

Government Shutdown Implications for Healthcare



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As of October 22, 2025, the US Government has been shut down for 22 days, and there are no indications of an end in sight. Two of the shutdown's central issues are related to healthcare:

- Rolling back or keeping the cuts to Medicaid contained in the One Big Beautiful Bill Act (OBBBA)
- Extending or letting expire the premium tax credits offered to those who purchase their health insurance through the Health Insurance Marketplace (Affordable Care Act)

Open enrollment for 2026 coverage under the Affordable Care Act (ACA) begins November 1, 2025 and ends January 15, 2026.

There are currently over 24 million people enrolled in ACA marketplace insurance products. With the uncertainty of the premium tax credits, there are several questions remaining to ask and answer over the next several months.

If the premium tax credits are extended as part of a compromise to reopen the federal government, there would be few implications for healthcare providers concerning patients covered under the ACA marketplace.

However, if the premium tax credits are not extended, there could be significant consequences for healthcare providers.

Health insurance for families/individuals will be more expensive without the premium tax credits. Will families and individuals drop their health insurance and hope for no future medical issues? When medical issues do arise for those without medical coverage, healthcare providers can expect more charity care and bad debt expenses.

Another potential source of bad debt and charity care expenses come from the OBBBA's Medicaid Redetermination (also known as Medicaid Recertification or Medicaid Renewal). Medicaid Redetermination will likely reduce Medicaid enrollments across the country. The amount of the decrease is hard to predict. When Medicaid Redetermination was completed after Covid in early 2023, 27 million individuals were disenrolled from Medicaid.

With more families and individuals becoming disenrolled from Medicaid and premium tax credits for coverage under the ACA expiring, it would be unlikely that these individuals would seek coverage under the Health Insurance Marketplace. Thus, another cut to healthcare providers net revenue could result.

Given the challenges of the two healthcare issues keeping the federal government shut down, it will be challenging for healthcare providers to forecast and budget future revenues and expenses as part of strategic planning. These two issues give us certainty in one thing: the uncertainty of healthcare. Stay connected with Dean Dorton by [subscribing to our newsletter](#) for the latest updates.