VETERAN / FAMILY OWNED & OPERATED

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ACA Catastrophic Plans

Bare-bones coverage with a major 2026 expansion

Once just for under-30s. Now open to many more people.

WHAT IT IS

Catastrophic plans are ACA-compliant health plans with very low premiums, very high deductibles, and a narrower-but-still-real benefit structure. They used to be available almost exclusively to people under 30. Starting in 2026, a rule change automatically extends hardship eligibility to anyone whose income falls OUTSIDE the cost-sharing-reduction window (below 100% FPL or above 250% FPL). That dramatically broadens who can buy one, but with one key trade-off: subsidies still can't be applied to catastrophic plans.

WHO QUALIFIES (2026)

Under age 30
Always eligible, no exemption needed

Income below 100% FPL
Auto hardship exemption (new in 2026)

Income above 250% FPL
Auto hardship exemption (new in 2026)

Other hardship exemptions
Homelessness, eviction, bankruptcy, domestic abuse, etc.

Auto-evaluated
Healthcare.gov checks hardship eligibility automatically

HOW THE COVERAGE WORKS

Very low premium
Often the cheapest plan in the Marketplace

Very high deductible
Equal to the 2026 ACA max ($10,600 self-only)

3 primary care visits
Covered before the deductible each year

ACA preventive services
100% covered before the deductible (no out-of-pocket)

After deductible
Full coverage up to the out-of-pocket maximum

THE 3 THINGS PEOPLE GET WRONG

1. **"Catastrophic plans aren't real insurance."**
   They are. Catastrophic plans are ACA-compliant, include the 10 essential health benefits, and carry the same out-of-pocket maximum protection as other Marketplace plans. The trade-off is the high deductible, not the type of coverage.
2. **"I can use a subsidy to lower the premium."**
   No. Premium tax credits (APTC) CANNOT be applied to catastrophic plans. If you'd qualify for a subsidy, a Silver plan is almost always cheaper after the credit applies.
3. **"It won't cover anything until I hit the deductible."**
   False. Catastrophic plans cover 3 primary care visits per year before the deductible, plus every ACA-required preventive service, annual physical, screenings, immunizations, contraception.

THE 2026 EXPANSION, WHY IT MATTERS

Starting November 1, 2025, Healthcare.gov auto-evaluates whether your income qualifies for a hardship exemption. Anyone with projected household income below 100% FPL or above 250% FPL gets approved automatically, opening catastrophic plans to a much broader pool. For higher-income healthy people who can't use subsidies, this is now a legitimate low-premium option. Always run the math against a Silver or Bronze plan if subsidies might apply, catastrophic only wins when subsidies don't.

Outside the Marketplace? The only true private-market catastrophic-style option is **Short-Term Medical with a high deductible**, NOT ACA-compliant, can underwrite. Fixed-benefit plans don't qualify, they pay fixed dollar amounts, not catastrophic protection.

Curious if a catastrophic plan fits your 2026 situation? Call or text Craig, I'll check your eligibility and run the premium-vs-deductible math.

Don't go underinsured when you can be Insured AF.

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