Health Care in Motion

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The 2026 Midterms: Health Care Affordability Meets a High-Stakes Medicaid Transformation

Mere weeks before Election Day, health care is on the ballot as an important pocketbook issue**.** In KFF's latest tracking poll, 47% of voters said it is extremely important for candidates to talk about health care costs. In that same survey, health care costs were tied with gas prices as voters' top economic concern.

For policymakers seeking to stake out a stance on these issues, one challenge is that health care affordability is not a single policy problem. Lower premiums do not necessarily mean lower deductibles, and lower federal spending does not automatically translate into lower household costs. The election debates will test how candidates explain these trade-offs, and which measures they propose to address them. At the same time, the election will take place as states, providers, federal agencies, and, ultimately, voters prepare for major changes to Medicaid, the Affordable Care Act (ACA), and other health programs. The election outcome will help determine the congressional environment in which those changes are scrutinized, funded, and possibly revised. Read on for more about these and other health care issues that are likely influencing voters, and how the midterms could shape what happens next.

ACA Premiums: The Subsidy Cliff Has Arrived

The enhanced ACA premium tax credits, created in 2021 as pandemic relief, expired on December 31, 2025 after a fight that included a 43-day government shutdown. Marketplace enrollment had more than doubled—from 12 million in 2021 to about 24 million—while the credits were in place.

Before the subsidy lapse, KFF had projected that expiration of the subsidies would cause enrollees' average premium payments to more than double, from an average of $888 to $1,904 per year. Without the enhanced subsidies, the Urban Institute and Commonwealth Fund projected that 4.8 million people would drop coverage in 2026. KFF recently reported that as of June 2026, individual marketplace enrollment had decreased by 18%, more than 4.6 million people, compared to June 2025. The exodus of younger, healthier adults from the marketplace contributed to higher costs for those who remained.

A second round of premium increases is now quickly approaching. Insurers' proposed 2027 rates carry a median increase of about 15% in the individual market, and KFF's August analysis attributed about 4% of those proposed increases to a sicker risk pool after the subsidies expired. The effects vary by income, age,

location, and plan, but the policy change has put renewed attention on the relationship between federal subsidies and household costs.

Open enrollment for 2027 coverage begins on November 1st, just two days before the election. Many voters will see their renewal notices and new premium costs just as they decide how to vote.

The Impact of HR 1 Implementation for Medicaid

HR 1, the 2025 budget reconciliation bill, established significant changes to Medicaid financing and eligibility. Among its provisions are work reporting requirements for certain adults, changes to cost sharing for Medicaid members, restrictions on provider taxes and state-directed payments, and new requirements affecting other aspects of program administration.

Learn More About HR 1

For an overview of key Medicaid and ACA marketplace cuts in HR 1, including implementation dates, read our Health Care in Motion summarizing the final bill. A more recent issue covered this summer's Medicaid work requirements interim final rule and its implications for coverage losses.

The Congressional Budget Office (CBO) estimated that HR 1's Medicaid provisions would reduce the federal spending by approximately $887 billion over ten years and increase the number of people without health insurance by 7.5 million by 2034. The cuts may be most immediately visible to Medicaid members due to the new work requirements, which every state with Medicaid expansion must implement for the expansion group by January 1, 2027. The Robert Wood Johnson Foundation estimated earlier this year that 4.9 million to 10.1 million people could lose coverage in 2028 from the work requirements and more frequent eligibility checks. States are now in the midst of implementating these changes, translating the new federal requirements into eligibility systems, reporting procedures, oversight processes, and budget decsisions. Providers are also in the midst of anticipating how changes in coverage and financing could impact utilization, reimbursement, and the people they serve.

The impact of HR 1 on the midterms is somewhat unclear. Although Democrats are emphasizing these Medicaid cuts in their appeals to voters, many of HR 1's Medicaid provisions take effect after the midterms, so voters are being asked to react to changes they have not yet fully experienced. Additionally, the consequences of implementation will not be uniform. A state's ability to absorb changes in federal Medicaid funding may depend on its existing budget pressures, the availability of alternative revenue to meet budget shortfalls, and the state's political environment.

Even if the potential impact of HR 1 on the midterms is uncertain, the impact that the outcomes of the midterms will have on the implementation of HR 1 will be significant. Federal regulations and guidance implementing the new law, enforcement priorities, and decisions about compliance will greatly influence how the Medicaid changes in HR 1 operate in reality. The outcome of the midterms will impact whether and to what degree Congress uses oversight hearings, appropriations, and legislation to examine those decisions—or whether a reversal or narrowing of some of HR 1's provisions may be on the table.

The Administration's Pitch for Program Integrity

The Administration's current focus on waste, fraud, and abuse provides a second major frame for the Medicaid debate in the midterms. These efforts—such as the recent reports that the Administration cut 760,000 people from marketplace plan enrollment—may be designed, at least in part, to galvanize the Republican base ahead of the elections and provide an alternative narrative to the Medicaid cuts in HR 1. A KFF poll this summer found that 55% of Republican voters say it is extremely important for candidates to address fraud in programs like Medicaid and Medicare, making it their top health issue. On the flip side, 84% of Democrats, about three in four independents, and 62% of non-MAGA Republicans say that ensuring access to care should come before preventing fraud.

Accusations of Fraud in HCBS Waivers

The Administration has been particularly vocal in its accusations of fraud among providers of services for people with disabilities. Our most recent Health Care in Motion issue highlighted these attacks and the ways they both threaten access to important services and are being used to justify cuts to the Medicaid program more broadly.

Besides being an election talking point, efforts to combat fraud could have a real impact on access to care. For example, new documentation requirements, payment reviews, enrollment restrictions, and audits can create administrative burdens for states and providers. If these efforts are poorly or unfairly targeted and implemented without sufficient staff capacity, providers may be overwhelmed, legitimate claims may be delayed, and eligible beneficiaries may experience disruption in care. Moreover, CMS has attempted to withhold large sums of Medicaid funding for specific states based on accusations of fraud, a strategy that could destabilize state Medicaid programs. These issues could become an important area for congressional oversight in 2027 and beyond, particularly as fraud enforcement activity intersects with implementation of HR 1.

Key Takeaways

The midterms will not resolve every health policy dispute. But control of Congress will affect which issues receive hearings, how aggressively policymakers scrutinize administrative decisions, which legislative proposals advance, and how the federal budget is negotiated.

If the next Congress seeks to revisit provisions of HR 1, lawmakers will have to contend with budgetary constraints, partisan disagreements, and the reality of implementation already underway. If major statutory changes prove too difficult, oversight and appropriations may become more prominent tools for influencing policy. Meanwhile, uncertainty itself is a barrier to smooth administration of large federal programs like Medicaid, which require massive investments in eligibility systems, workforce training, and member communications.

For people who rely on Medicaid-funded services, the stakes are especially high. The interaction between federal financing, state budgets, and provider capacity will influence whether services remain available and whether individuals can continue to live and receive care in their communities. The stakes are likewise

high for people who rely on ACA marketplace plans, which will continue to become increasingly unaffordable unless Congress acts to reinstate the enhanced subsidies or otherwise reduce out of pocket costs.

For health care system stakeholders, the central task is to look beyond campaign promises and track how decisions affect coverage, access, financing, and the delivery of care—and to hold elected officials accountable for the real-world consequences of their policy choices. Election outcomes matter, as do the administrative choices and implementation details that determine what those outcomes mean for patients, families, providers, and the systems on which they depend.

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