

# Summary: Changes to ACA marketplace eligibility and access for immigrants

On June 25, 2025, the Centers for Medicare & Medicaid Services (CMS) finalized its [ACA marketplace integrity rule](#) (“CMS final rule”) and on July 4, 2025, the [One Big Beautiful Bill Act](#) (OBBBA; Public Law 119-21) was signed into law. Both the CMS final rule and OBBBA impose significant restrictions on ACA Marketplace subsidies and eligibility for certain immigrant populations, including many lawfully present residents and Deferred Action for Childhood Arrivals (DACA) recipients.

In addition to the significant harm these restrictions will have on the targeted immigrant populations, all marketplace enrollees will likely be impacted through higher premiums. This is because immigrant enrollees are more likely to be younger and use fewer health care resources, thereby helping to offset the costs of more expensive enrollees through their premium dollars. For example, [data from Covered California](#) shows that 27 percent of citizen enrollees are between the age of 55 and 64 while only 11 percent of lawfully present immigrants who will lose access to subsidies are in the same age range. Similarly, the data show that those immigrants who will lose subsidies consistently have lower risk scores (i.e. are healthier) than other enrollees and are therefore likely to have lower health care costs.

## Immigrant eligibility for ACA subsidies and tax credits

Under Section 71301 of OBBBA, only “eligible aliens,” defined in the statute as those who are lawfully present and are either [admitted for permanent residence](#) (i.e., green card holders), granted status as a Cuban and/or Haitian entrant, or are here via a Compact of Free Association (i.e., citizens of the Marshall Islands, Palau, or Micronesia), will be eligible to receive premium tax credits (PTCs) to purchase marketplace plans. Other lawfully present immigrants such as refugees, asylees, and Temporary Protected Status recipients (including victims of human trafficking) who were previously eligible for PTCs will no longer be eligible. This change takes effect on January 1, 2027, and, without ACA subsidies, most immigrant enrollees will discontinue their coverage. The impact of these restrictions will be compounded by changes under Section 71109 of OBBBA which excludes previously eligible legal immigrants such as refugees, individuals granted asylum, and certain abused spouses and children from Medicaid coverage.

Section 71302 of OBBBA eliminates PTC eligibility under the ACA for lawfully present immigrants with income below 100% of the federal poverty level who are ineligible for Medicaid due to their immigration status, including those who are ineligible for Medicaid because they are in their first five years in the United States. Previously, these lawfully present immigrants would have been eligible for marketplace subsidies to help bridge the gap to Medicaid eligibility. This change is effective for tax years after December 31, 2025.

Finally, under the CMS final rule, DACA recipients are prohibited from enrolling in health plans through the marketplace or receiving PTCs or cost sharing reductions. This restriction became effective with publication of the final rule, forcing states to take steps to remove DACA recipients from marketplace coverage immediately, and requiring insurers to send cancellation notices to enrollees. It is estimated that 11,000 individuals will lose coverage mid-year.

## Changes impacting access for immigrants

Several changes to marketplace enrollment processes and shortened open enrollment periods will make it more difficult for eligible immigrants to access coverage. For example, beginning in plan year 2028, Section 71303 of the OBBBA ends the longstanding practice of allowing subsidized marketplace consumers to automatically reenroll in their plan and will require that all individuals take actionable steps to verify eligibility information, including whether the individual is eligible considering their immigration status using official immigration documents. Under the same section, OBBBA ends provisional eligibility for marketplace coverage, disallowing individuals access to ACA subsidies for a limited time while their eligibility is being verified and the CMS final rule ends an extended 60-day grace period for enrollees while enrollment data discrepancies are resolved.