Health '26 Meeting

Society of Actuaries®

Session 5A: Mid-2026 Update—Policy, Pricing and the Path Ahead for ACA Markets

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SOA Antitrust Compliance Guidelines

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The United States antitrust laws aim to protect consumers by preserving the free economy and prohibiting anti-competitive business practices; they promote competition. There are both state and federal antitrust laws, although state antitrust laws closely follow federal law. The Sherman Act, is the primary U.S. antitrust law pertaining to association activities. The Sherman Act prohibits every contract, combination or conspiracy that places an unreasonable restraint on trade. There are, however, some activities that are illegal under all circumstances, such as price fixing, market allocation and collusive bidding.

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- **Do not** discuss what you or other entities plan to do in a particular geographic or product markets or with particular customers.
- **Do not** speak on behalf of the SOA or any of its committees unless specifically authorized to do so.
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- **Do** alert SOA staff and/or legal counsel to any concerning discussions
- **Do** consult with legal counsel before raising any matter or making a statement that may involve competitively sensitive information.

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Our Panel

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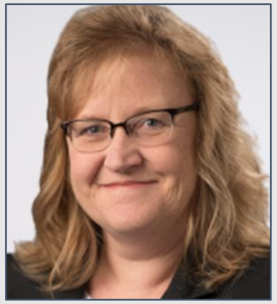

Tammy Tomczyk, MAAA, FSA,
AAA Individual and Small
Group Markets Committee

Jason Karcher, MAAA, FSA,
AAA Individual and Small
Group Markets Committee

Our Plan

- An Individual & Small Group Markets Orientation
- Panelist Perspectives
- Focus Topics
- Audience Questions

Setting the Stage

A non-comprehensive summary of recent changes to the ACA-compliant individual and small group markets

Entering 2026

The 2026 rate filing season was one of the most eventful since the passage of the ACA

- Enhanced premium tax credit extension and CSR funding—from maybe so to ultimately no … but not until January.
- City of Columbus lawsuit halts provisions of 2025 Marketplace Integrity and Affordability Rule, leading to reopening of filings in late August
- Broader hardship exemptions increase eligibility for catastrophic coverage in most states, extending this refiling window

Market enters the transition at historically high Marketplace enrollment, much of it concentrated in the subsidy-expanded population

Changes for 2026: Rules Reversion Plus Program-Integrity Layering

PY2026 reverts to the original ACA subsidy structure: the 400% FPL cliff returns, required contribution percentages rise.

Actuarial consequences in 2026:

- Sharp net premium increases for previously subsidized enrollees
- Disproportionate exit of healthier lives → morbidity deterioration on top of underlying trend

PL 119-21 and the MIAR layered program-integrity and eligibility changes onto the subsidy sunset, but with the district court's recent decision in *City of Columbus v. Kennedy I* many provisions remain on hold. The 4th Circuit will hear the federal government's appeal, if any.

Changes are additive to the subsidy reversion—directionally reinforcing enrollment loss and risk-pool shift

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Changes for 2027 and Beyond: Structural Reshaping

Additional program-integrity provisions brought into 2027 rulemaking, with further changes in store for 2028.

- The City of Columbus is back with another lawsuit challenging many of the more profound changes for 2027.

2028 brings a shift in character from near-term behavioral effects to longer-term structural reshaping of Exchange operations.

The current arc of the ACA compliant individual and small group markets is a sequence of regulatory shocks, rather than a single event.

Cumulative effects on enrollment, morbidity, and rate adequacy present challenges to market stability in the near term.

Panelist Perspectives

Our Questions

If you have additional questions, you can submit them through the app/with the QR code here.

Addressing Disruption

What levers do federal and state regulators have to cushion the effects of recent changes? What are the actuarial or practical trade-offs of using them?

City of Columbus I and II

How likely are we to see changes in either case over the next month or two? Are there other lawsuits we should also be paying attention to?

Affordability

What does affordability mean to you?

Access, Integrity, and Stability

How do you balance program integrity, coverage affordability, and market stability considerations when evaluating federal legislation and rulemaking?

New Legislation/Agency Discretion

When new legislation presents novel implementation considerations, how do you balance practical considerations against legislative goals in rulemaking?

Rate Review So Far?

What common themes have you seen in filings? Are there any areas where carrier assumptions differ in unusual ways? What operational headaches are most challenging?

Regulatory Timelines

What should the market understand about sequencing and timing of rules? Does that have any relationship to the room for interpretation in the underlying statute?

Recent Health Policy Themes

What themes do you see in recent health policy action? How should actuaries evaluate these responses as they work through their rate filing or objection response?

What's Next?

Are there any provisions of recent changes you see as particularly likely to generate litigation/interpretive ambiguity?

Thank you

Questions?

For more information, contact:

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Questions?

Provide Your Feedback

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