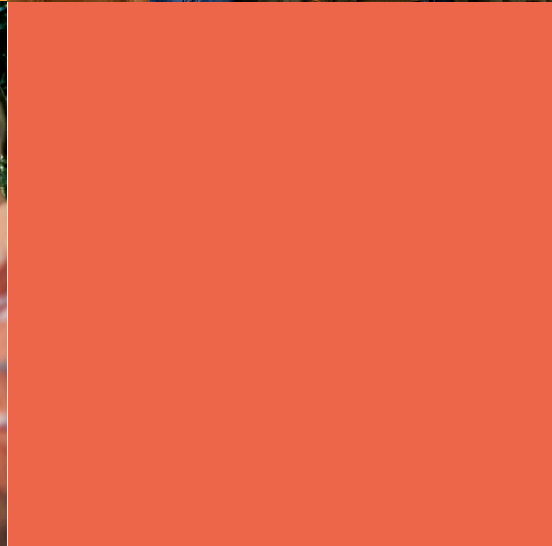


WHAT'S AT STAKE

# WHAT THE AFFORDABLE CARE ACT MEANS FOR OLDER ADULTS

**MEDICARE RIGHTS CENTER**  
Getting Medicare right



# This fact sheet explains how the Affordable Care Act protects consumers, including older adults.

The Affordable Care Act (ACA) strengthened Medicare and Medicaid and created important coverage avenues and consumer protections for people of all ages. Despite these successes, the health law continues to face opposition from some policy corners in Congress, the states, some presidential administrations, and the courts.<sup>1</sup>

From expanding affordable care access to preventing discrimination based on health status to boosting Medicare's financial outlook, the ACA improved the nation's health care infrastructure. It also reduced the number of the uninsured, which meant fewer people facing high rates of medical debt, delays in treatment, and poor credit.<sup>2</sup> These advances are especially important for older adults, who often have health problems that cause them to rely on the ACA's consumer protections as they approach Medicare eligibility.

## The Benefits

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**Medicaid Expansion:** The ACA gave states the option to expand their Medicaid programs to include coverage for low-income, non-elderly adults (ages 19–64) without dependent children. To date, 41 states (including D.C.) have expanded Medicaid.<sup>3</sup> Studies indicate this has led to historic coverage gains, improvements in access and financial security, and economic benefits for states and providers.<sup>4</sup>

**Limited Age-Based Discrimination:** The ACA prevents insurers from charging older consumers more than three times what younger people pay. Prior to the ACA, there was no limit on this

disparity; health insurance companies were typically free to set significantly higher and often cost-prohibitive premiums based on an individual's age, among other factors.

**Protecting Coverage for Pre-Existing Conditions:** The ACA does not allow compliant insurance plans to deny, limit, or charge people more for coverage based on a pre-existing condition. Up to 84% of those ages 55 to 64—31 million individuals—have a pre-existing condition for which they could be denied coverage or charged an unaffordable rate absent the ACA.<sup>5</sup>

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**Eliminating Lifetime and Annual Limits:** Before the ACA, insurers could simply stop paying for an enrollee's health care expenses after their costs reached a certain amount—often leaving the sickest patients responsible for extremely high costs.<sup>6</sup> The ACA prevents private insurance plans from placing annual or lifetime limits on coverage, helping to protect insured people from catastrophic health expenses and bankruptcy triggered by medical debt.<sup>7</sup>

**Providing Essential Health Benefits:** To ensure that people with ACA-compliant plans have access to comprehensive coverage, the health law requires most insurers to cover, at a minimum, a set of 10 essential health benefits (EHB). Prior to the ACA, consumers were often unable to find affordable coverage for many of these services—

nearly 1 in 5 Americans lacked coverage for mental health care and almost 1 in 10 didn't have any prescription drug coverage, despite 60% of the population needing at least one medication per year.<sup>8</sup>

**Increasing Access to Preventive Services:** Under the ACA's EHB requirements, private health insurance plans generally must cover a range of preventive health services without requiring any patient cost sharing (co-payments, deductibles, or co-insurance). Importantly, the ACA also improved access to no-cost preventive services within Medicare and Medicaid. These changes, particularly when considered alongside the ACA's coverage expansions, have effectively increased access to clinical preventive services and improved public health.<sup>9</sup>

## Current and Future Risks

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Legislative and judicial attempts to repeal the ACA, in whole or in part, are evergreen. They have included efforts to eliminate the law entirely, hamper Medicaid expansion, expand non-ACA compliant plans, invalidate or limit preventive care, and promulgate harmful state Medicaid waivers.

**Medicaid Work Reporting Requirements:** The 2025 Budget Reconciliation bill, HR 1, institutes federal work reporting requirements on the Medicaid expansion population that go into effect on December 31, 2026.<sup>10</sup> This will lead to many people losing coverage because they get trapped in red tape even though most people with Medicaid already work or qualify for an exemption.<sup>11</sup>

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**Barriers to Getting and Keeping Marketplace**

**Coverage:** The Trump administration finalized a rule that would set up new barriers for people attempting to enroll in or get care through Marketplace plans, including new verification requirements, denial of coverage for people with past-due premiums, limits on Essential Health Benefits that help transgender people get the care they need, elimination of important special enrollment periods, and premiums for people who should have zero-premium plans.<sup>12</sup> A federal court has stayed much of the rule pending litigation.<sup>13</sup>

**Rising Costs:** Marketplace premiums spiked dramatically for the 2026 coverage year due to the expiration of important tax credits. Because there was no extension, KFF estimates that premium payments increased 114%, on average, for subsidized enrollees who stayed in the same plan.<sup>14</sup> Analysts warn that Marketplace enrollment may ultimately be cut in half if Congress does not act.<sup>15</sup>

**Short-Term Limited Duration Insurance (STLDI):**

STLDI is a type of insurance that does not have to comply with ACA rules. These non-compliant plans can charge higher premiums or openly deny coverage for pre-existing conditions, impose annual or lifetime limits, and exclude coverage for the essential health benefits. Because they can offer a less robust benefit package and deny coverage for serious medical needs, these plans typically have lower premiums than ACA plans, leading consumers to shift from compliant to non-compliant plans.<sup>16</sup> But these lower costs come at a price; consumers who purchase these alternatives may spend less up front for coverage but find they are not protected if they become sick or injured.

The Biden administration finalized a rule that would significantly limit the reach of STLDIs,<sup>17</sup> but the Trump administration has signaled it will not enforce that rule and plans to do notice-and-comment rulemaking to reverse course yet again.<sup>18</sup>

**Association Health Plans (AHPs):** Like STLDIs, AHPs are non-ACA-compliant insurance products that can charge higher premiums based on jobs, age, and gender, and are not required to cover the essential health benefits. This can keep the premiums lower than compliant plan premiums but can also make the coverage less robust. The Trump administration attempted a large expansion in the availability of AHPs through rulemaking,<sup>19</sup> which was stymied by a federal court.<sup>20</sup> The Biden administration finalized a rescission of the Trump administration's rule,<sup>21</sup> but the Trump administration could make another run at restoring these plans.

**Medicaid Waivers:**<sup>22</sup> States seeking additional flexibility to operate their Medicaid programs may ask the Centers for Medicare & Medicaid Services (CMS) to approve a Section 1115 demonstration waiver. These waivers generally allow states to test new approaches in Medicaid service delivery, as long as the state's approach continues to promote the statutory objective of the Medicaid program, namely to furnish medical assistance to low-income individuals. While federal work requirements are now law, it is unclear whether those requirements are a ceiling or a floor for state actions. In addition, CMS has periodically approved waivers that impose administrative and financial requirements.

- [1] See, e.g., Kevin McGill, "Latest attempt to chip away at 'Obamacare' questions preventive health care" (March 4, 2024), <https://apnews.com/article/preventative-health-care-obama-appeals-court-bc55f54ce578a20a59c517b834148a45>.
- [2] Stephen Nuñez, "The US Medical Debt Crisis: Catastrophic Costs of Insufficient Health Coverage" (May 15, 2025), <https://rooseveltinstitute.org/publications/medical-debt/#financial>.
- [3] KFF, "Status of State Medicaid Expansion Decisions: Interactive Map" (December 1, 2023), <https://www.kff.org/medicaid/issue-brief/status-of-state-medicaid-expansion-decisions-interactive-map/>.
- [4] Madeline Guth & Meghana Ammula, "Building on the Evidence Base: Studies on the Effects of Medicaid Expansion, February 2020 to March 2021" (May 06, 2021), <https://www.kff.org/report-section/building-on-the-evidence-base-studies-on-the-effects-of-medicaid-expansion-february-2020-to-march-2021-report/>.
- [5] ASPE Issue Brief, "Health Insurance Coverage for Americans with Pre-Existing Conditions: The Impact of the Affordable Care Act" (January 5, 2017), <https://aspe.hhs.gov/system/files/pdf/255396/Pre-ExistingConditions.pdf>.
- [6] Loren Adler, et al., USC-Brookings Schaeffer on Health Policy, "Health Insurance as assurance: The importance of Keeping the ACA's limits on enrollee health costs" (January 17, 2017), <https://www.brookings.edu/blog/usc-brookings-schaeffer-on-health-policy/2017/01/17/health-insurance-as-assurance-the-importance-of-keeping-the-acas-limits-on-enrollee-health-costs/>.
- [7] Stephen Nuñez, "The US Medical Debt Crisis: Catastrophic Costs of Insufficient Health Coverage" (May 15, 2025), <https://rooseveltinstitute.org/publications/medical-debt/#financial>.
- [8] Families USA, "10 Essential Health Benefits Insurance Plans Must Cover Under the Affordable Care Act" (February 9, 2018), <https://familiesusa.org/blog/10-essential-health-benefits-insurance-plans-must-cover>.
- [9] Nadia Chait & Sherry Glied, Annual Review of Public Health, "Promoting Prevention Under the Affordable Care Act" (April 2018), <https://www.annualreviews.org/doi/full/10.1146/annurev-publhealth-040617-013534# i7>.
- [10] Center for Health Care Strategies, "A Summary of Federal Medicaid Work Requirements" (July 2025), <https://www.chcs.org/resource/a-summary-of-national-medicaid-work-requirements/>.
- [11] Jennifer Tolbert, et al., "Understanding the Intersection of Medicaid and Work: An Update" (May 30, 2025), <https://www.kff.org/medicaid/understanding-the-intersection-of-medicaid-and-work-an-update/>.
- [12] Geraldine Doetzer, et al., "The Marketplace Final Rule Rolls Back Access to Marketplace Coverage and Affordability" (August 11, 2025), <https://healthlaw.org/resource/the-marketplace-final-rule-rolls-back-access-to-marketplace-coverage-and-affordability/>; Centers for Medicare & Medicaid Services, "2025 Marketplace Integrity and Affordability Final Rule" (June 20, 2025), <https://www.cms.gov/newsroom/fact-sheets/2025-marketplace-integrity-and-affordability-final-rule>.
- [13] Nick Hut, "Court limits CMS's authority to immediately apply the ACA marketplace program integrity final rule" (August 28, 2025), <https://www.hfma.org/payment-reimbursement-and-managed-care/court-limits-cmss-authority-to-immediately-apply-the-aca-marketplace-program-integrity-final-rule/>.
- [14] Justin Lo, et al., "ACA Marketplace Enrollment is Down in 2026—But All of the Data Isn't in Yet" (February 5, 2026), <https://www.kff.org/affordable-care-act/aca-marketplace-enrollment-is-down-in-2026-but-all-of-the-data-isnt-in-yet/>.
- [15] Lindsey Copeland, "Congress Must Preserve Access to Affordable Marketplace Coverage" (September 11, 2025), <https://www.medicarerights.org/medicare-watch/2025/09/11/congress-must-preserve-access-to-affordable-marketplace-coverage>.

[16] Mark Hall & Michael McCue, "Short-Term Health Insurance and the ACA Market" (March 16, 2022), <https://www.commonwealthfund.org/blog/2022/short-term-health-insurance-and-aca-market>; The Leukemia & Lymphoma Society, et al., "UNDER-COVERED: How 'Insurance-Like' Products Are Leaving Patients Exposed" (March 25, 2021), [https://www.nami.org/NAMI/media/NAMI-Media/Public%20Policy/Undercovered\\_Report\\_03252021.pdf](https://www.nami.org/NAMI/media/NAMI-Media/Public%20Policy/Undercovered_Report_03252021.pdf); U.S. House of Representatives Committee on Energy and Commerce, "Shortchanged: How the Trump Administration's Expansion of Junk Short-Term Health Insurance Plans is Putting Americans at Risk" (June 2020), [https://drive.google.com/file/d/1uiL3Bi9XV0mYnxpyaIMeg\\_Q-BJaURXX3/view](https://drive.google.com/file/d/1uiL3Bi9XV0mYnxpyaIMeg_Q-BJaURXX3/view).

[17] 89 Fed. Reg. 23338.

[18] US Department of Labor, "Statement of U.S. Departments of Labor, Health and Human Services, and the Treasury regarding short-term, limited-duration insurance" (August 7, 2025), <https://www.dol.gov/agencies/ebsa/laws-and-regulations/laws/affordable-care-act/for-employers-and-advisers/short-term-limited-duration-insurance/stldi-statement-08-07-2025>.

[19] 83 Fed. Reg. 28912.

[20] *New York v. United States Department of Labor*, 363 F. Supp. 3d 109 (D.D.C. 2019).

[21] 89 Fed. Reg. 34106.

[22] For more on waivers, see our companion fact sheets focused on that issue and on work requirements.

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