

US health insurance costs to surge as Trump administration declares war on workers' medical care

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Healthcare insurance costs are expected to rise sharply throughout the United States at year's end, intensifying a crisis of healthcare in the United States. Rising costs, paired with the expiration of Affordable Care Act marketplace subsidies and the \$930 billion cut to Medicaid funding by the One Big Beautiful Bill Act (OBBBA), signed into law on July 4, are undermining the health coverage of tens of millions of people.

The Democrats are posturing as defenders of healthcare for Americans, pledging to block passage of a spending resolution if Republicans do not make concessions on the Affordable Care Act (ACA) enhanced subsidies, set to expire at the end of 2025, or restore \$1 trillion in Medicaid funds cut by the OBBBA. The continuing resolution must be passed by September 30 to avoid a federal shutdown.

Paycheck deductions for employer-held plans, which cover around 154 million people, are expected to rise an average of 7 percent, even after expected cost-cutting measures by employers, with 59 percent of companies expected to cut aspects of their health insurance offerings or switch to cheaper insurance at workers' expense. A large component of this projected increase are back-of-the-envelope calculations being made by insurers in response to the potential inflationary impact of the Trump administration's tariffs, the costs of which the healthcare industry intends to pass down to workers. For example, the Trump administration is considering tariffs as high as 250 percent on imported medicines.

Those on Medicare Part B (covering doctor visits and outpatient services) are expected to see 11.6 percent increases, with stand-alone premiums for Medicare Part D (outpatient prescription drugs) expected to go up by up to \$50 a month, impacting retirees and others on fixed incomes.

However, plans purchased directly by workers on the Affordable Care Act (ACA) marketplace, covering 24 million people, are set to rise far more sharply, an average of 20 percent nationwide. These increases, the highest since 2018, still do not reflect the actual scale of the challenge facing workers with these plans. The impending loss of ACA subsidies put in place under the Biden administration would raise the cost of health insurance for those with ACA plans by a

staggering 75 percent on average. Many would simply be unable to afford insurance through the ACA marketplaces.

Enhanced federal premium tax credits (subsidies) for Affordable Care Act (ACA) marketplace plans, put into place by the American Rescue Plan in 2021 and extended by the Inflation Reduction Act in 2022, are set to expire at the end of 2025. These subsidies made insurance through the ACA marketplace somewhat more affordable, capping costs at around 8.5 percent of household income and doubling enrollment to over 24 million people. Of these 24 million people, 22 million receive subsidies. The expiration of these subsidies would return the ACA to its previous rule, in which individuals with incomes above 400 percent of the federal poverty line lose all financial assistance. The Congressional Budget Office calculates that 4 million people will lose their insurance if the enhanced subsidies are discontinued.

The Trump administration's cruel "ACA Marketplace Integrity and Affordability Rule," published in June, will contribute to rising costs for those on ACA plans. The changes made include higher "applicable percentages" (increasing remaining premiums after tax credits) and increased "maximum out-of-pocket" limits (up to \$900 for families). The rule also allows higher deductibles, reducing Premium Tax Credits. Most of the 24 million ACA enrollees will pay hundreds more annually even if enhanced subsidies are not discontinued. If enhanced subsidies were to be extended, 750,000 to 1.8 million ACA plan holders are still projected to lose coverage in 2026 as a result of the Trump administration's rule alone.

Despite Democrats' hailing of the passage of the ACA 15 years ago as the greatest reform since the New Deal, the whole history of the ACA has demonstrated in practice that it represents direct collusion between the government and the healthcare industry, at workers' expense. Funneling workers' money to the insurance industry by requiring workers' and their families to purchase private insurance, the ACA has shifted costs onto working people and made care less accessible.

The ACA is predicated upon and boosts the enormous and parasitic for-profit healthcare sector in the United States,

including insurance companies, large hospitals, healthcare networks and drug manufacturers. The ACA established a framework of cost-shifting for insurers, corporations and the government, in order to drastically reduce the health benefits available to workers and their families and increase costs for working families. Coverage has suffered, while co-pays, deductibles and premiums have risen, causing workers to ration care or defer treatment. The ACA, by tying medical procedures to “value-based” cost-cutting programs, gives incentives to healthcare providers to reduce overall spending, resulting in short-staffing and inferior care. The increase in costs and the hollowing out of the benefits of having healthcare are not an accident but the aim of the legislation.

The WSWS noted in 2009:

Obama’s health care counterrevolution is of a piece with his entire domestic agenda. It parallels the multitrillion-dollar bailout of the banks, the imposition of mass layoffs and wage and benefits cuts in the auto industry, and a stepped-up attack on public education and on teachers. ... All that remains of the social reforms from the 1930s and 1960s, and the gains won by previous generations of workers in bitter struggle, is to be wiped out.

Instead of being treated as a social right, healthcare under capitalism is subject to the profit priorities of the healthcare industry and exists to transfer wealth from the working class to the capitalist oligarchy. Health spending comprises 18 percent of GDP in the United States, a percentage that is growing faster than the rate of growth of the GDP itself. The cuts to Medicaid funds by the OBBBA will cause tens of millions to lose their insurance in the next 10 years. With the addition of 4 million people losing their insurance from the discontinuation of ACA subsidies, the projected total of those who will lose their insurance is 16-17 million people nationwide. This is itself a source of rising costs for the entire healthcare system, as healthcare providers shift costs incurred by those who are uninsured and forced to seek emergency care onto those with insurance.

The OBBBA, due to its contribution to the ballooning federal deficit, is expected to trigger federal budgeting rules lead to automatic funding cuts to Medicare totaling nearly \$500 billion from 2026 to 2034. This puts into question future Medicare payments.

Meanwhile the Trump administration is mounting a massive attack on the foundations of public health, science and access to life-saving vaccines, in a modern eugenicist effort to deliberately shorten the lifespan of workers, thus reducing the cost of pensions and retiree health care and boosting profits. This ruling class agenda, personified by dangerous anti-science

zealots like Robert F. Kennedy Jr. and his appointees across government healthcare bodies, has been exposed by the COVID-19 pandemic, as the ruling class put a halt to any measures to rein in the virus that might impinge on corporate profits, at a cost of millions of lives.

Trump’s “Big Beautiful Bill” had only a 32 percent approval rating in recent polling. Democrats are worried that they might be even more deeply discredited if they rubberstamp the Trump administration again, as they did in March, when nine Senate Democrats and an independent caucusing with the Democrats voted for a continuing resolution on government funding in the midst of Trump’s authoritarian policies and DOGE attacks on social programs. In this round of negotiations, House Democrat Jared Golden of Maine voted for the continuing resolution and John Fetterman of Pennsylvania voted for continued funding in the Senate. Republicans voted down a competing Democratic resolution that had no chance of passing.

The Republicans have called the Democrats’ bluff, suspending Congress for the Rosh Hashanah holiday for a week, planning not to return until October 1, when a shutdown would already be in effect. For his part, Trump has denounced a letter written by Senate Minority Leader Chuck Schumer and House Minority Leader Hakeem Jeffries—begging to meet with the president to have him bring the Republicans back to Congress for further negotiations—calling it an act of “desperation.” Trump and other Republicans have dismissed the Democrats’ posturing as protectors of healthcare as “unserious” pandering to their “leftist base,” with Senate Majority Leader John Thune expecting the Democrats to fall into line when Congress returns next week.

It is possible that Trump will make further dictatorial moves in the event of a government shutdown and even bypass Congress. The Democrats and their backers in the unions and pseudo-left are preaching complacency, having spent months falling into line with Trump’s attacks on immigrants, occupation of cities, dismantling of social programs and his assault on democratic rights and free speech.

The working class must fight to end for-profit healthcare as part of a social counter-offensive against the fascistic drive of the Trump administration, which is an expression of the crisis of capitalism itself. The capitalist oligarchy wants to rob workers of every social program to counteract the constant expansion of the mountain of debt upon which their parasitic wealth is based.



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