

As Subsidies Expire, Many Texans Still Qualify for No-Cost or Low-Cost ACA Coverage

While plans will become more expensive for some, most Texas enrollees and many uninsured Texans will still likely qualify for free plans.

AUSTIN, TEXAS, UNITED STATES,
September 18, 2025 /

EINPresswire.com/ -- Open enrollment for Affordable Care Act (ACA) coverage begins Nov. 1, and the headline

numbers show that Texans could face the steepest premium hikes in 15 years.



But these attention-grabbing numbers don't tell the full story: while premiums may increase for Texans if Congress does not extend or renew the temporary enhanced subsidies, many Texans, especially lower-income families and older adults, will still qualify for free or inexpensive plans.

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The broader picture is that affordable — in many cases free — options remain for millions of Texans, especially lower-income families and older adults.”

Charles Miller

“While much of the media attention has focused on the impact of the expiration of the temporary enhanced subsidies, the broader picture is that affordable — in many cases free — options remain for millions of Texans, especially lower-income families and older adults.” said

Charles Miller, Director of Health and Economic Mobility Policy at Texas 2036.

“More than half of current enrollees report incomes between 100 and 150 percent of the federal poverty level, a group that will almost certainly be able to access coverage next year at no cost to them, even if the enhanced subsidies are not renewed or extended.”

Background

ACA Subsidies Expire: In 2021, Congress temporarily enhanced and expanded eligibility for ACA subsidies as part of COVID relief; this temporary enhancement and eligibility change is set to expire at the end of 2025. However, upon expiration, the ACA's original subsidy structure will still

be in effect.

Texas ACA Marketplace Enrollment Has Grown: By 2025, Texans' enrollment in ACA marketplace plans increased to [nearly 4 million receiving coverage](#), a five-fold increase over the past 12 open enrollments.

Texas Continues to Have the Highest Uninsured Rate in the Nation: According to the latest numbers from the U.S. Census Bureau, about one in six Texans report not having health insurance. The 16.7% uninsured rate in 2024 was higher than what had been seen in the prior two years and reversed a downward trend that began post-COVID. Earlier this year, Texas 2036's analysis found that the largest number of the uninsured live in densely populated cities such as Houston, Dallas, Fort Worth and San Antonio. But rural counties had the largest percentage of their population who are uninsured. For further information, [read our newsletter](#) from May focusing on this subject.



Charles Miller

Which Texans Have Been Eligible for Free or No-Cost Plans: Texas 2036's earlier study, Who Are the Uninsured?, found that in 2023, nearly 2 million of the state's roughly 5 million uninsured individuals qualified for completely free coverage, including Medicaid, CHIP and ACA plans. While those figures reflected the temporary enhanced ACA subsidies, the analysis emphasized how wide the disconnect is between perceptions of affordability among the uninsured, and the reality of the programs they are eligible for. This disconnect, and the continued widespread availability of free plans even if the enhanced subsidies expire, is why it is important to evaluate affordability holistically, and not just directionally.

Anticipated Availability of Coverage Despite Subsidy Reduction: While 2026 ACA premiums aren't final, national modeling from the [Paragon Institute](#) indicates \$0-premium options will persist for enrollees at 100-150% of FPL, with older adults potentially qualifying at higher incomes (e.g., up to ~250% of FPL at age 64). Separately, Texas 2036's analysis shows over half of Texas marketplace enrollees report incomes in the 100-150% FPL band. Taken together, these findings suggest many Texans in these ranges may continue to see \$0-premium plans. Texans will likely experience availability of free plans at higher income levels than other states, due to Texas' market-leading premium alignment law from 2021, SB 1296, that maximizes affordability for enrollees.

Charles Miller is available to discuss Texas 2036's expected outlook for health coverage and the

ACA more generally.

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About Texas 2036

Texas 2036 is a nonpartisan public policy organization dedicated to improving lives and opportunities for all Texans through 2036, Texas' bicentennial year, and beyond.

Media Contacts:

John Reynolds
Director of Communications
Ph: 512-468-7003
Email: media@texas2036.org

Merrill Davis
Texas 2036
+1 713-213-7297
[email us here](#)

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