

✗ Blocked by the Court (No Longer in Effect)

- **One-Year Tax Reconciliation Cutoff**

CMS attempted to shorten the grace period for reconciling premium tax credits from **two years to one**.

✅ *Court ruling:* The **two-year rule remains**. Consumers will not lose subsidies in 2026 for failing to reconcile tax credits for just one year.

- **Coverage Denials for Past-Due Premiums**

CMS proposed allowing insurers to deny new coverage if consumers owed premiums from prior years.

✅ *Court ruling:* This provision was **blocked**. Consumers cannot be denied 2026 coverage solely due to unpaid past premiums.

- **\$5 Minimum Premium Rule for Auto-Reenrollment**

CMS wanted to require a \$5 monthly premium for auto-reenrolled plans with a \$0 premium unless the enrollee actively confirmed eligibility.

✅ *Court ruling:* This rule was **removed**. Passive reenrollment into \$0 premium plans remains allowed.

- **Looser Actuarial Value Standards**

CMS proposed allowing plans with lower actuarial value, which could increase out-of-pocket costs.

✅ *Court ruling:* This change was **blocked**, preserving current benefit standards.

Still in Effect for 2026 (Permitted by the Court)

- **Income Verification Requirements**

Exchanges must verify income for applicants whose self-attested income falls below 100% FPL and doesn't match IRS data.

◆ *Yes*, consumers applying for 2026 subsidies **may need to provide proof of income** if there's a data mismatch.

◆ CMS also removed the **automatic 60-day extension** beyond the 90-day grace period, tightening the timeline for documentation.

- **Elimination of the 150% FPL Monthly SEP**

The monthly Special Enrollment Period for individuals under 150% FPL has been **eliminated** for Plan Year 2026.

◆ Low-income consumers in non-expansion states may have to wait until Open Enrollment to enroll.

- **DACA Eligibility Reversal**

CMS's decision to exclude DACA recipients from the definition of "lawfully present" was **not blocked**.

◆ Dreamers are **ineligible** for ACA coverage and subsidies in 2026.

What This Means for Your Clients

This ruling protects vulnerable enrollees from abrupt subsidy loss and coverage denials—but CMS's tightened **income verification** and **SEP restrictions** still apply. Advisors must prepare clients for:

- More rigorous documentation during enrollment
- Fewer year-round enrollment options for low-income households
- Continued enforcement of the two-year tax reconciliation rule