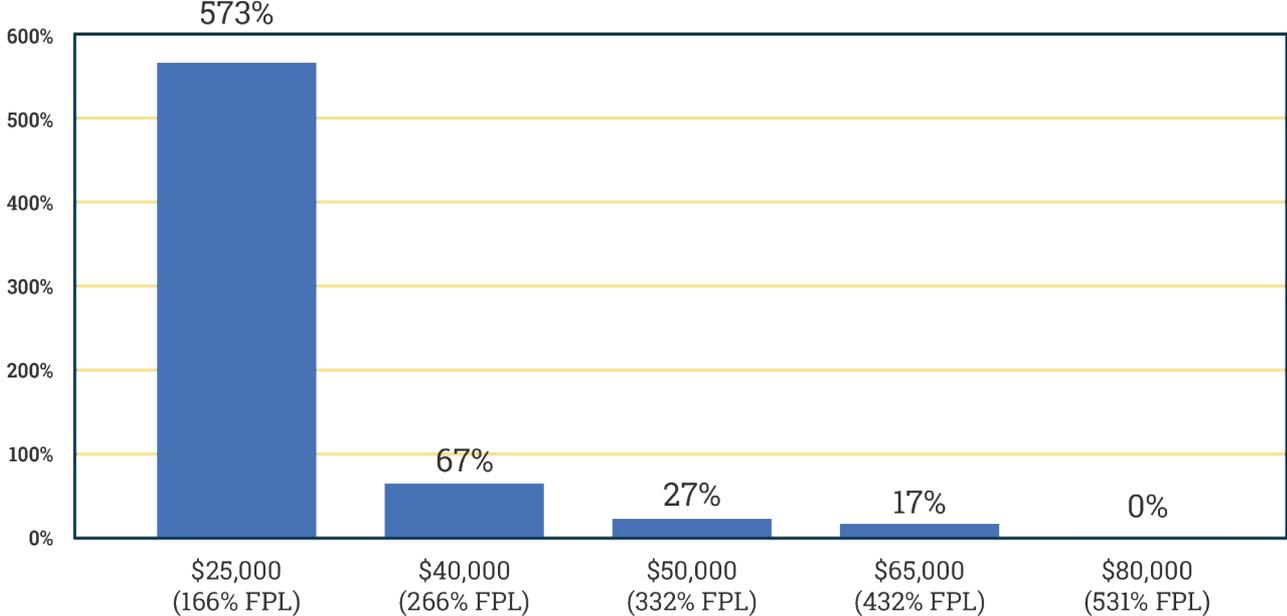
- 115% for Texans
- 75% Nationally

Sources: [KFF](#), [Urban Institute](#)



Impact By Income Group (Federal Poverty Level)

Lower Income Groups Face the Highest Percentage Increase in Monthly Premiums



- Based on the national average change in premium for a 45 year old if enhanced subsidies expire.
- **Source:** [KFF](#)

Enrollment & Eligibility Changes

Changes to the Enrollment Process Created by New Federal Rules and the “One Big Beautiful Bill Act” may Impact Sign-Ups for Coverage

- **Open Enrollment Period Shortens:** November 1 to December 15 (previously November 1 to January 15).
- **End of Low Income Special Enrollment:** New rules have ended the ongoing open enrollment period for families under 150% FPL.
- **Tax Credit Subsidy Repayment Rules:** Enrollees must fully repay the difference if they receive higher than accurate tax credits used to lower the cost of health insurance. Right now, the repayment amount is capped.
- **Upfront Income Determination:** New scrutiny on future income with required upfront (instead of retroactive) verification of eligibility.
- **Limits on Special Enrollment Periods for Income Changes:** No more special enrollment solely based on a change in income.

