



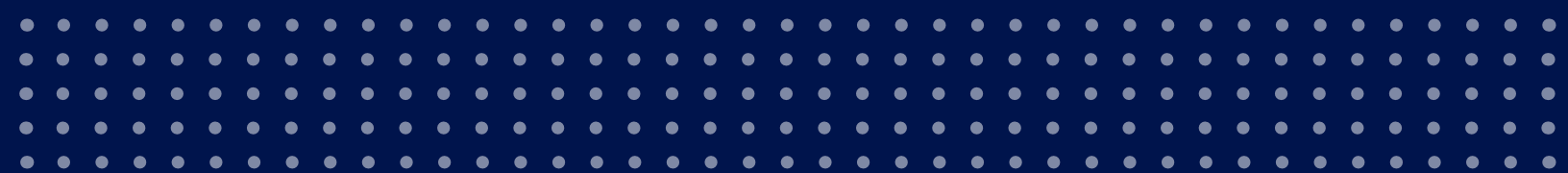
**Center for the  
Study of  
Social Policy**  
Ideas into Action

**BRIEF TWO**

# **Consistent Health Coverage and Care**

*Eliminating Barriers to Health and Wellbeing  
for Young Adults*

**BY SHADI HOUSHYAR**



# Eliminating Barriers to Health and Wellbeing for Young Adults

BY SHADI HOUSHYAR

As young adults are setting out on their own, they face a rapidly changing world, new responsibilities, and enormous challenges and opportunities. When young people are healthy, they have a solid foundation from which to build their lives and pursue their education, career, and personal goals.

Access to consistent health coverage and care is an important part of achieving this—and absolutely essential for young adults. Research has shown that consistent health coverage increases access to timely prevention and screening services, improves the management of chronic conditions, supports access to mental health services, and protects against high medical costs and medical debt. For young people, consistent coverage and care enables them to build trusting relationships with providers so that they receive health services that are responsive to their individual needs during a period of rapid development and change.

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**“Health and wellbeing are very important to me, more than ever now.”**

—J., a young person from Atlanta

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Young adults have experienced significant improvements in health coverage and access to care since the passage of the Affordable Care Act (ACA), but they continue to face barriers to coverage and care that put them at a disadvantage. Recent federal policy decisions have introduced additional barriers to coverage and care—undermining progress and making it harder for young adults to access the supports they need. This brief examines barriers to coverage for young people and offers recommendations for ensuring they have consistent access to care as they build a solid foundation for lifelong health and wellbeing.

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**“When I think about mental health and wellbeing, I think about it as really the foundation to development and success for young people.”**

—D., a young person from Los Angeles

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## Health Coverage for Young Adults

Young adults ages 18 to 24 have historically had lower rates of health coverage than children or older adults. Before the passage of the ACA in 2009, the primary way working-aged adults received health coverage was through their employer. Because young adults were more likely to be in school or between jobs, or working jobs that did not have health benefits, they were the least likely to have health coverage. Although the ACA increased access to insurance coverage for all age groups, young adults experienced the most significant gains in coverage of any age group.

The ACA led to these coverage gains among young adults by allowing children to stay on their parents’ employment-based coverage up to age 26, enabling young people who aged out of foster care to continue to receive Medicaid up to age 26,<sup>1</sup> expanding




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1 The Patient Protection and Affordable Care Act created the mandatory Former Foster Care Children (FFCC) Medicaid eligibility group, which, beginning January 1, 2014, required states to provide coverage for up to age 26 for young people who aged out of foster care in that state.



Medicaid eligibility to adults with incomes up to 138 percent of federal poverty level (FPL), and providing premium tax credits (PTCs) to make it affordable to purchase insurance on the Marketplaces.

As a result, between 2009 and 2023, the uninsured rate for 19- to 25-year-olds declined by more than half, from 31.5 percent to 13.1 percent. Medicaid coverage among young adults also grew in states that expanded Medicaid compared to non-expansion states. These coverage gains led to improved access to care for young people.

Even with these gains, however, young adults today remain more likely to be uninsured than children and older adults. In 2024, young adults 19 to 25 had a higher uninsured rate (14.3 percent) than both children birth to 17 (6.1 percent) and those aged 45 to 64 (8.8 percent), highlighting a major coverage gap for this age group.

The persistent gaps in coverage for young people continue to be driven by the way we deliver health insurance in the United States. Today, young people continue to be more likely to hold entry-level or part-time jobs or work in the gig economy—jobs that often lack health benefits. And even with the improvements under the ACA, young people are not always eligible for public health insurance or able to access coverage if eligible. Those who have access to employer-sponsored coverage may find premiums to be too high, even if they are technically considered “affordable,” rendering them ineligible for Marketplace subsidies. And even those who have coverage cannot always access consistent and responsive care.

## Barriers to Consistent Coverage and Care for Young People Today

Young adults experience many of the same barriers to consistent coverage and care as older adults, but many experience these barriers more acutely—and also face challenges that are unique. Below we provide an overview of some of these key barriers.

### Cost

The cost of health care is an enormous barrier for young adults. Nearly half of uninsured young adults report difficulty paying medical bills, and one in five have had to borrow money to cover health care expenses. A single urgent care visit can cost \$150–\$300, while a trip to the emergency room can cost \$2,000 or more. Without insurance, a young person would have to cover the full bill—an expense that can wipe out their limited savings and plunge them into debt.

Even those who have access to health coverage often find it unaffordable. For young people, the costs of employer-sponsored coverage—premium contributions, deductibles, copayments, and coinsurance—can pose a real financial burden, especially for those with low or moderate incomes. High deductibles and out-of-pocket costs can deter young people from seeking care. Young adults report problems affording health care, and, in a recent survey, were more likely to report difficulty affording copays and deductibles compared to older adults.

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**“It would be a relief to know that my health and wellbeing are supported. I have spent a lot of money this summer on health ... I wish there was more efficient support that could have prevented me from spending so much in such a short span of time.”**

**—S., a young person from New York City**

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For young people, these costs have an adverse impact on their mental health. In a recent survey, young adults ages 18 to 29 reported the most concerns with their mental health. They were also more likely

to report seeking mental health services but almost half said they did not have access to care they needed, citing cost as one of the biggest hurdles they faced.

### ***Age cutoffs***

Many programs set age limits that cause young people to lose coverage or face gaps in coverage. For example, in most states, eligibility for the Children’s Health Insurance Program (CHIP) ends at age 19. Not surprisingly, health insurance rates drop at 19.

State Medicaid agencies also set age cut-offs for coverage for children, between 19 and 21.<sup>2</sup> For young people who hit the age limit, they may qualify for Medicaid through other pathways, although the options vary by state, income, and other eligibility criteria.<sup>3</sup> In states that have expanded Medicaid, coverage is available to nearly all adults with incomes up to 138 percent of the Federal Poverty Level (\$21,597 for an individual in 2025). In non-expansion states however (except Wisconsin which provides coverage via a waiver), adults over 19 are generally ineligible for Medicaid no matter how low their incomes are unless they are pregnant, caring for children, elderly, or have a disability. As a result, the percentage of 19- to 34-year-olds without any health insurance coverage is higher in non-expansion states (10.5 percent higher) compared with expansion states.<sup>4</sup>

And while the ACA has led to a notable expansion of coverage for young people, it too has an age cutoff; at 26, young people who were able to access ACA dependent coverage through a parent’s health insurance plan are no longer eligible to do so. Young people aging out of foster care also lose ACA Medicaid eligibility at 26.

If they do not have access to employer-sponsored coverage or public coverage, they may be able to enroll in coverage through the ACA Marketplace but

### **Age cutoffs for young people aging out of foster care**

Nowhere is the arbitrariness of cutoffs clearer than in the lives of young people aging out of foster care. For these young people, many services end, not because they are not needed, but because of age cut-offs in policy.

Young people describe transitioning out of foster care as being “thrown into the ocean” or “having their wings cut off”—reflecting an abrupt end to services as a result of federal and state mandates that set the age caps for receiving services from foster care, often at 18 or 21 years old.

These cutoffs based on age rather than need are a response to finite funding, and specific and inflexible requirements that drive program eligibility. In this way, “tying services and milestones to age also creates a ‘threshold’—a stark experience where one day is dramatically different from the next,” forcing an abrupt disruption in the lives of young people.

To learn more, read our brief [Consistent Health Coverage and Care: Supporting Health, Wellbeing, and Successful Transitions for Children and Youth in Foster Care](#).

data suggest that young adults are more likely to be uninsured than other age groups. We see a drop in coverage rates at this time; the percentage of uninsured 26-year-olds is higher than that of 25-year-olds. In 2019, young adults aged 26<sup>5</sup> had the highest uninsured rate among all ages, followed by 27-year-olds.

Another example of a program with an age cut-off is [Medicaid’s Early and Periodic Screening, Diagnosis,](#)

2 Youth who have “aged out” of foster care can be covered under Medicaid until they reach 26; there is no income limit for these youth.

3 And in several states, the income level to qualify for Medicaid is higher for low-income adults ages 19 and 20.

4 According to the 2019 American Community Survey, the uninsured rate for adults ages 19 to 34 was 22.3 percent in non expansion states, compared to 11.8 percent in expansion states.

5 As young adults lose eligibility for dependent coverage under their parents’ private health coverage, they may be eligible for coverage through other sources, including Medicaid.



and Treatment (EPSDT) benefit which guarantees comprehensive and preventive health care services to all children enrolled in Medicaid, but ends on a youth's 21st birthday, even if they still need intensive or wraparound services. As a result, many young people lose access to mental health support, therapy, or rehabilitative services overnight—as adult Medicaid coverage is often less comprehensive, especially in non-expansion states.

We also see arbitrary cutoffs in other programs that are important for young people's health and wellbeing, including the [Title V Maternal and Child Health \(MCH\) Program](#), a block grant designed to support states and jurisdictions in addressing the needs of mothers, infants, and children—including children and youth with special health care needs (CYSHCN). This impacts a significant number of children because one of every five children has special health care needs.<sup>6</sup>

States have discretion in using their federal Title V funding to complement state-supported efforts around services for pregnant women, infants, children, adolescents, and CYSHCN, and there is no universal age cutoff for Title V services. However, a [survey](#) of Title V CYSHCN directors found that 61% reported their age cut-off was 21. Most CYSHCN's are covered by Medicaid or CHIP,<sup>7</sup> but as Medicaid eligibility pathways for children end between 18 and 22, and CHIP at 19, many are left uninsured; in one study, the percentage of young people with disabilities who were

publicly insured [dropped](#) from 58% for those ages 12 to 18, to 43 percent for those ages 19 to 25. For some young adults with disabilities, this cutoff from public coverage results in a loss of insurance altogether. This loss of coverage is evident in the [data](#); young adults ages 19 to 25 with a disability are far more likely than youth ages 12 to 18 with a disability to be uninsured (12.9 percent vs 4.6 percent).

### ***Disruptions in the transition from pediatric to adult services***

Young adults often experience disruption in care during the transition from pediatric to adult health care. [Data](#) suggest that this transition from pediatric to adult health care is [not](#) seamless, particularly for youth with special health care needs. In one study, more than half of the adolescents with chronic health conditions reported inadequate support and services during their transition to adult health care. In a [review](#) of available research, among the most common barriers to transition were issues related to coverage, including difficulty accessing or finding qualified practitioners and insurance issues.

Disruptions in care are especially common for young adults who are navigating the mental health system in the transition from pediatric to adult services. Although the point at which a young person “ages out” of specialized mental health systems varies, many young adults experience an [abrupt end](#) or “[transition cliff](#)” to services at some point. In some cases, services that are available for children and adolescents no longer exist for young adults.

As an example, school-based mental health services which have been shown to improve access to care, facilitate early identification and treatment of [mental health](#) issues, and promote better [mental health](#) outcomes, are funded through various local, state, and federal sources, including through [Medicaid](#). The services provided include individual-based interventions like one-on-one counseling or therapy, case management or coordinating mental health services,



6 The Maternal and Child Health Bureau (MCHB) has a core responsibility to monitor and improve services for children and youth with special health care needs (CYSHCN), defined as those who have or are at increased risk for a chronic physical, developmental, behavioral, or emotional condition and who also require health and related services of a type or amount beyond that required by children generally.

7 On the basis of income, under the Supplemental Security Income (SSI) eligibility pathway, or a state optional disability pathway.

and referrals for care outside of the school. Access to these supports end when a young person leaves the public school system.

For those continuing into higher education, college campuses may offer short-term counseling, although campus policies vary on the exact number of counseling sessions students can receive. Campuses often set a limit (e.g., six to twelve sessions per year) and others leave this to the discretion of counselors. And while young people who attend college may have access to counseling services, options are even more limited for those who do not pursue higher education. Often, the lack of coordination between adult health care providers and community agencies—such as behavioral health providers serving young people—makes it difficult for young adults to transition between services and to access the mental health supports they need.

### ***Mobility and housing instability***

Moving can also cause disruptions in coverage and care. Generally, young adults aged 18 to 24 are more likely to relocate in a given year than any other age group. In 2019, one-quarter of young adults aged 18 to 24 moved, which was four times the mobility rate of older adults. While this mobility poses challenges to consistent coverage and care for all young adults, it is a significant barrier for young people who have aged out of foster care.



Between 11 and 37 percent of young people who have aged out of foster care experience homelessness, and even more, between 25 to 50 percent of young adults exiting foster care couch surf, double up, or move frequently within a short period of time. These young people move frequently, not just between homes, but also within the same jurisdiction and across state lines, which can lead to a disruption in coverage. Even a small move—like one from New York City to New Jersey, or from Washington, DC, to Northern Virginia—in search of affordable housing, employment, or to be closer to family and friends, can cause a young person to lose coverage, since health systems and eligibility rules differ from one jurisdiction to another.

A recent U.S. Government Accountability Office (GAO) report underscores this challenge, finding young people aging out of foster care can experience barriers to enrolling in Medicaid and maintaining coverage. States are required to provide Medicaid coverage up to age 26 for young people who aged out of foster care,<sup>8</sup> and in general, those who age out and remain in the state may be enrolled in Medicaid without needing to take any further action. However, those who were in foster care in a different state than the state where they are applying for health care must reapply for Medicaid through the standard application process. Having to reapply for coverage can be confusing, time-consuming, and unfamiliar. Young people may not be aware of the application process in a new state or realize they have to reapply upon relocating. They may miss Medicaid outreach if they change addresses frequently, or, lose coverage during transitions because staff may not be familiar with the specific eligibility rules for young people aging out of foster care, and coordination between state agencies is often limited.

### ***Political barriers to gender-affirming care for young adults***

Everyone should have access to care that is responsive to their needs, including gender- and identity-affirming care for transgender, nonbinary,

<sup>8</sup> The 2018 Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act (SUPPORT Act) addressed a barrier in the earlier law, expanding the FFCC eligibility group to require states to cover individuals who aged out of foster care in a different state, effective January 1, 2023.

and gender-expansive individuals. Gender-affirming care is a model of care which includes a spectrum of “medical, surgical, mental health, and non-medical services for transgender and nonbinary people” aimed at affirming and supporting an individual’s gender identity. It promotes mental health and wellbeing and is described as medically necessary by major medical organizations including the American Medical Association. Consistent coverage is essential for this care. It makes it possible to build trust with providers and to have ongoing access to affirming care that supports a person’s overall health and wellbeing. Yet studies have consistently shown that transgender and gender-diverse young people face barriers when seeking gender-affirming care, including being denied coverage for care related to gender transition (e.g., hormone therapy and transition-related surgery).

The anti-transgender agenda that has erupted in state and national politics is a significant barrier to gender-affirming care. Twenty-seven states have enacted laws or policies limiting youth access to gender-affirming care, and according to the Kaiser Family Foundation, roughly 40 percent of transgender youth (ages 13 to 17) live in one of those states. The Supreme Court’s recent ruling in United States v. Skrmetti effectively clears the path for states to continue these bans.

For families, this means navigating a rapidly diverging patchwork of state laws, and for many, accessing gender-affirming care will require traveling or moving to a state without these restrictions. Additionally, in March 2025, Centers for Medicare and Medicaid Services (CMS) issued a proposed rule that seeks to change how plans sold on and off the ACA Marketplace would cover gender-affirming care services, prohibiting insurers from covering this care as an essential health benefit (EHB), which could lead insurers to drop coverage or shift costs to individuals and states. And in April 2025, CMS sent a letter to states urging them not to use Medicaid funds for gender reassignment surgeries or hormone treatments.

As the reconciliation bill moved through Congress in 2025, an earlier House-passed version included bans on Medicaid and CHIP coverage for gender-affirming care, along with ACA changes that would have made

such care effectively unaffordable—provisions that drew significant support but did not appear in the final reconciliation bill (H.R. 1). If these provisions had gone into effect, they would have effectively made gender-affirming care inaccessible for most families. In August, the Trump administration announced that it would remove gender-affirming care from the health care services covered under the Federal Employees Health Benefits (FEHB) Program beginning in 2026. The move erodes health care coverage for the more than 8 million people who rely on FEHB.

These mounting legal and policy attacks are now translating into real-world harm. As of August, at least 21 hospitals had stopped prescribing puberty blockers and hormone therapy to transgender youth or announced plans to end services, including Children’s Hospital Los Angeles and Children’s Hospital of Philadelphia. In October, Fenway Health—a non-profit community LGBTQ+ health center in Boston—ended medical gender-affirming care for patients under the age of 19, citing federal funding pressures and legal uncertainty. More recently, in December 2025, the Trump administration made another attempt to limit access to gender-affirming care for transgender youth in the United States. CMS put forward two proposed rules to withhold federal funds for gender-affirming care for transgender young people. One of the proposals would prevent any facility providing this care from receiving Medicare or Medicaid funding. CMS would also bar the use of Medicaid and CHIP funds to cover gender-affirming care for minors. Together, these proposals reflect the latest actions by the Trump administration aimed at curtailing access to gender-affirming care for transgender youth.





Taken together, these actions make clear that access to gender-affirming care for young people is under threat, increasingly restricted, and fragmented. The continuing wave of state bans, along with a Supreme Court ruling that fails to protect families and young people, and attempts by Congress and the administration to restrict coverage through Medicaid, CHIP, and ACA plans not only deny transgender, nonbinary, and gender-diverse youth the basic health care they need but also send a harmful message that young people cannot expect safe, affirming health care.

## All Young People Should Have Access to Consistent Coverage and Care

The transition between adolescence and young adulthood is a time of both significant change and promise. Young people should be supported as they navigate this pivotal time in their lives. This includes consistent access to health coverage so that they can be happy, healthy, and achieve their goals.

**“A lot of the things that are gonna be taken away, are very much foundational things that we need, as human beings, honestly to survive...I think also, too, in the space that we’re in, it does make it hard, in the sense of, when you’re trying to progress forward and push these things that are important to you, and then to see someone come behind you and say no, we’re not having that. It’s like when you try to take like two steps forward and something is knocking you back...”**

**—B., a young person from Los Angeles, CA in reflecting on H.R.1**

But we are moving in the wrong direction. A clear



example is the 2025 federal budget and tax law which will lead to coverage losses due to sweeping and harmful policy changes that are designed to limit access to coverage and care, including burdensome Medicaid work reporting requirements for adults ages 19 to 64 that will cause many young adults to lose health insurance, changes to eligibility re-determination requirements that will make it harder for young people to maintain Medicaid coverage by requiring them to prove their eligibility every six months instead of annually,<sup>9</sup> higher out-of-pocket costs for certain services that will force many young people to make tough choices between seeking care and meeting their basic needs like buying groceries or making a car payment,<sup>10</sup> and more limited access to reproductive and preventive care as a result of defunding Planned Parenthood clinics that provide critical health care including cancer screenings, prenatal care, and contraception—particularly in rural and underserved areas. This bill undermines health and wellbeing for young people.

In its wake, Congress failed to extend the enhanced premium tax credits for ACA Marketplace plans, allowing these subsidies to expire at the end of 2025.<sup>11</sup> Without them, Marketplace premiums will rise sharply and young adults—who are working but do not have access to stable coverage through an employer—will

<sup>9</sup> For Medicaid expansion enrollees.

<sup>10</sup> Ibid.

<sup>11</sup> On January 8, the House passed a three-year extension of enhanced Affordable Care Act premium subsidies. As of the writing of this brief, negotiations had yet to move to the Senate where a compromise bill may be released in the coming days.



likely see the greatest increase in uninsurance. A recent [analysis](#) projects that uninsurance among adults aged 19 to 34 will rise by 25 percent, the steepest increase of any age group.

Moving forward, we need to focus our efforts on making changes to policy and practice to eliminate barriers to consistent coverage and care for young people as a critical step toward responsive health care for everyone. Specifically, the following changes are needed:

- 1. Eliminate newly erected barriers that undermine coverage and care.** H.R.1 includes sweeping policy changes that would reduce coverage, increase costs, and limit access to essential health services for young people. This includes provisions—such as those outlined above—that impose unnecessary reporting and eligibility requirements, add new financial burdens, and restrict access to essential care and trusted providers. Congress’s failure to extend the enhanced premium tax credits before they expired means increased costs for young adults who rely on Marketplace coverage. Congress should move quickly to reinstate and extend the enhanced premium tax credits for the ACA Marketplace.<sup>12</sup>
- 2. All forms of health coverage including CHIP, Medicaid, and Marketplace plans should provide automatic continuous enrollment for young people through age 26, regardless of income.** Young adults experience disruptions in coverage for a range of reasons, including age eligibility cutoffs for programs and life transitions, such as a job change or a move. Continuous enrollment ensures that young people have stable coverage during this period and can access preventive care, manage chronic conditions, receive mental health supports, and avoid high medical costs or debt.
- 3. All forms of health coverage—including CHIP, Medicaid, and Marketplace plans—should eliminate copays for young people through age 26.** Even small out-of-pocket costs can prevent many young people who are navigating school,



work, and other demands—especially those with low or fluctuating incomes—from accessing the care they need. Removing copays eliminates a key barrier to care for young people and allows them to access health services that are essential for building lifelong health without having to worry about the costs or trade-offs.

- 4. States should follow the lead of those with fully integrated state-based Marketplaces, using these systems to manage eligibility for CHIP, Medicaid, and Marketplace plans in one place, and to proactively determine eligibility for coverage before young people turn 26.** Doing so would allow for enrollment in the appropriate coverage as soon as dependent or Medicaid (or other age-based coverage) eligibility ends at 26, preventing coverage loss and care disruption during this transition. A single state system makes it easier to assess eligibility, reduces administrative barriers, and ensures that young people experience seamless coverage as they navigate life transitions and milestones.

<sup>12</sup> As of the publication of this brief, the House had passed a 3-year extension of the ACA premium tax subsidies. It is unclear if the Senate will take up the House bill. A group of senators from both parties has been working on an alternative plan that may find support in both chambers.



**5. Young people should have access to care coordinators who are trained to support them in the transition from pediatric to adult care, including coordinators who can help with the transition for young people with special health care and mental health needs.**

The move from pediatric to adult care can be overwhelming and lead to a disruption or gaps in care, especially for young people with ongoing health or mental health needs. Care coordinators who understand both the health care system—and the unique needs of young adults—can help ensure continuity in care and support young people as they navigate the health care system.

**6. Gender-affirming care should be covered by all insurance types—including CHIP, Medicaid, and Marketplace plans—and include coverage for the full array of gender-affirming care.** Gender-affirming care is health care. It is essential for the health and overall wellbeing of young people who identify as transgender and nonbinary. Ensuring coverage for this care allows young people to access the health supports they need and to feel affirmed in their identity, and it promotes their mental and physical wellbeing. It also sends a clear message that all young people deserve care that affirms and supports who they are, and by doing this, reinforces young people's health and wellbeing.

When young people are healthy, they have a solid foundation from which to build fulfilling lives. Access to health coverage and care is essential for young people to stay healthy and build a strong foundation for their futures—enabling them to pursue their education, careers, and personal goals.

We need policies that support—rather than hinder—the ability of young people to access health coverage and services, support them during this critical period, and lay the foundation for lifelong health and wellbeing. By prioritizing continuous coverage, removing cost barriers, streamlining eligibility, enhancing care coordination, and providing gender-affirming care, we can ensure young people have access to health coverage and care that is consistent as they navigate this important period, gain a positive sense of identity, and pursue their goals.

### Suggested Citation

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