

**Written Testimony**  
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for the  
**House Appropriations Committee**  
**February 24, 2026**

**Background**

Chairman Harris, Chairman Struzzi, Chairman Warren, Chairwoman Pickett, and members of the committee, thank you for the opportunity to testify before the House Appropriations Committee on behalf of the Pennsylvania Health Insurance Exchange Authority – known as Pennie.

Pennie is an independent state agency that was created by Act 42 of 2019, which was adopted unanimously by both chambers of the General Assembly. Our core mission is to expand access to high-quality affordable coverage across Pennsylvania. We are governed by a Board of Directors that brings expertise from across the public health, insurance industry, and consumer perspectives.

Pennie serves Pennsylvanians who do not have access to other health insurance coverage – including those who are not offered employer coverage, are not yet eligible for Medicare, and whose incomes are too high for Medicaid. Most Pennie enrollees are hard-working small business owners, independent contractors, farmers and individuals who work one or more part-time jobs. Through Pennie, nearly half a million Pennsylvanians have high-quality, affordable coverage.

All health plans offered through Pennie are guaranteed to have the maximum consumer protections, including access to comprehensive medical care, coverage of pre-existing conditions, and no annual or lifetime limits. Most importantly, Pennie is the only place to receive income-based federal premium tax credits that instantly reduce the cost of coverage.

Pennsylvanians who rely on Pennie for access to high quality, affordable coverage have recently experienced significant cost increases due to federal policy. The cost barriers were clear in the outcomes of the most recent Open Enrollment period, which reversed the growth trend of the last several years to instead result in more uninsured and underinsured Pennsylvanians. As affordability barriers drive more to go uninsured, the impacts will be felt at every level from individual households to the statewide economy.

**Open Enrollment 2026: Cost Impacts on Current and Future Enrollment**

Pennie has consistently heard from consumers that the cost of coverage is their primary concern, even with the availability of both the longstanding premium tax credits and more recent enhanced premium tax credits (EPTCs). Going beyond the original premium tax credits, the enhanced premium tax credits were added in 2021 and made Pennie coverage more affordable across all income levels. Pennie saw 50% enrollment growth due to the increased affordability of the EPTCs.

However, the EPTCs expired at the end of 2025. Knowing that large cost increases would occur if Congress did not extend the EPTCs, Pennie proactively and repeatedly communicated the potential cost impacts to provide enrollees with as much time as possible to prepare. Ultimately, Congress did not extend enhanced premium tax credits, resulting in 102% cost increases for Pennie enrollees to keep their plan in 2026. Some increases were even higher.

Open Enrollment for 2026 coverage ended on January 31, with outcomes showing the negative effects of the costs doubling for Pennie enrollees. Open Enrollment closed with around 486,000 total enrollees, a 2% decrease compared to 2025. More striking was an unprecedented 85,000 enrollees who terminated coverage for 2026, more than three times the last year. Based on survey data, most are going uninsured, adding to the existing 694,000 uninsured Pennsylvanians.

Meanwhile, Pennie saw a sustained need for high quality health coverage, as around 79,500 Pennsylvanians enrolled through Pennie for the first time. Even in this new enrollee group, cost barriers were seen with it pacing 12% lower than new enrollments last year. Finally, around 33,000 Pennsylvanians shifted to lower levels of coverage that reduced their monthly premiums but added thousands of dollars in annual health care costs if they need medical services.

During Open Enrollment, new enrollments temporarily offset the surge in terminations. Now that Open Enrollment is closed, new enrollments will be limited while terminations are expected to continue at elevated levels for several months. Even in the ten days after Open Enrollment ended, terminations had increased by another 12,000 to reach over 97,000.

Cost increases due to the loss of EPTCs drove significant disenrollments across Pennsylvania, but some groups were impacted more than others. The highest levels of disenrollment were among young, working households (ages 26 to 34) and older, pre-Medicare households (ages 55-64). Households with incomes between 150 and 250% Federal Poverty Level (\$23,940 to \$39,900 for an individual), saw some of the highest numbers of terminations. With the enhanced premium tax credits in place, Pennie enrollment grew faster in rural counties but the reverse occurred without EPTCs. Rural counties saw higher levels of disenrollment than urban counties. Fifteen of the top twenty counties, based on proportional disenrollment, were rural.

The impacts of these particular groups have broader implications – fewer younger enrollees means fewer healthy enrollees, leading to higher insurance rates overall; lower-income populations dropping coverage increases the likelihood of medical debt or bankruptcy; older populations vulnerable to new diseases could miss early detection facilitated by having coverage.

Pennie expects attrition to continue throughout 2026, eroding enrollment before the implementation of new federal policies over the next two years that will further contribute to enrollment losses. Federal policies collectively make it harder and more expensive to enroll in coverage through Pennie.

### **Health Care Affordability: Consumer Sentiment and Impact**

Throughout 2025, Pennie heard outcry from consumers due to the impending expiration of EPTCs and the affordability challenges they experience daily. For some consumers, the decision to pay higher premiums was the difference between putting meals on the table and remaining covered, for others, the decision was truly life and death. Across hundreds of testimonials collected by Pennie

from across PA, the message is the same: for many, affordability directly impacts their decision to stay enrolled or go uninsured, and the impact of losing EPTCs affects many aspects of their lives.

For example, Pennie heard from Tony, an enrollee from Indiana County who feared what the loss of EPTCs would mean for his health and his ability to be there for his family. He told us, “I’ve been battling stage 4 cancer since late 2023. Pennie coverage and the ACA’s enhanced subsidies allow me to stay in the fight and keep up with chemotherapy and radiation therapy. My life 100% depends on the quality health plans I can access through Pennie.”

Another Pennie enrollee story is from a woman with a seizure disorder who told us that, thanks to a \$600/month medication, she has managed her condition such that she works full time in the mental health field and is starting a family. She said that without health coverage and her medication, “I would start having seizures again, thus losing my license and not be able to do my job. Having seizures in the long run could lead to brain injury and I could become more disabled. I am also currently pregnant... if I have a seizure, I risk my losing my baby or them being born with a disability.” She added, “Without affordable coverage, Pennie individuals like me are a risk for losing independence, housing, jobs, and losing their and other’s lives.”

Many small business owners have also shared their stories about what the loss of EPTC and higher costs means for them, their business, and their employees. Stephanie, a small business owner in Lehigh County, said, “If we lose the tax credits, we either need to choose significantly less coverage, have no coverage, or close our business... If I have to close my business, that is 15 other people who will be affected.” Stephanie is one of many small business owners – including farmers, mental health workers, independent contractors, and others – who shared that health insurance costs have a direct impact on their ability to maintain and keep their business open.

These are just some of the many stories Pennie enrollees shared about the challenging tradeoffs they were making between stretching their budgets while protecting their lives and livelihoods. Ultimately, tens of thousands made the difficult decision to go uninsured, risking their ability to access care, manage health conditions, and maintain their way of life.

Uninsured individuals are much less likely to have a regular source of care such as a primary care physician — a key entry point for prevention and treatment – and they are much more likely to delay or forgo needed care because of cost barriers. As a result, lack of insurance often leads to delayed care, meaning health conditions are more likely to worsen before treatment. Uninsured individuals are more likely to be hospitalized for avoidable conditions and, when hospitalized, receive fewer diagnostic and therapeutic services. Research shows that the uninsured have higher mortality rates than those who have insurance.<sup>1</sup>

When an uninsured person seeks care, they also face high medical bills and financial strain due to paying out of pocket. According to the Kaiser Family Foundation, nearly half of uninsured adults report difficulty paying for health care, and a large majority worry about going into or increasing debt from medical costs. Medical debt can lead to strained financial resources, difficulty paying for other essentials, taking loans to pay medical debt, and potentially bankruptcy.<sup>2</sup>

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<sup>1</sup> Tolbert, Bell, Cervantes, & Singh, 2025.

<sup>2</sup> Ibid.

Without coverage Pennsylvanians are more likely to experience preventable complications, permanent disabilities, and a reduced ability to work and live independently.

### **Macro-economic Impacts of More Uninsured**

Going uninsured not only affects individuals and households, it also adversely impacts the broader healthcare system and the economy. According to the most recent American Community Survey, around 694,000 Pennsylvanians were uninsured in 2024.<sup>3</sup> Although more recent data is not available, terminations from the beginning of 2026 have likely caused that number to increase.

Higher uninsured rates weaken hospital finances. The Robert Wood Johnson Foundation estimates the expiration of EPTCs will result in uncompensated care increasing by \$7.7 billion nationally and that healthcare providers would face more than \$32.1 billion in lost revenue in 2026.<sup>4</sup> According to recent testimony provided by Hospital and Health System Association of Pennsylvania (HAP) to the House Republican Policy Committee, 37% of PA hospitals are already operating at a loss, and fewer than half generate margins necessary for long-term stability.<sup>5</sup> Additional uncompensated care will exacerbate Pennsylvania hospital financial concerns.

There are also broader economic challenges to consider. The Commonwealth Fund estimates that the expiration of EPTCs alone will lead to Pennsylvania losing roughly 5,100 healthcare jobs, a decrease of \$715 million in GDP, and a drop in state and local tax revenue of about \$49 million. The report states these estimates are conservative and actual impacts are likely to be higher.<sup>6</sup>

The negative impacts are not to the uninsured alone; the downstream impacts will negatively impact all of Pennsylvania. As future cost and administrative barriers are implemented due to other federal policies, the uninsured population in PA will continue to grow.

### **State Mitigation: Health Insurance Affordability Program**

Pennsylvania has an opportunity to alleviate some of the repercussions of a growing uninsured population. The 2025 Fiscal Code outlined the framework for a State Health Insurance Affordability Program that would reduce costs of health coverage for lower income households buying coverage through Pennie. Those same income levels had the highest rates of disenrollments this year. The program is currently not funded. Funding the Health Insurance Affordability Program could potentially allow tens of thousands of Pennsylvanians to gain coverage, reducing some of the downstream consequences on households, local economies, and the health care system alike.

### **Summary**

Regardless of program changes, what will remain the same is Pennie's commitment to being a trusted source of health coverage, with keen attention to providing an unparalleled consumer experience, and supporting Pennsylvanians as a keystone of financial and health security.

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<sup>3</sup> United States Census Bureau, 2026.

<sup>4</sup> Blavin, Simpson, & Skopec, 2025.

<sup>5</sup> Chortanoff, 2026.

<sup>6</sup> Ku, et al., 2025.

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# APPENDIX A

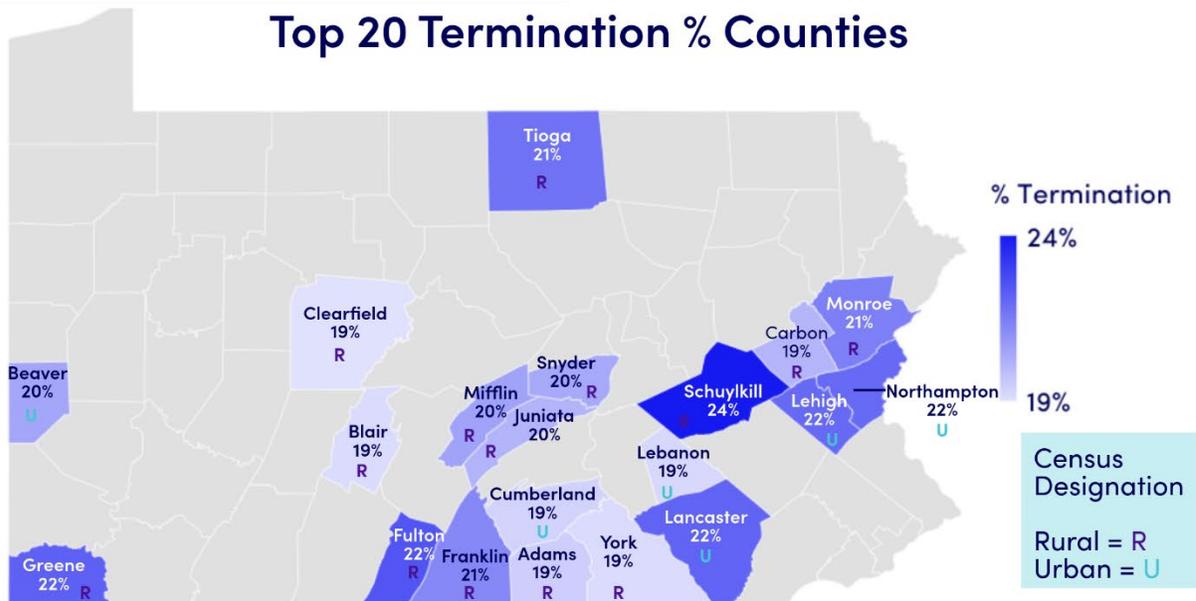


## Terminations by County (Open Enrollment 2026)\*

County	Census Designation	Enrollees Start of OE 2026	Term Through 2.1.2026	Total Terminations (%)
Schuylkill	R	3995	946	24%
Fulton	R	612	136	22%
Greene	R	739	162	22%
Lancaster	U	15,113	3302	22%
Northampton	U	10,774	2339	22%
Lehigh	U	14,777	3208	22%
Tioga	R	1,269	277	21%
Monroe	R	5,893	1248	21%
Franklin	R	5,826	1221	21%
Mifflin	R	1,359	276	20%
Beaver	U	5,744	1162	20%
Snyder	R	1,766	356	20%
Juniata	R	1,101	219	20%
Carbon	R	2,094	416	20%
Adams	R	4,606	886	19%
Cumberland	U	11,046	2113	19%
Lebanon	U	5,393	1024	19%
York	R	19,320	3655	19%
Blair	R	3,406	644	19%
Clearfield	R	2,253	423	19%
Mckean	R	1,034	194	19%
Berks	U	15,503	2902	19%
Mercer	R	3,537	658	19%
Columbia	R	2,410	445	18%
Centre	R	4,003	738	18%
Potter	R	738	135	18%
Lawrence	R	2,576	470	18%
Montour	R	557	100	18%
Erie	U	8,074	1447	18%
Indiana	R	2,600	465	18%
Philadelphia	U	59,309	10555	18%
Bedford	R	1,741	309	18%
Dauphin	U	11,244	1992	18%
Washington	R	7,752	1373	18%

County	Census Designation	Enrollees Start of OE 2026	Term Through 2.1.2026	Total Terminations (%)
Northumberland	R	2,950	519	18%
Montgomery	U	32,781	5746	18%
Venango	R	1,564	273	17%
Bradford	R	1,916	332	17%
Lycoming	R	3,556	616	17%
Huntingdon	R	1,235	213	17%
Delaware	U	20457	3506	17%
Lackawanna	U	7,177	1226	17%
Perry	R	1,786	304	17%
Fayette	R	3,651	621	17%
Sullivan	R	266	45	17%
Warren	R	1463	245	17%
Elk	R	1214	203	17%
Allegheny	U	47,596	7950	17%
Luzerne	U	11,079	1,846	17%
Pike	R	3,471	574	17%
Somerset	R	2,336	382	16%
Union	R	1,460	236	16%
Jefferson	R	1,585	255	16%
Chester	U	19722	3171	16%
Westmoreland	U	12,835	2018	16%
Butler	R	7,796	1224	16%
Clarion	R	1,534	240	16%
Cambria	R	3,923	609	16%
Bucks	U	30,025	4590	15%
Crawford	R	3,320	501	15%
Armstrong	R	2,369	356	15%
Clinton	R	1,006	151	15%
Wyoming	R	890	133	15%
Susquehanna	R	1,457	216	15%
Wayne	R	2,286	300	13%
Cameron	R	203	26	13%
Forest	R	185	22	12%

## Top 20 Termination % Counties



Through 2.1.2026