

# When Affordability Ends:

Texas Marketplace Members  
Respond to ACA Subsidy Changes

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## Texas Marketplace Members Respond to ACA Subsidy Changes

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### Executive Summary

Episcopal Health Foundation collaborated with Treaty Oaks Strategies and a Harris County-based marketplace health insurer, to elevate the voices of marketplace members amidst the anticipated expiration of the enhanced ACA Marketplace premium subsidies. The findings from our focus groups and supporting data reveal a complex landscape for Texans relying on ACA marketplace coverage, especially in the face of potential subsidy expiration. Three central themes emerge: the centrality of affordability and continuity of care, the vulnerability of specific populations, and the evolving role of Federally Qualified Health Centers (FQHCs) as a safety net.

#### **Theme 1: Affordability**

Affordability emerged as a central concern for marketplace members when selecting and maintaining health coverage. While some participants initially found ACA plans to be reasonably priced, many reported that rising premiums have pushed coverage to the edge of unaffordability. The anticipated expiration of enhanced premium subsidies has amplified these worries, with nearly all focus group participants expressing fear that they would be unable to maintain coverage without continued financial assistance. Several individuals described making difficult choices between health insurance and other essential expenses, highlighting the precarious balance many Texans face in managing their health care costs.

#### **Theme 2: Continuity of Care:**

Continuity of care was another top priority for participants, influencing their decisions about which plans to choose and whether to remain enrolled. Many individuals emphasized the importance of maintaining relationships with their existing providers and ensuring access to necessary specialists without additional barriers, such as referrals. Concerns about disruptions in care, whether due to changes in provider networks, formulary restrictions, or unaffordable premiums, were frequently cited. Participants shared that continuity of care not only affects their health outcomes but also their overall sense of security and stability in managing ongoing health needs.

### **Theme 3: Impact on Vulnerable Populations:**

The analysis underscores that the potential expiration of enhanced subsidies would disproportionately affect Texans with lower incomes and those managing chronic health conditions. Participants' stories highlight the real-world consequences: some would be forced to forgo care, others would attempt to find lower-tier plans with reduced benefits, and many would face difficult choices between health care and other necessities. The anticipated premium increases could create additional barriers to timely, continuous care for those who need it most.

### **Theme 4: Safety Net Implications:**

The potential expiration of enhanced ACA premium subsidies could significantly increase demand on Texas's health care safety net. Federally Qualified Health Centers, which provide essential primary care regardless of ability to pay, serve as a key component of that system. Focus group responses suggest that while FQHCs are viewed as a critical resource, participants have varied levels of familiarity and expectations. recognized their value but noted challenges such as wait times and continuity of care, while others assumed they could easily access services. If marketplace coverage becomes unaffordable, FQHCs and other safety net providers may face heightened strain, with implications for timely access and system capacity across the state.

**These findings highlight the importance of maintaining affordable coverage options and strengthening the safety net for vulnerable populations. Policymakers and stakeholders should consider the cascading effects of subsidy expiration, not only on individual health and financial stability but also on the broader health care system, including FQHCs. Engaging directly with marketplace members provides critical insight into these dynamics and should inform responsive, equitable policy solutions moving forward.**

## Background

Recent federal funding cuts have introduced significant uncertainty for individuals who rely on the Affordable Care Act (ACA) health insurance plans for their health coverage. With the future of subsidies and premium assistance in question, many marketplace members face growing concerns over the affordability and accessibility of their health coverage. Analyses project that Texas could experience the largest loss of health coverage in the nation if the ACA premium subsidies expire. According to a recent EHF report, nearly [4 million Texans are currently enrolled in ACA marketplace plans](#), with over 95% relying on subsidies to make coverage affordable. If these subsidies end, projections suggest that Marketplace enrollment in Texas could decrease by approximately [665,000 and 1.45 million](#) individuals in 2026, resulting in 365,000 to 800,000 newly uninsured Texans.

The expiration of ACA premium subsidies would raise the state's uninsured rate by as much as 3 percentage points and most severely impact low and middle-income Texans, rural communities, and individuals with chronic health needs. Nearly all current marketplace enrollees in Texas, over 95%, receive subsidies to make coverage affordable, with the greatest reliance seen among those with incomes under 400% of [the federal poverty level](#). Estimates suggest that out-of-pocket premiums could increase in Texas by at least 115% or \$456 based on 2024 premiums, with lower-income enrollees facing the steepest relative increases, potentially creating financial strain that may lead families to reduce spending on other necessities or forgo medical care.

EHF collaborated with a Harris County-based marketplace health insurer, to elevate the voices of marketplace members during this period of uncertainty, as their lived experiences and perspectives provide essential insight into the real-world impact of policy changes. This report summarizes the insights gained about enrollment,

anticipated changes in health care access and affordability, and the potential role of Federally Qualified Health Centers as a safety net option.

## Methodology & Participants

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To organize the focus groups, the Marketplace insurer distributed a recruitment email to current enrollees explaining the intent behind the virtual focus groups, attracting interest from over 400 members. Questions were developed jointly between EHF and Treaty Oaks Strategies, who facilitated the focus groups. Participation was voluntary; responses have been anonymized to maintain confidentiality, and no names are included in the final report. Funding from EHF reimbursed each participant for their time with a \$125 gift card.

Of the eighteen participants, almost all were over the age of 45; only one participant, a graduate student at the University of Houston, was younger than 35, and nine were 55-64 years of age. Many participants were parents to children of a wide age variety (from young children to college-aged young adults and older adults with their own children).

Thirteen participants were women of various ethnicities, races, and income groups. Five women made less than \$20,000 per year, and the rest represented income groups between \$20,000 per year to over \$100,000 per year. Five participants were men, all white, and each representing a different income group from below \$20,000 per year to over \$100,000 per year.

Many older individuals explained that they chose ACA marketplace insurance as a way to obtain health coverage during retirement until they become eligible for Medicare. Most of the other participants were either self-employed or lacked access to employer-sponsored plans and did not qualify for Medicaid. Two people mentioned that, although their spouse's employer-sponsored plan did offer spousal coverage, the extra cost was higher than simply buying insurance through the marketplace.

## Limitations

Several limitations should be considered when interpreting the findings of this report:

1. **Small Sample Size:**

The focus groups included only 18 participants, which limits the ability to draw broad conclusions about all Texas marketplace enrollees.

2. **Non-Generalizable Results:**

Participants were recruited from a single marketplace health plan and may not represent the experiences or perspectives of all ACA enrollees in Texas or nationally.

3. **Demographic Skew:**

Most participants were over the age of 45, and nearly half were between 55–64. Younger marketplace members and those with different socioeconomic or geographic backgrounds may have different experiences.

4. **Limited Familiarity with Terminology:**

Some participants were unfamiliar with terms such as “safety net” or “Federally Qualified Health Center,” which may have influenced their responses and perceptions.

5. **Self-Reported Data:**

All findings are based on participants’ self-reported experiences and opinions, which may be subject to recall bias or personal interpretation.

6. **Virtual Format Constraints:**

Conducting focus groups virtually may have affected participation dynamics and the depth of discussion compared to in-person sessions.

7. **Contextual Timing:**

The focus groups were conducted during a period of heightened uncertainty about subsidy expiration, which may have amplified concerns and influenced responses.

# Findings

## ACA Marketplace Enrollment Experience

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"Choices were overwhelming. It took quite a lot of research to make a decision."

Though participants found the enrollment process relatively easy, **they struggled with understanding and sorting through the sheer volume of plans available to them.** Several participants stated that they used an insurance agent to help them identify the best plan for their circumstance. Everyone who used an agent said that doing so made the process much easier.

Several participants noted that the enrollment process was user-friendly and that it was very helpful to be able to identify which plans would cover care from a particular provider, but a few participants noted that **some provider enrollment information was outdated.** Yet, it was nearly impossible for a few participants to evaluate plans in a similar manner based on their formularies.

Some participants ran into difficulties related to income. One explained that they had retired early and that Marketplace representatives were confused about their drawing money from a savings account instead of a 401k or IRA. Another noted that they had some difficulties on the healthcare.gov website when a change in income impacted their subsidies.

"We prioritized choosing a plan that would allow us to make our own decisions about what doctors we could see, then deductible and cost."

**Cost, provider network, and continuity of care were listed as primary considerations when choosing a health plan.** Only two participants said that cost was their number one factor when choosing a plan, but almost every other participant stated it as a top-of-mind consideration.

**Almost every participant was concerned about continuity of care in some regard.** Six individuals stated that they evaluated plans based on provider network and whether care from their existing providers would be covered under a new plan. Five stated that they prioritized being able to see specialists without a referral from their primary care provider.

Only two participants explicitly noted that they were primarily concerned about a plan's formulary and whether the cost of life-sustaining drugs would change.

**"I was able to see a specialist and get treatment for my Anemia."**

**Most participants felt that they were able to get the health care services they needed with their ACA marketplace insurance and never had to delay or skip care due to cost.** A few of these participants further stated that their health has improved since receiving marketplace insurance, but most simply said that nothing has changed (a positive sentiment, as most had been insured before switching to marketplace insurance).

Of those who could not get the care they needed despite being insured, one received a quote for physical therapy that was much lower than what the actual price turned out to be and had to stop treatment. Another said that they were hoping to use a GLP-1 drug to kickstart weight loss and lower blood pressure, but even though the prescribed drug was covered, the out-of-pocket cost was unaffordable.

**"It started out affordable, but it keeps going up and it's at the cusp of unaffordable."**

About a quarter of participants said that they found their ACA plans to be very affordable, one specifically mentioned the ability to qualify for tax breaks was helpful, and another said that they were pleasantly surprised that their ACA plan was more affordable than their employer-sponsored plan had been. But many more find their plans edging into unaffordability.

**About half of the participants shared the sentiment that though their plan was originally affordable, cost of coverage has risen significantly, and they have felt it.** "It's a car payment," said one participant. "It's \$500 a month *just* for me." Another participant shared that their under-26 child had moved out-of-state for college but that no plan would cover out-of-state care, significantly driving up the family's cost of care even though the rest of the family is covered by their ACA plan. Yet another said that they are considering setting aside the amount their current premiums cost to self-insure if health insurance costs continue to rise.

One participant shared that they are on a very limited income in early retirement and that they must spend hundreds of dollars per month for a plan that completely covers their prescriptions, otherwise they would need to spend around \$1,200 per month out



of pocket just on necessary medication. A couple of other participants noted how even with their health insurance, they must find other methods to make their medicines affordable, like scouring coupon sites such as GoodRx.

Several more participants have begun to feel skeptical about the continually rising costs of insurance. These participants had been asked by a provider whether they wanted to use their insurance and were told the same care would cost less money if they did not use their insurance than if they did.

## ACA Subsidy Expirations

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"It's going to be tough...I don't know what I'm going to do."

**Every participant was aware and fearful of the impacts of ACA health insurance subsidy expiration.** All participants shared the same sentiment — if subsidies expire, it will become incredibly difficult if not impossible to afford health insurance, and they may not be able to afford the care that they need at all. "I have bladder cancer and diabetes, and I had a heart ablation," said one participant. "I can't pay \$2,000 per month." One parent of a child with high medical needs voiced particular concern for being able to get the therapy and care their child needs if subsidies are not renewed, especially given how much they have to pay out of pocket already.

"If costs increased...I wouldn't be able to support daily living expenses."

**Most participants said either they would have to drop their coverage or that they do not have a plan if subsidies expire.** Most participants are barely able to afford their insurance premiums as is. "I'd drop coverage if it's unaffordable because I've still got kids to feed," said one parent who is thankful that their children are covered by their spouse's health insurance. They might consider paying for [Direct Primary Care](#) but feel that it doesn't do much and understands that it does not cover specialized care. A couple of participants who are retired but not yet eligible for Medicare have accepted that they will have a gap in coverage until they turn 65, citing their fixed incomes and recent cost increases in other necessities like homeowner's insurance and water bills.

**Five participants said that they would try to find a lower-cost plan** if premiums increase due to subsidy expiration. They would likely compare costs with other plans and hope to find a plan that has their current providers in-network; two of these individuals said that they are **just crossing their fingers and hoping that a lower-cost**

**plan would still be affordable enough** to get routine care and hope that they don't experience any significant medical event. One participant and their spouse are both less than a year away from qualifying for Medicare and so will plan to just spend more on health insurance until then. **"If we weren't we would just choose a lower-tier plan that covers less."**

**Only one participant said that they will "probably try to make it work".** But even then, they foresee needing to decrease visits for therapy to be able to afford other life necessities.

## Safety Net Implications

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To understand how the expiration of enhanced subsidies might affect Texas's health care safety net, we used [Federally Qualified Health Centers \(FQHCs\)](#) as an example of a critical access point for uninsured and underinsured populations. FQHCs provide comprehensive primary care regardless of ability to pay, and their capacity often reflects the resilience of the broader safety net.

Most participants fell into two distinct groups regarding their perception of using FQHC's as an alternative to accessing care. One category was those who either had used FQHCs before or had family or friends who had used one, and the second was those who were completely unfamiliar with FQHCs.

Based on their experiences, participants offered reflections about the role community health centers play amidst these uncertainties. Some participants with prior experience described FQHCs as **"the only place I knew to go when I was uninsured,"** highlighting their essential role during coverage gaps. Others noted challenges such as long wait times. One participant recalled, "We went to a community health clinic and had to wait eight and a half hours," and expressed concern about continuity of care if they had to rely on these clinics long-term. Meanwhile, participants unfamiliar with FQHCs viewed them positively as a potential fallback, saying, **"If it became a reality, I certainly would try that,"** though they often lacked understanding of how these clinics operate.

These mixed perceptions underscore both the importance of FQHCs and the need for clear communication about their services. If marketplace coverage becomes unaffordable, demand for FQHCs and other safety net providers will likely increase,

creating pressure that could affect access for uninsured and underinsured Texans statewide.

## Discussion

The potential expiration of enhanced ACA premium subsidies presents a uniquely acute challenge for Texas, a state already grappling with the highest uninsured rate in the nation. Unlike some states that have implemented their own premium assistance or reinsurance programs to stabilize the marketplace, Texas has not adopted significant state-level measures to mitigate the impact of federal subsidy changes. The state's reliance on the federal marketplace and lack of Medicaid expansion amplify the effects of federal policy shifts. While some lower-income Texans may still qualify for basic coverage under the original ACA subsidy structure, the loss of enhanced subsidies will leave many without affordable options.

The high share of low-income enrollees can result in a disproportionate impact on Texans. Nearly [two-thirds of Texas marketplace enrollees](#) have incomes below 150% of the federal poverty level (i.e., for a single-person household, an annual income around \$23,475). Without enhanced subsidies, these individuals, many of whom currently pay little or nothing for coverage, would face significant premium increases, forcing them to choose between health insurance and other basic needs. Additionally, the impact will be especially [severe in rural areas](#), where hospital closures and limited provider networks already restrict access to care. Increased uninsured rates could further destabilize rural health systems, leading to more hospital closures and reduced access to essential services.

## Conclusion

The voices of marketplace members in this study provide a compelling case for the continued importance of affordable coverage options. The potential expiration of enhanced ACA premium subsidies threatens to destabilize coverage for hundreds of thousands of Texans, with ripple effects across families, communities, and the health care system. Policymakers should consider not only the immediate financial impacts on individuals but also the broader implications for health outcomes, system capacity, and the state's uninsured rate.

Maintaining and strengthening premium subsidies, exploring state-level solutions to stabilize the marketplace, and investing in the safety net are all critical steps to protect vulnerable populations. Engaging directly with those affected by policy changes, as this

project has done, is essential for crafting responsive and equitable solutions. As Texas and the nation navigate the future of health coverage, the experiences and perspectives of marketplace members must remain at the center of policy discussions.

# Appendix

## ACA Health Insurance Marketplace Focus Group Questions

### Enrollment Experience

1. Can you tell us about your experience signing up for health insurance and choosing a health plan through the ACA Marketplace? What went well, and what was hard?
2. What factors were most important to you when choosing insurance and a health plan (e.g., cost, coverage, provider network)?
3. What challenges, if any, have you faced while using your ACA Marketplace health insurance?

### Health Care Access & Affordability

4. How affordable has your current health insurance been for you and your family?
5. Have you been able to get the health care services you need with your current health insurance? Have you ever delayed or skipped care because of cost, even though you have insurance?
6. Has there been any improvements in your health since receiving marketplace health insurance?

### Awareness of Subsidy Changes and Impact

7. Are you aware that the enhanced premium subsidies (i.e., the extra help many people get to lower their monthly premiums) may expire at the end of 2025?
8. If these subsidies end, would it be harder for you to afford your current health plan? How do you think losing these subsidies might affect your overall health and financial stability?
9. What would you likely do if your monthly costs (i.e., premiums) increased significantly? Would you switch health plans, drop coverage, or seek other options? Have you made any specific plans?
10. What type of support would you like to receive from your marketplace health plan to better understand your options?

**The Role of the Safety Net – FQHC's**

Federally Qualified Health Centers (FQHCs) (aka Community health centers) play an important role in serving people who don't have insurance or who can't afford care. If the subsidies end, demand for community health centers may increase.

11. Even though you have health insurance through the ACA Health Insurance Marketplace, have you or your family used services at a community health center or FQHC? If so, why?

12. Have community health centers or FQHCs ever helped you when your insurance didn't fully meet your needs — for example, with high out-of-pocket costs, limited provider networks, or access to specific services?

13. If the subsidies expire and your insurance becomes more expensive or unaffordable, how likely are you to rely more heavily on community health centers or FQHCs for your care?

**General Feedback**

14. What changes or improvements would you like to see in the ACA Health Insurance Marketplace or your health plan?