



DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
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Date: February 28, 2025  
From: Paul Spitalnic  
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Subject: **Certification of Rates of Uninsured**

Under section 1886(r) of the Social Security Act, which provides for an adjustment to the amount available to make uncompensated care payments based on changes in the rate of uninsured, the Chief Actuary of the Centers for Medicare & Medicaid Services (CMS) is required to certify reasonable estimates of the percentage of uninsured persons in both 2013 and 2026. Specifically, section 1886(r)(2)(B)(ii) stipulates that the prescribed formula for determining these estimates be based on the following (known as Factor 2):

For fiscal year 2018 and each subsequent fiscal year, a factor equal to 1 minus the percent change in the percent of individuals who are uninsured, as determined by comparing the percent of individuals—

- (I) who are uninsured in 2013 (as estimated by the Secretary, based on data from the Census Bureau or other sources the Secretary determines appropriate, and certified by the Chief Actuary of the Centers for Medicare & Medicaid Services); and
- (II) who are uninsured in the most recent period for which data is available (as so estimated and certified), minus 0.2 percentage points for each of fiscal years 2018 and 2019.

Based on data from the National Health Expenditure Accounts (NHEA), the applicable rates of uninsured are as follows:

Year	Rate of Uninsured
CY 2013	14.0%
CY 2025	7.7%
CY 2026	8.7%
FY 2026*	8.5%

\*Based on a weighted average of CY 2025 and CY 2026 data.

The figures in the table above are based on the latest publicly available projections of the NHEA produced by the CMS Office of the Actuary and published on June 12, 2024. The NHEA represent the government’s official estimates of health spending by type of good or service, as well as by source of funding. Comprehensive estimates and projections of health insurance enrollment for the total population are also produced and shown by various categories of coverage including uninsured, Medicare, Medicaid, private health insurance (direct and employer-sponsored), the Children’s Health Insurance Program, and other public coverage.<sup>1</sup> Uninsured persons include all individuals not covered by any health insurance (including those who use the Indian Health Service) at a specific point in time (such as at the time of a health insurance survey interview or during a reference period covered by the survey) and, as such, represent an average of the number of uninsured for the estimation period (in the NHEA, this is a calendar year).

### Additional Background

Projections for the NHEA reflect an expected increase in the uninsured rate from 7.6 percent in fiscal year 2025 to 8.5 percent in fiscal year 2026. The expected calendar year trends that produce this outcome are described in more detail below.

#### *Primary Factors Underlying the Change in the Rates of Uninsured:*

The projected increase in the rate of uninsurance between calendar years 2025 and 2026 reflects the net result of multiple trends across various categories of insurance. The primary factor driving the expected rise is a projected decline in direct-purchase private health insurance enrollment and, specifically, in Marketplace plan enrollment, as enhanced Marketplace subsidies originally included in the American Rescue Plan Act of 2021 and temporarily extended through 2025 by the Inflation Reduction Act of 2022, expire. As a result, enrollment in direct-purchase plans is projected to fall by 7.3 million, or 19.2 percent, in calendar year 2026.

Partially mitigating the impact of those enrollment losses are expected gains in both employer-sponsored insurance (ESI) and Medicaid in calendar year 2026. Consistent with expected gains in employment, an increase in ESI enrollment of 2.5 million (1.4 percent) is projected. For the Medicaid program, enrollment is projected to increase by 1.3 million, or 1.7 percent. The expected gain reflects a normalization of coverage growth following two years of falling enrollment as the number of people covered by the program is projected to decline over calendar years 2024 and 2025. These decreases are in large part due to the expiration of the continuous enrollment provision (as enacted in the Families First Coronavirus Response Act of 2020 and terminated on March 31, 2023 in the Consolidated Appropriations Act of 2023). Upon the provision’s expiration, states resumed conducting their respective processes of redeterminations and began disenrolling those who no longer qualified for coverage. In total, Medicaid enrollment is projected to drop from 91.2 million in calendar year 2023 to 79.4 million in calendar year 2025.

The full set of projections, as well as the methodology used to construct the estimates, can be found at the following link: <https://www.cms.gov/Research-Statistics-Data-and->

[Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsProjected.html](#)

I certify that the published CY and estimated FY rates of uninsured are reasonable and appropriate for use in satisfying section 1886(r)(2)(B)(ii) of the Social Security Act.

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<sup>1</sup> For the total population, estimates are from the U.S. Bureau of the Census and reflect a count of U.S. residents less armed forces overseas and population of outlying areas.