

How the Final 2027 NBPP Reshapes the ACA Individual Market: Business Model Emerging From Non-Network QHPs, Decade-Long Catastrophic Plans, Direct Enrollment Distribution, and the EHB Defrayal Shift

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Thoughts on Healthcare Markets & Technology

 **How the Final 2027 NBPP Reshapes the ACA Individual Market: Business Models Emerging From Non-Network QHPs, Decade-Long Catastrophic Plans, Direct Enrollment Distribution, and the EHB Defrayal Shift**

CMS dropped the final 2027 Payment Notice in May. Most coverage called it routine deregulation. It is not. Three foundational ACA assumptions just got repealed inside 1,121 pages. Thread on what actually matters...

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Abstract

The 2027 HHS Notice of Benefit and Payment Parameters Final Rule (CMS-9883 published 5/15/26, codifies 1,121 pages of structural change to the ACA Marketplace. Headline items most coverage focuses on:

- User fees down: FFE 1.9% (from 2.5%), SBE-FP 1.5% (from 2.0%), HHS-RAD at \$0.18 PMPM

- Eligibility tightening to align w/ Working Families Tax Cut (Pub. L. 119-21) year failure-to-reconcile, pre-enrollment SEP verification, eligible-noncitizen requirement, codified income verification
- ECP threshold NOT cut from 35% to 20% (CMS backed off the proposal)
- CMS projects ~750k-2M enrollment reduction tied to the broader integrity package; 2026 enrollment landed at ~23.1M

What gets less coverage but is more interesting for builders/investors:

- Non-network QHP certification finalized, effective PY 2028 (one year later than proposed)
- Multi-year catastrophic plans of up to 10 consecutive years w/ VBID pre-deductible coverage
- Bronze plan cost-sharing flexibility starting PY 2027; catastrophic plan changes starting PY 2028
- Standardized plan options requirement repealed; differential display gone; no standardized plan caps gone
- State Exchange Improper Payment Measurement (SEIPM) program live for CY 2027
- States can transition FFE → SBE directly w/o the prior SBE-FP year
- State-required benefits enacted after 12/31/11 considered “in addition to EHB” and must be defrayed by states beginning PY 2028, even if previously embedded in benchmark
- Routine non-pediatric (adult) dental services prohibited as EHB
- Hardship exemption expanded so consumers ineligible for APTC/CSRs due to projected income <100% FPL or >250% FPL can enroll in catastrophic
- CSR loading transparency requirements in URRT + Actuarial Memorandum starting PY 2027 rate filings
- Stronger broker marketing standards, mandatory HHS-approved consent form for PY 2028+, expanded CMP authority including netting against issuer affiliation

by TIN

Frame for the essay: this is the most product-design-permissive ACA rule in over a decade. The compliance bar is also higher. Both trends favor technology-enabled entrants and entrepreneurs who can move on plan architecture, distribution, and delivery integration faster than incumbents. Target audience: healthcare investors, operators, founders thinking about where the next wave of individual-market plans gets built.

Why this rule is a bigger deal than the press release lets on

CMS dropped the final 2027 Payment Notice on May 15, 2026, ten weeks after comment close, which is faster than the usual cycle. The press release reads like deregulation theater: lower user fees, tighter fraud controls, more state power. Standard talking points. Skim the fact sheet and the takeaway looks like business as usual for the individual market under a Republican administration. That reads more like the point.

What is actually happening in this rule is a quiet repeal of three foundational assumptions the ACA Marketplace has operated on for a decade. First, that QHPs must use networks. Second, that consumers pick plans for one year at a time. Third, that the federal government runs the storefront. Each of those assumptions sat at the center of a thousand-page rulebook for ten years. The 2027 final rule punches a nail through each of them, with effective dates spread across PY 2027 and PY 2028 to give issuers and states a runway. The combination is what matters. Pull on any one thread and the picture stays mostly the same. Pull on all three and the ACA individual market starts to look meaningfully different by the second half of the decade.

Worth keeping in mind: the macro setup for 2027 already has wind in the sails for new entrants. The enhanced premium tax credit expansion that ran from 2021 through 2025 is gone. Average out-of-pocket premiums jumped from \$113 to \$117 PMPM in 2026, and 2026 enrollment dropped for the first time since 2020 to roughly 23.1M. CBO and CMS both expect another step down in 2027 as eligible-noncitizens

verification, one-year FTR, and the income verification provisions in the Working Families Tax Cut bite. Affordability pressure plus regulatory permission to rede products is the precondition for plan innovation. The shrinking subsidized pool what creates the opening, and the deregulatory provisions are what let entrepreneurs walk through it.



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