



## Debunking the Myths of the One Big Beautiful Bill

### Myth: The OBBB largely repeals the Affordable Care Act

#### Key Facts

- The One Big Beautiful Bill (OBBB) focuses on reversing many of the Biden administration's enrollment-at-any-cost policies that [led to 6.4 million improper exchange enrollees](#) and \$27 billion in improper spending in 2025. This enrollment fraud largely benefited health insurers and unscrupulous brokers.
- Although certain structures of the Affordable Care Act (ACA) have increased health insurance and health care costs, the OBBB does not modify any of the ACA's insurance rules, the subsidies for ACA exchange plans, or the 90 percent state reimbursement for the Medicaid expansion population.
- The OBBB will undo the Biden administration's cost-inflating Special Enrollment Period (SEP) based on income, which exacerbated fraud and raised premiums by encouraging people to wait until they were sick to enroll. The Obama administration never authorized an income-based SEP.
- The OBBB will also require annual eligibility checks. These provisions mirror requirements proposed or implemented by the Obama administration. President Biden undercut commonsense eligibility checks, which contributed to a surge in enrollment fraud. The Centers for Medicare & Medicaid Services (CMS) previously estimated that submitting similar information would take just 45 to 60 minutes.
- When President Trump first came to office, he [strengthened the ACA](#) exchanges by expanding eligibility verification and reducing gaming of the system. As a result, [premiums grew more slowly](#) year-over-year under the Trump administration than under the [Obama administration](#).
- By requiring annual eligibility checks and increasing repayment for excess advanced subsidies, the OBBB restores wise governance and accountability in the ACA exchanges. The OBBB also limits exchange subsidies to U.S. citizens and legal residents.

#### Background

The OBBB will require annual eligibility verification for people to receive subsidies before they enroll. Both Presidents Obama and Trump proposed or implemented such eligibility checks, which President Biden undercut.

The OBBB also gets rid of the Biden administration's SEP that allows low-income people to sign up at any point in the year. The Biden-era SEP flies in the face of the ACA's language, which only allows the Secretary of Health and Human Services to create SEPs, if they are similar to Medicare's allowable SEPs, such as getting married, having a child, or losing your job. This SEP also increases premiums by encouraging people to wait until they get sick to sign up for insurance. CMS estimates the SEP for households earning 100 to 150 percent of the federal poverty line increased premiums from 0.5 to 3.6 percent a year. The SEP also made it easier for fraudsters to sign people up for the ACA without their permission.

Because the enhanced ACA subsidies resulted in fully subsidized plans for those claiming between 100 and 150 percent of the federal poverty line, many rogue brokers signed up millions of people for ACA plans, often without their knowledge. In the first three months of 2024, this SEP alone generated over 50,000 complaints of improper enrollment and 40,000 unauthorized plan switches.