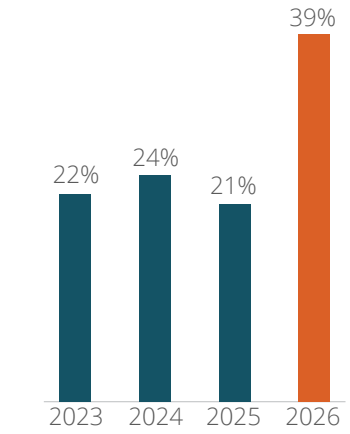
Without Extension of Enhanced Federal Tax Credits in 2026, Renewing Consumers Switched Down to Lower Coverage Bronze Plans and Now Face Higher Out-of-Pocket Costs

- Following federal inaction to extend enhanced premium tax credits, many marketplace consumers responded to higher premium costs by switching to Bronze coverage, which have lower premiums but higher out-of-pocket costs when accessing care.
- The shift was substantial: 39% of Active Renewals chose Bronze in 2026, compared to 21% in 2025.
- Nearly one-third of Active Renewals downgraded plans from higher coverage Silver or Gold.
- Lower income consumers receiving California's state subsidy program tended to stay in Silver.
- Most consumers (80%) who switched from Silver to Bronze reported that health care costs were a source of stress.

Share of Active Renewals Choosing Bronze Plans



Covered California enrollment data for 2026 Active Renewals with effectuated coverage as of March 2026

Premiums Increased in 2026 Due to Federal Inaction on Enhanced Premium Tax Credits

From 2021 to 2025, the federal enhanced premium tax credits (ePTC) increased the premium affordability of marketplace coverage, supporting enrollment in more generous coverage. In California, Silver plan selection increased while Bronze declined between 2021 and 2025, suggesting that the ePTC helped consumers afford coverage above the lowest-premium option.[1] Covered California estimated that the expiration of enhanced premium tax credits would raise average net premiums for subsidized enrollees – before any plan switching – from $130 to $255 per member per month, an increase of $125, or 97 percent.[2] With ePTC expiring in 2026 and net premiums rising, many renewing consumers instead bought down to Bronze coverage in order to remain insured.

"Most likely I'm going to do my best not to [access any care]." --Briz

Briz works in sales while living in Modesto with his wife and young child. The family kept their child in Silver coverage but switched the adults to Bronze after premiums rose sharply. Although Briz and his wife are generally healthy, he described avoiding a doctor visit while sick for several weeks because he expected to pay most of the cost out of pocket.

Bronze Plans Offer Lower Premiums, But Higher Out of Pocket Costs

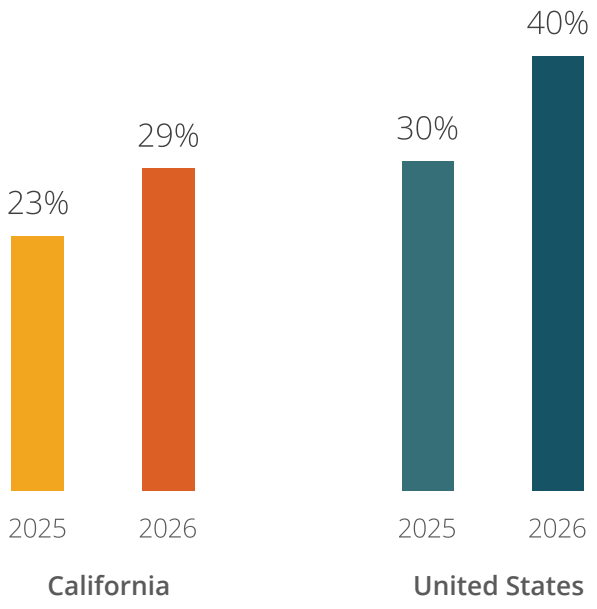
Bronze plans typically offer the lowest monthly premiums, but they also expose enrollees to higher deductibles and greater out-of-pocket costs than more generous coverage. Nationally, average deductibles in 2026 were about $7,476 for Bronze plans, compared with $5,304 for Silver plans, and annual in-network cost-sharing limits could reach $10,600 for an individual and $21,200 for a family.[3]

Covered California data illustrate the consequences of this cost-sharing difference. Bronze enrollees who accessed care in 2024 paid $1,193 out of pocket on average, compared with $608 for Silver enrollees – nearly double the cost, underscoring that Bronze coverage can expose consumers to substantially higher costs when they need care. The gap was even larger for serious care needs: for example, on average, a Bronze enrollee receiving treatment for a breast cancer episode paid $1,773 more out of pocket than a Silver enrollee, with costs of care exceeding $3,000.[4]

A Higher Share of Open Enrollment Consumers Chose Bronze in 2026

Facing higher premium costs, Marketplace consumers increasingly moved to Bronze plans in 2026. As a share of all plan selections during the open enrollment period – including both new sign-ups and renewals – California saw 29% of consumers choose Bronze for 2026, compared with 23% in 2025 (Exhibit 1). Nationally, 40% of all consumers chose Bronze for 2026, compared with 30% in 2025.[5]

Exhibit 1. Bronze as Share of Open Enrollment Plan Selections, 2025 to 2026

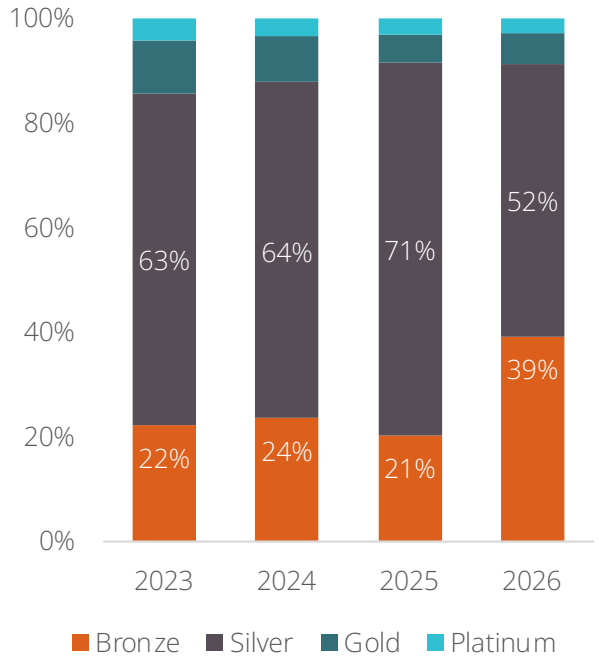


Marketplace Open Enrollment Period Public Use Files for 2017-2026 Centers for Medicare and Medicaid Services (CMS), Department of Health and Human Services, per Kaiser Family Foundation: https://www.kff.org/affordable-care-act/state-indicator/marketplace-plan-selections-by-metal-level-2/

In 2026, Renewing Consumers Actively Downgraded into Bronze Plans

Administrative data on Covered California enrollees renewing coverage for 2026 show that the shift to the Bronze plans was significant. Overall, 39% of actively renewing consumers were enrolled in Bronze by the end of the 2026 renewal period, either because of switching to a Bronze plan in 2026 from higher metal tiers (Silver, Gold or Platinum) or because they were previously enrolled in a Bronze plan (Exhibit 2). This is a substantial increase from prior years, when the share of active renewing enrollees choosing Bronze ranged from 21% to 24% between 2019 and 2025 (Exhibit 2).

Exhibit 2. Metal Tier Plan Choice for Actively Renewing Consumers, 2023 to 2026

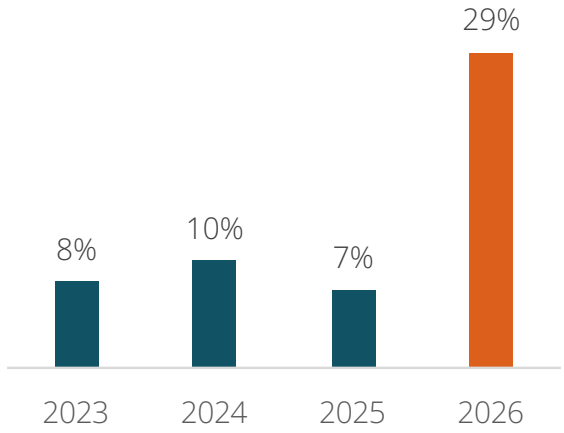


Plan tier choices from Covered California enrollment data for 2026 Active Renewals with effectuated coverage as of March 2026

The take-up of Bronze plans in 2026 has been driven by active plan switching among renewing consumers previously enrolled in higher value coverage. Among active renewals, the consumers who switched into Bronze included nearly a third (31%) of those formerly enrolled in Silver, more than a fifth (22%) of those previously enrolled in Gold, and about 1 in 10 of those previously enrolled in Platinum (Exhibit 4). In total, this accounts for 119,200 Covered California consumers previously enrolled in a higher value metal tier who switched down to Bronze in 2026.

The 2026 renewal cycle stands out sharply from earlier years: nearly one in three (29%) active renewals switched to Bronze, more than three times the rate of prior renewal periods when only 7-10% of renewals switched to Bronze (Exhibit 3). This change is consistent with the national Marketplace, where the Bronze plan selection share among all enrollees rose from 30% in 2025 to 40% in 2026 after enhanced premium tax credits expired.[5]

Exhibit 3. Share of Active Renewal Switching Down to Bronze Plans, by Year



Covered California enrollment data for 2026 active renewals with effectuated coverage as of March 2026.

The shift to Bronze was not evenly distributed across consumers: the sections below detail differences by income and eligibility for financial help, demographics, and need for care.

Exhibit 4. 2026 Plan Tier Movement Among Consumers Renewing Coverage for 2026

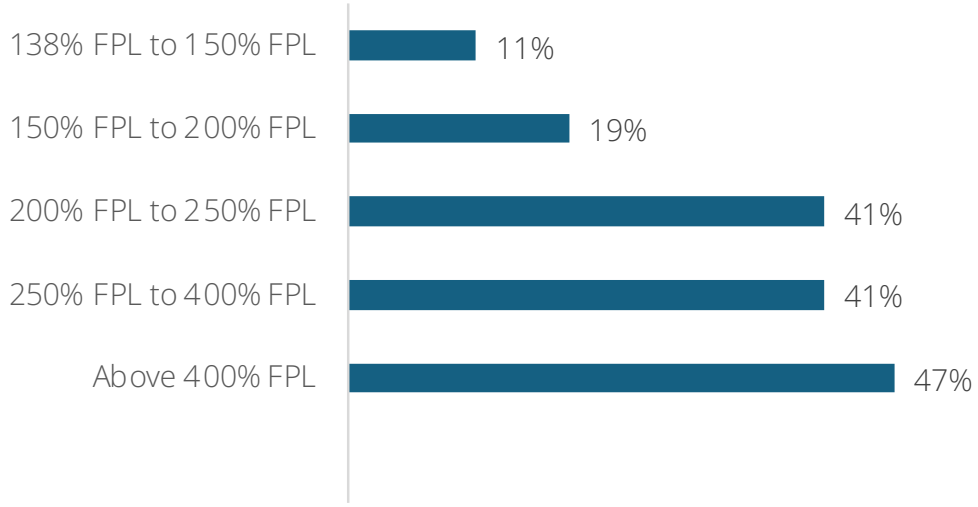
Active Renewals	2026 plan				
2025 plan	Bronze	Silver	Gold	Platinum	**Total Switch Rate**
Bronze	86%	11%	2%	1%	**14%**
Silver	31%	65%	3%	1%	**35%**
Gold	22%	29%	46%	3%	**54%**
Platinum	12%	19%	18%	51%	**49%**
Total	**39%**	**52%**	**6%**	**3%**	**33%**

Plan tier choices from Covered California enrollment data for 2026 Active Renewals with effectuated coverage as of March 2026

Eligibility for Financial Help – Especially State Subsidies – Was Associated with Lower Switching

Among active renewing consumers switching to Bronze, movement was greatest among middle-income consumers, who faced some of the largest premium increases due to the loss of the enhanced premium tax credit (Exhibit 5). Many low-income consumers were buffered against premium increases by California's state subsidy program, while all consumers under 200% FPL retained eligibility for generous CSR Silver plans that may have limited switching to Bronze.[6] However, above that 200% FPL threshold, the share of active renewals switching to Bronze more than doubled. In 2026, consumers above 400% FPL lost eligibility for financial assistance entirely.[7] Facing premium increases estimated at roughly $500 per member per month, nearly half of active renewals in this group (47%) responded by moving to lower-cost Bronze coverage.

Exhibit 5. Share of Active Renewing Members Switching to Bronze, by FPL Bracket



Covered California enrollment data for 2026 active renewals with effectuated coverage as of March 2026.

Switching To Bronze Varied by Demographics and Includes Impacts for At-risk Enrollees with Health Conditions

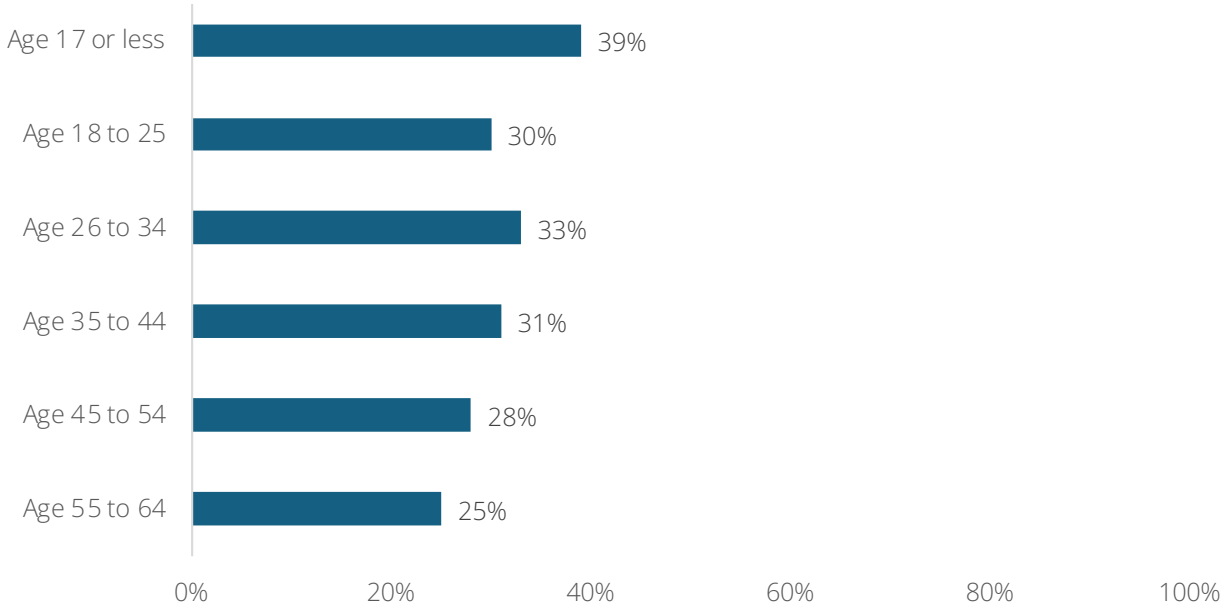
This shift has implications not only for affordability, but also for access to care, especially for consumers with elevated medical needs. Among active renewing consumers with high health care needs, based on prior year's utilization, including members who undergo cancer care, nearly one in five (18%) still switched to Bronze in 2026.

Age-based differences in Bronze switching also emerged (Exhibit 6). Bronze switch rates were highest among children aged 17 or less (39%) and younger adults aged 26 to 34 (33%) and lowest among older adults aged 55 to 64 (25%). This pattern may reflect differences in expected health care use, as older adults are more likely than younger adults to have chronic conditions and may therefore have had stronger incentives to retain higher value coverage.[8]

"It might be worth suffering for another six months of intermittent pain to not have that procedure hit me in this cost year." --Tom

Tom is a self-employed energy consultant and former electrician who lives near Sonoma and spends much of his time volunteering on local climate and transportation boards. After the cost of his Silver plan increased by $100, he compared premiums and expected use of care and switched to Bronze. A recent shoulder injury led to higher-than-expected urgent-care and imaging costs, and he began considering whether to postpone a procedure due to costs.

Exhibit 6. Share of Active Renewals in Higher Value Plans Who Switch Down to Bronze, by 2026 Age Group



Covered California enrollment data for 2026 active renewals with effectuated coverage as of March 2026.

Employment status also appeared to matter for switching tiers: active renewing consumers with employment income were more likely than self-employed active renewing consumers (30% vs. 24%) to switch to Bronze from higher tiers. This pattern may reflect greater caution among self-employed households about taking on higher out-of-pocket healthcare expenses, given evidence that self-employed workers face greater insurance instability and that income volatility is associated with healthcare affordability strain.[9]

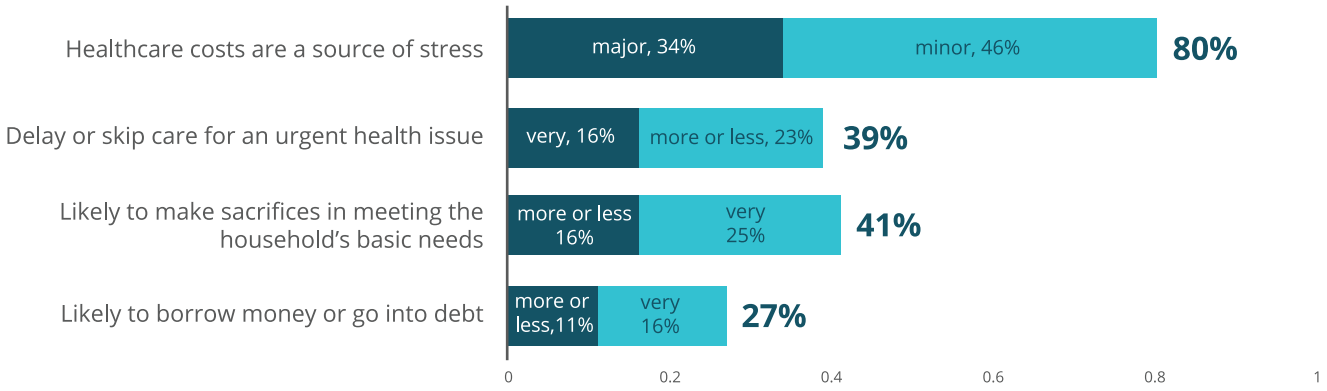
Consumers in Bronze Plans are Likely to Delay Care

Findings from the 2026 California Health Coverage Survey of Covered California consumers add more evidence that helps explain the pattern seen in the administrative data.[10] While the administrative data results show that many consumers moved into Bronze coverage as premiums rose after ePTC expiration, the survey responses (see Exhibit 7) indicate that financial pressures drove the change. Among California Health Coverage Survey respondents who were enrolled in Covered California and switched to a Bronze (or Minimum Coverage) plan from a Silver plan in 2026:

- more than one third said they are likely to **delay or skip care** for an urgent health issue, delay a recommended procedure or screening, or delay their annual checkup;
- about 80% reported that healthcare costs were a **source of stress**; while
- about 41% reported they were likely to **make sacrifices to meet basic household needs**; and
- about 27% reported they were likely to **go into debt to cover health care** costs.

These findings highlight the financial strain associated with these affordability-driven plan changes.

Exhibit 7. Financial Burden of Covering Healthcare Costs for Consumers Switching Down to Bronze



2026 California Health Coverage Survey of Covered California renewals who switched into Bronze. DEBT_FUTURE8: Thinking about the rest of 2026, how likely do you think it is that you or someone else in your household will do any of the following [to cover healthcare costs]? Percent selecting "Very Likely" or "More or less likely" (n=589). HEALTH_STRESS: To what extent are healthcare costs a source of stress in your life right now? (n=521)

"I definitely do think it would be necessary for me to try to get health checkups once in a while, which I have been avoiding because I, again, also just don't really know a lot about [health insurance]. I'm kind of like feeling like maybe I should have done that earlier when I had the better [coverage], but I'm also thinking like I'm not sure where I stand with what benefits I could get." -- Ana

Ana* is a part-time educator living in San Jose with her parents. She found Covered California through a google search and saw it was the most affordable option for her. She learned that her premium was increasing to $80/month due to a reduction in financial help, so she switched to a Bronze plan.

**Name has been changed to protect consumer's privacy.*

After Federal Policy Decreased Premium Support, Even Those Who Stay Enrolled Struggle To Afford Coverage and Care

In summary, after the expiration of enhanced premium tax credits in 2026, many Covered California consumers responded to higher net premiums by moving into Bronze coverage rather than dropping coverage altogether. Administrative data show that this shift was especially pronounced among consumers with less subsidy protection, particularly higher-FPL households, and among younger consumers, while lower-income consumers with stronger subsidy protection and older adults were less likely to switch. Survey findings suggest that Bronze plans help lower monthly premiums but still leave many enrollees facing financial barriers to care. Taken together, these findings suggest that many consumers preserved coverage by downgrading to lower-coverage Bronze plans that may have made care harder to afford when needed.

As net premiums rise with the expiration of ePTC, consumers may increasingly face a harder choice not only in selecting coverage, but in affording care once they are enrolled. The shift to Bronze may help households manage monthly costs in the short term to keep at least some coverage, but data from California illustrate the financial risk and affordability burden that federal policy choices to reduce marketplace tax credits are pushing onto residents who rely on this coverage for care when they need it.

Endnotes

1 KFF. (2025). Marketplace plan selections by metal level [California, open enrollment, 2021 & 2025]. State Health Facts.

2 Covered California. (2026). Impact of enhanced premium tax credits for Covered California enrollees. [Excel workbook; data as of July 29, 2025].

3 KFF. (2026, January 5). Policy changes bring renewed focus on high-deductible health plans.

4 Covered California. (2026, January). Costs of care for marketplace consumers switching to Bronze could double.

5 KFF. (2026). Marketplace Plan Selections by Metal Level. [Underlying data: Marketplace Open Enrollment Period Public Use Files for 2017–2026, Centers for Medicare and Medicaid Services (CMS), Department of Health and Human Services; California, open enrollment, 2017–2026]. State Health Facts.

6 Covered California. (2026, February 26). As enhanced federal subsidies expire, Covered California ends open enrollment with state subsidies keeping renewals steady—for now—and new signups down.

7 Congressional Research Service. (2026). Health insurance premium tax credit and cost-sharing reductions.

8 Centers for Disease Control and Prevention. (2025). Trends in multiple chronic conditions among U.S. adults, by life stage, Behavioral Risk Factor Surveillance System, 2013–2023. Preventing Chronic Disease, 22, 240539.

9 Center for Economic and Policy Research. (2026, February 11). Precarious work, precarious care: Income instability and interruptions in health care access.

10 Covered California. (2026). 2026 California Health Coverage Survey. Survey fielded in partnership with NORC at the University of Chicago after the close of Open Enrollment. For more information on survey, see https://hbex.coveredca.com/data-research/member-survey-2025-public-report.pdf.