

December 5, 2025

Comparison of Member Cost Sharing for Major Payers Matters in Both the Marketplace Debate and in Long-Term Affordability Discussions

Introduction

As policymakers deliberate the future of enhanced advance premium tax credits (eAPTCs), the prospect of a legislative compromise looks less likely. Whether these issues are resolved in the weeks ahead or remain open to debate, the underlying questions about health insurance affordability and coverage will continue to be top of mind for policymakers.

In October 2025, Health Management Associates examined a segment of the payer mix in [**Complexity for the 2026 Marketplace Open Enrollment: Risks of Consumer Confusion & Coverage Loss**](#). That analysis focused on patient conditions and how eAPTCs have affected consumer costs. We have since expanded our review to place Marketplace trends alongside the nation's largest sources of coverage: employer-sponsored insurance (ESI), which covers approximately 155 million people, and Medicare, which covers an estimated 68 million beneficiaries. Additionally, as a point of reference, we have included Medicaid expansion adults.

Unlike Medicaid, where estimated cost sharing is constructed to be minimal, the three markets (Marketplace, ESI, and Medicare) represent the core of the US population, all of whom share significant out-of-pocket costs, typically in the forms of premiums, deductibles, and other cost-sharing expenditures. Medicaid expansion adults are included in the graphic as a contrast point, underscoring how different cost-sharing expectations and regulations for low-income populations. Measuring and comparing the variation in the corresponding financial responsibilities provides additional context for not just the current Marketplace debates, but also potential challenges going forward.

HMA can forecast how specific Marketplace scenarios affect services and spending in 2026 and beyond using our robust database of claims and national drug utilization information.

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COST SHARING ACROSS MARKETS

Newly analyzed 2023 claims data illustrate the proportion of per member per year (PMPY) spending that enrollees directly bear versus the share that employers or the federal government finance. The comparison in Figure 1 highlights a difference between coverage markets.

Figure 1. Claims Data Comparison of Enrollee Share of Health Care Costs vs. Employer/Federal Share for Major Payers*

Per Member Per Year

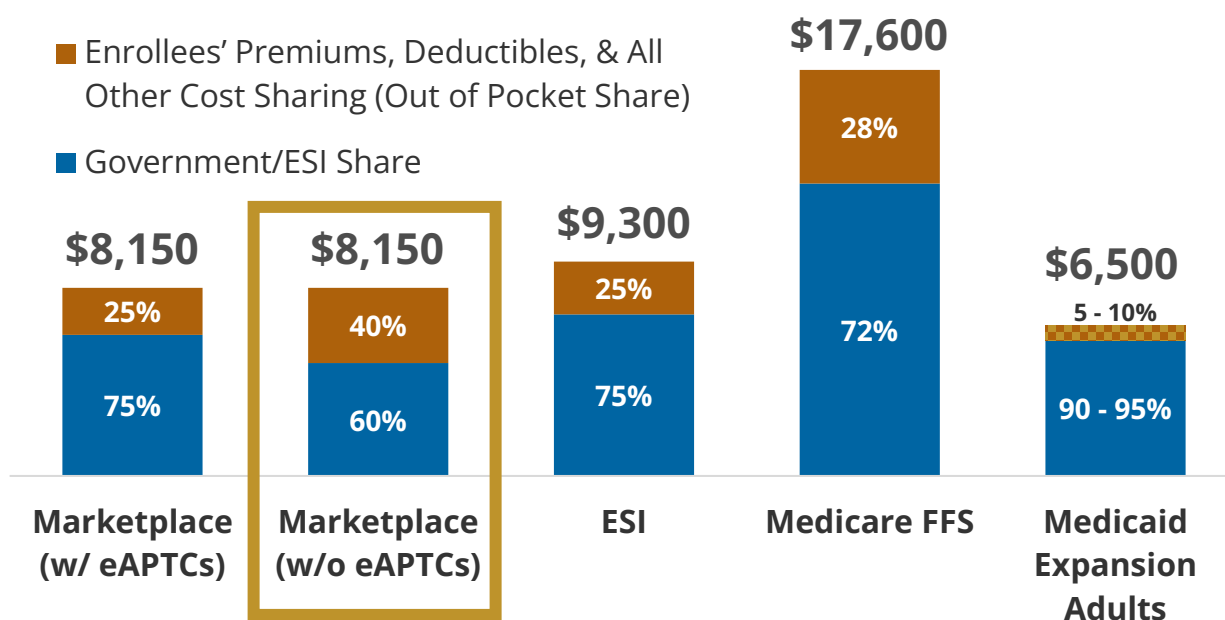


*Figure 1 uses 2023 WACA data, representing 5.8 million Marketplace enrollees. The WACA data contains members in over 40 states from a subset of issuers nationwide. We believe the database represents a fair cross-section of nationwide experience, but limitations in this regard will affect results. We performed reasonability tests on the data but neither audited nor verified the data.

The Medicare paid claims and cost sharing portion of Figure 1 is based on combination Medicare fee-for-service (FFS) Part A and B data combined with Part D data, all collected from the Virtual Research Data Center from 2023. Part A and B data were based on 29.5 million aged beneficiaries who had neither end stage renal disease nor dual Medicare-Medicaid FFS coverage.

Part D data were based on 16.3 million Prescription Drug Plan non-ESRD, non-Dual members. Premium information was sourced from the Centers for Medicare & Medicaid Services (CMS) and The Kaiser Family Foundation (KFF). Note that Part B premiums were adjusted for IRMAA and Part D cost sharing was adjusted for the Inflation Reduction Act provisions that affect enrollee cost sharing. Total per member Medicare FFS expenditures were modeled as paid claims + member cost sharing + member premium, with Parts A and B and Part D each converted to a per member basis and then combined. This represents a reasonable approximation of true total per enrollee cost for Medicare FFS members.

In both ESI and Medicare, the share of total costs that enrollees pay is relatively consistent, with employers subsidizing most premium costs in ESI and federal financing covering the majority of Medicare spending, keeping the enrollee share near one-quarter of total PMPY costs, even as deductibles and healthcare prices rise. Medicaid expansion adults sit at the other end of the spectrum: enrollee cost sharing is limited, and the vast majority of spending is financed publicly, reflecting program design choices that emphasize low to no premiums for low-income adults.

The Marketplace behaves differently, and the graphic illustrates why: under current policy with enhanced premium tax credits (eAPTCs), the distribution of costs broadly aligns with ESI and Medicare as currently structured. If, however, these credits expire, the consumer share is projected to rise to 40 percent from 25 percent.

CONSIDERATIONS

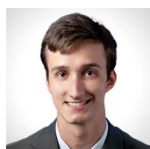
1. **Healthcare costs continue to grow and create direct and indirect cost affordability pressures.** Our comparison does not look at the big picture of healthcare affordability. While insurance product levers and emerging therapies receive plenty of attention with respect to affordability, an inadequate labor supply and a reimbursement system that is largely built around acuity continues to be, arguably, the largest driver of healthcare costs. Until a disruptor occurs (e.g., greater supply of physicians, nurses, home/community caregivers), this understated component of the growth curve will continue.
2. **Figure 1's distribution tells us what enrollees actually experience.** The projected increase in the Marketplace enrollee share (the increase to 40% from 25% mentioned previously), represents a greater burden than in either ESI or Medicare. This change could affect consumer decision-making, including plan selection, metal-tier distribution, decisions to forgo coverage, and the risk pool going forward.
3. **Market mechanics differ, but the underlying pressures are similar.** Rising healthcare costs from provider prices to prescription drugs affect all coverage types. The out-of-pocket distributions in ESI and Medicare reflect employer and federal subsidies that insulate enrollees from a larger share of spending. Marketplace subsidies serve a similar function; removing or reducing them shifts the financial burden rather than addressing underlying cost drivers.

CONCLUSION

As discussions about the future of eAPTCs continue, it is useful to examine the Marketplace within the broader framework of US health insurance coverage. Premium patterns in 2023 highlight how financial exposure differs across the Marketplace, ESI, and Medicare and underscore the significant role that subsidies play in stabilizing the individual market.

Regardless of the policy outcomes in the near term, the conversation about cost sharing, insurance design, and the role of public financing will persist. Understanding these dynamics is essential to anticipate impacts on consumers, payers, and health coverage.

ABOUT THE AUTHORS

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ABOUT HMA

HMA is an independent, national research and consulting firm specializing in publicly funded healthcare and human services policy, programs, financing, and evaluation. We serve government, public and private providers, health systems, health plans, community-based organizations, institutional investors, foundations, and associations. Every client matters. Every client gets our best. With offices in more than 30 locations across the country and over 700 multidisciplinary consultants coast to coast, HMA's expertise, services, and team are always within client reach.

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ENDNOTES

1. Marketplace (w/eAPTCs): Results are based on analysis of 2023 and 2025 OEP data, as well as 2023 Wakely Affordable Care Act (WACA) data, to determine actuarial value results.
2. Marketplace (w/o eAPTCs): Results are based on 2023 WACA data as well as 2023 and 2025 OEP data (for a high-level estimated income distribution) and 2025 projected non-eAPTC contribution percentages¹. Results are intended to be an illustration of the impact of a return to pre-ARP contribution percentages and thus assume an identical enrollment distribution to the w/eAPTC scenario and therefore should not be considered to be a projection of 2026 experience or a counterfactual 2025 scenario without eAPTCs.
3. Medicaid Expansion Adults: Results draw on KFF's analysis of state-level and enrollee-level Medicaid spending variation, using the most recent data available in the organization's national review of per-enrollee costs across eligibility groups². Estimates are intended to illustrate broad spending patterns for the Medicaid expansion adult population; they reflect aggregated state variation influenced by demographic mix, health status, benefit design, delivery system structures, and historical Medicaid financing trends. These results are illustrative, not predictive, and should not be interpreted as projections of future state spending or as a counterfactual estimate of costs under alternative eligibility or financing policies.

¹https://www.irs.gov/irb/2017-21_IRB

²<https://www.kff.org/medicaid/a-look-at-variation-in-medicaid-spending-per-enrollee-by-group-and-across-states/>



PROFILE OF Marketplace Enrollees Using Claims Data

October 10, 2025

Developed by:

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This slide deck provides a more comprehensive profile of ACA Marketplace enrollees, primarily using claims data that has nearly 6 million of the 24 million Marketplace enrollees.

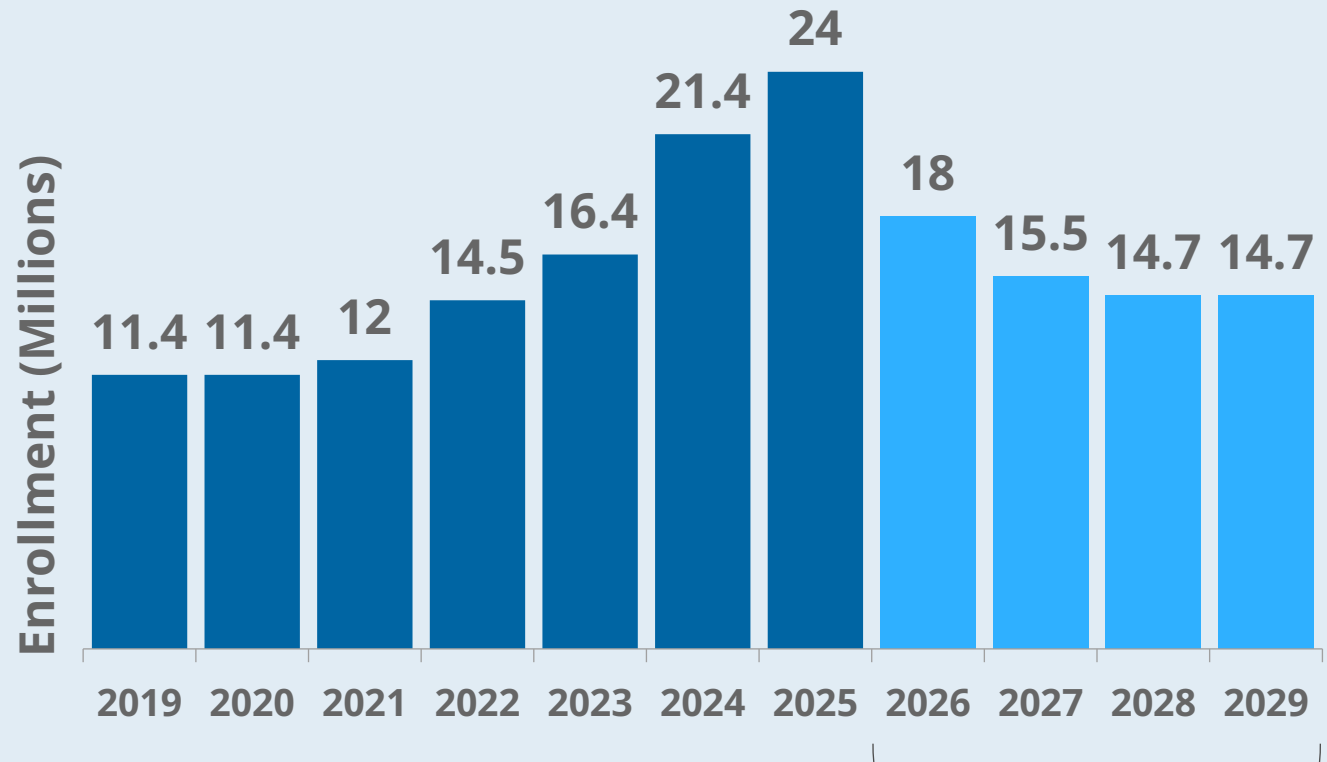
- How many people receive coverage through the Marketplace, and where does CBO project enrollments to be in 2026 and beyond?
- What are demographic characteristics (e.g., age, gender)?
- Where do Marketplace enrollees live?
- What types of health conditions do they typically have?
- What share of healthcare spending do Marketplace enrollees pay? How does the future of APTCs impact that share?
- Which provider types do they utilize (i.e., hospitals, clinics, and pharmacies)?
- What types of prescription drugs do Marketplace enrollees typically use?

Marketplace Enrollment Trends:

Record 2025 Levels
and Projected 2026+
Contractions

- Marketplace enrollment climbed sharply following the enactment of enhanced subsidies under ARPA (2021) and extended under the IRA (2022).
- Enhanced Advance Premium Tax Credits (ePTCs) and other key provisions are set to expire on December 31, 2025.
- CBO estimates show significant Marketplace coverage losses beginning in 2026.

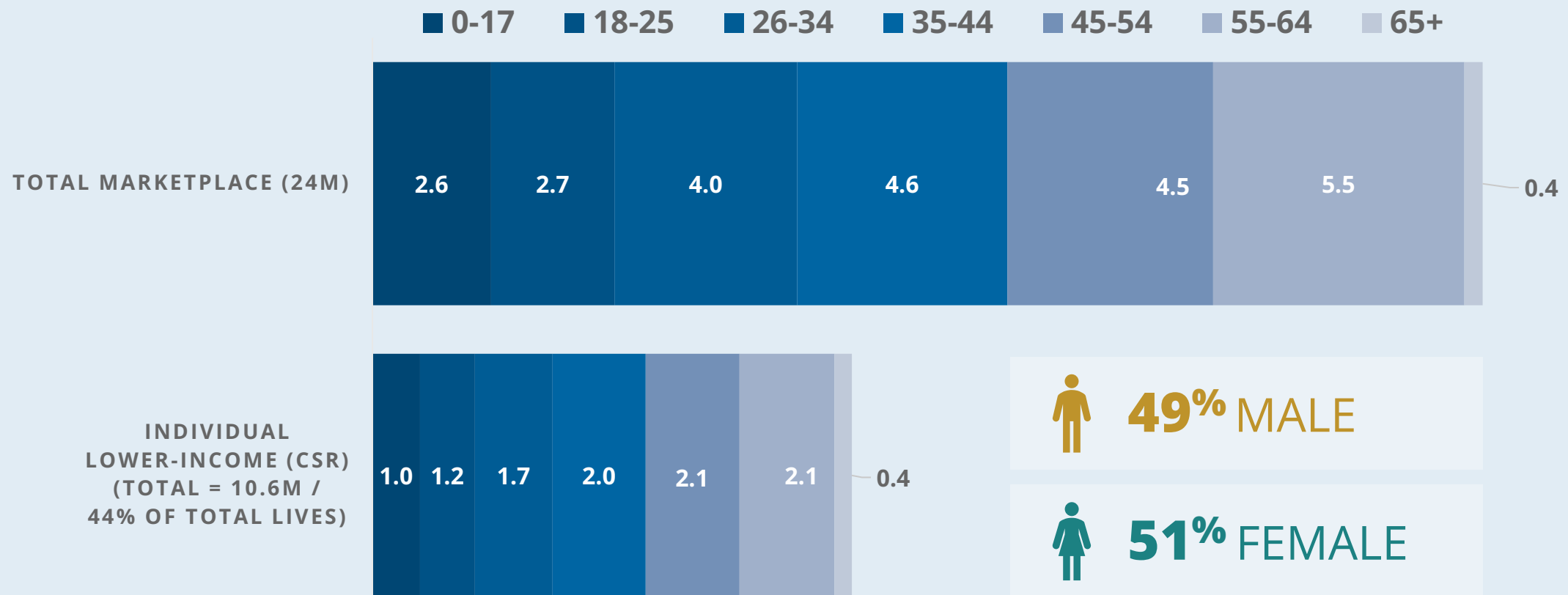
MARKETPLACE ENROLLMENT, 2019–2029



Sources: CMS, Marketplace Open Enrollment Period data (2014-2025); CBO-derived Marketplace estimates (2024-2034).

MARKETPLACE ENROLLEE DEMOGRAPHICS SHOW SIGNIFICANT % OF ENROLLEES IN THE AGE COHORT

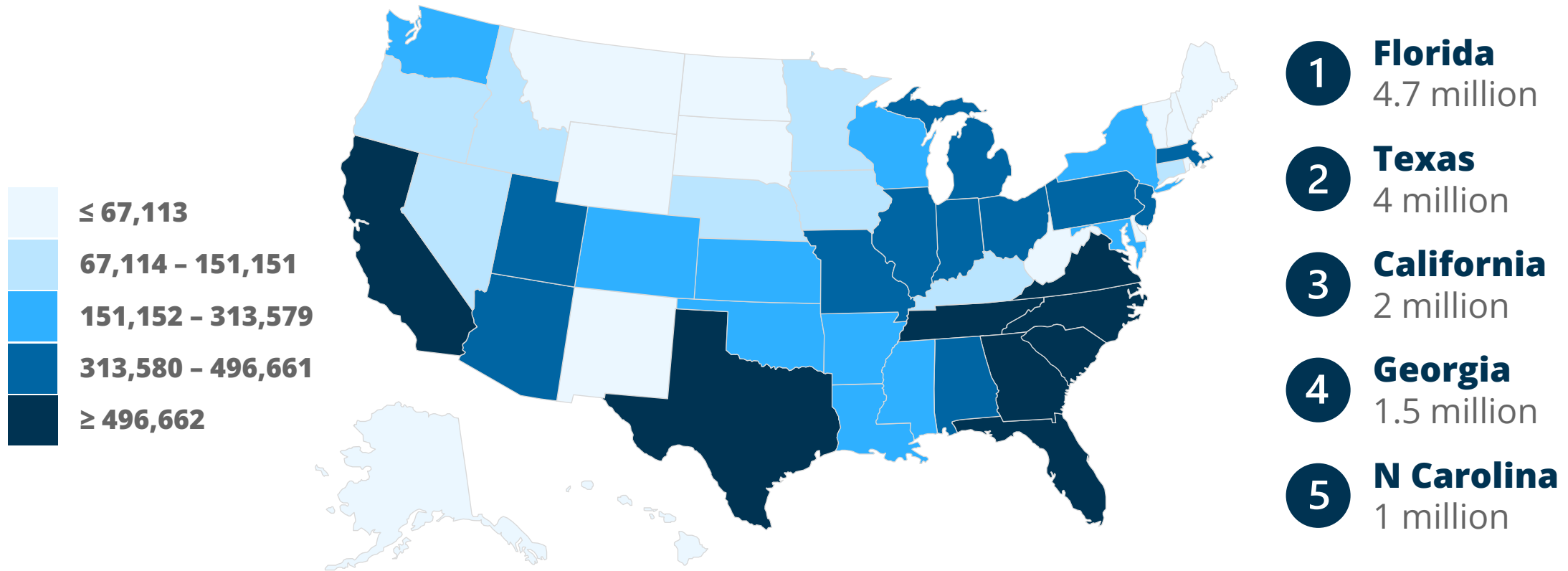
Age Distribution (Millions)



** Individual – Lower-Income (CSR) = ≤150% FPL for a single individual is \$23,475 in 2025.

Source: 2025 Open Enrollment data; 2023 WACA data extrapolated.

Heavy Concentrations of Marketplace Enrollees Live in the South/Southeast US

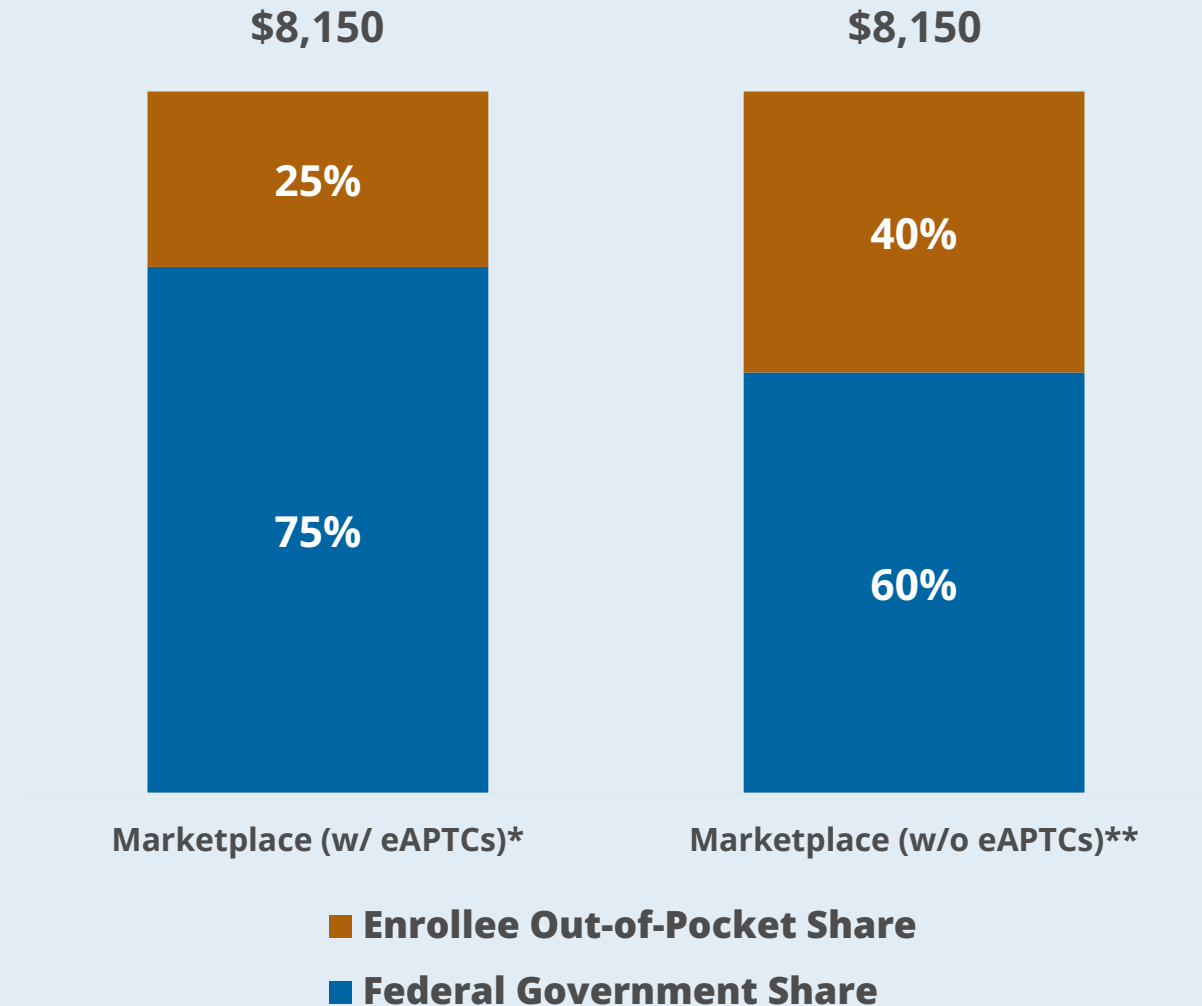


Source: KFF via CMS Marketplace Open Enrollment Period Public Use Files.

Marketplace Spending and APTC Scenarios

Per Member Per Year (PMPY)

- > 2023 Marketplace spending PMPY was about \$8,150.
- > About 75% of this spending currently is covered by the federal government and about 25% by the enrollee. Those percentages would change to 60% and 40%, respectively, with expiration of APTCs.
- > Preliminary 2026 rate filings indicated that risk pool and rates will be affected with the assumption that APTCs expire EOY 2025.
- > Total Marketplace spending is assumed to be the sum of premiums and member cost-sharing.



Source: 2023 WACA data.

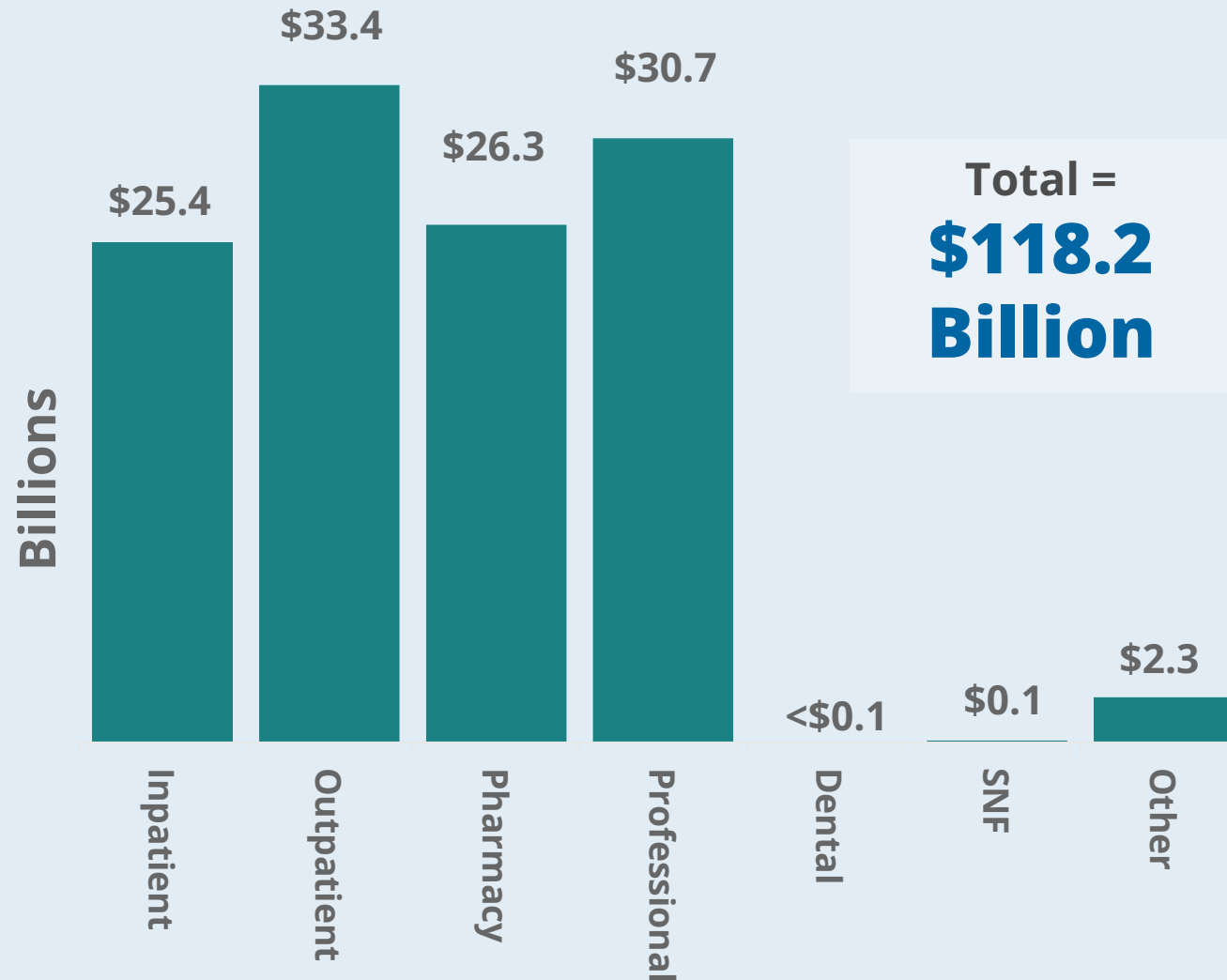
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2023

Marketplace Spending By Major Provider Type

- > Spending includes both federal government contributions and enrollee contributions.
- > Marketplace spending distribution reflects nature of the populations and contrasts with Medicaid spending distribution with more outpatient and far less SNF spending.
- > Inpatient and outpatient spending suppressed as physician billings often split from bundled payments. Pharmacy spending does not net out drug rebates.



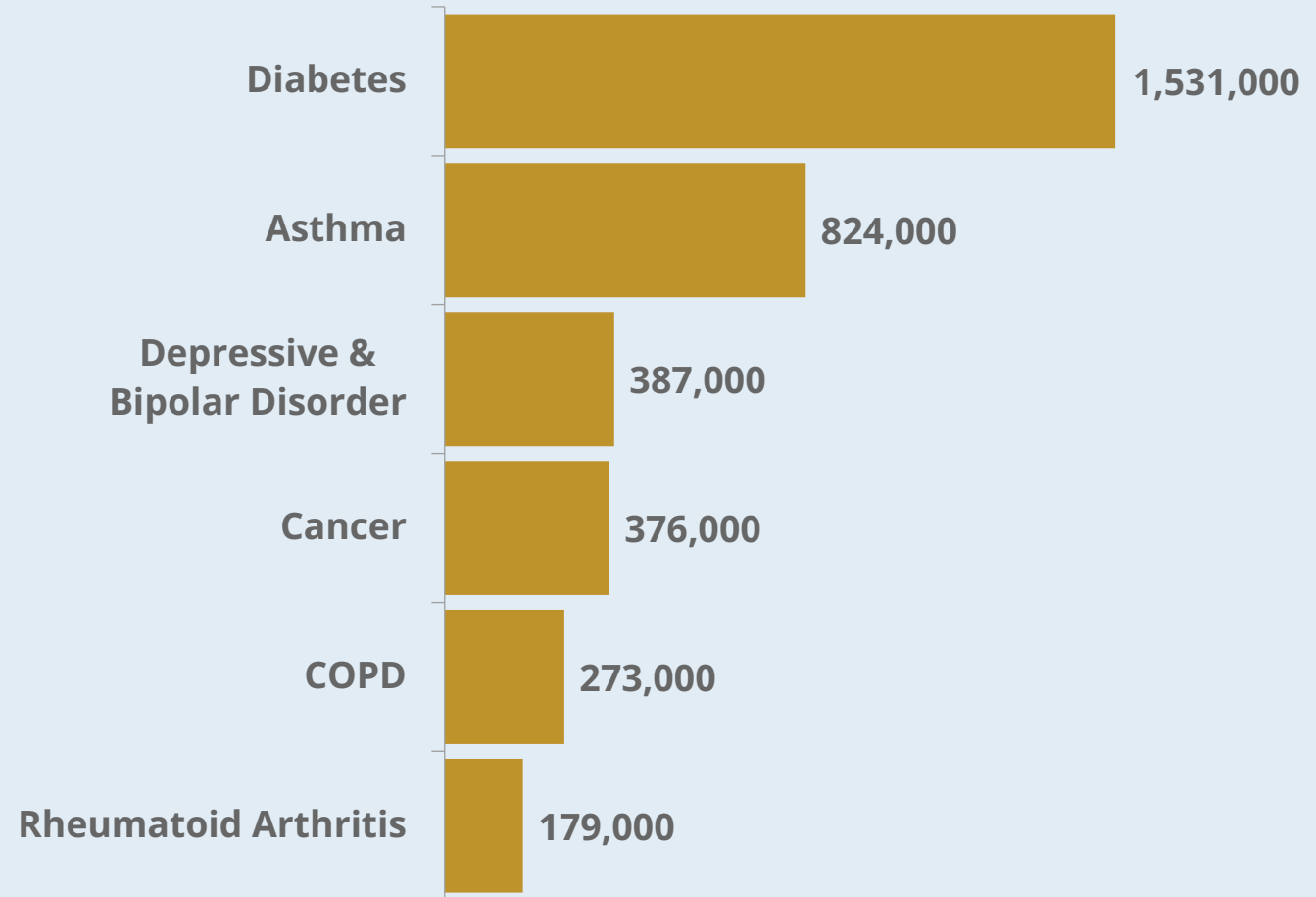
Source: WACA 2023 data totals are calculated based on a risk adjusted allowed amount.

Top Six Chronic Conditions

Among Marketplace Enrollees

- > The following chart represents the 6 most common conditions associated with Marketplace enrollees.
- > Among the 24 million Marketplace enrollees, diabetes is the most common chronic condition.
- > Many enrollees have co-occurring conditions. Prevalence numbers are estimates.
- > Marketplace enrollees also have rare conditions, including 74,000 with HIV, 22,000 with Hepatitis C, 8,000 with sickle cell disease, and 2,000 with cystic fibrosis.

OF MARKETPLACE ENROLLEES



Source: 2023 WACA data extrapolated to the 2025 population

2023 GROSS DRUG SPENDING—DRUG SPENDING AVAILABLE BY NDC

Top 10 Therapeutic Classes
(Billions)



Source: 2023 WACA data extrapolated, allowed amounts are risk-adjusted



METHODOLOGY

Wakely's ACA Database (WACA for short) contains detailed data for millions of individual and small group market lives, including medical and pharmacy claims, eligibility, diagnosis, Hierarchical Condition Category (HCC), premium, and risk transfer information at the member and claim line level. **WACA** is the most robust database containing detailed ACA data available in the industry.



This presentation uses 2023 WACA data, representing 5.76 million Marketplace enrollees. The WACA data contains members in over 40 states and is a generally representative sample of the market as a whole.



Demographic information was pulled from 2025 Open Enrollment Data. Premium and APTC numbers were pulled from 2023 and 2025 Open Enrollment data.



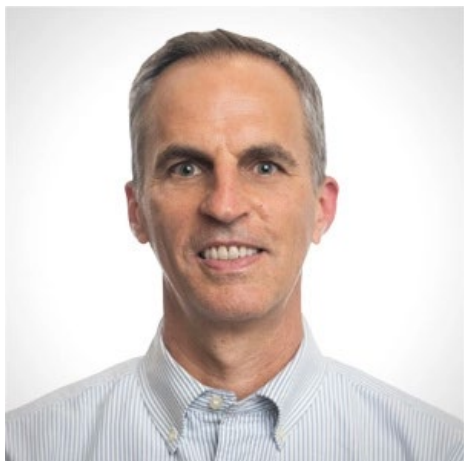
To align with projected total enrollment as of January 2025 (i.e., 24 million), figures are prorated by a factor of 4.17 for policy and discussion purposes.



Numbers are rounded for viewing ease and the approximate nature of scaling across different populations and time periods.

Contact us.

We can help.



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