

# Welcome to the kynect and Affordable Care Act Changes Office Hour Session

Please review the Zoom tips below while you wait for the session to begin.



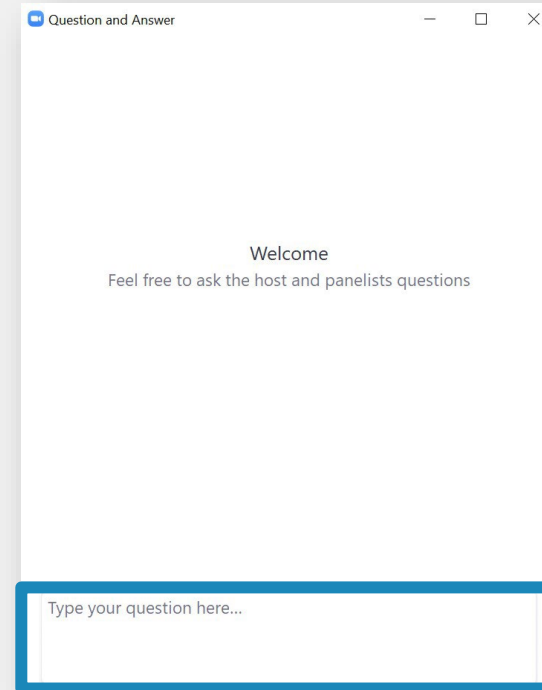
## How to Ask Questions

During Office Hours, all Agents and kynectors are muted. If you would like to ask a question related to the covered topics:

- Select the **Q&A Icon** (not the Chat Icon).
- Type your question and click **Enter** on your keyboard.



**Refrain from selecting the Raise hand Icon. Agents and kynectors are muted and should ask questions using the Q&A Icon.**



Chat



React



Raise hand



Q&A



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Polls/quizzes



OFFICE HOUR SESSION

# kynect and Affordable Care Act Changes

August 28, 2025

## Agenda

Below outlines topics covered during the kynect and Affordable Care Act Changes Office Hour Session.



### **Federal Changes Overview**

*10 minutes*



### **Affordable Care Act Changes**

*45 minutes*



### **Summary of Enrollment Metrics**

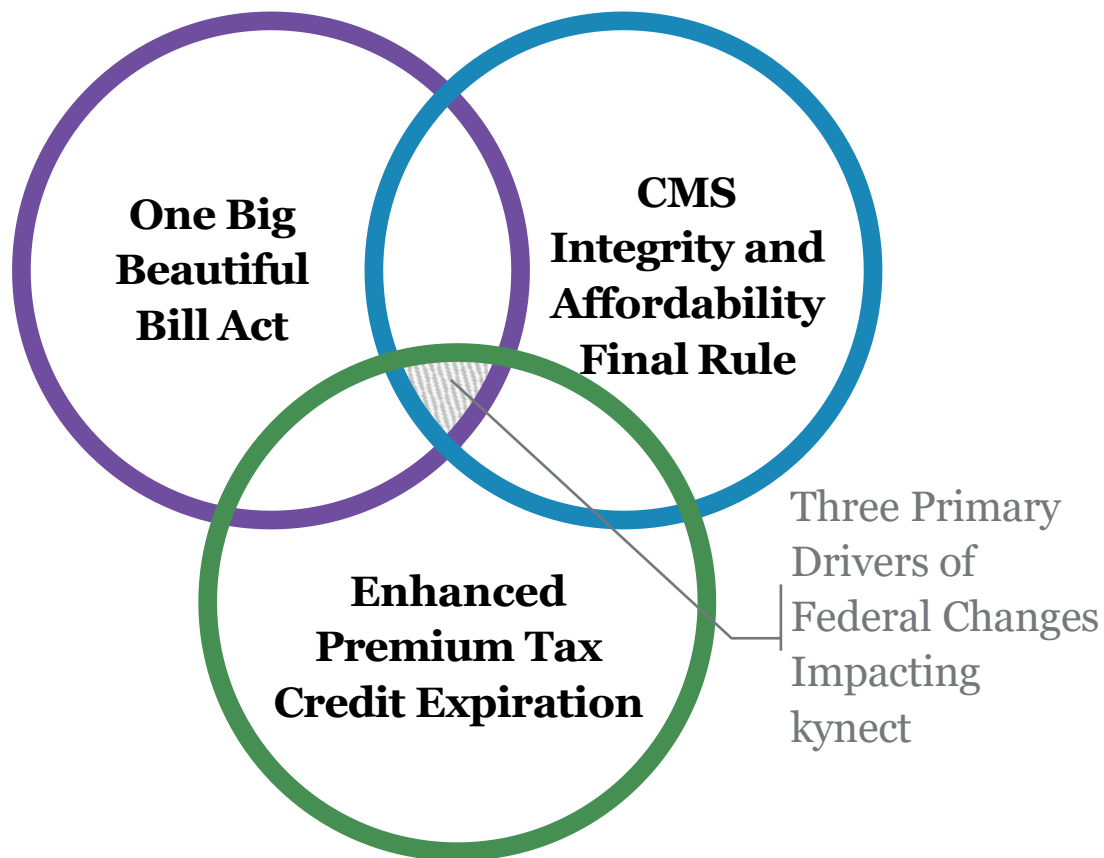
*5 minutes*



# TOPIC ONE

## Federal Changes Overview





## One Big Beautiful Bill Act (OBBBA)

Signed into law on July 4, 2025, the OBBBA introduces heightened Special Enrollment Period (SEP) standards, revised eligibility criteria, additional verification requirements, and other provisions to be implemented over the next three (3) years.

## Centers for Medicare & Medicaid Services (CMS) Integrity and Affordability Final Rule

Published on June 20, 2025, CMS issued the [2025 Integrity and Affordability Final Rule](#) which includes provisions affecting Health Insurance Marketplaces, like kynect.

## Enhanced Premium Tax Credit Expiration

The OBBBA does not extend Enhanced Premium Tax Credits, set to expire on December 31, 2025. Without Congressional extension, Individuals could see their annual premiums increase over \$100 per month, depending on their income level. For more information, reference the [Enhanced Tax Credit Sunset Fact Sheet](#).



01

# Budget Reconciliation Overview

Below outlines the definition, importance, and programs impacted by the Budget Reconciliation process.

## What is Budget Reconciliation?

Budget Reconciliation is an optional, special legislative process in the United States Congress that provides an expedited route for considering certain tax, spending, and debt limit legislation.

## Why is it Important?

Budget Reconciliation permits the Senate to enact major fiscal policy changes by majority vote, as long as those changes directly impact the federal budget.

## Which Programs Will Be Affected?

The Budget Reconciliation Bill impacts state and local human services agencies and their programs, such as Medicaid, Supplemental Nutrition Assistance Program (SNAP), Kentucky Children's Health Insurance Program (KCHIP), and more.

### PLEASE NOTE

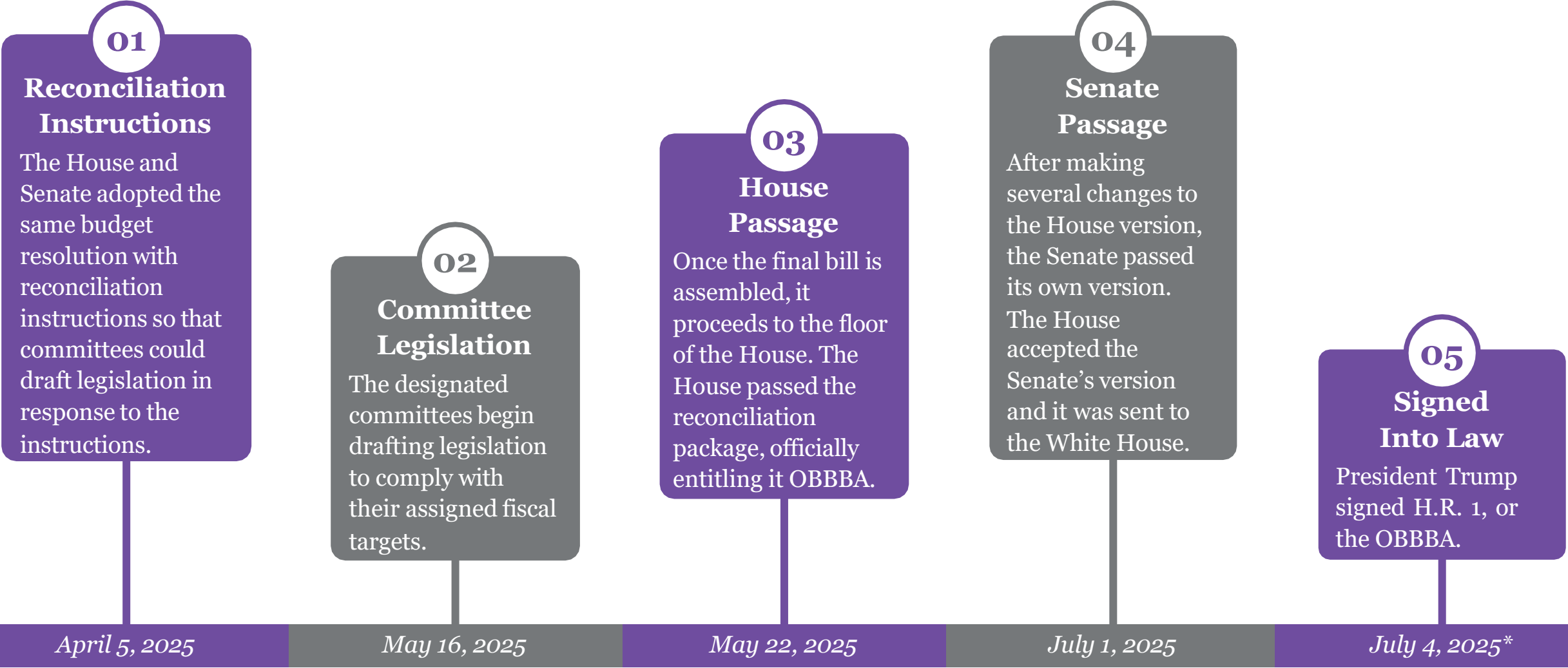


Budget Reconciliation limits the amount of time for debate, makes the legislation immune to filibuster, and lowers the voting threshold. This allows for it to be passed with a simple majority vote (51 votes if all 100 senators vote), rather than the 60 votes needed on other bills.



# 01 Budget Reconciliation Process

Below outlines the process of passing the OBBBA, or Budget Reconciliation bill, including key dates leading up to the bill being signed into law.



\*The expedited Budget Reconciliation process resulted in the OBBBA being signed into law within three (3) months.



## TOPIC TWO

# Affordable Care Act Changes: State-Based Marketplace (SBM)







# 02 Affordable Care Act Changes: SBM Program Impacts

Below outlines the impact of each key SBM provision included in the OBBBA.

## QHP Service Extensions

Permanently allow high-deductible QHPs to cover telehealth services before the deductible, without affecting their Health Savings Account (HSA) eligibility.

## Premium Tax Credit SEP Changes

Disallows the Premium Tax Credit for any health plan obtained through a SEP granted based on an Individual's household income relative to the poverty line.

## Immigration Status Eligibility Changes

Individuals with incomes below 100% Federal Poverty Level (FPL) who are not eligible for Medicaid due to their immigration status are also not eligible for the Premium Tax Credit.

## Primary Care Service Eligibility Changes

Removes a direct primary care service arrangement from being considered a QHP so that it no longer disqualifies Individuals from contributing to an HSA.

## Repayment Cap Removals

Eliminates caps on how much excess APTC an Individual must repay.

## Health Savings Account Additions

Allows Bronze and Catastrophic plans to qualify as HSA-eligible.

## Medicaid Community Engagement Requirements

Modifies eligibility rules for Premium Tax Credits and Cost-Sharing Reductions (CSRs) for Individuals who lose Medicaid due to community engagement requirements.

## Premium Tax Credit Eligibility Changes

Narrows the definition of which lawfully present Individuals are eligible to receive the Premium Tax Credit.

## Premium Tax Credit Pre-Verifications

Requires pre-verification of income, family size, citizenship, health coverage status, residence, and other information to receive Premium Tax Credits.



# 02 Affordable Care Act Changes: SBM Program Impacts

Below outlines the impact of each key SBM provision included in the OBBBA.

## QHP Service Extensions

The provision allowing high-deductible QHPs to cover telehealth services before the deductible expired January 1, 2025.



Permanently allows high-deductible QHPs to cover telehealth services before the deductible, without affecting HSA eligibility (12/31/24).

## Premium Tax Credit SEP Changes

Individuals who enroll in an income-based SEP are eligible to receive Premium Tax Credits.



Disallows Premium Tax Credits when an Individual enrolls in an SEP triggered by household income. This provision eliminates the 150% monthly SEP (01/01/26).

## Immigration Status Eligibility Changes

Lawfully present Individuals with incomes below 100% of the FPL who are not eligible for Medicaid may still qualify for APTC.



Eliminates eligibility for Premium Tax Credits for lawfully present Individuals under 100% of the FPL who are not eligible for Medicaid (01/01/26).



## 02 Affordable Care Act Changes: SBM Program Impacts

Below outlines the impact of each key SBM provision included in the OBBBA.

### Primary Care Service Eligibility Changes

Direct primary care arrangements made to primary care providers are incompatible with HSAs.



Permits Individuals with high deductible QHPs to enroll in direct primary care arrangements, while maintaining their HSAs (01/01/26).

### Repayment Cap Removals

Individuals must repay APTC if their actual eligibility differs from what was anticipated. The repayment amount for those with incomes over 400% of the FPL are limited by dollar caps.



Removes tiered repayment caps based on household income. Individuals must now repay the entire difference between the APTC received and the amount they were eligible for if their income at the end of the year is higher than projected (01/01/26).

### Health Savings Account Additions

Some Bronze and Catastrophic QHPs have maximum out-of-pocket limits that disqualify an Individual from maintaining an HSA.



Allows all Bronze and Catastrophic plans offered through a Marketplace, including kynect, to qualify for HSAs (01/01/26).



## 02 Affordable Care Act Changes: SBM Program Impacts

Below outlines the impact of each key SBM provision included in the OBBBA.

### Medicaid Community Engagement Requirements

States have discretion to extend Medicaid to Individuals without requiring them to complete community engagement activities.



Modifies how Premium Tax Credit and CSR eligibility is determined for Individuals who lose or are denied Medicaid for failing to meet community engagement requirements (01/01/27).

### Premium Tax Credit Eligibility Changes

Premium Tax Credits are available to U.S. citizens, U.S. nationals, or Individuals lawfully present in the country.



Modifies eligibility of Premium Tax Credits for Individuals who are an alien admitted for permanent residence, certain Cuban or Haitian entrants, and those present as a result of a Compact of Free Association (CoFA) (01/01/27).

### Premium Tax Credit Pre-Verifications

State exchanges may grant approval of APTC prior to receipt of associated documentation.



Requires state exchanges implement a pre-enrollment verification process, including verifying an Individuals information before they can receive APTC (01/01/28).



## TOPIC TWO

# Affordable Care Act Changes: Medicaid and SNAP





# 02 Affordable Care Act Changes: Medicaid and SNAP

Below outlines the key Medicaid and SNAP provisions included in the OBBBA.

## Enrollment Process Improvements

Removes deceased Individuals and providers from program rolls and tightens eligibility criteria so that only qualified Individuals and providers receive benefits. Limits retroactive coverage.

## Eligibility Modifications

Implements new community engagement requirements for certain Medicaid beneficiaries and modifies Cost-Sharing rules for specific Medicaid expansion populations.

## Access to Care Expansions

Outlines the expansion of access to care through adjustments to coverage of home and community-based services under Medicaid.

## Household Deductions

Defines which household expenses can be included in SNAP eligibility and benefit calculations, affecting the deductions available to households.

## SNAP Work Requirements

Outlines the work requirement in which Individuals without dependents must meet to receive SNAP benefits.

## Eligibility Changes

Addresses how SNAP benefit amounts are determined, and which Individuals are eligible to receive SNAP.

02

## Affordable Care Act Changes: Medicaid

Below outlines the key Medicaid provisions included in the OBBBA.



### Enrollment Process Improvements

Eligibility checks are required annually, with states using separate verification sources to prevent duplicate enrollments, and certain qualified aliens may be eligible for Medicaid.



Requires states to review eligibility every six (6) months (01/01/27), develop a more efficient system to prevent duplicate enrollments (01/01/27), and revise the qualified alien definition (10/01/26). Revises retroactive Medicaid to one (1) month for expansion enrollees (01/01/27).

### Eligibility Modifications

States may charge Cost-Sharing for Medicaid enrollees. Cost-sharing is limited to nominal amounts but may be higher for those with income above 100% of the FPL.



Mandates Individuals receiving Medicaid meet community engagement requirements (01/01/27).<sup>\*</sup> Also includes Medicaid expansion enrollees earning more than 100% of the FPL pay state-mandated copays (10/01/28).

### Access to Care Expansions

Medicaid requires states to cover nursing facility care, but home and community-based services (HCBS) are optional, and 1915(c) waivers are limited to Individuals who require an institutional level of care.



Allows states to establish HCBS 1915(c) waivers for people who do not need an institutional level of care and requires states to show that waiver changes will not increase wait times for institutional-level care (07/01/28).

### PLEASE NOTE



With approval from the Secretary, states may opt for early implementation or request to postpone implementation until December 31, 2028.



# 02 Affordable Care Act Changes: SNAP

Below outlines the key SNAP provisions included in the OBBBA.

## Household Deductions

An Individual can deduct expenses, including internet and other utilities that exceed 50% of their monthly income from their household income.



Limits energy assistance payments to households with elderly or disabled members and excludes household internet costs from SNAP eligibility calculations (07/04/25).

## SNAP Work Requirements

Outlines work requirements in which Individuals without dependents must meet to receive SNAP benefits.



Increases the Able-bodied Adults Without Dependents (ABAWD) working age from 54 to 64 and defines a dependent child as under the age of 14 (07/04/25).

## Eligibility Changes

Eligible for SNAP are immigrant children with lawful status, refugees, and qualified immigrant adults after five years in the U.S.; the Thrifty Food Plan is adjusted annually for inflation.



Limits SNAP eligibility to Individuals who are U.S. citizens, permanent Residents, and certain entrants (10/01/27) and revises adjustments to the Thrifty Food Plan based on the Consumer Price Index (CPI) (07/04/25).



## TOPIC TWO

# Affordable Care Act Changes: CMS Final Rule





## 02 Affordable Care Act Changes: CMS Final Rule

Below outlines the impact of key provisions from the [CMS 2025 Integrity and Affordability Final Rule](#).

### Agent Broker Terminations

Permits Agents or brokers to be terminated if they are found to be in noncompliance with applicable HHS rules and the terms of their Marketplace agreements.

### Past Due Premium Payments\*

Permits Issuers to either not renew coverage for Individuals with past-due premiums or require payment before effectuating new coverage.

### Income Requests for Information

Eliminates both the option to accept client attestations and the 60-day extension to the 90-day period for resolving income inconsistencies.

### Lawfully Present Definition

Finalizes amendments to the definition of “lawfully present” to exclude DACA recipients making them ineligible for Qualified Health Plans through the Marketplace.

### Monthly SEP

Eliminates the monthly SEP for Individuals with projected household incomes at or below 150% of the FPL.

### Failure to Reconcile\*

Makes Individuals ineligible for APTC if they fail to file federal income tax and reconcile APTC for one (1) year.

### PLEASE NOTE



Due to an August 22 [federal court ruling](#), certain sections of the CMS Integrity and Affordability Final Rule have been temporarily halted.



# 02 Affordable Care Act Changes: CMS Final Rule

Below outlines the impact of key provisions from the [CMS 2025 Integrity and Affordability Final Rule](#).

## Agent Broker Terminations

Agents and brokers are not currently held to a defined standard of proof when they are found to be in non-compliance with Marketplace agreements.



Adopts the preponderance of the evidence standard of proof to address factual matters, allowing Agents and brokers to be terminated if they are found non-compliant (08/25/25).

## Past Due Premium Payments\*

Issuers can disenroll Individuals on the first day of the following month if past-due premiums remain unpaid after notification from the Issuer.



Permits an Issuer to require payment of both the initial and past-due premium amounts to effectuate new coverage (TBD).

## Income Requests for Information

An Individual has 150 days to resolve income inconsistencies by providing additional information to substantiate their attested income.



Removes the automatic 60-day extension of the 90-day period for resolving income inconsistencies. Written statements will still be accepted, but attestation (reasonable explanation) will no longer be permitted (08/25/25).



# 02 Affordable Care Act Changes: CMS Final Rule

Below outlines the impact of key provisions from the [CMS 2025 Integrity and Affordability Final Rule](#).

## Lawfully Present Definition

DACA recipients are considered lawfully present and eligible for QHPs through the Marketplace if they meet all other eligibility requirements.



Modifies the definition of lawfully present to exclude DACA recipients for QHPs through the Marketplace (08/25/25).\*

## Monthly SEP

Individuals with household incomes at or below 150% of the FPL qualify for a monthly SEP.



Eliminates the monthly SEP for Individuals with projected household incomes at or below 150% of the FPL (10/24/25).

## Failure to Reconcile\*

An Individual or their tax filer must fail to file federal income tax and reconcile APTC for two (2) consecutive years to be deemed ineligible for APTC.



Removes APTC eligibility for Individuals who fail to file federal income taxes and reconcile APTC for one (1) year (TBD).

## PLEASE NOTE



DACA recipients are not currently eligible for QHPs, APTC, or CSRs through kynect.



## TOPIC THREE

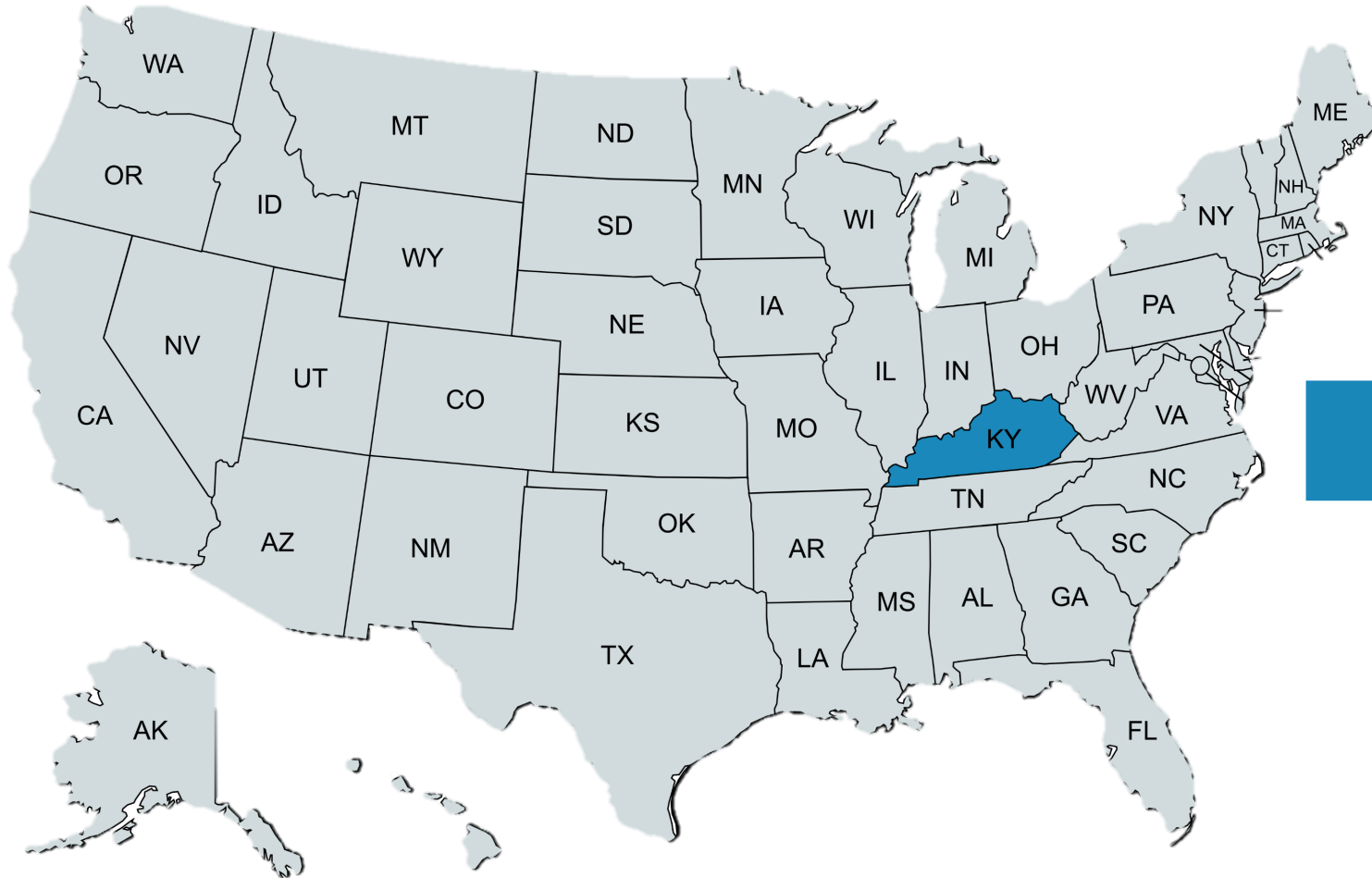
# Summary of Enrollment Metrics



04

## Summary of Enrollment Metrics

Below outlines the summary of metrics given all changes from the OBBBA, the Final Rule, and the Enhanced Premium Tax Credit Expiration.



**~47,000**

Individuals in Kentucky may lose coverage through kynect

**~210,000**

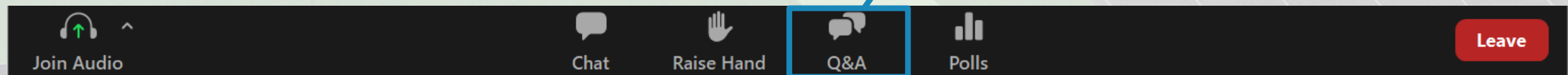
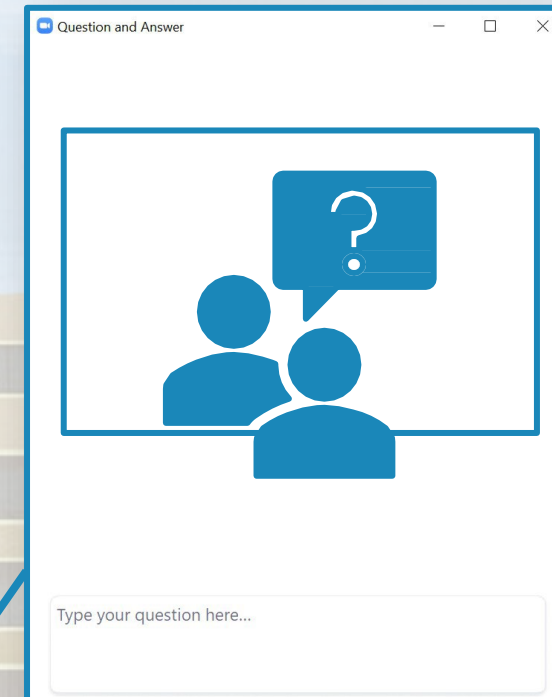
Individuals in Kentucky may lose Medicaid coverage

**~562,000**

Individuals in Kentucky may lose SNAP benefits

The [Congressional Budget Office](#) (CBO) estimates that **10.9 million** Individuals may lose health insurance as a result of the OBBBA **nationally by 2034** and an additional **5.1 million** Individuals may lose coverage when Enhanced Premium Tax Credits expire at the end of 2025. The metrics above were provided by the [Kentucky Center for Economic Policy](#).

Please ask any questions related to the topics covered today using the **Q&A Icon** (not the Chat Icon) located at the bottom of your Zoom screen.





The background is a stylized illustration of a city street. On the left, there is a multi-story building with a brown facade and several windows. To its right is a taller, yellow building with many windows. In the foreground, there is a green lawn area and a dark grey parking lot with white lines. The sky is a light blue gradient.

**THANK YOU FOR YOUR  
PARTICIPATION!**



# SBM Provisions Implementation Timeline

Below outlines the implementation timeline for each SBM provision.

## Plan Year 2025

## Plan Year 2026

## Plan Year 2027

## Plan Year 2028

### Telehealth & HSAs

Permanently allows HDHP telehealth services pre-deductible without losing HSA compatibility.

### Unpaid Past Premiums

Permits issuers to deny coverage for unpaid past premiums, subject to state law.

### DACA Ineligibility

Makes DACA recipients ineligible for QHPs.

### Agents & Brokers

Sets "preponderance of the evidence" standard to terminate FFM/SBE-FP agent agreements.

### DMI Resolution Extension

Removes automatic 60-day extension for resolving income inconsistencies.

### Income Verification

Adds DMI if data sources indicate <100% FPL or if IRS tax data is unavailable through PY26.

### Premium Payment Thresholds

Pauses certain issuer premium threshold options for PY26.

### 150% FPL SEP

Pauses monthly <150% FPL SEP through PY26.

### Alien Medicaid & Income Status

Prevents Individuals from receiving PTC if ineligible for Medicaid due to alien status and income <100% FPL.

### Special Enrollment Periods

Prevents Individuals who enroll via a non-QLE SEP from receiving premium tax credits and CSRs.

### PTC Reconciliation

Requires all premium tax credit recipients repay the full amount of any excess.

### Bronze and Catastrophic & HSA

Permits states to treat Bronze and Catastrophic plans as HDHPs that can be paired with HSAs.

### Direct Primary Care & HSA

Allows consumers to combine a marketplace HDHP with a separate arrangement for primary care.

### Temporary FTR Standard

Reinstates a 1-year Failure to File and Reconcile policy for PY26, replacing the 2-year FTR policy.

### Bronze to Silver Re-enrollment

Removes automatic re-enrollment from an available bronze plan to a different silver plan.

### EHB Sex-Trait Modification

Prohibits covering specified sex-trait modification procedures as an EHB starting in PY26.

### PAPI Methodology

Updates the premium adjustment percentage methodology to include more private plans.

### Levels of Coverage

Widens de minimis range for plan actuarial values.

### Auto-Renewal Premium

Adds \$5 premium for certain PY26 FFM/SBE-FP auto-renewals.

### SEP Pre-Enrollment Verification

Restores FFM/SBE-FP pre-enrollment checks for most SEPs for PY26.

### Coverage for Lawfully Present Immigrants

Limits subsidized coverage to lawful permanent Residents, Cuban and Haitian entrants, and COFA Residents.

### APTC/CSR and Medicaid Community Engagement

Blocks APTC/CSR eligibility for Individuals not enrolled in Medicaid due to failure to demonstrate meeting community engagement requirements.

### Open Enrollment

For PY27 and beyond, OEP must begin no later than Nov 1 and end no later than Dec 31, with a max duration of 9 weeks.

### PTC Verification

Requires pre-verification of income, family size, citizenship, health coverage status, residence, and other information to receive Premium Tax Credits, and allows use of reliable third-party data.

### Permanent FTR Policy

Reinstates and makes permanent a 1-year Failure to File and Reconcile policy, which applied in PY26 but lapses in PY27.

Only applies to HealthCare.gov

No longer applies due federal stay

H.R 1

CMS Final Rule

KEY

\*Final Rule provisions listed in PY25 are effective Aug 25, 2025. All other provisions are effective at the beginning of the applicable PY.

# Medicaid Provisions Implementation Timeline (1 of 2)

Below outlines the implementation timeline for each Medicaid provision.



KEY

- What's New
- What's Ending
- What's Changing



## Upon Enactment      January 1, 2026      October 1, 2026      January 1, 2027

### Prohibited Entities

Federal Medicaid payments for items and services provided by “prohibited entities” prohibited for a period of 1 year beginning on the date of enactment.

### State Directed Payments

To begin by the first rating period after enactment -- Payment limit for state directed payments reduced from the average commercial rate to 100% of the Medicare payment rate for expansion states and reduced to 110% of the Medicare payment rate for non-expansion states.

### Uniform Tax Requirement

Definition of generally redistributive to qualify for a waiver of the uniform tax requirement for Medicaid provider tax limited upon enactment. (Secretary may grant a transition period of 3 fiscal years.)

### FMAP Incentive

States expanding after 1/1/26, will no longer be eligible for the five percentage-point increase to the traditional FMAP rate for states implementing ACA Medicaid expansion.

### Premium Tax Credit

Disallows lawfully present individuals who are ineligible for Medicaid with incomes below 100 percent of FPL from receiving the premium tax credit.

### Rural Health Transformation Program

States must submit applications for this funding by no later than December 31, 2025. \$10B per year appropriated for FY26-30. Half of annual appropriation to be split evenly amongst states approved. Half to be distributed as to be determined by Administrator.

### Qualified Alien

New definition of qualified alien goes into effect.

### Emergency Medicaid

Emergency medical services provided to non-citizens will no longer be eligible for the higher “expansion” or enhanced FMAP rates (90%) and instead, the federal share will be limited to each state’s standard match rate.

### Provider Tax

States are prohibited from enacting new provider taxes. The “hold harmless” threshold gradually phases down by 0.5% per fiscal year, to be no higher than 3.5% by FY32 for expansion states. Non-expansion states cannot implement any new taxes beyond the 6% threshold.

### Duplicate Enrollment

States must develop process to regularly obtain address information for enrollees. Each contract under a state plan with a managed care entity, prepaid inpatient health plan, or prepaid ambulatory health plan must provide any address information for an enrolled individual, provided or verified directly with the individual, to the state.

### Deceased Enrollees

States must review the Social Security Administration’s (SSA) Death Master File (or other electronic data sources) at least quarterly to determine if any enrollees are deceased.

### Redeterminations

States must redetermine eligibility for all individuals enrolled through ACA Medicaid expansion every six months, regardless of whether they are new applicants or existing recipients.

### Retroactive Coverage

Retroactive coverage for Medicaid expansion beneficiaries limited to the month preceding enrollment and for traditional Medicaid beneficiaries limited to two months preceding enrollment.

### Community Engagement

States must have requirement in place where certain specified nonpregnant, nondisabled, childless adults, aged 19-64, complete a minimum of 80 hours of qualifying community engagement activities or meet income tests prior to initial application as a condition of Medicaid eligibility

# Medicaid Provisions Implementation Timeline (2 of 2)

Below outlines the implementation timeline for each Medicaid provision.



K E Y

What's New

What's Ending

What's Changing

January 1, 2028

July 1, 2028

October 1, 2028

October 1, 2029

**Provider Enrollment**  
States must check the SSA's Death Master File during a provider or supplier's enrollment and reenrollment as well as quarterly.

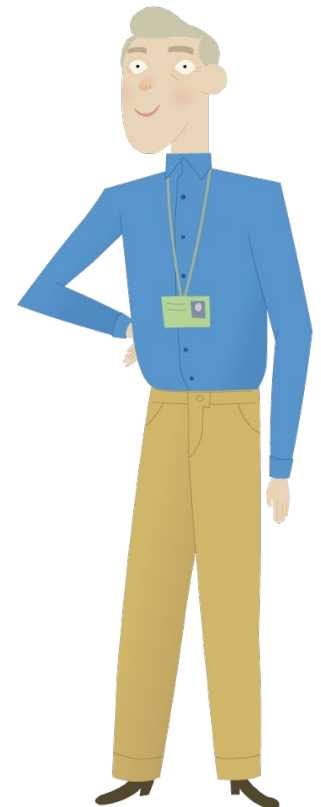
**Home Equity Limit**  
Home equity limit capped at \$1M for determining eligibility for long-term care services under the Medicaid program.

**HCBS Waiver**  
New "stand alone" 1915(c) waiver option available to cover HCBS through Medicaid targeted to people with significant but sub-institutional needs.

**Cost Sharing**  
Medicaid expansion enrollees earning more than 100 percent of FPL will pay no premiums but will face state-mandated copays (up to \$35 per service and capped at 5% of income). Key primary care and safety-net service remain exempt.

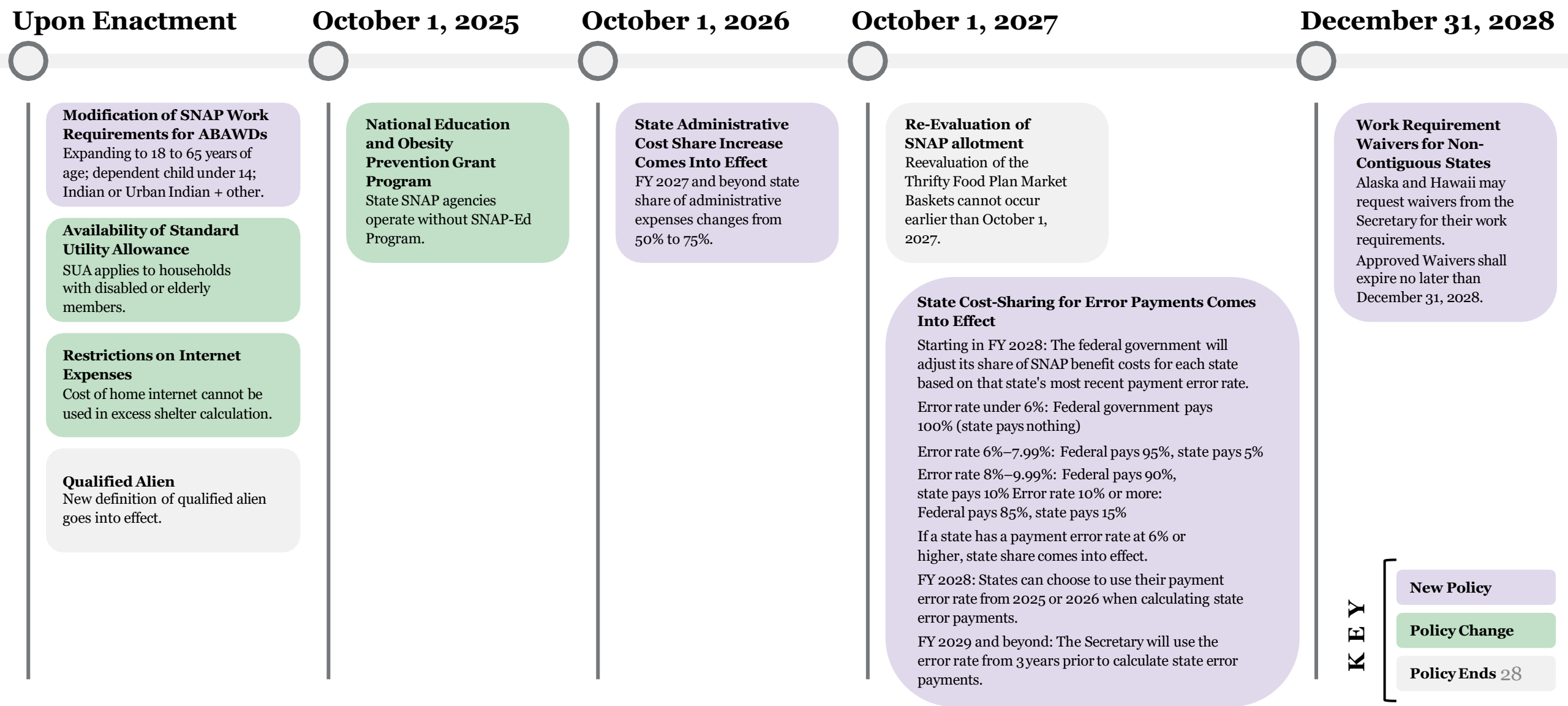
**Duplicate Enrollment**  
States must submit enrollee data monthly to the new system to prevent multiple state enrollments and to disenroll individuals residing in another state.  
HHS to establish a system to prevent individuals from being simultaneously enrolled in multiple state Medicaid programs.

**Erroneous Payments**  
Secretary may begin waiving a reduced amount of erroneous excess payments (The definition of erroneous excess payments to include items & services furnished to individuals not eligible for federal reimbursement in Medicaid).



# SNAP Provisions Implementation Timeline

Below outlines the implementation timeline for each SNAP provision.



K E Y

- New Policy
- Policy Change
- Policy Ends 28