

When Health Insurance Costs More Than the Mortgage

With the loss of the subsidies and health care costs already surging, more middle-income people face tough decisions about their health coverage this year.

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When Noah Hulsman, who owns a skate shop in Louisville, Kentucky, learned he no longer qualified for federal subsidies to help him pay for his “gold” Affordable Care Act health plan, the 37-year-old opted for skimpier coverage. But the deductible is about a quarter of his yearly income.

Loretta Forbes realized she would have to drop her plan after her monthly ACA marketplace premiums jumped tenfold in 2026. So the 56-year-old, who lives outside Nashville, Tennessee, started rationing her rheumatoid arthritis medications. Her husband, Jim, gave up on his fledgling handyman business and started looking for a job with insurance coverage.

And when Nicole Wipp learned the monthly premium for her family’s ACA plan would be more than their mortgage payment, she and her husband decided to drop their family plan and buy coverage only for their 15-year-old son.

After crunching the numbers, Wipp, 54, a self-employed lawyer in Aiken, South Carolina, said she and her family made the tough call.

“We decided that, ultimately, it would be better for us to gamble.”

Despite a contentious back-and-forth and the longest government shutdown in history last fall, the GOP-led Congress allowed enhanced ACA subsidies, which had helped millions of Americans cover all or part of their marketplace premiums since 2021, to expire on December 31. With the loss of the subsidies and health care costs already surging, [more middle-income people](#) face tough decisions about their health coverage this year.

Hulsman, Forbes, and Wipp don’t qualify for Medicaid, the public insurance program for those with low incomes or disabilities. But like many others, they are being squeezed by the increasing costs of groceries, housing, and other necessities. Rising monthly health insurance premiums, along with copayments, high deductibles, and other out-of-pocket medical costs, can often push families like these to the brink.

More than 80% of Americans said their cost of living has increased in the past year, according to [a January poll](#) from [KFF, a health information nonprofit](#) that includes KFF Health News. Health care costs ranked at the top of their concerns, with about two-thirds saying that they are somewhat or very worried about affording health care — more than said the same about other necessities, such as food and housing, the poll found.

“Premiums are getting quite unaffordable for a lot of people. The cost of both health care and other basic needs is rising,” said [Cheryl Fish-Parcham](#), director of private coverage at the health consumer group Families USA. “This is an especially critical time for Congress to do something.”

Most Republican lawmakers have refused to renew the enhanced subsidies. Most of the public says that inaction by Congress was the “wrong thing,” according to the KFF poll. Instead, GOP lawmakers have advocated for an expansion of [health savings accounts](#) and for more plans with lower premiums and steeper deductibles and copays that don’t reduce overall costs.

President Donald Trump released [an outline of a health plan](#) in January with few details about how to lower out-of-pocket costs for millions of Americans. The One Big Beautiful Bill Act, which he signed in July, is expected to leave millions uninsured over the next decade as it reduces federal health spending by nearly \$1 trillion, mostly from Medicaid.

Already about 1.2 million fewer people have signed up for plans for this year under the ACA, also known as Obamacare, according to [federal data](#). Health policy analysts expect more people to stop making payments and drop coverage in the coming months. ACA marketplace insurers have said that they are charging 4 percentage points more in 2026 because they expect healthier people to drop plans as enhanced tax credits expire, leaving more sick and high-cost patients.

Rising costs and lack of congressional action are forcing many to make “untenable choices,” said [Joan Alker](#), executive director and co-founder of the Center for Children and Families at Georgetown University.

“People are faced with absorbing this huge financial and health risk,” she said.

Forbes, the woman with rheumatoid arthritis near Nashville, had been on an ACA marketplace plan since 2018. But this year she and her husband, Jim, dropped their coverage after learning the monthly premium would jump from \$250 to \$2,500 because the enhanced subsidies expired. Jim, 59, gave up his handyman business and began searching for a job with health insurance.

“We were like: ‘OK, we can’t breathe. We’re gonna tap out,’” said Forbes, who was diagnosed with cervical cancer in 2021. Last year she lost her job at a retirement facility because she couldn’t work after she had a hysterectomy.

A day before their ACA coverage lapsed, her husband got a job offer at a property management company that provides health coverage. In January, they learned that Forbes was approved for Medicare because of her disability. The \$155 monthly premium is automatically deducted from her disability check, she said.

Forbes' Medicare plan starts in February, just in time for her next cancer screening.

"You cannot imagine what a relief it is to know I will have care," Forbes said.

Even those who are insured face drastically higher out-of-pocket costs. This year, health insurers' premiums for ACA marketplace plans [jumped an average of 26%](#), the result of higher hospital costs, the popularity of pricey GLP-1 drugs for obesity and diabetes, and the threat of tariffs, according to KFF. Nearly 4 in 10 adults said they were skipping or postponing necessary care because of costs, [a 2025 KFF poll](#) showed.

Hulsman, the Louisville shop owner, said he takes home about \$33,000 a year from his business. Last year he paid about \$105 a month for a gold plan on the marketplace, with a \$750 deductible. This year, with the loss of the enhanced subsidy, Hulsman is paying the same monthly premium for a "bronze" plan, but with a deductible of \$8,450, which he must pay out-of-pocket before his insurer starts paying for care. On average, deductibles for bronze plans are more than four times those of gold plans, according to [a KFF analysis of 2026 marketplace plans](#).

Hulsman didn't consider dropping health insurance, because Kentucky has limited [consumer protections for medical debt](#). But he said he'll try to get an estimate if he needs to go to a doctor. And he's worried that a major accident could wipe out his skate shop. He won't be able to buy inventory or pay shop bills if he has to meet his full deductible, he said.

"I'm just riding the line right now," the skateboarder said. "One slip and it's gonna be uncomfortable."

In South Carolina, Wipp dragged her family to get routine vaccinations on New Year's Eve — the last day that she and her husband had health coverage.

This year's monthly premium for a bare-bones bronze family plan would have cost them \$1,400, up from \$900 last year. They would still have faced high copays for doctor visits and need to meet a deductible of more than \$10,000. Instead, they're paying around \$200 to cover just her son.

Wipp, who has a rare condition that causes cysts and other growths to form in the lungs, said she and her husband plan to pay out-of-pocket this year for any initial preventive care. Their second source of money, for larger medical expenses, is an old health savings account. But she said that account doesn't have enough to cover a major accident or illness. And Wipp can't add to the account while she is uninsured.

"The third source would be, I don't know," Wipp said. "The fourth is bankruptcy."

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