



# The Future of the ACA Individual Market: Policy Shifts and the Proposals Before Congress

July 10, 2025

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# Today's Agenda

- 2025 Federal Policy Activity to Date
- Wakely Report on Key Policy Impacts
- Strategies for Building Resiliency
  - Actuarial Work/2026 Rate Setting Strategies - Wakely
  - Open Enrollment Prep/Implementation – HMA
  - Federal Policy Opportunities – Leavitt
- 2026 Federal Policy Activity on the Horizon





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Our team of clinicians and former government and health plan leaders helps clients manage operations, improve revenue, retain and recruit staff and implement new initiatives and technologies.

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> Implementation & Change Management

> Legislative Analysis & Strategy

> Policy & Program Design

> Advocacy & Engagement

> Regulatory Analysis & Strategy

> Alliance Development

> Pricing And Bids

> Care Models & Contracting

> Revenue Performance & Audits

> Risk Adjustment

> Data Analytics

# HMA Experts

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Moderated by Jennifer Colamonico, Vice President, Strategy & Communications, HMA



# 2025 ACA Marketplace Policy Activity to Date

ADMINISTRATIVE ACTION		CONGRESS
CMS Plan Year 2026 Rate Filing Bulletin (released 5/5/25)	Marketplace Integrity and Affordability Rule (finalized 6/20/25)	H.R. 1, The One Big Beautiful Bill Act (enacted 7/4/25)
<ul style="list-style-type: none"> <li>• Gives technical direction for submission of PY 2026 rate filing justifications</li> <li>• Urges states and issuers to be prepared to react to Congressional action that could affect PY 2026 individual market premiums</li> <li>• If Congressional action occurs after August 13, 2025, issuers may submit corrected rate filing justifications during the September 11-12th limited data correction window</li> </ul>	<ul style="list-style-type: none"> <li>• Changes to Open Enrollment Periods (OEP) and Special Enrollment Period (SEP) for individuals at or below 150% of FPL</li> <li>• Reinstate "Failure to File and Reconcile" Policy</li> <li>• \$5 Premium Responsibility</li> <li>• Restricts self attestation of income</li> <li>• Removes automatic 60-day extension of the required 90-day period for resolving income inconsistencies</li> <li>• "Preponderance of the Evidence" Standard of Proof for Agents and Brokers</li> <li>• Pre-enrollment and SEP verification</li> </ul>	<ul style="list-style-type: none"> <li>• Premium Tax Credits for Undocumented Immigrants; Revised Definition of Lawfully Present</li> <li>• Disallowing Premium Tax Credit During Periods of Medicaid Ineligibility Due to Alien Status</li> <li>• Requiring Verification of Eligibility for Premium Tax Credit</li> <li>• Limits Advance Premium Tax Credit During Special Enrollment Periods (SEP)</li> <li>• Elimination of Limitation on Recapture of Advance Premium Tax Credit</li> </ul>

**NOT INCLUDED: \$\$ for CSRs, extension of expiring temporary enhanced APTCs.**

# Analysis Caveats

- > **Analysis performed as of June 18, 2025:** does not include subsequent bill changes, including the final version of the Marketplace Integrity and Affordability rule issued on June 20 and final Big Beautiful Bill passage.
- > **Impacts are steady state in 2028, not a 2026 impact:** applied changes as if they were to occur all in 2026 but will take until end of 2028 to be fully realized.
- > **State by state changes vary greatly, some exceeding national average ranges.** Utilized data representing roughly 50% of the State-Based Marketplaces (SBM) enrollment population.

# Major Provisions Included in Analysis

1. Expiration of the ePTCs (2026)
2. The **proposed Marketplace Integrity and Affordability rule** which includes:
  - Ending ACA Marketplace coverage eligibility for Deferred Action for Childhood Arrivals (DACA) recipients (2025)
  - Shortening the Open Enrollment Period (OEP) (2026) -> **Delayed until 2027 in the final rule**
  - Automatic reenrollment into different levels of coverage or into \$0 premium plans (2026/2027)
  - Changes to special enrollment period eligibility and verification rules (2026)-> **Generally not included in the final bill but many provisions in effect via regulation**
3. Cost-sharing reduction appropriation for applicable states not covering abortion -> **Not included in the final bill**
4. ACA Marketplace eligibility changes for lawfully present immigrants (2026 / 2027)
5. Verification policies resulting in the elimination of passive re-enrollment and conditional eligibility for Marketplace financial assistance (2028)

**Combined with  
the expiration of  
ePTCs, the bill  
would result in  
an individual  
market that  
looks  
fundamentally  
different**

**Potential to reduce individual  
market enrollment by 47%-57%  
or 11.2-13.6 million enrollees**

Includes loss of unsubsidized  
enrollment between 4% - 6%  
following significant gross premium  
increases

**Effects could increase gross  
market average premiums 7%  
to 11.5% due to market  
attrition and risk pool  
morbidity increases**

Non-Medicaid Expansion states  
would see especially large  
enrollment losses with total  
reduction in enrollment ranging  
between 53% and 64%.

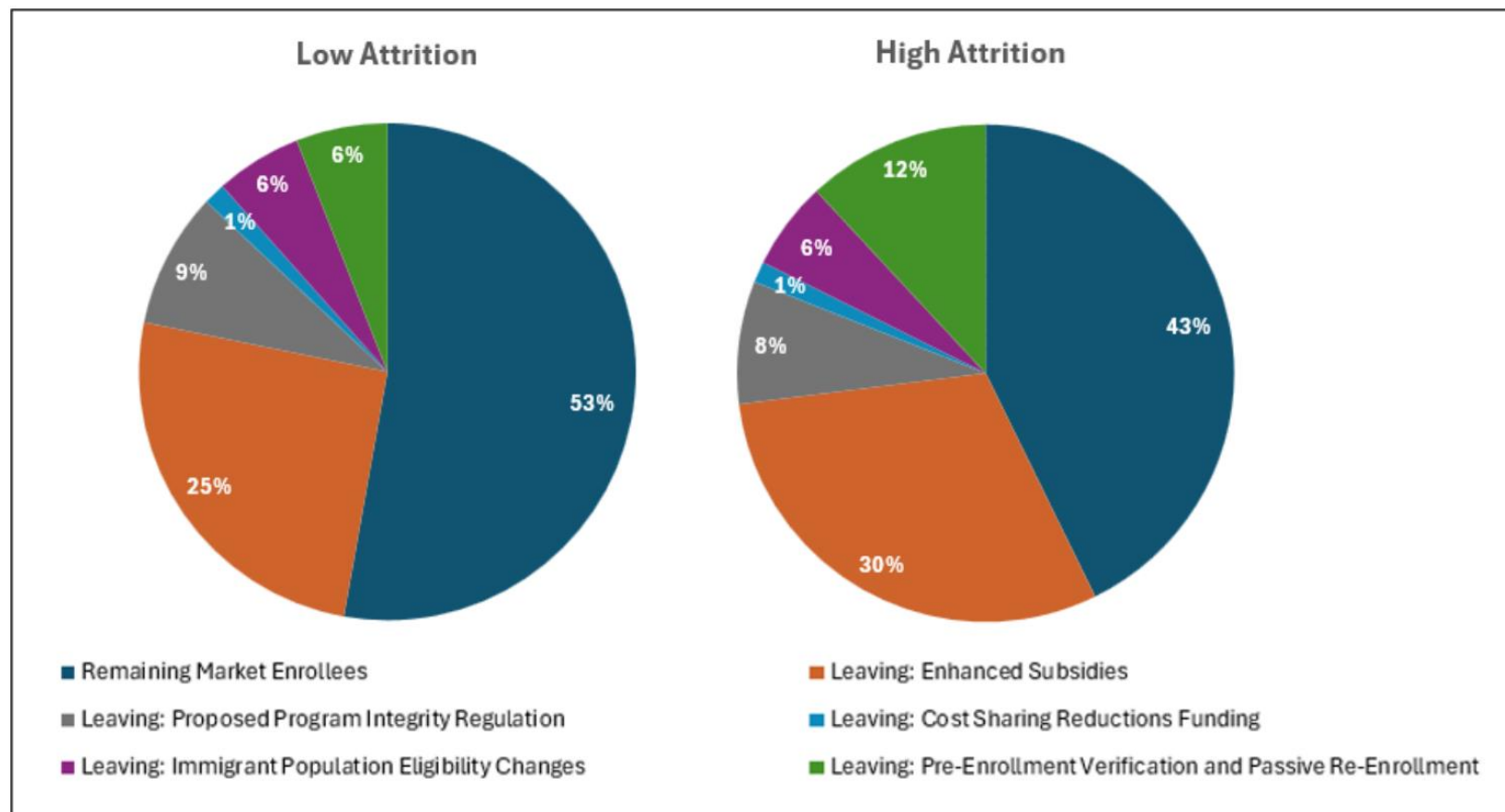
**State by state changes vary  
greatly, some exceeding  
national average ranges**





# Steady State Impact on Individual Market Enrollment

- H.R. 1 alone could reduce enrollment by **22% - 27%**, or **5.2 - 6.4 million** enrollees, when layered on top of the expiration of ePTCs
- The incremental impact of H.R. 1 on the post ePTCs expiration projected market composition is **more muted than it would be if ePTCs were still in effect**
- The effects of all rules were modeled on the estimated market size in 2026 but represent a steady state world



# Impact on Individual Market Enrollment and Premium

Table shows estimated enrollment and premium impacts by H.R. 1 sub-policy and in total, including the likelihood of overlapping effects.

Policy	Enrollment Losses (in Millions)		Premium Impacts	
	Low	High	Low	High
Proposed Program Integrity Regulation	-2.2	-2.2	0.4%	0.7%
Cost-Sharing Reductions Funding	-0.4	-0.4	0.6%	0.6%
Immigrant Population Eligibility Changes	-1.4	-1.6	0.8%	1.2%
Pre-Enrollment Verification and Passive Reenrollment	-1.5	-3.3	0.5%	2.1%
<b>Subtotal H.R. 1</b>	<b>-5.4</b>	<b>-7.4</b>	<b>2.3%</b>	<b>4.7%</b>
<b>Enhanced Subsidies</b>	<b>-6.3</b>	<b>-8.3</b>	<b>4.1%</b>	<b>5.7%</b>
Overlapping Impacts	+0.5	+2.2	-0.1%	0.0%
Fixed Expenses Increase			0.5%	0.8%
<b>Total</b>	<b>-11.2</b>	<b>-13.6</b>	<b>7.0%</b>	<b>11.5%</b>

# Impact on Medicaid Expansion vs. Non-Medicaid Expansion States

Component	Medicaid Expansion States		Non-Medicaid Expansion States	
	Low	High	Low	High
<b>Enhanced Subsidies</b>				
Enrollment Reduction	-21.8%	-25.0%	-28.7%	-35.2%
Morbidity Impact	3.9%	5.2%	4.3%	6.4%
Premium Impact	4.1%	5.4%	4.7%	7.0%
<b>H.R. 1</b>				
Enrollment Reduction	-19.3%	-24.8%	-24.2%	-29.0%
Morbidity Impact	2.2%	4.6%	2.4%	5.2%
Premium Impact	2.4%	4.8%	2.8%	5.7%
<b>Total</b>				
Enrollment Reduction	-41.0%	-49.8%	-53.0%	-64.3%
Morbidity Impact	6.2%	10.0%	6.9%	11.9%
Premium Impact	6.5%	10.5%	7.5%	13.0%

- **Non-expansion** states are estimated to have **larger enrollment losses** relative to Medicaid expansion states.
- These states saw the **largest enrollment increases** since the introduction of ePTCs, with many doubling or even tripling in size over the past four years.

# ePTC and CSR Appropriation Impact on Affordability

- While not in the final bill, CSR appropriations remains a live issue. Below are illustrative examples should CSR funding ultimately occur.
- The expiration of ePTCs and CSR funding could result in **substantial premium increases** for lower income members.
- In states with significant silver-loading (e.g. TX, VT, NM) — where gold plan premiums are lower than silver plans'—**many low-income individuals now pay little or nothing** for gold level coverage.
- Without these subsidies, monthly premiums could rise dramatically:
  - Below 150% FPL: net premiums could **increase by \$100 per month** (from previously being free) or
  - Above 150% FPL: **increases of more than \$200 per month** for the same plan.
- These increases would likely be unaffordable for many households, potentially forcing them to **downgrade to less generous plans** or to leave the Marketplace altogether.






# WHAT HAPPENS NEXT?



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# Why Might Estimates Vary for Issuers in 2026



- > **Emerging Information** (i.e., 2025 enrollment size and mix, 2025 market morbidity, 2026 premium rate changes, change in policies, etc.)
- > **Steady State vs. 2026**
- > **Point Estimates vs. Range:** many assumptions, often with a wide range of potential values, that go into these numbers
- > **Historical Market Growth**
- > **State Variation** (i.e., Medicaid expansion status, unsubsidized enrollment, FFM vs. SBM, gold to silver ratio, State programs, etc.)
- > **Issuer Specific Dynamics**
  - > Enrollment mix
  - > Risk adjustment implications and health status of enrollees
  - > Competitive positioning
  - > Premium slope of bronze, silver, gold
  - > Membership churn

# Next Step Issuer Considerations



## 2026 Landscape

- Operational complexities
- Administrative expense burden
- Ongoing 2026 rate filing submissions
- Change in pricing strategies and uncertainties

## 2027+ Strategies

- Additional policy changes and market churn
- Limited market information for 2027 premium rate filings
- Potential carrier exits

# State Planning, Implementation and Mitigation

## Plan Year 2026:

- Make required eligibility and enrollment changes (removal of ePTC, 5-year bar, failure to reconcile, etc.)
- Coordinate rate review and Open Enrollment processes
- Communicate the overall rate changes, net premium, and operational changes aggressively
- Ramp up customer service and navigation support
- Leverage marketplace policy flexibility to mitigate confusion and coverage losses
- Increase state funding to existing state-affordability vehicles, where possible




# State Planning, Implementation and Mitigation

## Plan Year 2027 and Beyond:

- Plan for changes with later effective dates (shortened open enrollment, immigrant eligibility changes, pre-enrollment verification program, etc.)
- Continue consumer education and navigation support efforts
- 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

# Federal Policy and Advocacy Opportunities



## **Congressional Activity**

- FY 2026 Appropriations Legislation (September 2025/December 2025)

## **Administration Activity**

- Implementation of Marketplace Integrity Rule and H.R. 1
- PY27 Notice of Benefit and Payment Parameters Draft Rule

# 2025 ACA Marketplace Policy Outlook\*

\*Indicates CMS QHP Data Submission and Certification Timeline for Plan Year 2026, State submission and finalization deadlines will vary.

**JUN****JUL****AUG****SEP****OCT****NOV****DEC**

6/11/25: Initial QHP  
Application Deadline

7/4/25: H.R.1  
enacted

8/13/25: Final QHP  
Application Deadline

9/17/25: QHP  
Agreement Signing  
Deadline

9/30/25: FY 25  
Funding Expires

11/1/25:  
Open Enrollment

12/31/25:  
Temporary  
Enhanced APTCs  
expire

Potential for 2026 Budget Reconciliation Bill

# Key Takeaways

1

Develop and advocate for consensus-based policies to stabilize the ACA Marketplace

2

Assess risks and sensitivities to potential outcomes (financial / other)

3

Ready operations and prepare consumers for significant affordability and access changes





# Questions?



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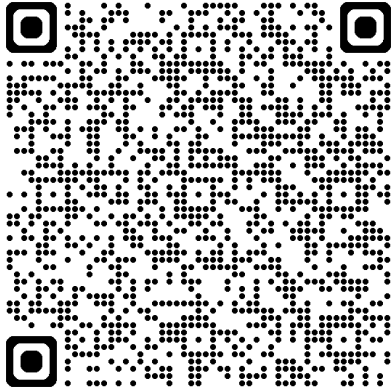
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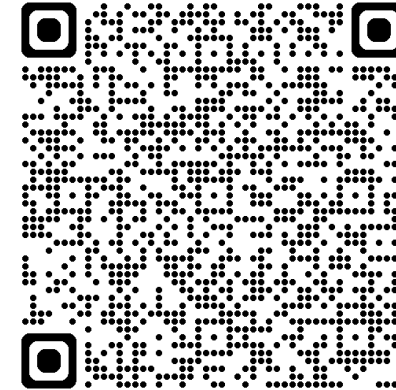
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# Upcoming Webinars



**July 16 3:00-4:00pm ET**

Digital Quality Measures:  
Opportunities to Electronically  
Share Digital Quality Measurement  
Data With Stakeholders

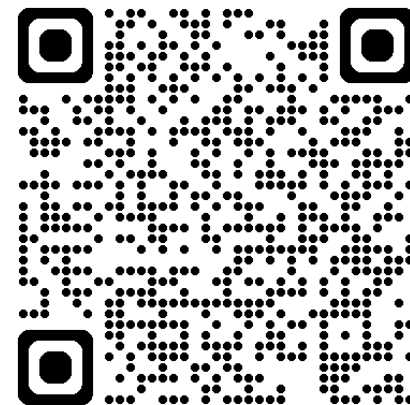


**July 22 10:00-11:30am ET**

Medicaid, Money & Mission:  
Unlocking Community Reinvestment  
Opportunities in Georgia

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