

8 big changes reshaping Marketplace health coverage in 2026

These policy developments – effective January 1 – are affecting costs and coverage for many ACA plan buyers



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With the start of the new year, eight significant changes affecting Marketplace health coverage are now in place. Here's a look at the health policy developments that are already affecting ACA premiums, premium tax credits (referred to as subsidies in this article), and other coverage costs for individual-market plan buyers.

Marketplace subsidy enhancements have expired

As of January 1, 2026, the Marketplace subsidy enhancements put in place by the American Rescue Plan are no longer in effect. This could still change, as Congress is considering measures that would reinstate them, or implement a modified version of the subsidy enhancements, but nothing has been passed yet.¹ So for the time being, the subsidy rules have reverted to the way they were before 2021.

That means subsidies don't cover as much of the premiums as they did for the past five years, and the "subsidy cliff" has returned, making people ineligible for subsidies if their household income (an ACA-specific version of MAGI) is more than 400% of the federal poverty level (FPL).

What you can do:

- If open enrollment is still ongoing in your state, you can still enroll or switch plans for the rest of 2026. There are several states where open enrollment continues until the end of January. After the end of open enrollment, you may find that you can still make a plan change if you have a qualifying life event that triggers a special enrollment period. Learn more about special enrollment periods.
- If your household income is a little above 400% of FPL, understand how contributions to a health savings account (HSA) or pre-tax retirement account will reduce your ACA-specific MAGI. (See below for information about how HSA access for Marketplace enrollees has been expanded for 2026.) Speak with a tax advisor.

Some states have made coverage more affordable

To address the expiration of the federal subsidy enhancements, several of the states that offer their own state-funded subsidies have modified or increased their subsidies for 2026.

If you're in California, Colorado, Connecticut, Maryland, Massachusetts, or New Mexico, you may find that enhanced state subsidies will offset some or all of the reduction in your federal subsidy amount.

And due to a new premium alignment approach (in other words, state rules regarding how insurers add the cost of cost-sharing reductions to Silver plan premiums), many

enrollees in Washington,² Illinois,³ and Arkansas⁴ might find that Bronze and Gold plans are more affordable than they were in prior years.⁵

What you can do:

- If you're in a state that runs its own Marketplace (meaning it doesn't use HealthCare.gov), you may find that the state is offering its own subsidies, on top of the federal subsidies. Don't let open enrollment pass you by without checking to see what's available in your state.
- Even in states that use HealthCare.gov, you might find that coverage is more affordable than you were expecting, due to a reinsurance program or premium alignment.

Low-income recent immigrants lost access to subsidies

As of January 1, ACA premium subsidies are no longer available to recent immigrants with income under the federal poverty level.

This stems from the "One Big Beautiful Bill Act" that was enacted last summer, and it's a significant change from the rule that was previously in place from 2014 through 2025.

Before 2026, lawfully present low-income immigrants could qualify for Marketplace subsidies during the five-year waiting period before becoming eligible for Medicaid. But that's no longer the case. These immigrants now face the same coverage gap that applies to low-income U.S. citizens in nine states that have not expanded Medicaid under the ACA.

What you can do:

- If you're a lawfully present immigrant,⁶ you can still qualify for Marketplace subsidies as long as your 2026 income is at least 100% of the 2025 FPL. In the continental U.S., that amounts to \$15,650 for a single person, and \$32,150 for a household of four.⁷

There's no longer a cap on repayment of excess APTC

If you have Marketplace coverage and an advance premium tax credit (APTC) subsidy is being applied to your premium (this is the case for most Marketplace enrollees nearly everyone), you have to reconcile that APTC when you file your tax return.⁸

If you end up earning less than you projected for the plan year (but not a Medicaid-eligible amount or less than the FPL), the IRS will increase your premium tax credit accordingly (either as a refund or a reduction of the amount of income tax you owe). But if you end up earning more than you projected for the plan year, you will have to repay the excess APTC that was paid on your behalf.

Through the 2025 plan year, there were caps on how much excess APTC had to be repaid, depending on your income. But that's gone as of the 2026 plan year. Any APTC that's paid out for the 2026 plan year will have to be fully reconciled when enrollees file their 2026 tax returns in 2027. Regardless of income, all enrollees receiving excess APTC will have to repay the full amount of excess APTC that was paid on their behalf. This will continue to be the case in future years as well.

What you can do:

- If APTC is being paid to your insurer, be sure you've projected your 2026 income as accurately as possible. Report any changes in your income or household size to the Marketplace, as these changes could affect your subsidy amount. You can log back into your Marketplace account at any point during the plan year to make updates to your income projection and household details,⁹ and the Marketplace will adjust your APTC amount in real time. This will help to ensure that you don't have any unwelcome surprises next year at tax time.

Higher out-of-pocket caps are in effect

Each year, the federal government sets an upper limit for the maximum amount that health plans can require enrollees to pay out of pocket for covered, in-network care. This limit applies to all individual-market and employer-sponsored plans with effective dates of 2014 or later.¹⁰

In 2025, the limit was \$9,200 for a single individual. But it rose significantly in 2026, to \$10,600, partly due to a rule change that was finalized in 2025.

What you can do:

- Make sure you understand the out-of-pocket limit for your policy (which might be well below the maximum allowable cap), and have a plan for how you'll cover that cost if you need extensive medical care.
- If your plan auto-renewed for 2026 and you're in a state where open enrollment extends through the end of January, you still have time to comparison shop and switch plans if there's another option that will better meet your needs. In the rest of the country, plan changes are only possible for the rest of 2026 if you qualify for a special enrollment period.

Bronze and Catastrophic Marketplace plans are now HSA-eligible

Starting with the 2026 plan year, all Bronze and Catastrophic plans purchased through the Marketplace are HSA-eligible. This is a significant change from past years, when only a small fraction of Bronze Marketplace plans were HSA-eligible, and no Catastrophic plans were.

What you can do:

- If you're enrolled in a Bronze or Catastrophic Marketplace plan, be sure you understand how HSAs work, and consider whether you might want to establish an HSA and make contributions.
- If you have a Bronze Marketplace plan (or an HSA-eligible plan at any other metal level) and you contribute to an HSA, the contributions will reduce your ACA-specific modified adjusted gross income, which determines your access to Marketplace subsidies. (Note that while Catastrophic Marketplace plans are now HSA-eligible, subsidies can never be used with Catastrophic plans, regardless of income.)
- Customers with HSA-eligible coverage can open an HSA and make contributions for 2026 at any time between January 1, 2026 and April 15, 2027.

Having a direct primary care membership no longer prevents HSA eligibility

In another rule change that took effect in 2026, people with direct primary care (DPC) memberships – including Marketplace plan buyers – are no longer prohibited from contributing to an HSA (assuming they also have HSA-eligible high-deductible health plan (HDHP) coverage).¹¹

DPC memberships allow people to pay a monthly fee to a medical office, giving them access to unlimited primary care that the practice makes available. Learn more about direct primary care.

DPC memberships have long appealed to people whose health plans have high deductibles, as a way of accessing primary care without needing to meet their deductible. But longstanding IRS rules prohibited people with HDHPs from contributing to an HSA if they also had a DPC membership. That has changed as of 2026.¹²

What you can do:

- If you have a DPC membership or are considering one, you may find that you can contribute to an HSA in 2026, as long as you also have HSA-eligible health coverage in addition to your DPC membership. The DPC will need to meet certain requirements, including a fee of no more than \$150/month for a single person, or \$300/month for a family, and limits on what services can be covered.
- If you have funds in your HSA and also have a DPC membership, you can use your HSA funds to pay DPC fees. This is also new as of 2026.¹²

Some individual-market health plans terminated at the end of 2025

At the end of 2025, some individual-market plans, including all individual plans offered by Aetna in 17 states, terminated and were not eligible for renewal. If you were enrolled in one of these plans and you didn't pick a replacement policy, you might have become uninsured as of January 1 (if you had off-exchange coverage), or you might have been automatically mapped to a new plan by the Marketplace.

What you can do:

- Your special enrollment period due to the loss of coverage will continue for 60 days after the end of 2025 (ie, until March 1, 2026), so you still have time to pick a

replacement policy.

- If you were automatically enrolled into a replacement plan by the Marketplace and you use your special enrollment period to pick a new plan during your special enrollment period, it won't take effect until the first of the month after you enroll. Any 2026 out-of-pocket costs you incur on the plan that was chosen for you will not transfer to the new plan you select, so keep this in mind when deciding if you want to switch plans.