

Virginia Health Benefit Exchange Advisory Committee Meeting

Lou Rossiter, Chair
September 25, 2025



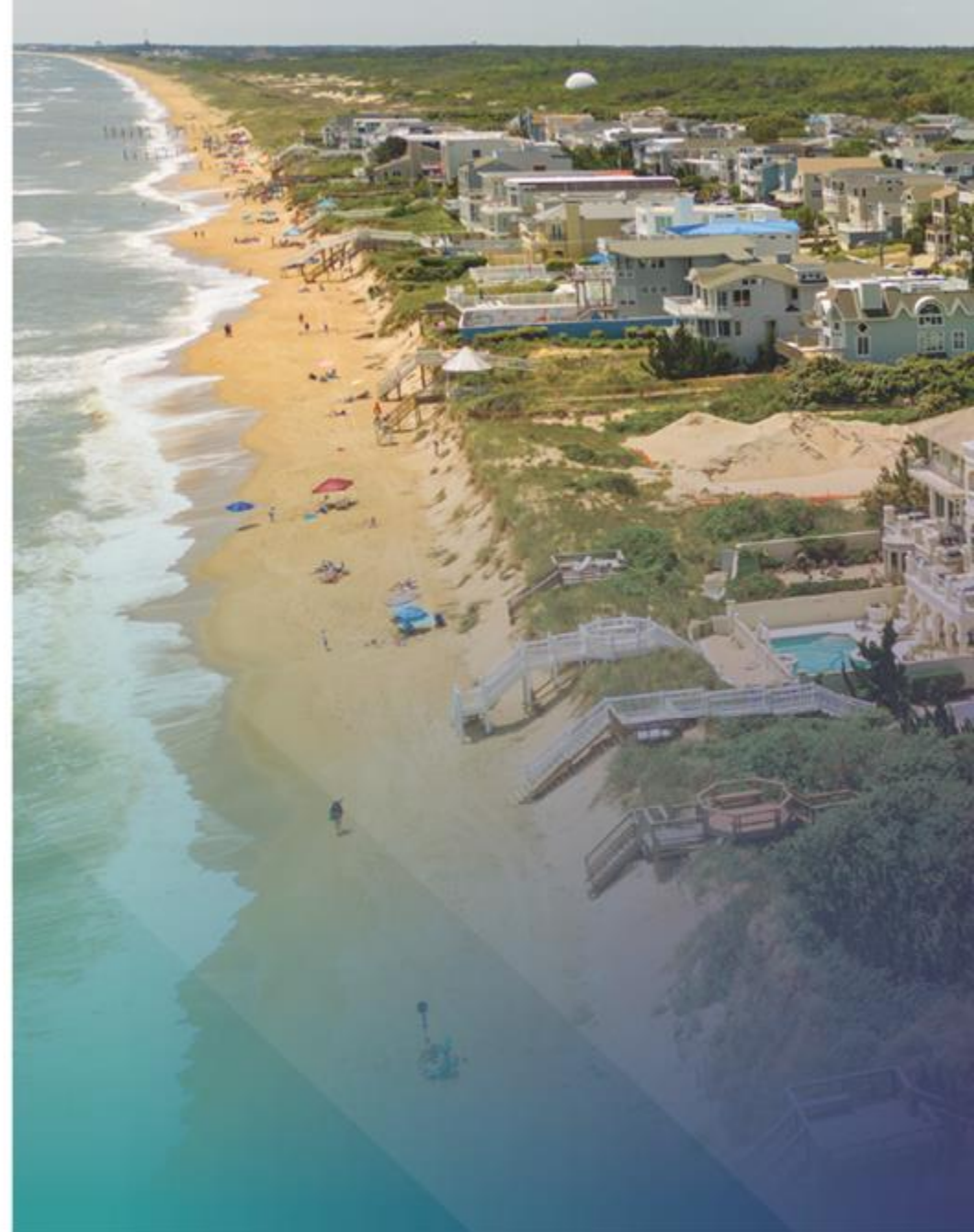


Welcome

Virginia's Insurance
Marketplace

Agenda

1. Call to Order
2. Health Benefit Exchange Updates
 - Plan Year 2026: Federal Policy Changes & Open Enrollment Preparation
 - Reinsurance Presentation, Bradley Marsh (BOI)
 - State-funded Subsidies Presentation, Erin Glossop (NCSL)
3. Other Business
4. Public Comments
5. Adjournment



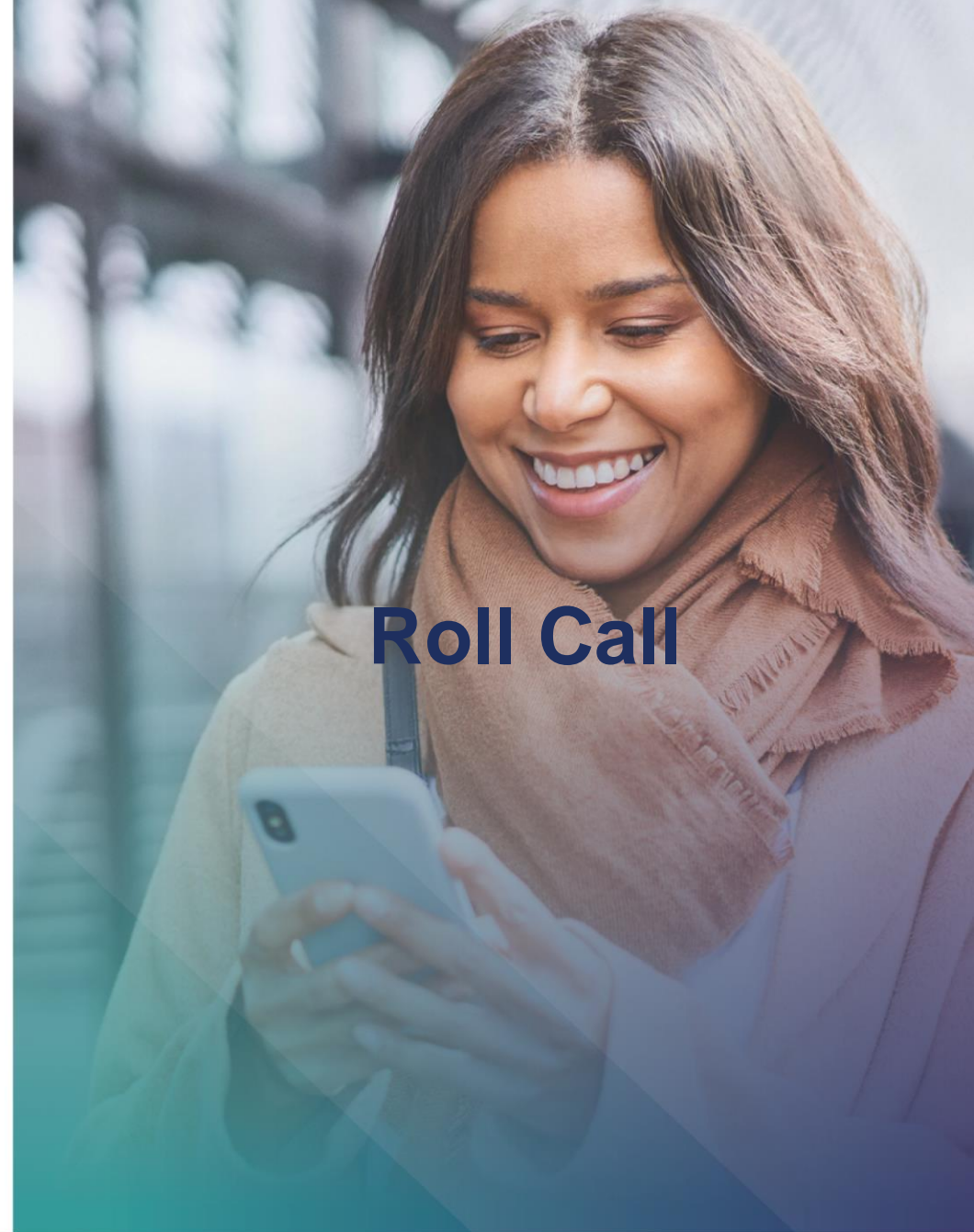
Ex-officio Members

- Acting Commissioner Kevin Erskine, Department of Social Services
- Secretary Janet Kelly, Health and Human Resources
- Director Cheryl Roberts, Department of Medical Assistance Services
- Commissioner Scott White, Bureau of Insurance
- Dr. Karen Shelton, State Health Commissioner

Appointed / Voting Members:

- Louis Rossiter, William & Mary, **chair**
- Doug Gray, Virginia Association of Health Plans, **vice chair**
- Julie Bataille
- Lee Biedrycki, Benefinder
- Scott N. Castro, Medical Society of Virginia
- Craig Connors, Virginia Hospital & Healthcare Association
- Elizabeth Cunningham, Virginia Legal Aid Society
- David Cummins, Serco Inc.
- Sheenu J. Kachru
- Kip Piper, Health Result Group LLC

Roll Call



Plan Year 2026: Federal Policy Changes Open Enrollment Preparations



Road To Open Enrollment

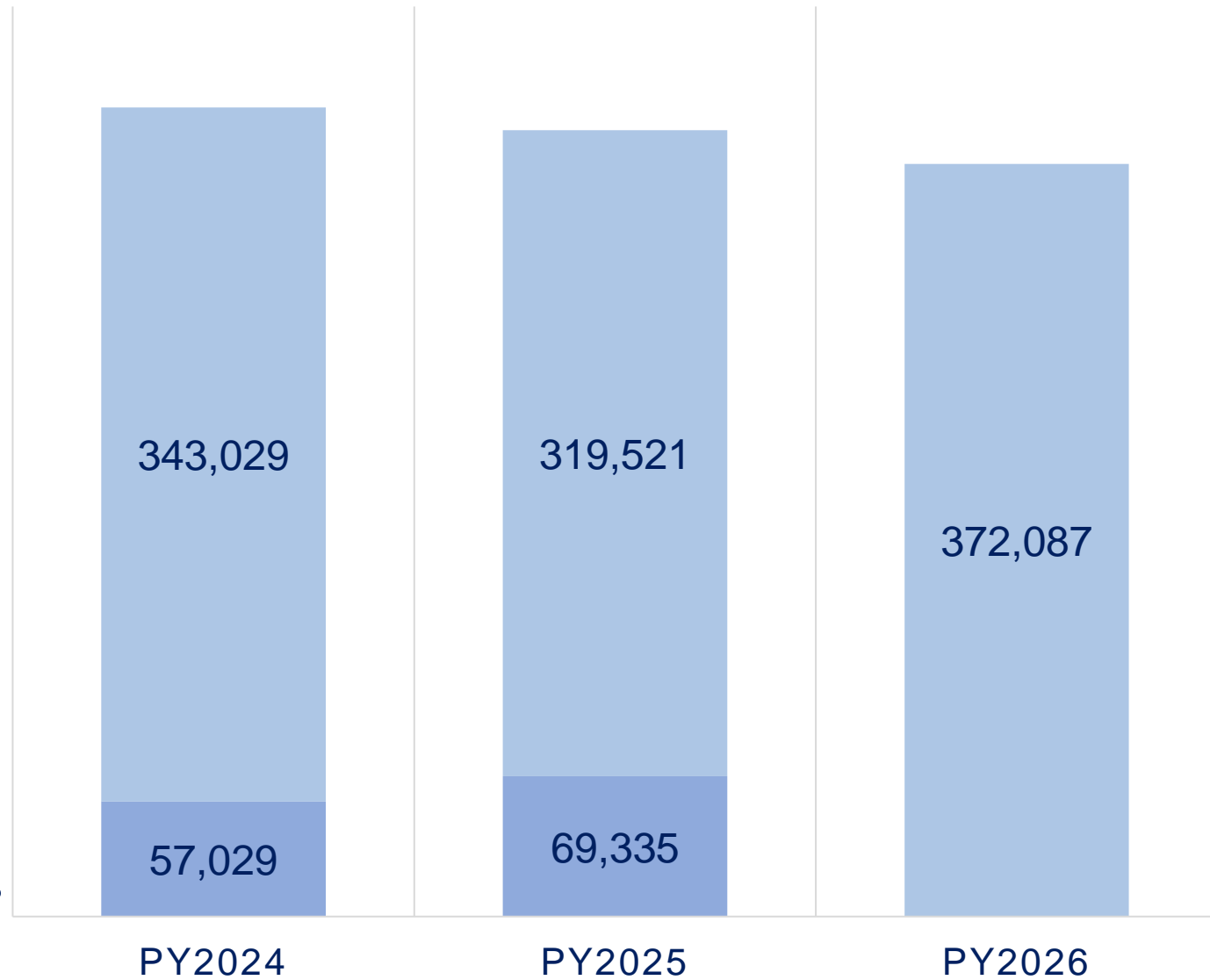


Renewals

372,087 households will be auto-renewed for PY2026.

- Re-enrollees
- New Enrollees

Enrollment PY24-PY26



Shifting Federal Regulatory and Policy Landscape



CMS 2025 Notice of Benefit and Payment Parameters



CMS Program Integrity Rule



Congressional Reconciliation Bill



CBO Estimates



CMS Guidance on Plans

Policy Changes Effective 2026

Provision	New Policy
Eligibility limitations	Eliminates the monthly low-income Special Enrollment Period (<150% FPL).* Rescinds eligibility for DACA recipients.* Eliminates eligibility for Premium Tax Credits for non-citizens with incomes under 100% FPL who are ineligible for Medicaid due to immigration status.
SEP limitation	Prohibits federal subsidies for income-based SEPs.**
Increased costs and payments	Increased maximum out-of-pocket limits by 15%.* Ends Advance Premium Tax Credit repayment caps.*
Expiration of expanded premium tax credits	Expected contribution towards premiums will increase for all marketplace enrollees and enrollees with incomes over 400% FPL become ineligible for PTC. **, ***
Low coverage expansion	Expands eligibility for catastrophic plans.****
Provisions Stayed by Federal Court	
Coverage denials for past due premiums	Allows carriers to require past due premiums before effectuating new coverage.*
Increased verifications (2)	More income verification protocols for individuals with income mismatches.*
Limits access to PTC	Individuals who have failed to file and reconcile taxes for one year are ineligible for premium tax credits.*
Wider actuarial value ranges	Authorizes decreased value of bronze, silver, gold, and platinum plans.*

* 2025 CMS Final Rule

** H.R. 1

*** IRS Rule

**** CMS Guidance

Policy Changes Effective 2027/2028

Provision	Implementation Date	New Policy
Shortens open enrollment periods	1/1/2027	Shortens the open enrollment period to Nov. 1 - Dec. 31.
Eliminates financial assistance for some lawfully present immigrants	1/1/2027	Includes refugees, asylees, abused spouses and children and certain victims of trafficking.
Eliminates financial assistance for individuals not meeting Medicaid work requirements	1/1/2027	Individuals failing to meet Medicaid work requirements are ineligible for premium tax credits.
Ends automatic re-enrollment	1/1/2028	Requires Marketplace enrollees' information to be actively verified each year prior to receiving APTC.

* 2025 CMS Final Rule

** H.R. 1

Consumer Marketing, Outreach, & Education Critical for 2026

Brand Awareness Campaign

Shift away from affordability messaging

Focus on the importance of health coverage

Digital media, radio, social media, search

"Life can change in an instant, be ready for anything with a Marketplace plan"

Open Enrollment Campaign

Focus on education:

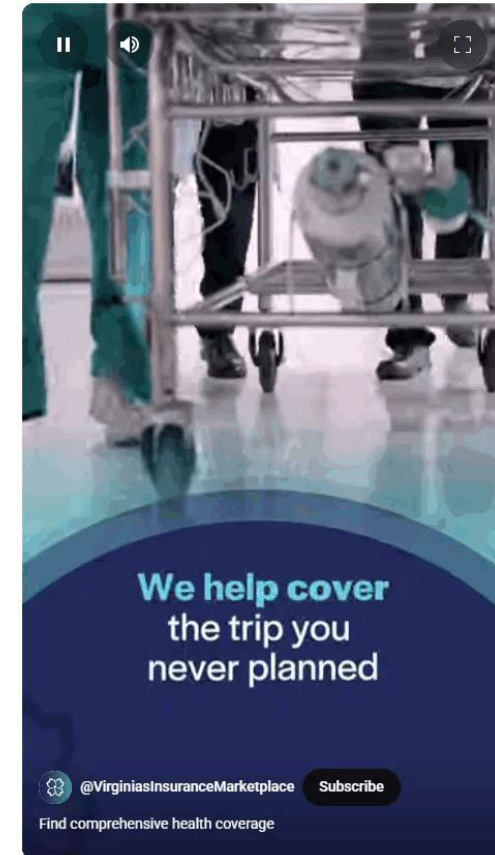
- Changes are coming
- We are here to help
- The open enrollment period is extended this year

New tactics include targeted consumer outreach, billboards, advertising on The Weather Channel app, and short-form videos.

Examples



Virginia is for
coverage.



Enhanced Premium Tax Credits



Expanded Premium Tax Credits (ePTCs)

Premium Tax Credits

- Income tax credits based on household income and health insurance premium cost
- Can be paid directly to insurer to lower monthly premium cost
- Originally capped at households with income <400% FPL

Expanded under The American Rescue Plan Act of 2021 (P.L. 117-2)

- ✓ Available to households with incomes >400% FPL
- ✓ Reduced the applicable percentage of household income in the PTC calculation for all consumers; (i.e., certain immigrants below 100% FPL)
- ✓ Created \$0 premium plans for <150% FPL consumers
- ✓ Expire on December 31, 2025, unless Congress acts

Expiration of Expanded Portion of Premium Tax Credits Changes Income Contribution Percentages

Income as % of FPL	Premium Contribution Percentage 2025	Premium Contribution Percentage 2026
<133% FPL	0%	2.1%
133-150%	0%	3.14% – 4.19%
150-200%	0.0 - 2.0%	4.19% – 6.6%
200-250%	2.0 - 4.0%	6.6% – 8.44%
250-300%	4.0 - 6.0%	8.44% – 9.96%
300-400%	6.0 - 8.5%	9.96%
400%+	8.5%	Unlimited

Cost and Enrollment Impacts of Expiring ePTCs

Based on 2025 rates

Income by FPL	Total Enrolled Households	Average Household Income	2025 Average Net Household Premium	2026 Estimated Average Net Household Premium	2026 Estimated Average Net Household Premium
100-133%	31,694	\$20,362.00	\$27.00	+\$36.00	\$63.00
133-150%	44,394	\$27,703.00	\$28.00	+\$72.00	\$100.00
150-200%	51,571	\$34,215.00	\$59.00	+\$119.00	\$178.00
200-250%	29,942	\$47,384.00	\$126.00	+\$182.00	\$308.00
250-300%	19,312	\$56,324.00	\$219.00	+\$208.00	\$427.00
300-400%	16,965	\$71,234.00	\$401.00	+\$235.00	\$636.00
>400%	9,179	\$110,410.00	\$748.00	+\$692.00	\$1440.00

Projected Premium Increases by Region

These counties have high enrollment of Virginians, and particularly high enrollment at 400% FPL and above.

	2025 Total Enrollees	2026 Projected Premium Increase
Henrico County		
< 400% FPL	12,879	\$76 - \$87
> 400% FPL	845	\$644 - \$739
Virginia Beach City		
< 400% FPL	14,788	\$63 - \$73
> 400% FPL	1,039	\$628 - \$719
Fairfax County		
< 400% FPL	48,506	\$90 - \$103
> 400% FPL	2,552	\$671 - \$769
Roanoke County		
< 400% FPL	3,302	\$90 - \$103
> 400% FPL	350	\$727 - \$834

Impact of Expiring ePTCs: Consumers At Risk

Marketplace enrollment increased the most at the **lowest** and **highest** income levels of eligibility since ePTCs became available in 2021.

Income	Enrollment Increase by Household	Enrollment Increase as Percentage
100-150% FPL	45,109	82%
151-200% FPL	13,146	21%
201-250% FPL	3,463	7%
251-300% FPL	5,271	17%
301-400% FPL	2,923	9%
400%FPL+	42,458	419%



Questions?

Virginia's Insurance
Marketplace



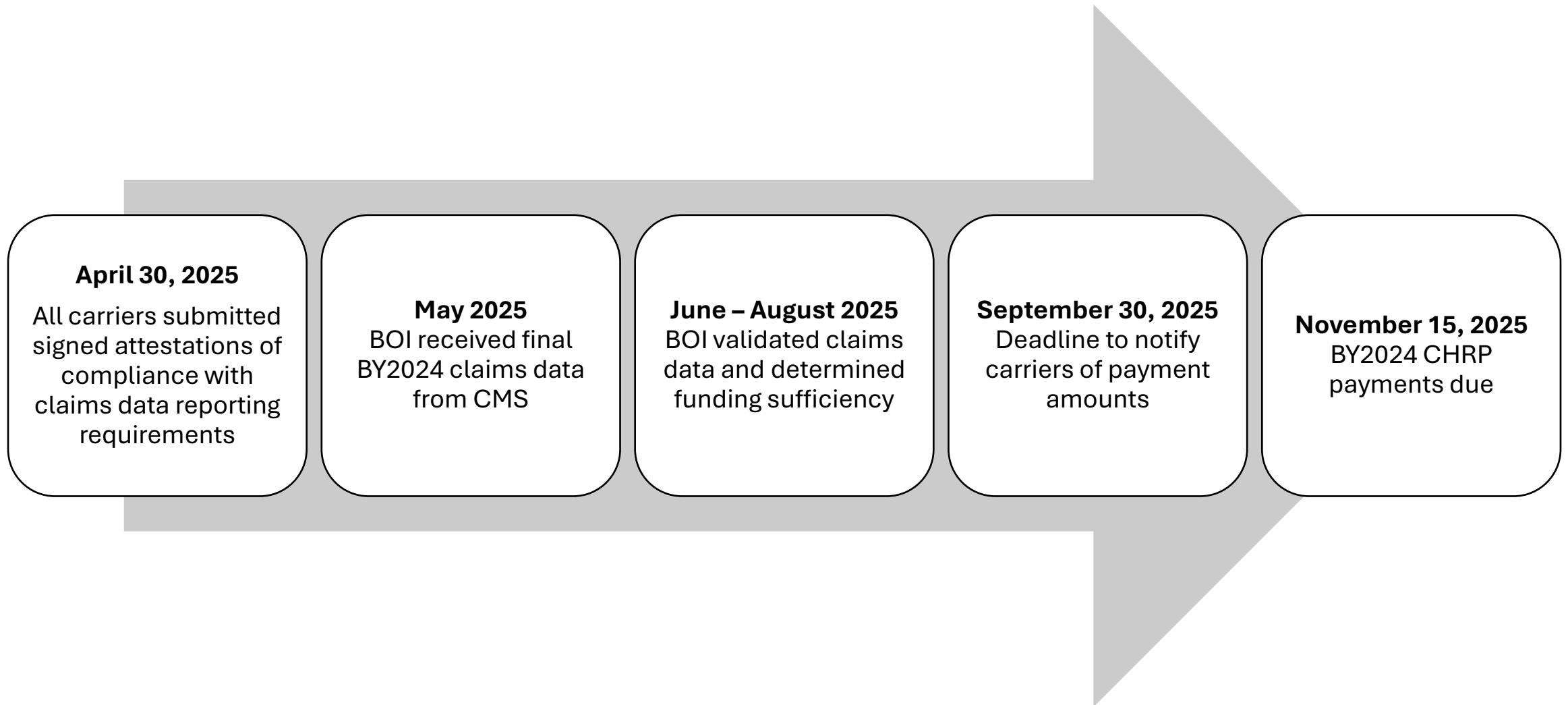
Commonwealth of Virginia

Commonwealth Health Reinsurance Program (CHRP)

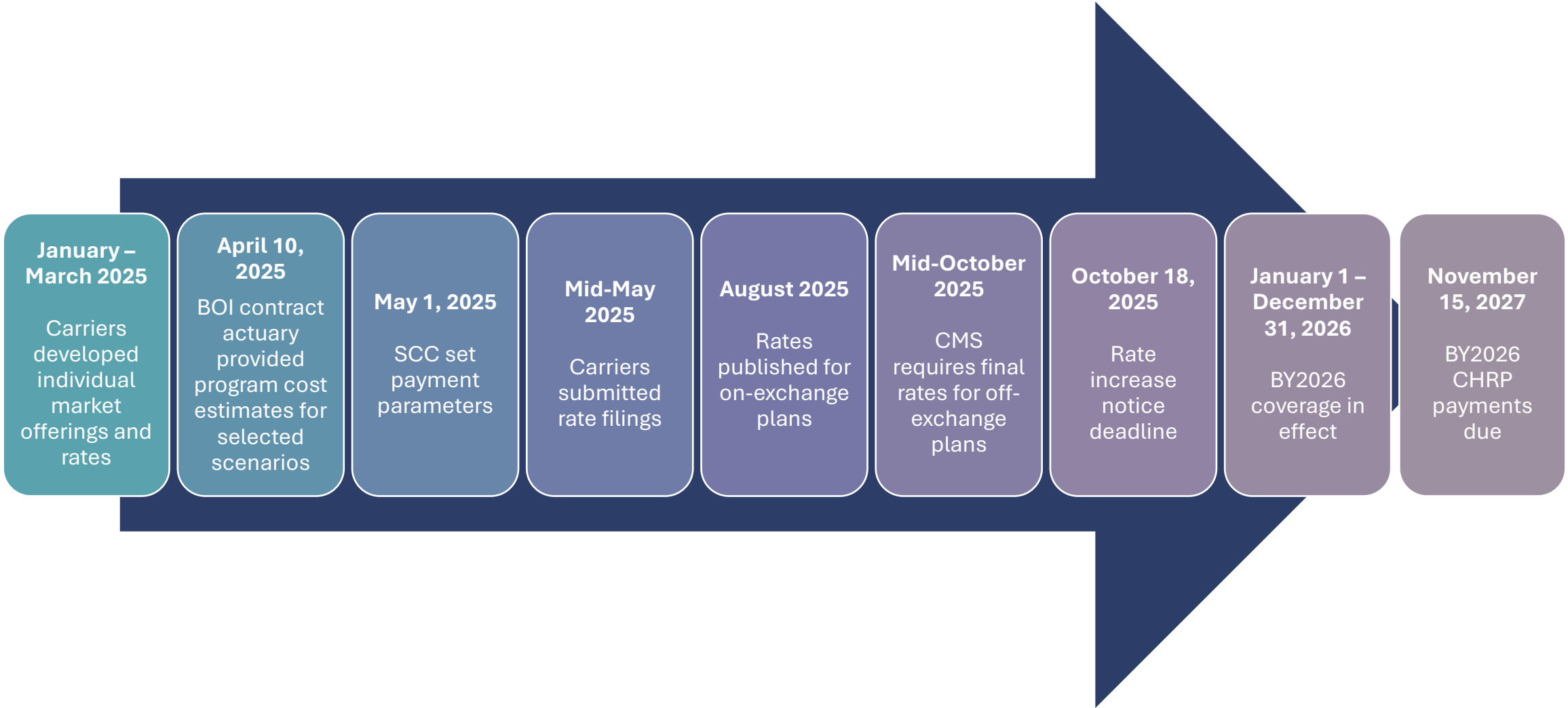
Bradley Marsh, Policy Advisor, Bureau of Insurance

September 24, 2025

Status for CHRP Benefit Year 2024 (BY2024)



Timeline for CHRP BY2026

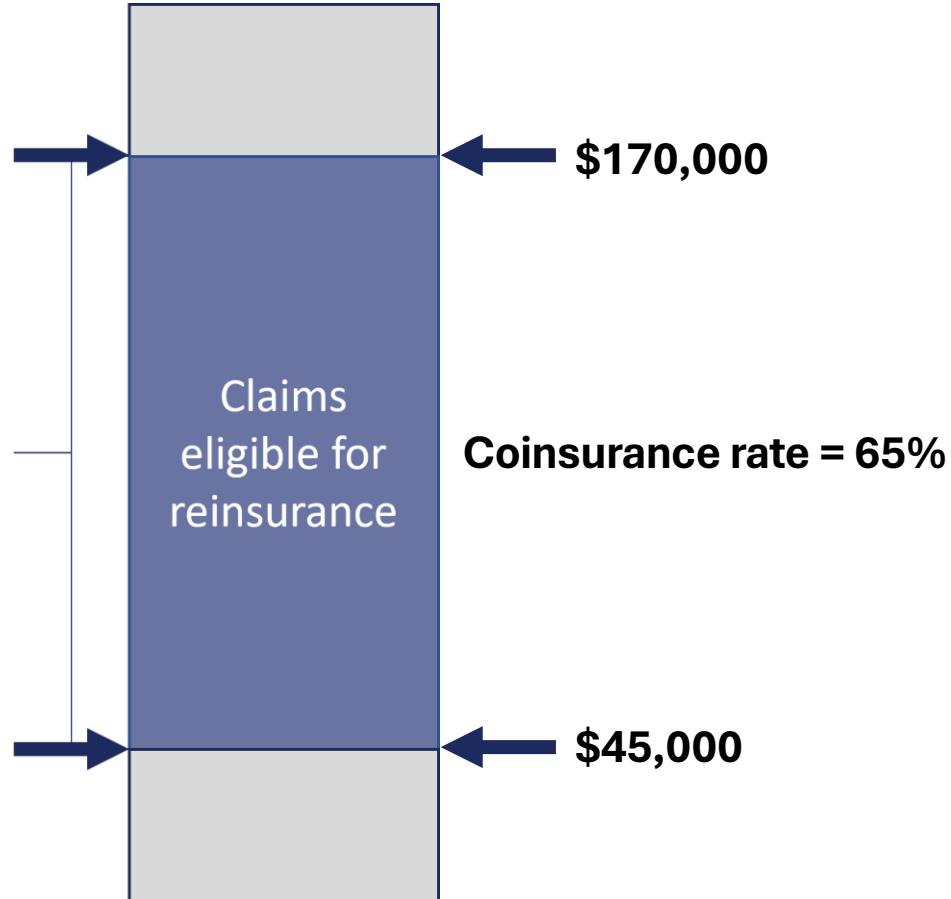


How CHRP Works

Reinsurance cap – issuer is responsible for all claim costs over this amount.

Coinurance rate – issuer is paid a portion of claims cost within the reinsurance band.

Attachment point – issuer is responsible for all claim costs up to this amount.



These amounts are the payment parameters for total annual medical expenditures on any covered individual for BY2026.

Maximum CHRP payment for a covered individual in BY2026 is \$81,250.

$$\begin{aligned} \$170,000 - \$45,000 &= \$125,000 \\ \$125,000 \times 65\% &= \$81,250 \end{aligned}$$

CHRP Payment Parameters BY2023-BY2026

	BY2023	BY2024	BY2025	BY2026
Attachment point	\$40,000	\$45,000	\$45,000	\$45,000
Reinsurance cap	\$155,000	\$175,000	\$175,000	\$170,000
Coinsurance	70%	70%	70%	65%
Targeted premium reduction	15%	15%	15%	15%
Actual average premium reduction from reinsurance	17.30%	16.40%	14.80%	16.40%*

- **BOI's contract actuary annually models the CHRP payment parameters to achieve the target premium reduction for that BY.**
- ***BY 2026 premium reduction calculated prior to lower actuarial value plans being disallowed.**

CHRP Payments & Funding

(in millions)	BY2023 (SFY2025)	BY2024 (SFY2026)	Estimated BY2025 (SFY2027)	Estimated BY 2026* (SFY2028)
CHRP payments	\$323.37	\$368.18	\$429.70	\$404.50
BY Federal pass-through funding award	\$331.88	\$481.94	\$450.27	\$308.4
Annual pass-through funding balance after payment	\$8.51	\$113.76	\$20.57	- \$96.10
Cumulative pass-through funding balance after payment	\$8.51	\$122.27	\$142.84	\$46.74

- **Federal “pass-through” funding is based on projected federal savings from reduced premium tax credits (PTCs) due to lower health insurance premiums.**
- **Estimates of program costs are developed 8 – 10 months prior to a BY and more than 2 years prior to claims being finalized and paid.**
 - Differences between the model and actual enrollment, premium impact, and claims experience can cause program costs to differ substantially from these estimates.
- ***BY2026 estimates were calculated in April 2025, prior to federal budget and policy changes.**

Revised estimates of CHRP program cost

- **Current estimates assume that enhancements to premium tax credits (PTCs) from the 2022 Inflation Reduction Act will expire prior to BY2026.**
- **SCC BOI is working with its contract actuarial firm for an updated model of federal pass-through funding and state share funding for BY2026, incorporating the most recent federal budget developments.**
- **Specifically, this analysis will incorporate actual BY2026 premium rates as well as three new federal policy changes:**
 - Removal of the monthly Special Enrollment Period (SEP) for individuals eligible for premium tax credits (PTCs) with household incomes at or below 150% of the of the Federal Poverty Line (FPL);
 - Changes to the Premium Adjustment Percentage Index calculation methodology;
 - Removal of eligibility for subsidies for lawfully-present immigrants with incomes under 100% of the FPL.
- **BOI plans to present updated cost estimates at the October 6, 2025 HIRC meeting.**

Impacts of potential federal changes on CHRP

- **If PTC enhancements expire, people over 400% FPL will lose subsidies entirely and people below 400% FPL will receive smaller subsidies.**
 - Fewer or smaller PTCs means less federal savings from reinsurance and could reduce federal pass-through funding.
 - Households over 400% of FPL have been incentivized by EPTCs to purchase on-exchange, increasing federal pass-through funding and decreasing the anticipated state share of costs.
- **Healthy people are less inclined to purchase health insurance if it becomes expensive.**
 - Sicker individuals – who are more likely to breach the attachment point with their annual claims costs—are more likely to enroll or re-enroll versus healthier people.
 - A less healthy population is a riskier population to insure, which the rate filings will take into account, likely increasing premiums even with the specified premium reduction target from the Commonwealth Health Reinsurance Program.
- **EPTC expiration will reduce federal pass-through funding.**
 - Fewer individuals eligible for PTCs, and smaller PTC amounts for those eligible will reduce estimated federal savings.
 - Reduced federal savings mean that federal pass-through funding may cover a smaller proportion of costs for the Commonwealth Health Reinsurance Program in SFY2028.

Upcoming CHRP policy decision points

- **How much funding to appropriate from the general fund in the upcoming biennium for BY2025 (paid in State Fiscal year 2027) and BY2026 (paid in State Fiscal Year 2028).**
 - The approved State Innovation Waiver requires that: “sufficient funds are available on an annual basis for the waiver to operate”; therefore, the Commonwealth has an obligation to appropriate sufficient funds as described in the approved waiver plan.
 - Revised estimates of BY2026 program costs will help determine whether Virginia has enough excess federal pass-through funding from prior years to cover all program costs.

Upcoming CHRP policy decision points (cont.)

- **What premium reduction target to set for BY2027**
 - If the General Assembly does not specify a target in the 2026 Appropriations Act, it will default to 15%.
 - Under current law, the maximum targeted premium reduction is 20%, but this could be amended through legislation or overridden with the Appropriations Act.
 - If legislators would like BY2027 cost estimates to include scenarios that exceed the 20% threshold, SCC BOI needs to provide guidance to our contract actuary by December 2025. SCC BOI has requested that legislators provide direction on this matter by November 30, 2025.
 - CHRP is presently the single largest state policy lever to reduce premiums in the individual market, particularly for those who are ineligible to receive PTCs

Upcoming CHRP policy decision points (cont.)

- **(1) Whether to apply for an extension of the State Innovation Waiver, (2) how long of an extension should be requested, and (3) whether changes to the waiver should be requested contemporaneous with the extension request**
 - The Centers for Medicare and Medicaid Services must be notified of an extension request **no later than December 31, 2026.**
 - Because the original waiver application was mandated by legislation and all subsequent state share funding have been included in the Appropriations Act, SCC BOI would require direction through approved 2026 General Assembly legislation to file this extension.
 - SCC BOI is available to provide technical drafting assistance on enabling legislation.

A man with a beard and glasses, wearing a dark blue button-down shirt, is smiling and holding a baby. They are sitting on a wooden deck outdoors. The background is a blurred garden with green plants and a wooden fence. A semi-transparent teal overlay covers the bottom half of the image.

Questions?

Virginia's Insurance
Marketplace



Marketplace Coverage Affordability: A Look at State-Based Marketplace Subsidy Programs

Erin Glossop, NCSL
September 25, 2025



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Source: NCSL

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Health Insurance Marketplace Premium Tax Credits

- The Affordable Care Act (ACA) established [premium tax credits](#) for individuals purchasing insurance on the ACA marketplace.
- The American Rescue Plan Act (ARPA) expanded premium tax credit eligibility and made them more generous for all income earners.
- Before ARPA, premium tax credits were only available for people with incomes between 100% and 400% of the federal poverty level (FPL).
- ARPA extended eligibility to people with incomes over 400% FPL, eliminating the ACA’s “subsidy cliff.”
- [It capped the percentage](#) of income paid toward their premiums at 8.5% for those making more than 400% FPL — those with incomes between 100% and 150% would pay no premiums.
- These enhanced premium tax credits will expire at the end of 2025 if not renewed by Congress.

Table 1. Premium Tax Credit Applicable Percentages under the ARP and Prior Law

Income Range (% of FPL)	Range of Applicable Percentages for 2021 under Prior Law	Range of Applicable Percentages for 2021 and 2022 under the ARP
100% – 133%	2.07%	0%
133% – 150%	3.10% – 4.14%	0%
150% – 200%	4.14% – 6.52%	0% – 2%
200% – 250%	6.53% – 8.33%	2.0% – 4.0%
250% – 300%	8.33% – 9.83%	4.0% – 6.0%
300% – 400%	9.83%	6% – 8.5%
400% and higher	N/A	8.5%

The applicable percentage is the share of a consumer’s income they must generally pay towards a benchmark (second-lowest-cost silver) plan with the PTC. Within the ranges shown the applicable percentage increases linearly.

Source: [USC-Brookings Schaeffer Initiative for Health Policy](#)

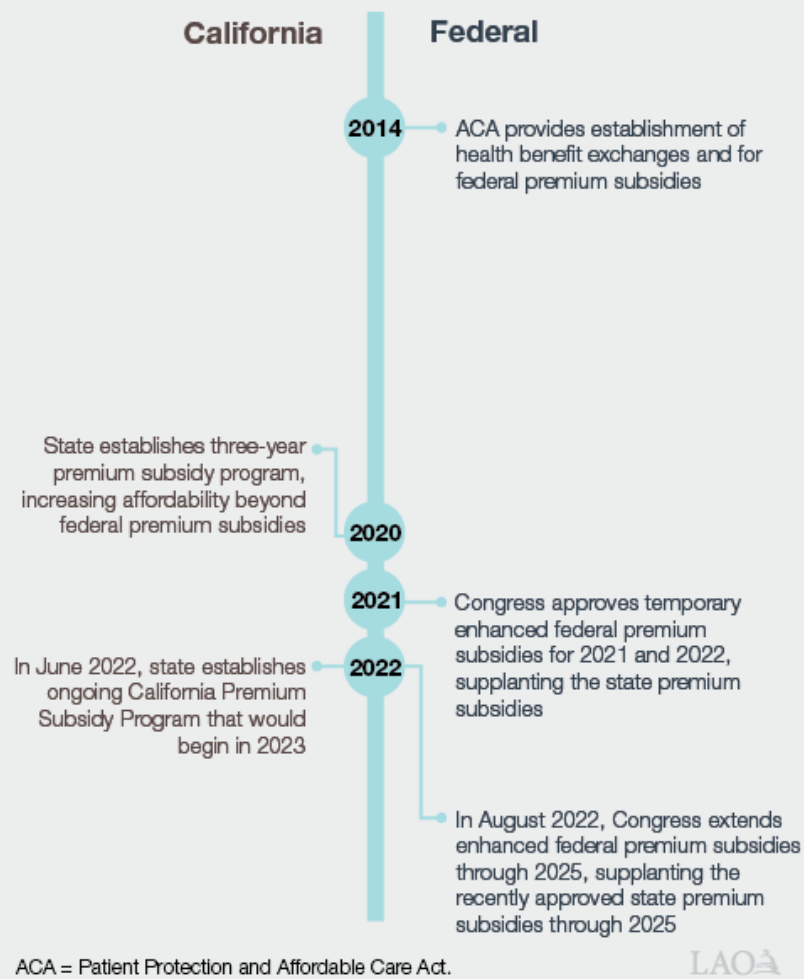


State Example: California

- **What:** California began its subsidy program in 2020. Discontinued it in 2022. Implemented a new enhanced cost-sharing reduction (CSR) program in 2024.
- **Authorizing Authority:** [State budget](#) by the California State Assembly.
- **Funding Mechanism:** Revenue from penalties for California's individual health insurance mandate.
- **Who:** Eliminates deductibles in certain plans for individuals at or below 250% FPL. Expanded eligibility in 2025, allowing those with incomes above 200% FPL to enroll in a plan with no deductibles and reduced out-of-pocket costs.
- **What's Next:** Should Congress extend the enhanced premium tax credits, California's program [will maintain the current](#) levels of benefits.
 - If not, California has allocated \$190 million for 2026 for subsidies up to 150% FPL. Program would also provide some additional assistance up to 165% FPL.

Figure 1

Various State and Federal Actions on Premium Subsidies



Source: [California Legislative Analyst's Office](#)



State Example: Colorado

- **What:** In 2022, Colorado began offering cost-sharing subsidies on its marketplace.
- **Authorizing Authority:** State Legislation: [SB 215 \(2020\)](#)
- **Funding Mechanism:** Assessment fee on health insurers. Passed additional funding in August 2025 special session through sale of tax credits to insurance companies and C corporations.
- **Who:** Cost-sharing subsidies for enrollees with incomes 150-200% FPL. Also provided subsidies for those up to 250% FPL in 2024, though this expansion of eligibility dropped back to 200% in 2025.
- **What's Next:** Beginning in 2026, Colorado will transition from a cost-sharing subsidy to an extra premium subsidy.



State Example: Maryland

- **What:** Maryland began offering subsidies to young adults in 2022. Passed expanded subsidy program in 2025.
- **Authorizing Authority:** State Legislation: [HB 0780 \(2021\)](#)
- **Funding Mechanism:** Dollars from the [State Reinsurance Program](#), plus unspent funds from prior years and a 1% state premium tax.
- **Who:** Young adults ages 18 to 34 with incomes between 138% and 400% FPL, before it was expanded up to [age 37](#) (in 2025).
- **What's Next:** Legislature passed legislation in May creating a [State-Based Health Insurance Subsidies Program](#) not exclusive to young adults to mitigate an expected expiration of the enhanced premium tax credits, funded through the same mechanism as the pilot program.
 - If the enhanced premium tax credits are extended, the bill will not go into effect.



State Example: New Mexico

- **What:** New Mexico began providing premium and cost-sharing subsidies in 2023.
- **Authorizing Authority:** State Legislation [SB 317 \(2021\)](#)
- **Funding Mechanism:** Assessment fee on health insurers
- **Who:** Individuals with incomes up to 400% FPL may purchase Turquoise 3 plans. Native Americans with incomes up to 300% FPL are given access to a \$0 option for each insurer in their rating area.
- **What's Next:** The Office of the Superintendent of Insurance announced in August that even if the enhanced premium tax credits expire, New Mexico's subsidy program will [cover the loss](#) for households with incomes under 400% FPL.

Table 3: SOPA Plan Actuarial Values and Metal Levels

Plan Number	Turquoise 1	Turquoise 2	Turquoise 3
FPL Range	Up to 150%	150-200%	200-400%
Actuarial Value	99% AV	95% AV	90% AV
SOPA Metal Level	Silver	Silver	Gold

[Source: New Mexico Office of Superintendent of Insurance & Health Care Authority](#)



State Example: New York

- **What:** New York began offering cost-sharing subsidies in 2025.
- **Authorizing Authority:** [Section 1332 Waiver](#).
- **Funding Mechanism:** Federal pass-through funding
- **Who:** Marketplace enrollees with diabetes, pregnant enrollees (or up to 12-months postpartum) and individuals and families with incomes up to 400% FPL.
- **What's Next:** Due to changes in HR 1 that modify premium tax credit eligibility, New York expects to receive substantially less federal funding.
 - On September 10, the state [requested to terminate its waiver](#) as currently approved.
 - It also requested to reactivate its currently suspended Basic Health Program.



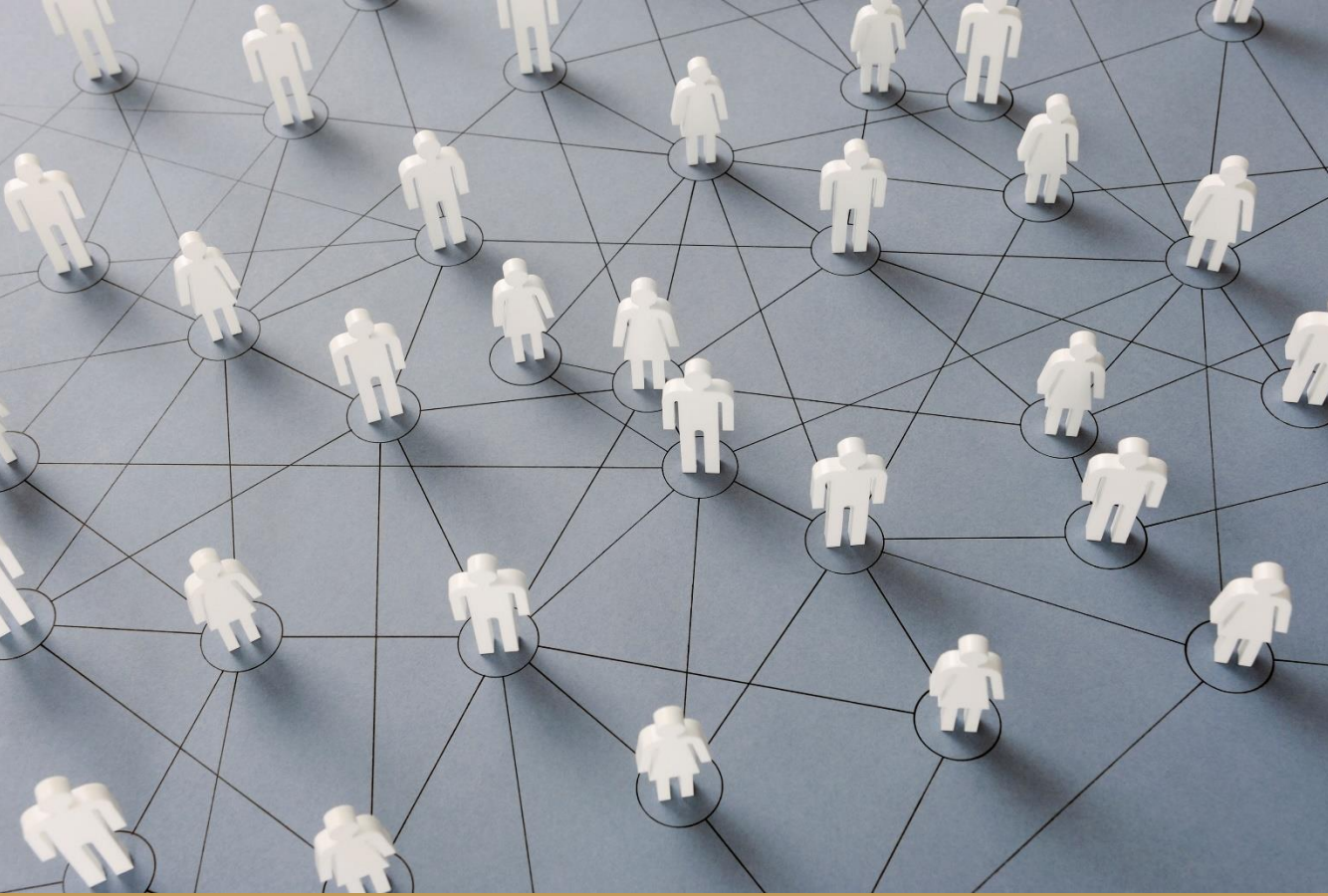
State Example: Washington

- **What:** Washington began offering premium and cost-sharing subsidies in 2023.
- **Authorizing Authority:** State Legislation: [SB 5733 \(2021\)](#)
- **Funding Mechanism:** Appropriation out of the state's general revenue fund from the [State Health Care Affordability Account](#).
- **Who:** Individuals with incomes up to 250% FPL who enroll in a silver or gold Cascade Care plan.
- **What's Next:** The Washington Health Benefit Exchange has estimated that maintaining the same subsidy levels in 2026 will cost roughly \$70 million more than is budgeted.
 - The state is considering a variety of approaches with the expiration of EPTCs, including [lowering subsidies for customers eligible](#) for federal advance premium tax credits.



Q&A





Reach out anytime!



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Questions?

Virginia's Insurance
Marketplace

Public Comments are accepted on an ongoing basis at:
HBEAdvisoryCommittee@scc.virginia.gov

