

# Looking Ahead: 2026 Health Policy Priorities

Health Actuarial (B) Task Force

March 22, 2026

Katie Dzurec, *Director, State Public Policy Outreach*

Annette James, MAAA, FSA, FCA

*Vice President, Health and Chair, Health Practice Council*

# About the Academy



**Mission:**

To serve the public and the U.S. actuarial profession



**Community:**

Serving over 20K MAAs & public stakeholders for 60 years



**Standards:**

Setting qualification, practice, and professionalism standards



**Impact:**

Delivering over 300 insight-driven publications & resources annually

Visit [www.actuary.org](http://www.actuary.org) to learn more.



# Agenda

3

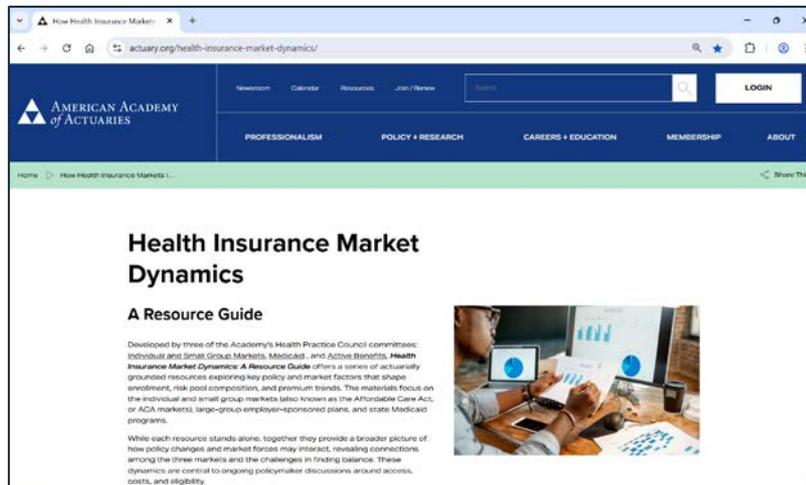
- Health Policy Priorities and Opportunities
- Recent Activity
  - Comments on the proposed 2027 NBPP
  - State Considerations for the ACA Market
  - Broadening the Focus Framework
- What Comes Next

# Health Policy Priorities and Opportunities

# Our Engagement and Priorities

5

- Last year, we created a [Resource Guide](#) focused on the dynamics for the under-65 health insurance markets (commercial, Medicaid, and employer)
- Annual premium rate driver issue brief and webinar



## Recent Activity

Spring Policy Summit and annual federal Hill Visits

## Publications

- [Investment Income Adjustment Stand-Alone Factor](#) (Health RBC (E) Working Group request) comment letter
- [Beyond Financial Return on Investment](#) issue brief
- [2027 Medicare Program proposed rule](#) comment letter
- [Evaluating Health Care Programs](#) issue brief

## 2027 Proposed Notice of Benefit and Payment Parameters (NBPP)

[Comments from the Individual and Small Group Markets Committee and the Solvency and Financial Reporting Committee](#)

### Actuarial considerations in reviewing proposed rules

- How would rules affect enrollment and the risk pool?
- How would rules affect predictability and regulatory certainty?
- How would rules affect solvency risk?
- How would rules affect affordability and consumer access?

## 2027 NBPP Proposed Rule: Academy Comments

10

Our comments reiterate core elements for a stable and competitive individual market

- **Catastrophic plans:** proposed changes are innovative but may not have much impact on enrollment; could be difficult to price and implement (especially multi-year plans).
- **State-mandated benefits:** States need time to set up funding or make changes to mandates; implementing changes to deferrals for 2027 might not give states enough time, with potential to create solvency risk.
- **Non-network plans:** challenges with the AV calculator, the No Surprises Act, and network adequacy requirements.

## 2027 NBPP Proposed Rule: Academy Comments (con't.)

11

- **CSRs:** CCIIO approach appears consistent with actuarial sound rate setting
- **Catastrophic plans:** proposed changes are innovative but may have limited enrollment impact and could be difficult to implement and price (especially multi-year plans)
- **EHB state-mandated benefits:** 2027 deferral timeline may not allow sufficient time for states to arrange funding or modify mandates, creating potential solvency concerns, particularly for retrospective defrayals
- **Non-network plans:** present operational challenges for the AV calculator, the No Surprises Act, and network adequacy requirements.

## 2027 NBPP Proposed Rule Comments: Risk Adjustment Pools

12

- **Current structure:** Separate risk-adjustment pools drive much of the existing rate separation between bronze and catastrophic plans.
- **RFI topic:** CCIIO requested comment on whether catastrophic and metal plan risk-adjustment pools should be integrated.
- **If pools were integrated:** Catastrophic plans would likely lose much of their current pricing advantage.
- **If pools remain separate:** Material growth in catastrophic enrollment could require pricing adjustments that leave metal-tier premiums insufficient relative to expected claims.

## 2027 NBPP Proposed Rule Comments: Multi-Year Catastrophic Plans

13

- **Potential benefit:** Multi-year products could encourage longer-term enrollment and allow issuers to invest in preventive care and other benefits with longer-term health impacts.
- **Major design uncertainty:** It's unclear which elements of a multi-year contract would be fixed at issuance (e.g., premiums, rating factors, benefits, age progression, dependents). Without this clarity, actuaries cannot assess risk or appropriately price the product.
- **Operational and pricing questions:** Issues such as annual rate adjustments, rating-area changes, new dependents, and trend adjustments would significantly affect member experience and pricing.
- **Actuarial and regulatory implications:** Multi-year plans raise questions for risk adjustment, MLR, 1332 waivers, financial reporting, valuation assumptions, regulatory capital, and rate review requirements.

## Health Insurance Marketplace Stability Considerations for States

# What Should States Consider?

15

## Market Stability

- Uncertainty, including regulatory and economic pressures
- Skewed risk pool
- Balancing short-term premium relief and long-term solutions—does your state prohibit or limit any alternative coverage options (e.g., STLDI)?

New fiscal obligations—regulators/legislators/executive branch have to partner

# State Considerations for the ACA Markets Discussion Paper <sup>16</sup>

## What the paper covers

- Affordability pressures in the individual market driven by rising health costs and policy uncertainty
- Trade-offs between short-term premium relief and long-term market stability
- How alternative coverage options can affect the ACA single risk pool
- Policy options states may consider to improve affordability and stability



# What's Needed for Stable and Affordable Individual Markets 17

- **Adequate enrollment** to spread risk broadly
- **Balanced risk pool** that includes healthy and higher-cost individuals
- **Predictable policy and regulatory environment** to support insurer participation
- **Consumer protections and comprehensive coverage standards**

## Why Affordability Pressures Are Intensifying

18

- **Rising underlying health care costs** continue to drive premiums upward
- **Expiration of enhanced premium tax credits** could raise net premiums for many enrollees
- **Consumer responses are uncertain**—some may drop coverage or move to less comprehensive plans
- **Policy uncertainty** may affect insurer participation and market stability

This combination could increase pressure on the ACA single risk pool and affect premiums going forward.

## Tradeoffs: Alternative Coverage vs. Market Stability

19

Some coverage options outside the ACA single risk pool may appear more affordable because they:

- Can **deny coverage or vary premiums by health status**
- Often provide **more limited benefits**
- May **exclude pre-existing conditions**

However:

- These options tend to attract **healthier individuals**
- This can **raise average costs in the ACA market**
- Resulting in **higher premiums for those remaining**, especially people with greater health needs

# Longer-term Policy Options for States

20

States have several potential tools to improve affordability and stability:

- State-funded wraparound premium or cost-sharing subsidies
- Reinsurance or invisible high-risk pools (1332 waivers)
- Public option or Basic Health Program models
- Merging the individual and small group markets
- Encouraging ICHRAs or refining risk adjustment

Each approach involves trade-offs related to:

- Financing requirements
- Interactions with federal subsidies
- Impacts on subsidized vs. unsubsidized enrollees
- Long-term market stability

## Broadening the Focus Project: A Framework for Evaluating Health Benefit Programs

# Health Summit: Broadening the Focus

22

Actuarial insights on improving health care access and affordability by broadening the focus beyond ROI and shifting to a more holistic view of value.

When? April 16

[Registration for the virtual summit is open!](#)

*Actuarial perspectives and  
insights on health care program  
costs*

**Save Your Seat**

## Why A Framework?

23

- Consensus is that the US health care system is not using healthcare dollars efficiently
  - Simply put, we are not getting the best outcomes for our money
- Difficult to implement changes when the focus is on return on investment (ROI)
- Actuaries are often relied upon to estimate ROI and program costs
  - The information that actuaries provide can have a significant impact on the efficient use of health care resources for payers
- We wanted to explore a broader framework

# Broadening the Focus: A Framework for Evaluating Health Benefit Programs

24

- A holistic **principles-based framework**, or list of considerations to use when evaluating a health care program or benefit:
- Not intended to be prescriptive
  - A guide to highlight indirect costs, indirect savings, and non-financial outcomes that may impact the value of a program.
- Created with input from various experts (actuaries and non-actuaries)
- Vetted through discussions with decision-makers

## Potential Issues with Financial ROI

25

As part of this project, we interviewed several non-actuaries who perform program evaluations, to understand their approach and methods.

Those conversations exposed five key areas where financial ROI may fall short in demonstrating the true value of a program:

- Narrow Focus
- Inconsistent Application
- Misalignment with Clinical Health Care Goals
- Short-term Bias
- “Wrong Pocket” Problem

## Next Steps

26

Current phase: Refining the framework

We've hosted a townhall, virtual, and in-person events to get actuarial input and refine the framework

We invite HATF to meet with our committee to dive deeper into the discussion and share your feedback regarding the Framework

We anticipate other publications beyond our two initial issue briefs:

- » [Broadening the Focus: Evaluating Health Care Programs](#)
- » [Beyond Financial Return on Investment](#)

## What Comes Next?

## Potential Topics for HPC Committees

28

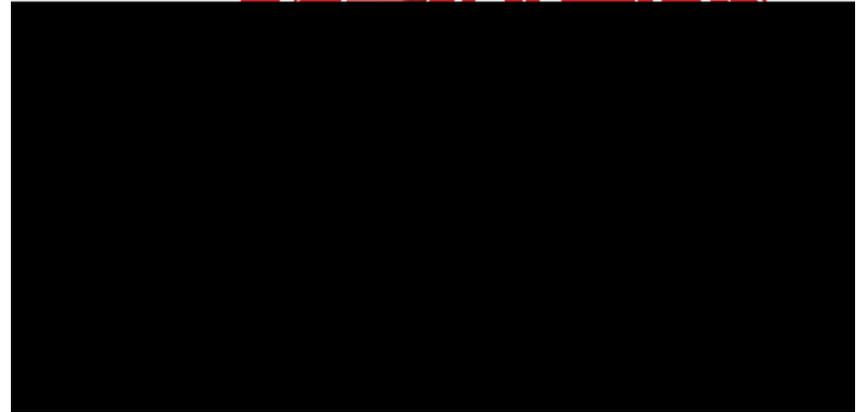
- ACA Rate Review & Solvency Red Flags
- Medicare supplement
  - Closing of blocks
- Long-Term Care
  - Combo products
  - Reserving for LTC

## REMINDER

29

The Academy is seeking input on potentially disruptive events:

- significant developments (e.g., emergencies, disasters, cure for chronic disease);
- not covered by routine measures;
- can be caused by natural, man-made, or artificial circumstances;
- cause current actuarial models to no longer be effective.

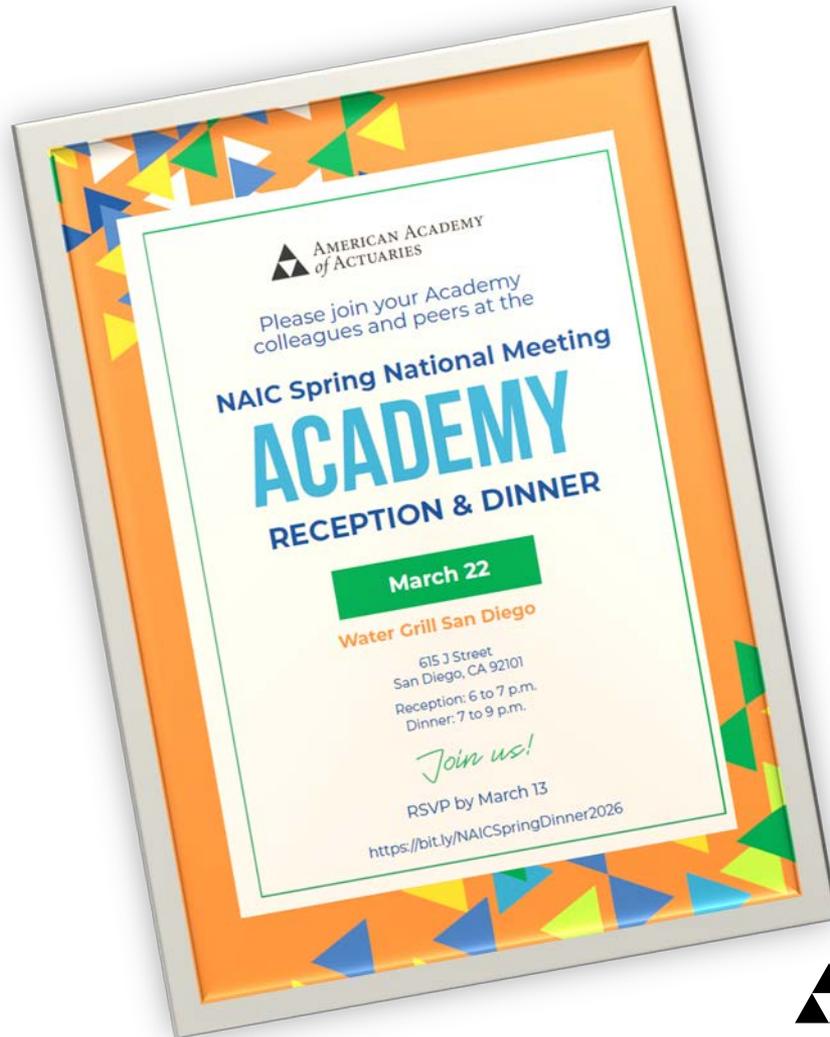


[actuary.org/potentiallydisruptive](https://actuary.org/potentiallydisruptive)

# Upcoming Events

- **Broadening the Focus Health Summit, virtual, April 16, 2026**
- **Life Investment Summit, New York, May 12-13, 2026**
- **PBR Seminar, Denver, August 26, 2026**
- **Life and Health Qualifications Seminar, Arlington, November 2026**

# Join us Tonight!



The poster features a white central area with a green border, set against an orange background with a decorative border of colorful triangles (blue, green, yellow, and orange). The text is centered and includes the American Academy of Actuaries logo, event details, and a call to action.

 AMERICAN ACADEMY  
of ACTUARIES

Please join your Academy  
colleagues and peers at the

**NAIC Spring National Meeting**

**ACADEMY**

**RECEPTION & DINNER**

**March 22**

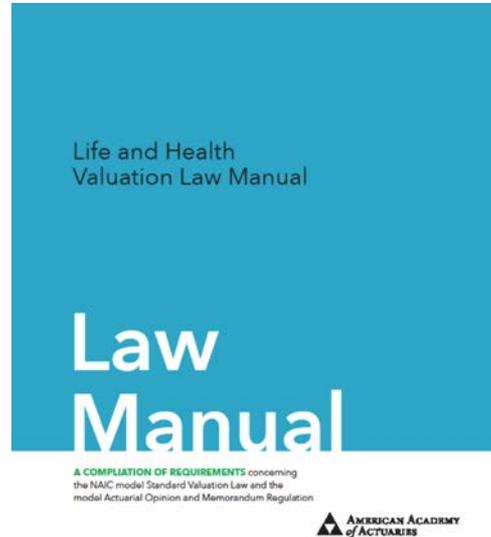
**Water Grill San Diego**

615 J Street  
San Diego, CA 92101  
Reception: 6 to 7 p.m.  
Dinner: 7 to 9 p.m.

*Join us!*

RSVP by March 13  
<https://bit.ly/NAICSpringDinner2026>

# Life and Health Valuation Law Manual



## What's Inside?

- Current topics section outlining key valuation developments and specific state guidance;
- Current NAIC model laws and regulations that affect reserve calculations;
- A discussion of generally distributed interpretations; and
- Current actuarial guidelines from the NAIC *Financial Examiners Handbook*.



[actuary.org/lifehealth-manual](https://actuary.org/lifehealth-manual)

# Other Academy Resources

Follow Us on [LinkedIn](#)

## Access the Following Resources:



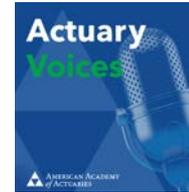
[Contingencies Magazine](#)



[Policy Forum](#)



[Actuarially Sound Blog](#)



[Actuary Voices Podcast](#)



[Academy Insights](#)

## Questions?

34

For more information, please contact

**Michelle Anaba**

**Policy Project Manager, Health**

**[anaba@actuary.org](mailto:anaba@actuary.org)**