American Diabetes Association®

Impact of Recent Medicaid and Affordable Care Act Policy Changes on Health Insurance Coverage and Cost-Sharing for Americans with Diabetes

The American Diabetes Association® (ADA) is the nation's leading voluntary health organization fighting to bend the curve on the diabetes epidemic and help people living with diabetes thrive. In our 85 years, we've been a part of extraordinary advancements in diabetes knowledge, treatment, and care—and we will continue to play a pivotal role as we work toward a future free from diabetes and all its burdens. The ADA has driven discovery and research to treat, manage, and prevent diabetes while working relentlessly for a cure. Through advocacy, program development, and education we aim to improve the quality of life for the over 136 million Americans living with diabetes or prediabetes. To learn more or to get involved, visit us at diabetes.org or call 1-800-DIABETES (1-800-342-2383).

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Background

According to the U.S. Centers for Disease Control and Prevention's (CDC's) National Diabetes Statistics Report, over 40 million Americans have diabetes, including over 29 million adults and children with a confirmed diabetes diagnosis. Today, 6 million Americans with diagnosed diabetes—more than 11% of the country's total diabetes population and 12.5% of adults with diabetes—are enrolled in Medicaid, including 5.3 million individuals with a claims-based diagnosis and an estimated 700,000 more who are not actively seeing a healthcare professional or receiving healthcare services to manage their diabetes. Approximately 1.7 million people with diabetes are enrolled in an individual market plan through the Affordable Care Act (ACA).

The most recent estimate of the total annual cost of diabetes is $412.9 billion, including $306.6 billion in direct medical costs and $106.3 billion in indirect costs. People with diagnosed diabetes now account for 1 of every 4 healthcare dollars spent in the United States. Hospitalizations are a key driver of diabetes care costs, and in many cases, emergency and hospital care for diabetes patients is precipitated by lack of consistent health insurance coverage, resulting in poorly managed diabetes and expensive complications and comorbidities. In 2022, hospital inpatient services for people with diabetes cost nearly $100 billion, accounting for 30% of total healthcare spending on diabetes. People with diabetes account for nearly 30% of U.S. hospitalizations (48.6 million of 169 million inpatient days), and per capita spending on inpatient hospital care is three times higher for people with diabetes.

At the same time, we are seeing increasing incidences of poorly managed diabetes and associated costs for hospital care and treatment of complications. In July 2025, Congress passed H.R. 1, legislation that made substantial changes to federal healthcare coverage through the Medicaid program. These policies—which are projected to reduce Medicaid enrollment by 7 million beneficiaries by 2034 according to this study—will have a profound impact on the growing U.S. diabetes population. New limits on provider taxes that states use to help fund their Medicaid programs, eligibility verification requirements designed to eliminate erroneous payments and reduce fraud and abuse, a shorter retroactive coverage period, community engagement requirements, and cost-sharing obligations for certain enrollees are already pushing adults and children with diabetes off Medicaid. Additional changes to ACA plans in H.R. 1—including new limits to open enrollment and stricter eligibility verification—coupled with the December 2025 expiration of enhanced ACA premium tax credits could take away coverage for 8 to 12 million individuals enrolled in the ACA individual market plans, according to this new research.

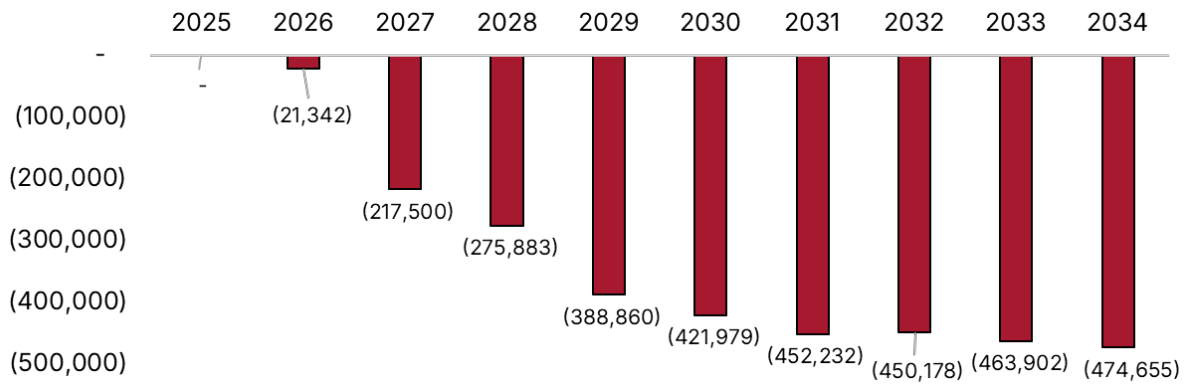
Study Methodology

The American Diabetes Association commissioned new research from Health Management Associates (HMA) to determine the scope and scale of Medicaid and ACA individual market coverage losses and new costs associated with healthcare services for people with diabetes in the wake of the enactment of H.R. 1. This research leveraged Congressional Budget Office analysis, Medicaid enrollment and claims data through the Centers for Medicare and Medicaid Services' (CMS's) Transformed Medicaid Statistical Information System to provide an estimate of state-level Medicaid enrollment losses and cost-sharing implications, corroborating Medicaid enrollment estimates among the diabetes population with CMS's Chronic Condition Warehouse, the Medicaid and CHIP Payment and Access Commission (MACPAC), the Kaiser Family Foundation, and an internal claims database of several ACA individual market plans from 2019 to 2023.

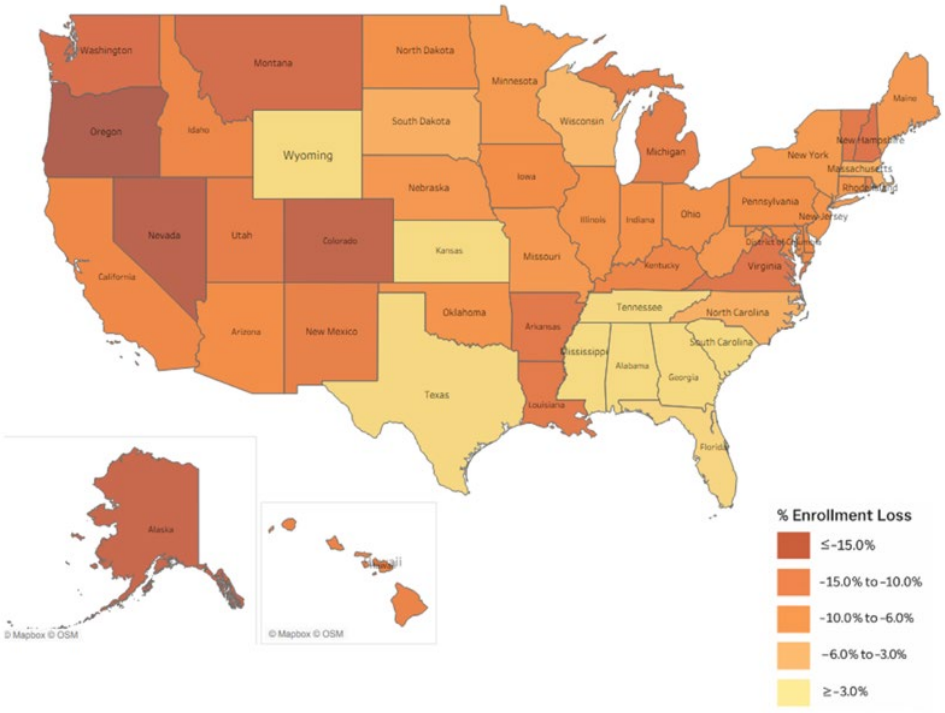
Key Findings

By 2034, absent policy change, nearly 500,000 Medicaid beneficiaries with diabetes will lose their healthcare coverage. The largest contributor to Medicaid enrollment losses among the diabetes population will be changes to state provider taxes, which will account for roughly 45% of projected disenrollments. Additional coverage losses will come from policies to limit erroneous payments (16% of disenrollments), more routine eligibility assessments (16%), and retroactive enrollment (12%). New community engagement requirements will generate an additional 12% of Medicaid disenrollments.

Cumulative National Projected Medicaid Disenrollment of Enrollees with Claims-Based Diabetes Diagnosis

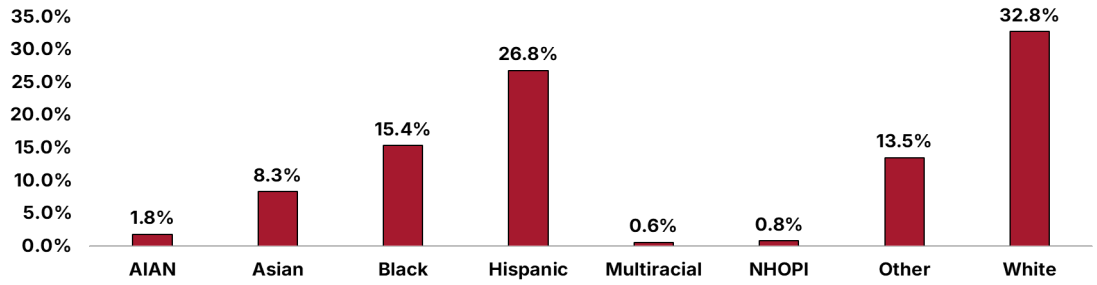


Most people with diabetes who will lose their Medicaid coverage live in states that expanded their Medicaid programs following the Affordable Care Act (ACA). At least 1.5 million adults with diabetes became eligible for coverage as part of ACA Medicaid expansion. Those individuals account for less than 10% of total enrollment among people with diabetes, but 93% of people with diabetes who will lose Medicaid coverage by 2034 live in an expansion state.



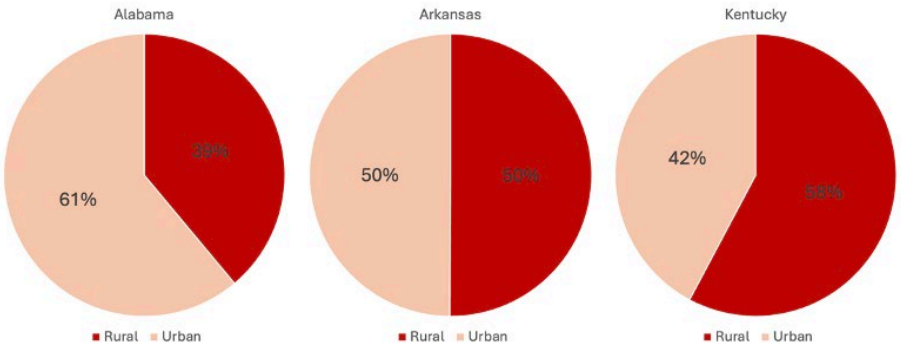
Medicaid disenrollment for people with diabetes is projected to have the most significant impact on white, Hispanic, and Black enrollees. More than one-third of individuals expected to lose Medicaid coverage due to H.R. 1 changes are white, although they are a smaller share of Medicaid enrollees overall. The rate at which Asian Americans with diabetes will lose coverage (8.2%) is nearly quadruple the rate at which this population is expected to lose Medicaid coverage overall (2%).

National Projected Medicaid Disenrollment of for Diabetes Enrollees by Race (2034)



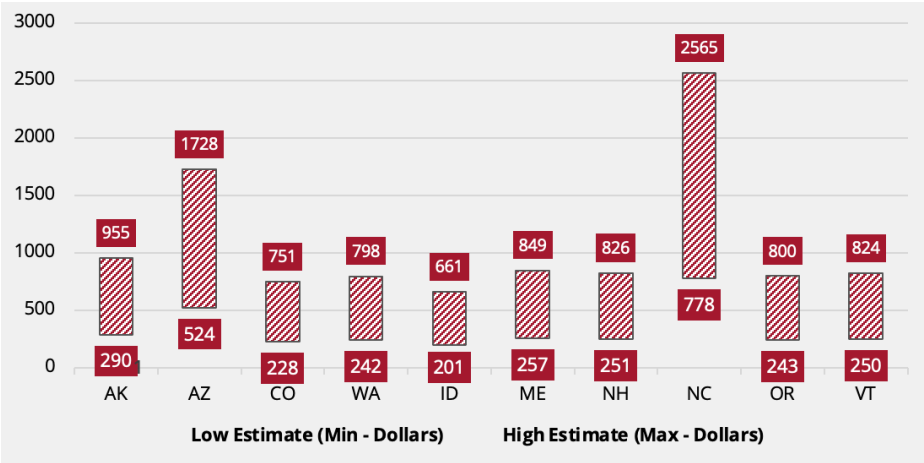
American Diabetes Association.

While people with diabetes in rural areas who are expected to lose Medicaid coverage make up about 18% of coverage losses nationally—reflective of the 17% of total Medicaid beneficiaries who live in rural areas—**the fraction of rural enrollees with diabetes who could lose coverage is as high as 58% in southern states, particularly since rates of diabetes diagnoses in that region are especially high**.

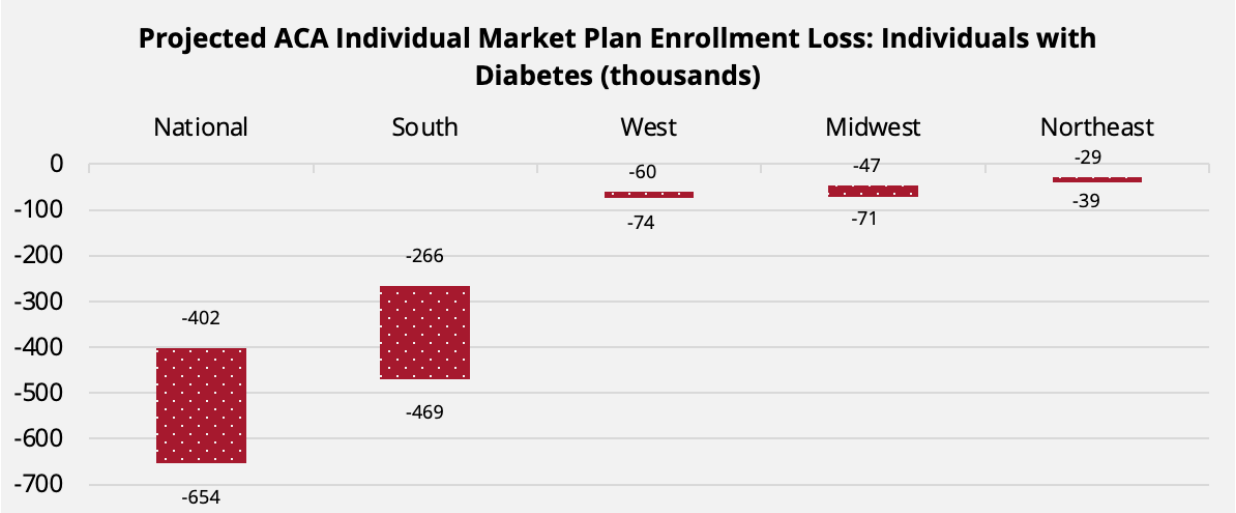


Of remaining Medicaid enrollees with diabetes, 1.5 million could have new cost-sharing obligations by 2029. Individuals with diabetes enrolled in Medicaid could pay as much as $1,000 more per year for their share of health expenses. People with diabetes will account for nearly half of all Medicaid beneficiaries subject to new cost-sharing in 2029. Under H.R. 1, states have discretion to set cost-sharing for non-primary care services. Estimates show that average cost-sharing for many Medicaid enrollees with diabetes in 2029 may range from $368 to more than $1,000 per enrollee per year. People with diabetes in Alaska, Arizona, Colorado, Idaho, Maine, New Hampshire, North Carolina, Oregon, Vermont, and Washington, DC, are expected to face the most significant increases.

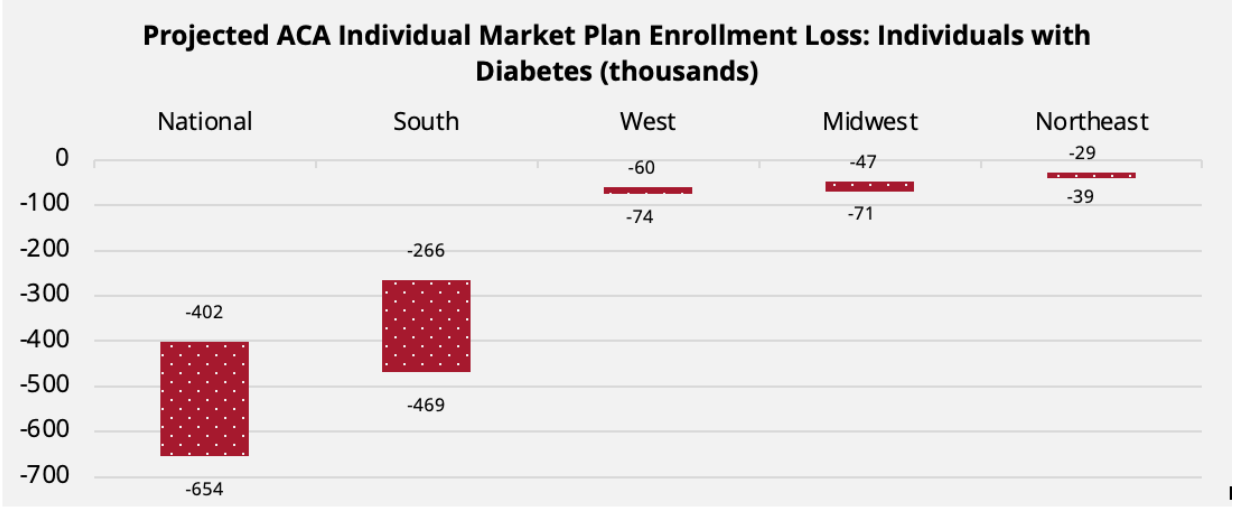
Projected Increases in Individual Cost-Sharing for Medicaid Enrollees with Diabetes



As many as 654,000 individuals with diabetes enrolled in ACA individual market plans are projected to lose coverage between 2025 and 2027, representing between 24% and 39% of people with diabetes who have ACA plans. Recent ACA individual market plan policy changes—most notably the expiration of enhanced premium tax credits—will substantially reduce coverage of individuals with diabetes in individual market plans across the country.



Driven by higher proportions of ACA individual market plan enrollees and a higher prevalence of diabetes, our projections show approximately **70% of ACA individual market plan coverage losses are expected in the southern region of the U.S**., a disproportionate share relative to the share of all ACA individual market plan enrollees in the South (61%).



Conclusion

Enrollment in health insurance coverage is one of the greatest single predictors of access to high-quality diabetes care and management support, and half a million Americans are on the precipice of losing both. According to recent research published in *JAMA Health Forum*, adults with low incomes who lack consistent healthcare coverage experience poorer blood glucose management and require more medications—including insulin and other higher intensity treatments—to manage their diabetes long term than people who do not regularly experience lapses in coverage. Worse health outcomes among people with diabetes increase the likelihood of unnecessary hospitalizations and other costly and often life-shortening interventions. Eliminating coverage for some of the most vulnerable people with diabetes in the country could put a tremendous new financial burden not only on the U.S. healthcare system, but on millions of people with diabetes and their families.