



2027 ACA Considerations: Key Changes and Trends

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Today's Agenda

Current State of the ACA

- 2025 Market Conditions
- 2026 Rates

2026 Open Enrollment

2027 Policy: What's Changing

2027 State and Marketplace Considerations

2027 Pricing Considerations

2025 Market Conditions and 2026 Rates



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2025 Changes in Morbidity – Individual Market

- Wakely performed an analysis on 2025 market morbidity changes - which supported many carrier findings of increased and unexpected costs
- We continued to see a dramatic increase in overall relative risk of **5.5 percent** from 2024 to 2025 (as of October), with higher increases in Federally Facilitated Marketplaces.
- Claimant ratios also increased for most states from 2024 to 2025, equal to **2.0 percent** overall.
- Some key findings nationally, included:
 - State relative risk score increases strongly correlated with **lower increases in the percentage of enrollees with net premiums of less than \$10, lower rates of effectuation, and percent of members auto-enrolled.**
 - For states that experienced a **smaller increase in new enrollees** during the open enrollment period, there was a higher relative risk score change throughout the year
 - States with a **reduction in average age** were not correlated with a reduction in relative risk scores
 - **Claimant ratios** are not perfectly correlated with relative risk score changes, i.e., the changes in claim costs and/or morbidity will likely not mimic risk score movements

2025 Changes in Morbidity (Continued)

IND Enrollment Continues To Increase

Year over Year Enrollment Comparison October 2024 to October 2025

Metal	SBE	FFE Expanded	FFE Not Expanded
Platinum	-4.2%	9.9%	-3.5%
Gold	1.1%	20.8%	1.4%
Silver	15.0%	10.9%	6.9%
Bronze	0.3%	-0.6%	4.0%
Total	7.9%	6.9%	5.3%

Similar to recent years, the ACA market has grown in total enrollment, **up 6.4%** in total from 2024

2025 Changes in Morbidity (Continued)

IND Relative Risk Also Increased Year over Year

Comparison October 2024 to October 2025

Metal	SBE	FFE Expanded	FFE Not Expanded
Platinum	-1.9%	1.3%	0.7%
Gold	2.7%	1.1%	10.8%
Silver	1.9%	6.5%	6.9%
Bronze	3.0%	7.3%	5.6%
Total	1.7%	7.1%	7.2%

Historically higher enrollment increase is correlated with lower morbidity. Since Medicaid redetermination started, the **correlation of higher enrollment and lower morbidity has not continued.**

2025 Changes in Morbidity (Continued)

IND Change in Percent of Enrollees with Claims

Comparison October 2024 to October 2025

Metal	SBE	FFE Expanded	FFE Not Expanded
Total	0.9%	3.6%	2.1%

This is a **distinct change** from the trend in reduction in number of people with claims that occurred since the introduction of enhanced premium tax credits.

2025 Changes in Morbidity (Continued)

SG Relative Risk Also Increased Year over Year

Comparison October 2024 to October 2025

Year	Enrollment	Relative Risk Score
2022 to 2023	-4.7%	3.0%
2023 to 2024	-5.4%	3.9%
2024 to 2025	-5.9%	2.7%

The Small Group market has experienced enrollment reductions year over year with increases in relative risk, which are not perfectly correlated

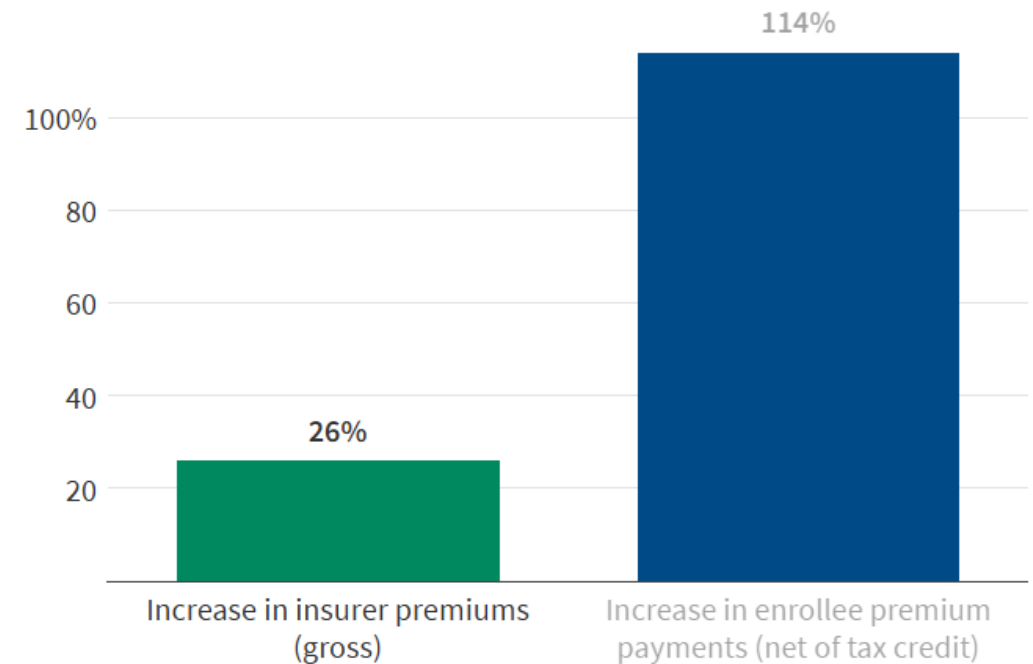
What Is Happening in 2026 Market?

- **Highest premium rate changes since 2018**
- Drivers include:
 - 2025 emerging experience and sicker population
 - Trend patterns
 - Provider price increases
 - Inflation
 - Rate correction from prior years
 - Regulatory changes, including enhanced premium tax credit expiration
 - Expensive medications such as GLP-1s
 - Uncertainty

Figure 1

ACA Insurers Are Raising Premiums by an Estimated 26%, but Most Enrollees Would See Sharper Increases in What They Pay if Enhanced Tax Credits Expire

Percent change in gross and net premium payments, 2026



Source: KFF analysis of ACA Marketplace premium data • [Get the data](#) • [Download PNG](#) **KFF**

Source: [CCIIO Data Brief on Section 1332 Waivers](#)

2026 Open Enrollment:

What Do We Know So Far?



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Open Enrollment: What to Know



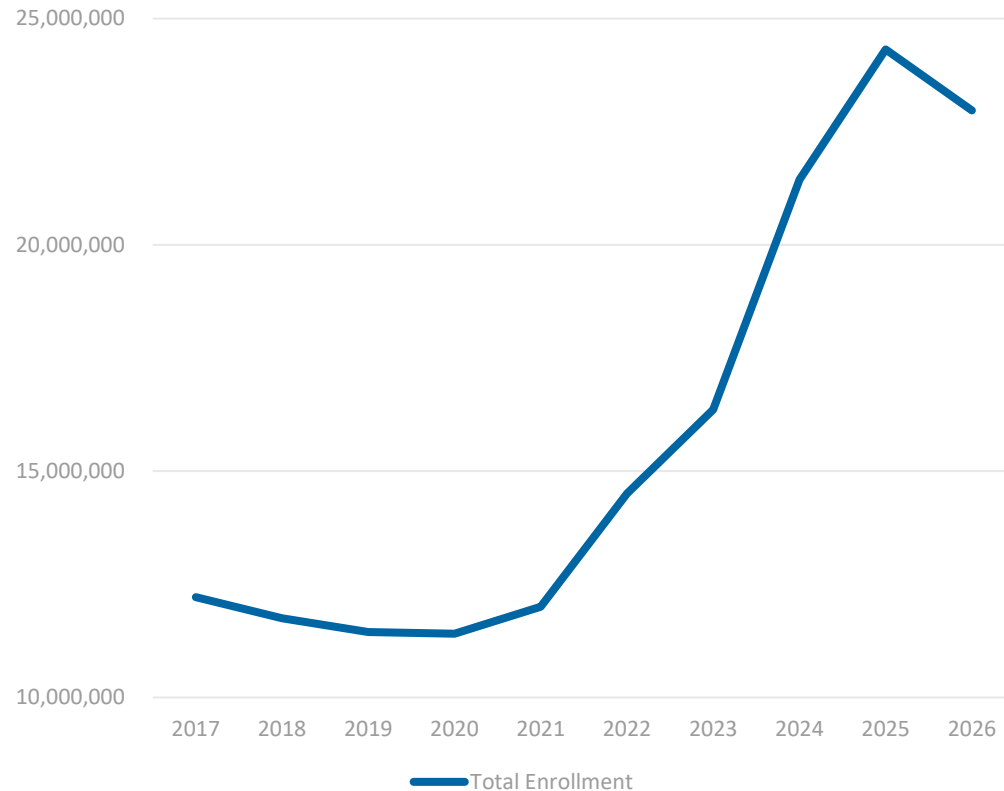
The 2026 Marketplace open enrollment received more attention than perhaps any other year. The expiration of enhanced subsidies and sizable premium rate increases across the country brought Marketplace coverage and affordability to the forefront.

- **Overall:** ~23M plan selections nationally
 - Down ~5% year-over-year
 - New consumers to the Marketplace are down dramatically (-14%)
 - Returning consumers have decreased 3%.
- **Future:** Impact of expired enhanced subsidies has not been fully realized
 - Paid enrollment data not yet available
 - Higher than normal attrition is expected in the first half of 2026 due to affordability driven voluntary and non-payment terminations

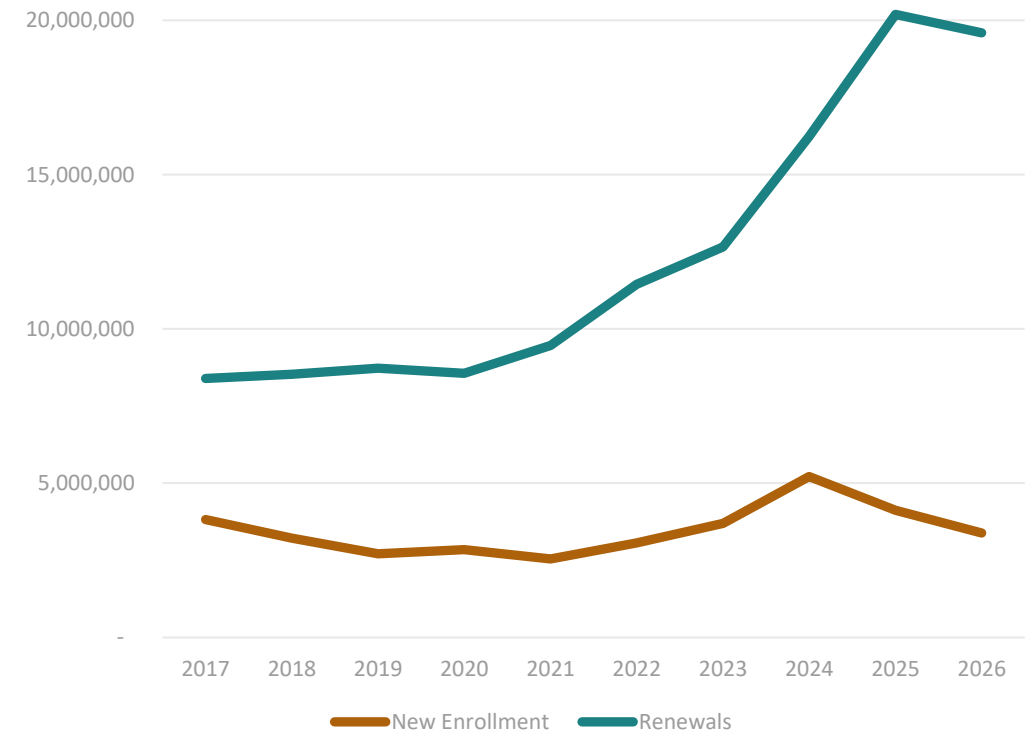
Cite: [Wakely - Individual ACA Open Enrollment Insights So Far](#);
[Marketplace 2026 Open Enrollment Period Report: National Snapshot | CMS](#);

Marketplace Enrollment Trends Over the Last Decade

Marketplace Enrollment, 2017-2026



New and Returning Enrollees, 2017-2026



Source: [Marketplace 2026 Open Enrollment Period Report: National Snapshot | CMS](#); [Marketplace Open Enrollment Public Use Files](#)

Open Enrollment 2026 Highlights

Healthcare.gov Headlines

- Enrollment is down modestly in total, but **varies significantly by state**
 - Texas leads all federal marketplace states with a 5% year-over-year increase
 - Ohio and North Carolina saw large decreases (20% and 22% respectively)
- **Non-Medicaid Expansion states performed better**
 - Expansion state enrollment decreased by 13% compared to a 2% non-expansion state decrease

State Marketplace Headlines

- **SBMs are seeing less attrition**, driven by state policies, outreach and engagement, and a higher rate of returning enrollees.
 - New Mexico leads all states with a 14% increase due to state-level subsidies
- **Georgia enrollment decreased by 14%**
 - Contrasting the Healthcare.gov results, Georgia is the only SBM state without Medicaid Expansion
- Many SBMs **were still enrolling** as of the OE number publication date so final SBM OE results are pending

Additional State Marketplace Enrollment Trends



SBMs are reporting higher disenrollment, lower new sign-up activities, and higher rates of switching to lower cost plans

Increased disenrollments

- SBMs are reporting disenrollment activity ranging from nearly 50% to >400% **higher than** in previous years

Reductions in new enrollment

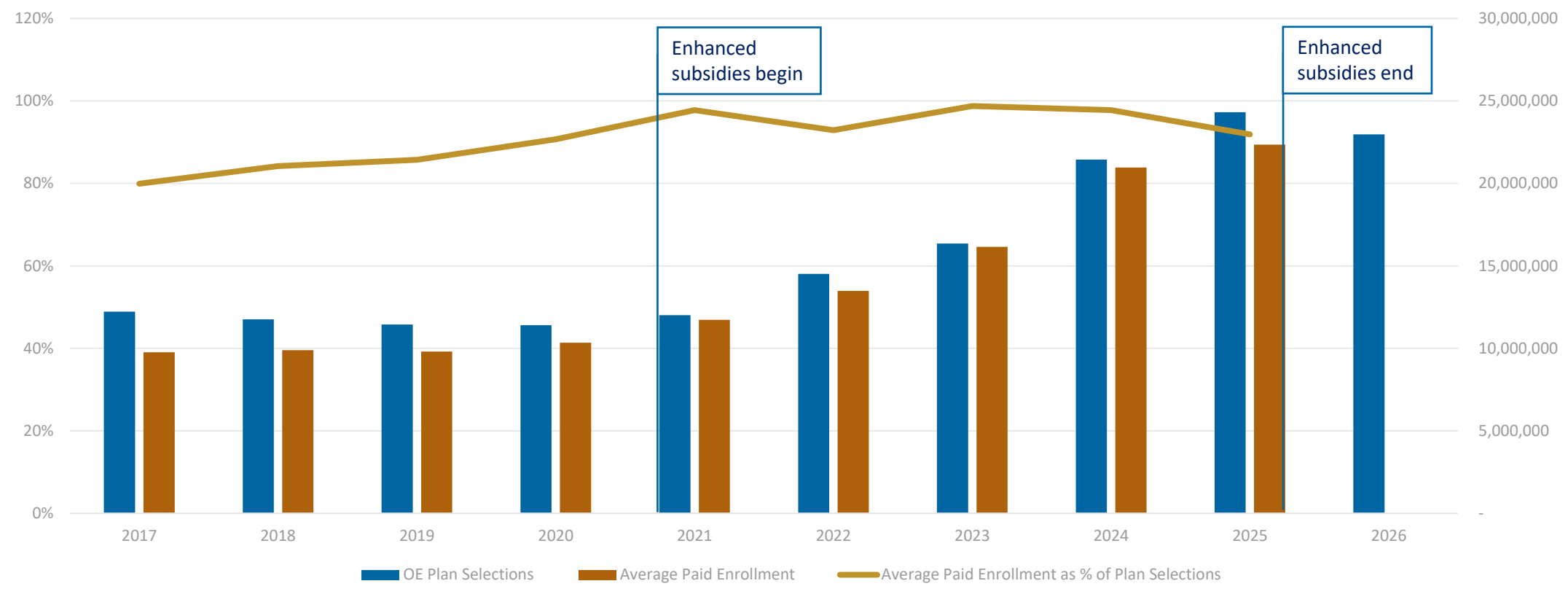
- California is reporting a year over year decline in new enrollment of 31%

Consumers switching to lower premium plans

- In Rhode Island, new consumer Bronze enrollment is >2x higher
- In Maine, Bronze plan selections are now ~60% of total enrollment

Paid Marketplace Enrollment Trends Over the Last Decade

Plan Selections and Paid Enrollment, 2017-2026



Sources: [Marketplace Open Enrollment Public Use Files](#); [ACAsignups.net: Choose Your Own Adventure: How Much will Effectuated Enrollment Drop This Year?](#)

2027 Policy: What's Changing



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ACA Policy Considerations

CY2026

- Enhanced Subsidy Expiration
 - Expired 1/1/2026
- Recapture of excess premium tax credits
- Lawfully present immigrants under 100% FPL no longer eligible for premium subsidies (essentially this population will not enroll)
- Removes SEP for low-income members

ACA Policy Considerations

CY2027

- **Known Changes**
 - No ePTC Year #2
 - Certain legal immigrants no longer eligible for premium subsidies or CSRs
 - Shorter open enrollment could impact risk pool (PI Rule)
 - Increased Medicaid redeterminations could impact risk pool
- **Unknown Changes**
 - NBPP draft
 - Changes to non-ACA requirements (STLDIs, AHPs. Etc.)
 - Congress/Reconciliation 2.0?

ACA Policy Considerations

CY2028

- Ending of Auto-Enrollment
- Increased Verification of Eligibility
- Potential for significant further changes/reductions in enrollment in 2028

Other Policy Changes Worth Monitoring

What	Timing	Who	Probability	Potential Impact
No Surprises Act	Ongoing	All commercial	In Progress	Providers are winning majority of disputes, implying upward premium pressure.
Congressional Legislation	Q1	All States	Low	Potential for partial ePTC subsidies, CSR funding, changes to APTC structure, changes to eligibility
Public Charge Rule	Q2	All States	High	Contingent on state.

2027 State and Marketplace Considerations



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Medicaid Changes in the OBBBA and Implications for the Marketplace and Individual Market

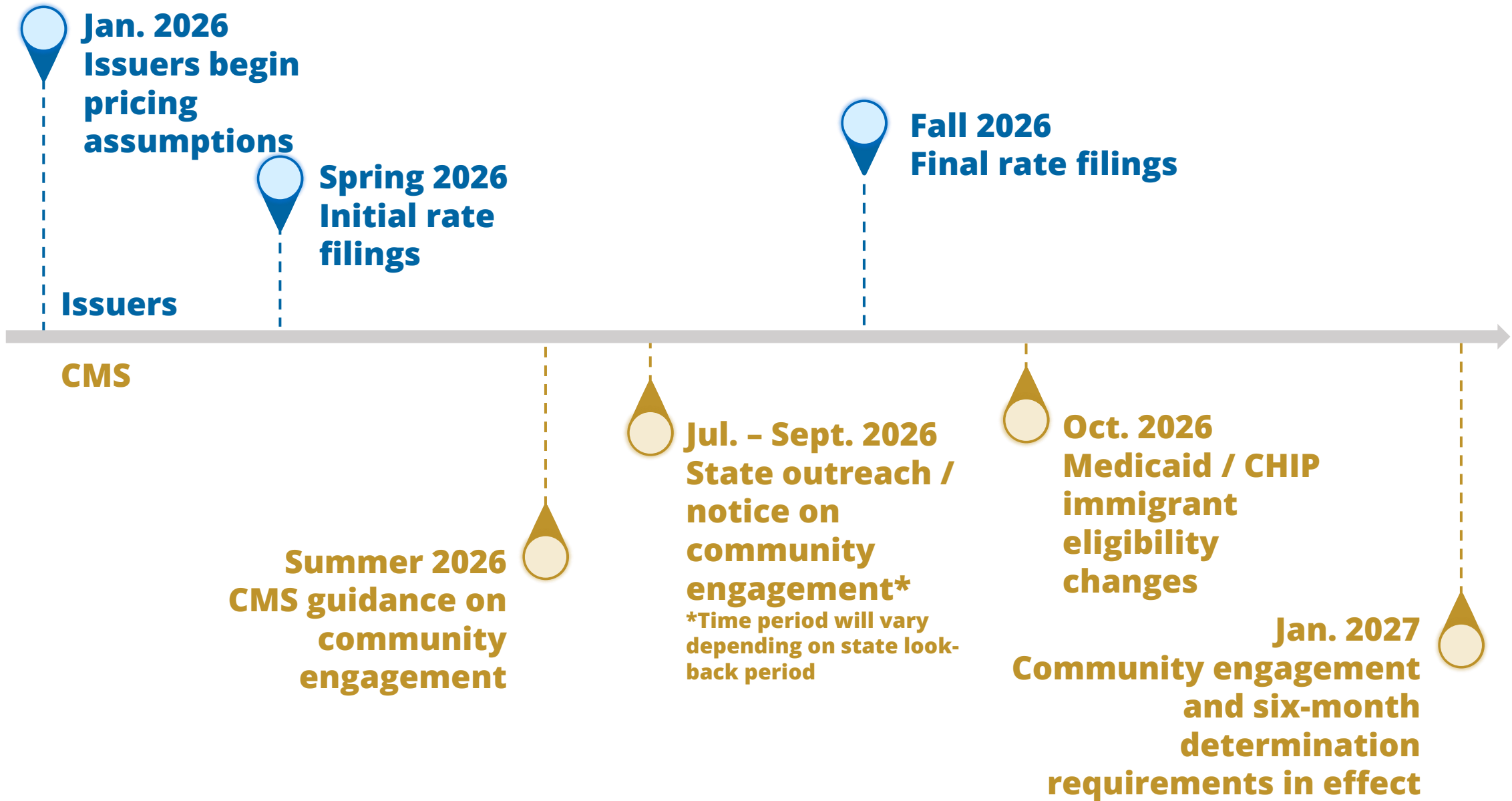
Strategies for states,
issuers, and
policymakers to
mitigate
adverse effects.

- **Upcoming Medicaid Requirements:**
 - Community engagement requirements (i.e., work requirements)
 - Six-month Medicaid eligibility checks
 - Loss of Medicaid eligibility for certain immigrant population. Note: APTC rules align with Medicaid exclusions beginning in 2027
- **By the numbers (CBO estimates):**
 - 4.8 million able-bodied adults will become uninsured as the result of not meeting community engagement requirements
 - 2.2 million individuals will become uninsured because of Medicaid expansion eligibility redeterminations every six months (instead of typically 12 months)
 - 1.4 million will become uninsured because of the change in immigrant eligibility provisions.

Cite: [Medicaid-Changes-and-Implications-for-2027.pdf](#)

Figure 1. Issuer and State Planning Milestones

2026-2027



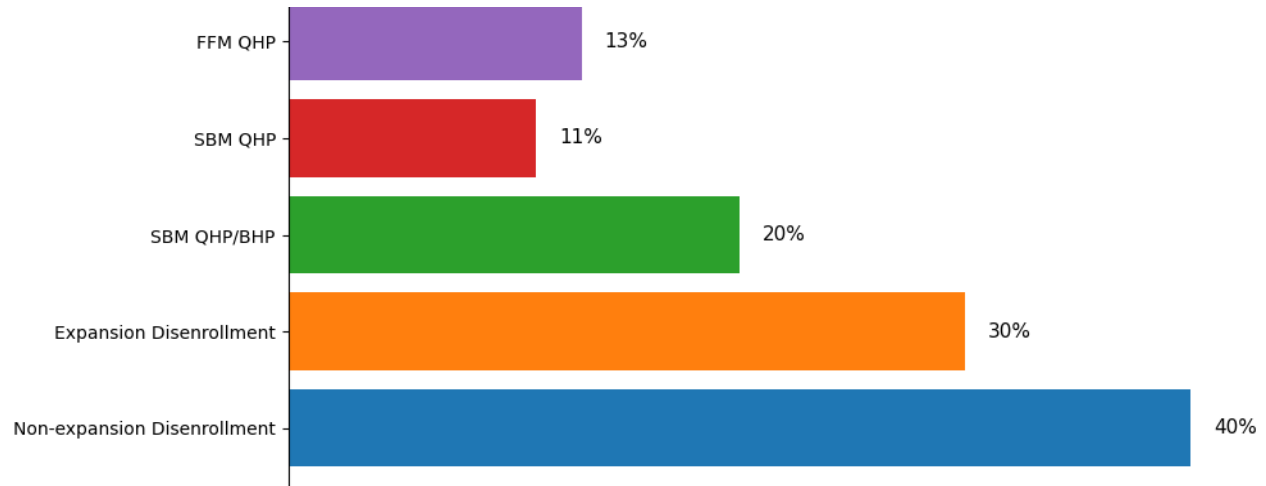
Medicaid Changes and Impact to Marketplace

Table 1. New Medicaid Eligibility Changes and Marketplace APTC Eligibility

OBBBA Provision	Population	Marketplace Options	Ind. Market Impact
Medicaid Community Engagement Requirements	Able-bodied adults categorically eligible for Medicaid	Eligible for coverage, not eligible for subsidies	Minimal
Removal of Eligibility for Certain Legal Immigrants	Refugees, asylees, certain humanitarian parolees, trafficking survivors, and abused spouses/children	Eligible for coverage, not eligible for subsidies	Minimal
Six-month Eligibility Checks	Medicaid expansion adults	Eligible for coverage and subsidies (if otherwise qualified)	Material

Issuer Considerations and Strategies for Mitigation

Medicaid Unwinding and Marketplace Transition Rates



Impacts

- Risk Pool Deterioration → Issuer Operational Pressures → Higher Premiums
- **Not All States Will Experience Impacts Equally**
- Medicaid unwinding shows how Medicaid → Marketplace transitions differ sharply by state policy choices
- State Policy Choices Drive Large Differences (exp: affordability programs in CA and RI)

Mitigations

- Coordinate analyses across Medicaid + Marketplace lines to anticipate: net new enrollment, risk mix shifts, expected churn volumes.
- Invest in improved **data collection** to understand: reasons for enrollment/ disenrollment, consumer eligibility paths, points of system breakdown.
- Enhance **communication channels** across internal teams + state partners.
- Develop **pricing-flexible strategies** to make adjustment between initial and final rates.

State Considerations and Strategies for Mitigation



Impacts

Higher Uninsured Rates & Premium Pressure

- › OBBBA Medicaid changes → coverage losses;
- › Some eligible for Marketplace subsidies still forgo coverage due to high premiums or confusion.

Administrative & Operational Strain

- › Increased churn → more application changes, notices, MEC checks, account transfers.
- › Higher call-center volume, assister workload, redetermination and appeals traffic.
- › System updates needed for new eligibility logic and coverage pathways.

Mitigations

- **Affordability supports:** bridge programs, premium wraps, temporary subsidies, zero-premium mapping.
- › **Plan strategies:** off-Marketplace plans without CSR loading; catastrophic / low-premium options.
- › **Outreach & education:** multilingual campaigns, trusted messengers (FQHCs, CBOs, faith groups).
- › **Rate review:** ensure premium assumptions reflect real churn, morbidity, and enrollment dynamics.
- › **Data & process improvements:** reduce procedural terminations (70% during unwinding), targeted data matching, SMS reminders, auto-enrollment strategies.

State Planning, Implementation and Mitigation

Plan Year 2027 and Beyond:

- Plan for changes in OBBBA and the MIA rule with later effective dates now (shortened open enrollment, immigrant eligibility changes, pre-enrollment verification program, etc.)
- Continue consumer education and navigation support efforts
 - Reduce barriers when possible (application updates, AI verification, chatbots, etc.)
- Coordinate Marketplace and Medicaid implementations (eligibility changes, verification processes, Medicaid work requirements, etc.)
- Prioritize and explore additional state funding to pay for core marketplace functions and/or individual market affordability programs
- Anticipate and budget for additional federal policy changes (Past Trump Administration policy changes have included EHB, etc.)

State Planning, Implementation and Mitigation

Tools in the Toolbox for Affordability and Coverage

- Alternatives Coverage Programs under the ACA
 - **Section 1331- Basic Health Program (BHP):** Coverage Program for individuals under 200% FPL (tool to address churn)
 - **Section 1332- State Innovation Waiver:** Can waive part of the ACA and receive pass-through funding if the waiver programs reduces premiums; states with reinsurance programs can also further innovate.
 - **Section 1333- Health Care Choice Compacts:** Potential for regulatory flexibility
- State Legislative considerations: Authority for 1332/1333/state affordability programs
- Authorities under state control (exp: grace periods)
- Allowable flexibility for the Open Enrollment Period (OEP) dates and Special Enrollment Periods (SEPs).

2027 Pricing Considerations



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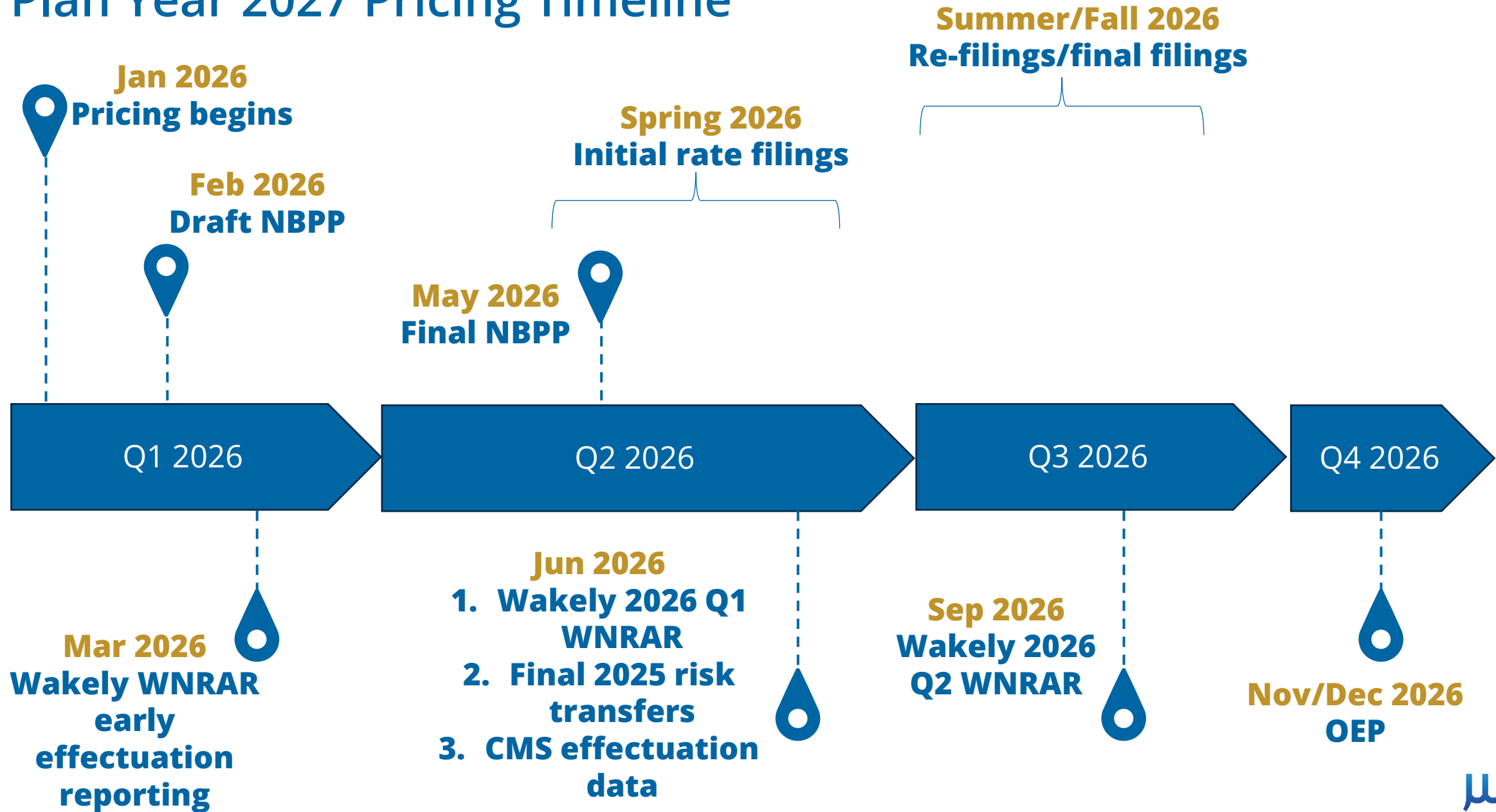


ACA

Pricing – 2027

- Potential for pressure on morbidity, premiums, and enrollment
- Monitoring emerging enrollment and experience is key; historical data might not be a good indicator for the future
 - Demographics
 - Monitor effectuated vs grace period members
 - Early Wakely 2026 membership reporting
 - Stayer/leaver/joiner analysis
 - Actual-to-expected of key pricing assumption
 - Uncertainty on base data, even before considering changes in policy, could put pressure on premiums
- Medicaid redetermination considerations
- Continued trend pressure?
- SEP relief?

Plan Year 2027 Pricing Timeline



A hand holding a pen pointing at a financial chart with various data series.

ACA

Pricing – Looking to 2028

- Pricing 2028 products with 2026 experience, while considering 2027 and 2028 regulatory changes
- Adapt and pivot

Questions?



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