April 15, 2026

Obamacare Plan Enrollment Down 17-26%

Aligns With ~19M Figure, Per Dr. Oz's March Comments Around Fraudulent Enrollment

Relevant Companies

Our Take & Next Up

Effectuation data (17-26% drop in enrollment) from Wakely shows that ACA plan sign-up numbers overstate actual coverage, and the gap widens when affordability deteriorates. Effectuation refers to the share of enrollees who actually pay their first premium and activate coverage. Now that April is here, grace periods for both unsubsidized (30-day) and subsidized enrollees (90-day) are expiring, and true nonpayment and effectuation data is beginning to emerge.

Wakely's data aligns with our take on March 24, noting that CMS Administrator Dr. Oz's estimate of ~19 M is the "true" ACA enrollment figure. Wakely's ~14% nonpayment estimate suggests actual enrollment is already meaningfully below the ~23M figure CMS reported in January & late March. This is inline and also aligns with insurer reports to date.

Key Points

CMS may not release official effectuation rates until July 2026, and would likely attribute the drop to the agency rooting out those fraudulently enrolled. We previously flagged April as the true effectuation deadline (our take here), particularly for enrollees impacted by enhanced premium tax credit (EPTC) expiration. As subsidies expired and net premiums rose, more enrollees missed payments, even with the 3-month grace period.

This is likely the first of several data releases, as CMS will likely release complete effectuation data later in this summer. Data shows ACA consumers are:

(1) dropping coverage entirely
(2) downgrading from silver to bronze plans (as seen in OEP data)
(3) shopping/switching to cheaper options.

Wakely ACA plan effectuation data shows a ~14% national nonpayment rate, compared to a typical ~5% early-year nonpayment rate. 86% of enrollees paid January 2026 premiums, while roughly 14% of this year's enrollees never paid their first January premium, largely due to rate shock. That figure is ~2–3 times higher than normal, and in some states nonpayment reached 25% or more. Higher nonpayment rates are concentrated in federal exchange states (vs. state-based exchanges), particularly in markets with heavy auto-reenrollment and rapid post-2021 growth in low-income, $0-premium enrollees.

The report projects total 2026 ACA enrollment will fall between 17–26% from 2025's ~24M peak, in line with MCO commentary. As a result, the true level of effectuated enrollment is likely to be lower than CMS's open enrollment figure of 23M reported in late March, as we projected directionally (here), which does not account for nonpayment attrition. Data from Blue Cross Blue Shield of Arizona provides a clear example of this dynamic, having lost more than 30% of its 2026 ACA members to nonpayment by the end of March, compared to just ~2% in 2025.

Insurers resorted to rate hikes following enhanced subsidy expiration, contributing to younger, healthier enrollees dropping out of plans and a deterioration of the risk pool. KFF survey data from late March similarly showed that higher premiums disproportionately drove younger enrollees out of coverage. Wakely also found that among individuals staying with the same insurer year over year, those who did not pay were ~10% healthier than those who did. A sicker remaining pool will likely push insurers to raise premiums again in 2027, potentially driving further attrition among healthy enrollees.

ACA MARCH OPEN ENROLLMENT DATA

The agency continues to frame ACA enrollment as stable based on open enrollment data, but grace periods have only recently ended and nonpayment totals are still materializing. CMS reported 23.1 M plan selections, down ~1.2 M (-5%) from the 24.3 M peak in 2025. However, plan selections only tell part of the story, as they do not account for nonpayment. As a result, headline enrollment figures consistently overstate actual coverage.

Dr. Oz suggested true ACA enrollment may fall to ~19M which we wrote about here, attributing the gap to improper enrollment, including those with incorrect income, missing paperwork, duplicate Medicaid/ACA coverage, or access to employer insurance. CMS Administrator Dr. Oz, along with Paragon Health, continues to argue that fraud and program integrity issues contribute to ACA effectuation challenges, rather than subsidy expiration alone.

Today, Paragon pointed to a significant share of enrollees reporting income between 100–150% of FPL, claiming that enrollees are fraudulently receiving the highest level of APTCs (advanced premium tax credits). Enrollees between the range of 100-150% FPL qualify for the most generous APTCs, and often have lower premiums. Paragon suggests some people, or brokers, may be misreporting income into that range to qualify for larger subsidies. The right-leaning think tank notes that improper enrollment increased during the COVID-era subsidy expansions. They also note that auto-enrollment declined ~19% this year, potentially reflecting CMS program integrity efforts. Paragon continues to promote marketplace integrity reforms.

Funding CSRs could lower costs for ACA consumers, though action this year appears unlikely unless it appears in reconciliation (our take here). Democrats are expected to highlight insurance affordability as a midterm issue. We expect CSR funding is possible but less likely in a 2026 reconciliation bill, meaning silver loading will likely continue into 2027. Enhanced premium tax credits (EPTCs) are also unlikely to come back to factor into the 2027 plan year.

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