

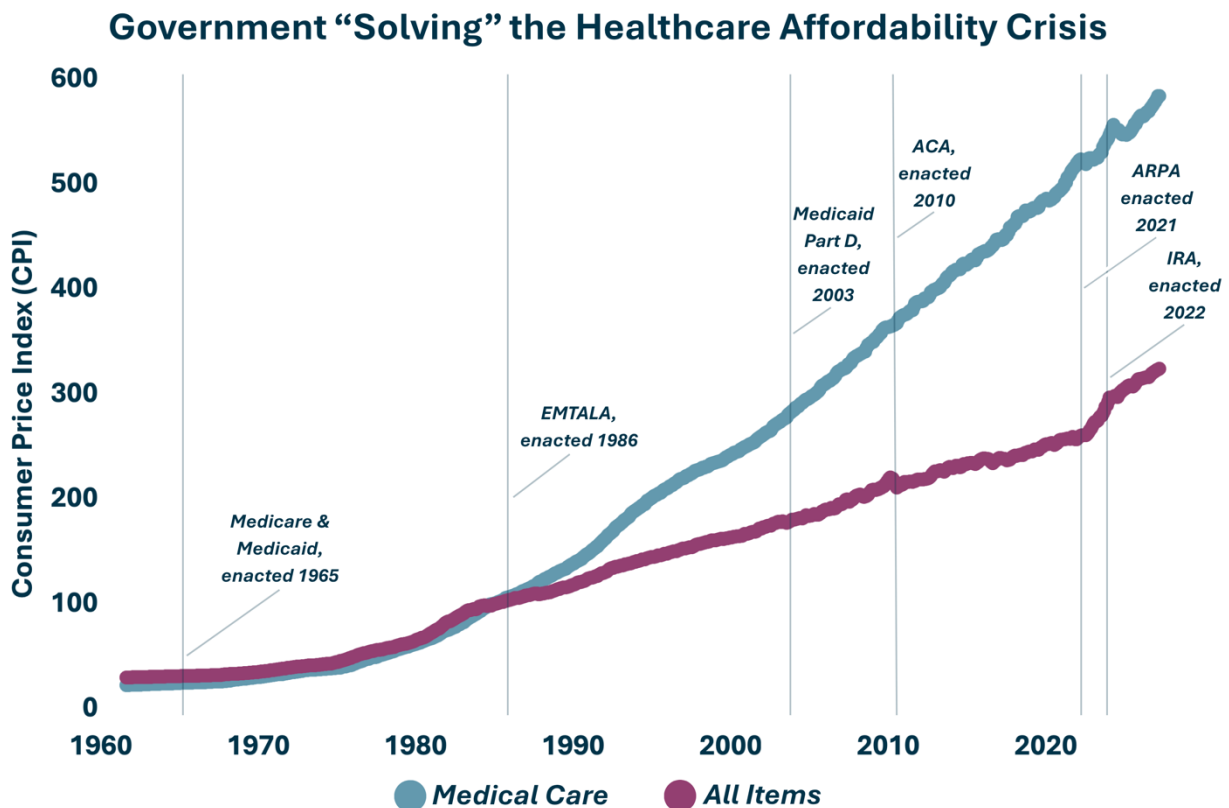
THE CORE OF THE SHUTDOWN DEBATE: SUBSIDIZING BIG HEALTH INSURANCE COMPANIES

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October 8, 2025

The federal government is, at time of writing, “[shut down](#)” due to demands that [Biden’s COVID Credits](#) be extended permanently. Health insurance companies are on “[an unprecedented lobbying blitz](#)” to protect one of their major sources of revenue: [hundreds of billions in taxpayer funds](#) funneled straight from the U.S. Treasury to them.

Government Spending Can’t Solve an Affordability Crisis

Government spending and regulatory expansion in the healthcare space has not solved high healthcare prices. Over the last several decades, government healthcare spending and regulation have increased significantly. Alongside that trend, healthcare costs for the average person continue to [increase faster than inflation](#).



In a free market system, a customer chooses how to spend their own money and will balance considerations of cost, quality, and how much coverage they need. Insurance companies compete against each other for their customer's business.

In the overly regulated system we have now, the government taxes Americans and chooses what healthcare options they have and who will receive them with little flexibility for what people actually want or need.

This means insurance companies do not have to compete for business, because most, if not all, of their revenue comes from the government instead of the beneficiaries of the plans they provide. The government then becomes both the customer and the regulator, and the insurance companies seek their business via lobbying.

Health insurance companies heavily influenced the government while they were writing the Affordable Care Act ("Obamacare") and other laws that regulate them and direct where and how the government directs taxpayer money for healthcare, often to their own benefit at the expense of taxpayers and patients.

After the enactment of Obamacare in 2010, the stock prices of health insurance companies soared and healthcare continued to become increasingly unaffordable.

Biden COVID Credits Provide a Direct Subsidy to Insurance Companies

During the COVID-19 pandemic, President Biden signed legislation that expanded the Obamacare Premium Tax Credits. These Biden COVID Credits were designed as a temporary relief subsidy. Unfortunately, the enhanced subsidies made the problem worse; rather than decreasing the cost of healthcare, they line the pockets of insurance companies.

The Biden COVID Credits are paid directly to health insurance companies from the U.S. Treasury. Since the funds do not go to individuals, millions of people have been fraudulently enrolled and often do not even know that they have been signed up. About 40% of people who are fully subsidized by Biden's COVID Credits did not make a single claim for a medical procedure or medication in 2024. This allows the insurance companies to collect thousands of dollars in credits from the government per enrollee while incurring little to no cost.

An estimated \$27 billion in these improper payments to insurance companies were made in 2025 alone as many insurance companies jumped to take advantage of these credits.

Case Studies

Centene is the largest Obamacare insurer by market share. Their Obamacare membership nearly doubled from 3.3 million enrollees in 2023 to 5.9 million in 2025. This comprises 21% of their total membership of 28 million, with their Medicaid membership making up an additional 12.8 million enrollees. In their 2024 10-K filing for

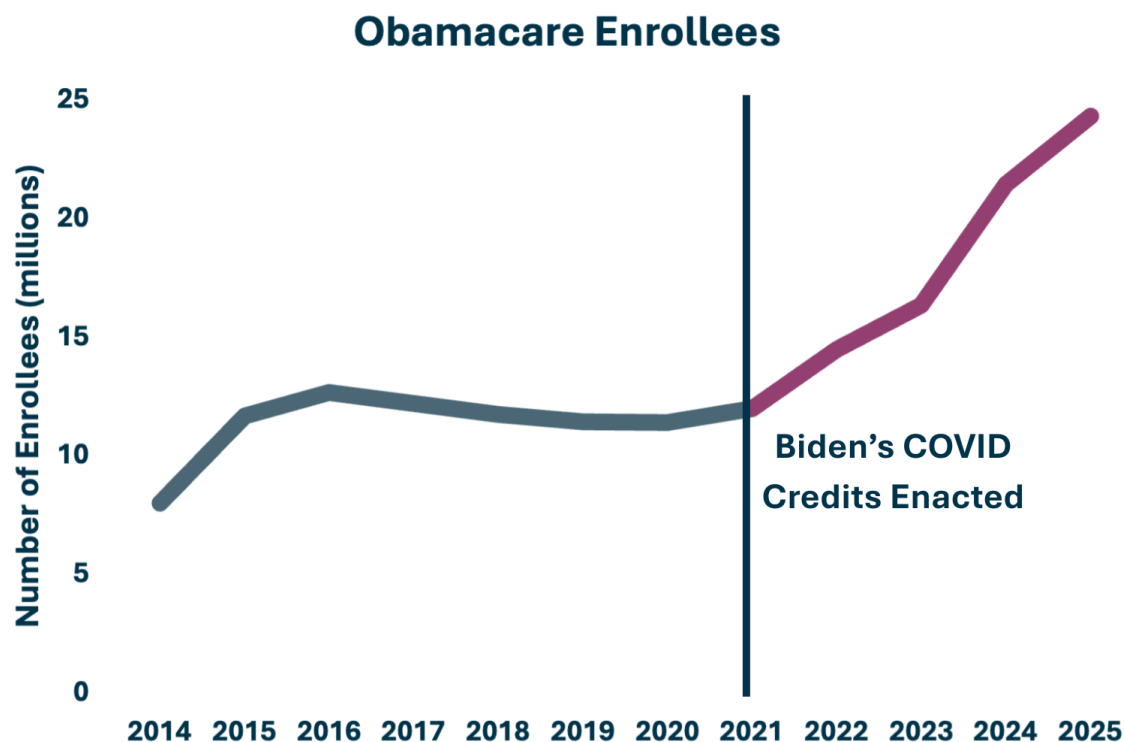
their investors, Centene stated that “[r]evenues from CMS are significant to the Marketplace segment.” In other words, Centene is heavily reliant on payments from the federal government to sustain their business.

Another case of this reliance on Biden COVID Credits is Oscar Health, with an astonishing 97% of its revenue coming from Obamacare plans in 2024. More than nine tenths of that revenue was subsidized by the federal government, including Biden’s COVID Credits, totaling \$9.5 billion in 2024, a dramatic increase from \$2.5 billion in revenue from taxpayers in 2021. That is \$9.5 billion in direct payments from the federal government to a single company in a single year.

Oscar Health’s membership grew from 600,000 enrollees in 2021 to 1.68 million in 2024. This represents a 180% growth in membership and a 280% growth in revenue subsidized by taxpayers. 2024 was reportedly the first year the company made a profit in its 13 years in operation, almost certainly due to Biden’s COVID Credits.

Molina also noted in their 10-K that they “expect [their] Marketplace enrollment to increase by almost 50% in 2025, to a total of 580,000 members by the end of the year ... This would represent an estimated Marketplace premium revenue increase of approximately 60% in 2025, while continuing to maintain [their] target margins.”

In total, enrollment in Obamacare has more than doubled since the pre-pandemic era, jumping from 11.4 million in 2019 to 24.3 million in 2025.



Insurance companies now advise their shareholders that the expiration of the COVID Credits in December 2025 would be a risk to their business, which would lead to a decrease in revenues. [Centene states](#), “[i]f eligibility for [Biden COVID Credits] for Marketplace members expires without renewal... our results of operations, financial condition, and cash flows could be materially and adversely affected.”

Molina [similarly writes](#) that “a potential sunset of enhanced subsidiaries [sic] creates risk to near-term growth and risk pool stability. Low-income members who receive government subsidies comprise the vast majority of Marketplace membership.” By [risk pool](#) stability, that means Molina is worried they will lose their fully subsidized enrollees, [40 percent of whom filed no claims](#) in 2024 (which may be the result of [fraudulent enrollment](#)) and cost them no expenditures while still enabling Molina to rake in subsidies.

CVS Health’s [10-K](#) also expresses their concern that “businesses and operating results could be materially and adversely affected” by the COVID Credits expiring.

Clearly, these companies are anxious about falling corporate revenues if plussed-up COVID Credits are no longer funneled their way.

Big Insurance Shouldn’t Get Rich Off Taxpayer Dollars

Don’t be fooled by cheap rhetoric manufactured by the insurance lobby, who have a perverse incentive to extract as much money from the public coffers as possible. Health insurance companies profit under the [Obamacare subsidy scheme](#) at the expense of the taxpayer, especially via improper payments or phantom enrollees.

These payments are only making the affordability of healthcare, the issue of that the Biden COVID Credits was ostensibly enacted to help with during the COVID-19 pandemic, worse.

The Biden COVID Credits should expire as scheduled at the end of the year. Only by removing government intervention will healthcare costs start to come down.