Trump administration purges 760,000 from ACA Marketplace health plans, claiming fraud

Kate Randall
27 September 2026

The Trump administration announced September 22 that it has canceled the health insurance of 760,000 people enrolled in Affordable Care Act (ACA) marketplace plans, alleging that they were either fraudulently signed up or that enrollees simply "do not exist." The mass disenrollment, unveiled at a White House press conference by Vice President JD Vance and Centers for Medicare and Medicaid Services (CMS) Administrator Dr. Mehmet Oz, is the latest attack by the administration on healthcare and social programs that aims to drive workers and their families deeper into poverty.

Vance, who heads the White House Task Force to Eliminate Fraud, said the cancellation of approximately 315,000 enrollments covering 760,000 people would recover $2.2 billion in federal premium subsidies. Another 419,000 enrollments have been singled out for "additional verification" of income and immigration status. The administration also imposed a six-month freeze on the registration of new ACA agents and brokers who sign up new enrollees, for the entire open enrollment period for 2027 coverage that begins November 1.

"We're actually making sure that the people receiving Obamacare subsidies are actually entitled to receive them," Vance declared. Oz told reporters that 35 percent of people in the system "never used the program," having never seen a doctor or filled a prescription. Reasoning that people who haven't used their health insurance will never need it is the logic of someone who has never worried about a medical emergency that could spell bankruptcy overnight.

The policy cancellations took effect August 31, weeks before they were announced. Many of those whose coverage has been terminated will only find out when they arrive at a pharmacy counter or emergency room registration desk.

CMS first flagged 1.2 million people who had been signed up through brokers and whose applications lacked Social Security numbers or immigration documentation. The list was then narrowed down to those who had filed no insurance claims and had no record of contacting their insurer. Health plans were instructed to reach out to these individuals, and anyone who failed to respond within 30 days had their coverage retroactively terminated.

Cynthia Cox, director of the ACA program at Kaiser Family Foundation (KFF), said, "I think the question is whether this was the appropriate process by which to identify fraudulent enrollees, and also whether all of them were indeed fraudulently enrolled." Ellen Montz, who oversaw the ACA marketplaces at CMS under the Biden administration, was blunter: "I would absolutely foresee that totally legitimate enrollments are going to get cut off here."

Enrollees who have been cut off may not respond because they missed the correspondence or the government did not have their correct contact details. Many immigrants may be wary of carrying out any type of correspondence with the government for fear that it may increase their chances of deportation, whether they are documented or not. But such reasons for failure to reply have been deliberately dismissed in advance by the Trump administration.

The "One Big Beautiful Bill Act" (OBBBA), signed by Trump on July 4, 2025, eliminated the cap on how much enrollees must repay to the IRS in excess subsidies, beginning with the 2026 plan year. In cases where someone who was enrolled by an unscrupulous broker without his or her knowledge could now face a tax bill for thousands of dollars in subsidies that the enrollee never saw. The administration has also slashed federal funding for Navigator programs—the nonprofit groups that help consumers resolve these kinds of problems—by 90 percent, from $100 million to $10 million.

Agents paid on commission may have enrolled people without their consent or switched them to new plans, often luring them with social media ads promising cash "subsidies" that do not exist. The Biden administration decertified some 200 brokers for such practices. The Trump administration recertified them last year but now, after reinstating the fraudsters, the administration is using their actions as the pretext to strip coverage from their victims.

The purge of ACA enrollees comes on top of a steep decline in marketplace coverage that was already underway. After years of rapid growth due largely to the enhanced premium tax credits enacted under the American Rescue Plan Act and the Inflation Reduction Act under the Biden administration, ACA enrollment reached a record 22.1 million in 2025.

When the Republican-controlled Congress allowed the enhanced credits to expire at the end of 2025, enrollees faced an average increase of 114 percent in their premium payments to keep the same plan. The Democrats, who forced a 45-day government shutdown last fall supposedly to defend the subsidies, capitulated without winning anything.

© World Socialist Web Site

Enrollment by those who pay their premiums, or effectuated enrollment, fell 13 percent to 19.2 million in February 2026, the first decline since Trump's first term. By contrast, signups were down by only about 5 percent, or 1 million. The far larger drop in effectuated enrollment reflects the millions who selected a plan but could not keep up with the payments and were dropped after the three-month grace period ended March 31.

A KFF survey of returning enrollees found that 73 percent were worried about affording emergency care or a hospital stay, and 44 percent said higher insurance costs had made it harder to pay for groceries, utilities or rent. KFF projects that enrollment could fall to 17.5 million by the end of 2026. The administration claims its anti-fraud efforts were the main reason for the enrollment decline. But as Cox noted, the losses "happened at the same time millions of people faced steep increases in their premium payments—often in the double or even triple digits."

The ACA purge cannot be separated from the sweeping attack on social programs set in motion by the OBBBA. The Congressional Budget Office (CBO) estimated that the law's Medicaid and ACA provisions would directly strip health coverage from 10.9 million people, a figure the American Medical Association has put at 11.8 million. Combined with the expiration of the enhanced subsidies, the number of newly uninsured is projected to reach 16 to 17 million by 2034.

Medicaid work requirements, which compel adults in the ACA expansion population to document 80 hours of work, schooling or community service per month, took effect in Nebraska on May 1 and must be implemented in all affected states by January 1, 2027. The CBO projects that 5.2 million adults will lose Medicaid coverage as a result. The Center on Budget and Policy Priorities (CBPP) warns that as many as 14.9 million people could be at risk.

The OBBBA also slashed $187 billion from the Supplemental Nutrition Assistance Program (SNAP). Roughly 5 million people have already been cut from food stamps, including more than 1.5 million children, according to the CBPP. Beginning October 1, states must cover 75 percent of SNAP's administrative costs, a shift that will drive further cuts.

October 1 also marks a new stage in the assault on immigrant workers. As of that date, Medicaid and Children's Health Insurance Program (CHIP) eligibility will be restricted to green card holders and a handful of other categories, cutting off refugees, asylees, victims of trafficking and domestic violence and others admitted on humanitarian grounds. These attacks come as the administration has agreed to share Medicaid data with Immigration and Customs Enforcement (ICE) to assist in the round-up, detention and deportation of more immigrants.

The White House's anti-fraud campaign is aimed not at the insurance giants, the pharmaceutical monopolies or the billionaires who have enriched themselves under Trump, but at low-wage workers who cannot afford employer coverage and do not qualify for Medicaid. Researchers at Yale and the University of Pennsylvania have estimated that the law's health and nutrition cuts could cause more than 51,000 preventable deaths every year.

The administration's crackdown on "fraud" in the ACA marketplace comes just weeks before the midterm elections, in which the soaring cost of living is a central issue. Democrats have posed as opponents of the ACA purge, with former House speaker Nancy Pelosi accusing the administration of using a "false pretext of fighting fraud to strip Americans of their healthcare." But the destruction of the social safety net is the bipartisan policy of the ruling class.

The Democratic Party has been an active co-conspirator in every phase of the attacks on healthcare and food assistance. Signed into law by President Obama in 2010, the ACA was from its inception subordinated to the profits of the healthcare industry, forcing people without insurance to purchase policies from for-profit insurance companies.

When Trump issued executive orders in 2017 to undercut the ACA—scrapping cost-sharing reduction payments, allowing "association health plans" exempt from essential benefit requirements, and expanding employer exemptions from contraceptive coverage—the Democratic leadership's response was to plead for bipartisan negotiations that would "stabilize the markets," i.e., shore up the private insurers.

The Democrats' answer to attacks on healthcare through cuts to the ACA and Medicaid is to call for a vote for their candidates in the midterm elections. They oppose mobilizing the working class against the Trump administration's drive to plunge the working class further into poverty.

The OBBBA's provisions slashing $187 billion from SNAP, ending food aid for 1.5 million children, have been implemented by state governments of *both* parties—11 Democratic governors and eight Republicans. The Democratic Party's response has been limited to mayors issuing statements and think tanks pleading for deadlines to be pushed back, addressed to the same capitalist politicians who approved the cuts.

Trump's priorities are clear and the Democrats facilitate them. Asked in April about the impact of the war on Iran on the cost of living, he replied, "I don't think about Americans' financial situation. Not even a little bit." There is agreement in the ruling elite that the resources to wage war abroad and build up the machinery of repression at home must be extracted from the working class through the gutting of healthcare, food assistance and every other social gain.

Healthcare is a social right, not a privilege to be rationed by corporate insurers and canceled by government fiat. The fight against the assault on social programs cannot be separated from the fight against the capitalist profit system. It requires the independent mobilization of the working class through rank-and-file committees in every workplace and neighborhood, independent of both corporate parties and linked through the International Workers Alliance of Rank-and-File Committees. The insurance companies, hospital chains and pharmaceutical corporations must be placed under public ownership and democratic control, as part of the socialist reorganization of economic life to meet human need, not private profit.

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact

© World Socialist Web Site