



Pennie Board of Directors Meeting

May 2026

Agenda

- **Preliminary Matters**
- **Executive Director's Report**
 - Enrollment & Terminations Data Review
 - 2025 Budget Recap
- **Reinsurance Budget**
- **Enrollment Issues**
- **Call Center Update**
- **Consumer Research and Open Enrollment 2027 Planning**



Preliminary Matters

- **Call to Order**
- **Roll Call**
- **Approval of Previous Meeting's Minutes**
- **Opportunity for Public Comment**



Executive Director's Report

Key Updates

- Tracking and monitoring disenrollments and regularly recalibrating the anticipated impact on our long-term budget and program.
- Communicating impacts about affordability to policymakers and stakeholders at the state and federal level.
- Maintaining focus on two strategic priorities: 1) Laying groundwork for the in-house call center next year and 2) Implementing H.R. 1 policies.
- Additionally, addressing two unexpected changes:
 - Enrollment issue that emerged, shifting large amounts of team resources to ensure program integrity
 - Reinsurance coming in significantly over budget

Legislative and Federal Updates

- In the first quarter of 2026, Pennie met with policymakers and stakeholders to share information about enrollment trends, outcomes from Open Enrollment, additional coverage losses anticipated, and consumer feedback.
- Key federal regulations remain outstanding, including the finalization of the proposed rule from earlier this year and the needed regulations on pre-enrollment verification.

2026 Enrollment & Terminations Data Review

496,661

Pennie Peak Total Enrollment –
End of OE 25

486,577

Total Enrollment - End of OE 26

447,531

Total Enrollment as of 5-14-26

Down **10%**
from 2025 peak

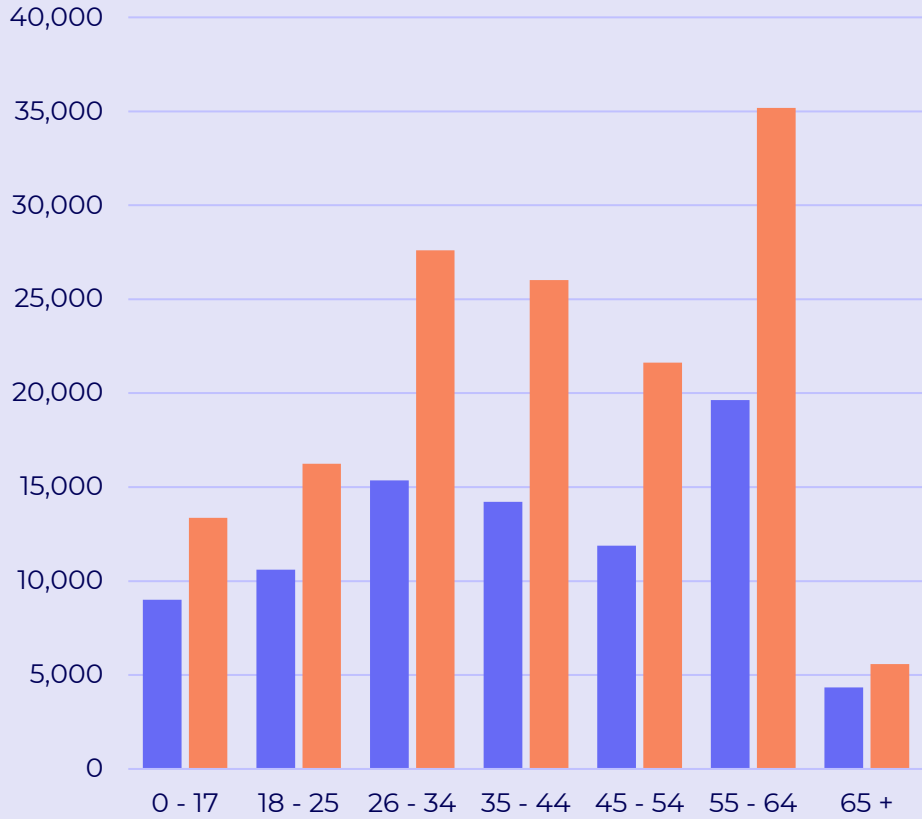
Total disenrollments as of 5/14: 156,316

More data at pennie.com/affordability (updated every 10th of the month)



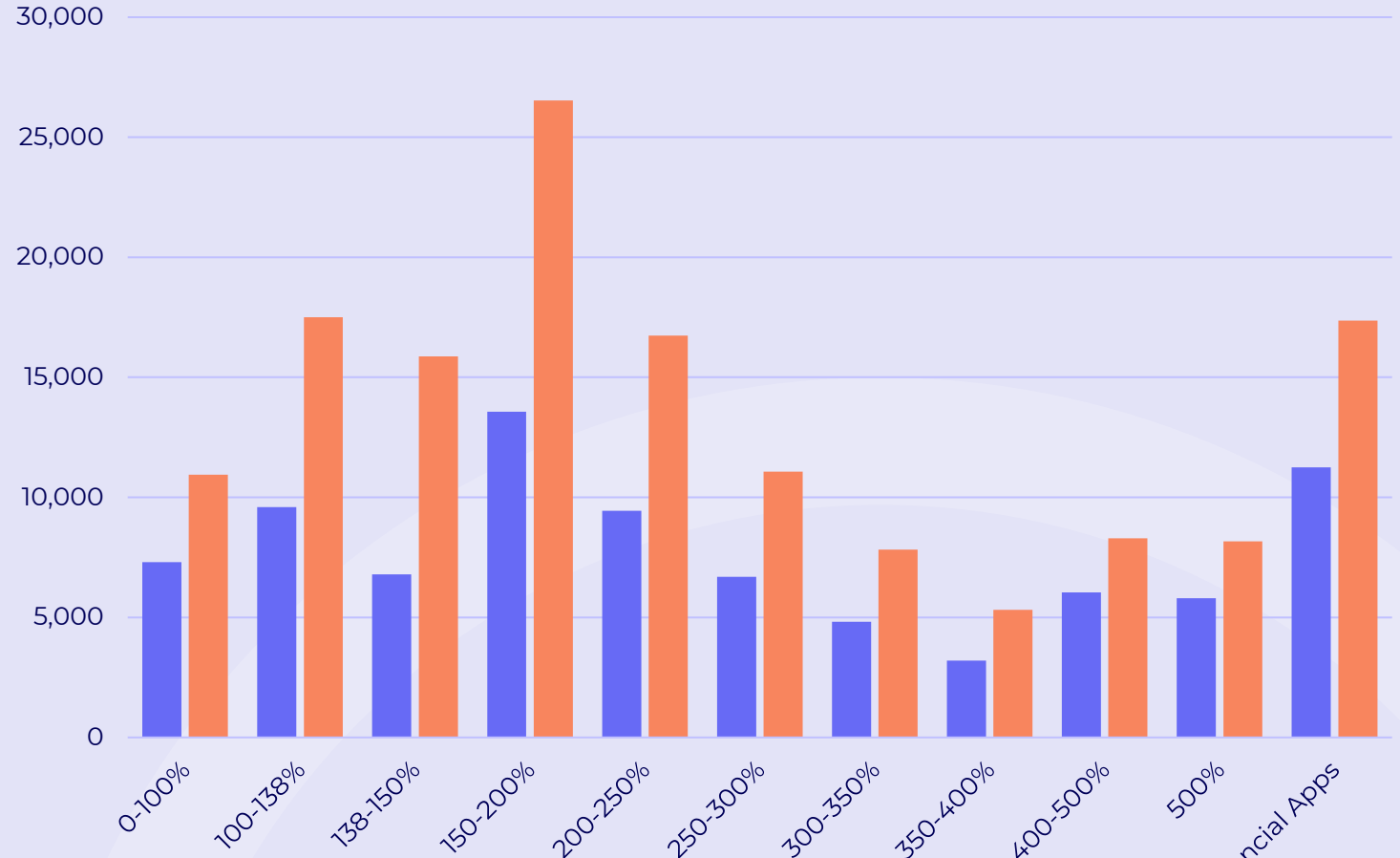
2026 Enrollment & Terminations Data Review

Total Terminations by Age Band



● End of OEP
 ● Terminations through 5-1-26

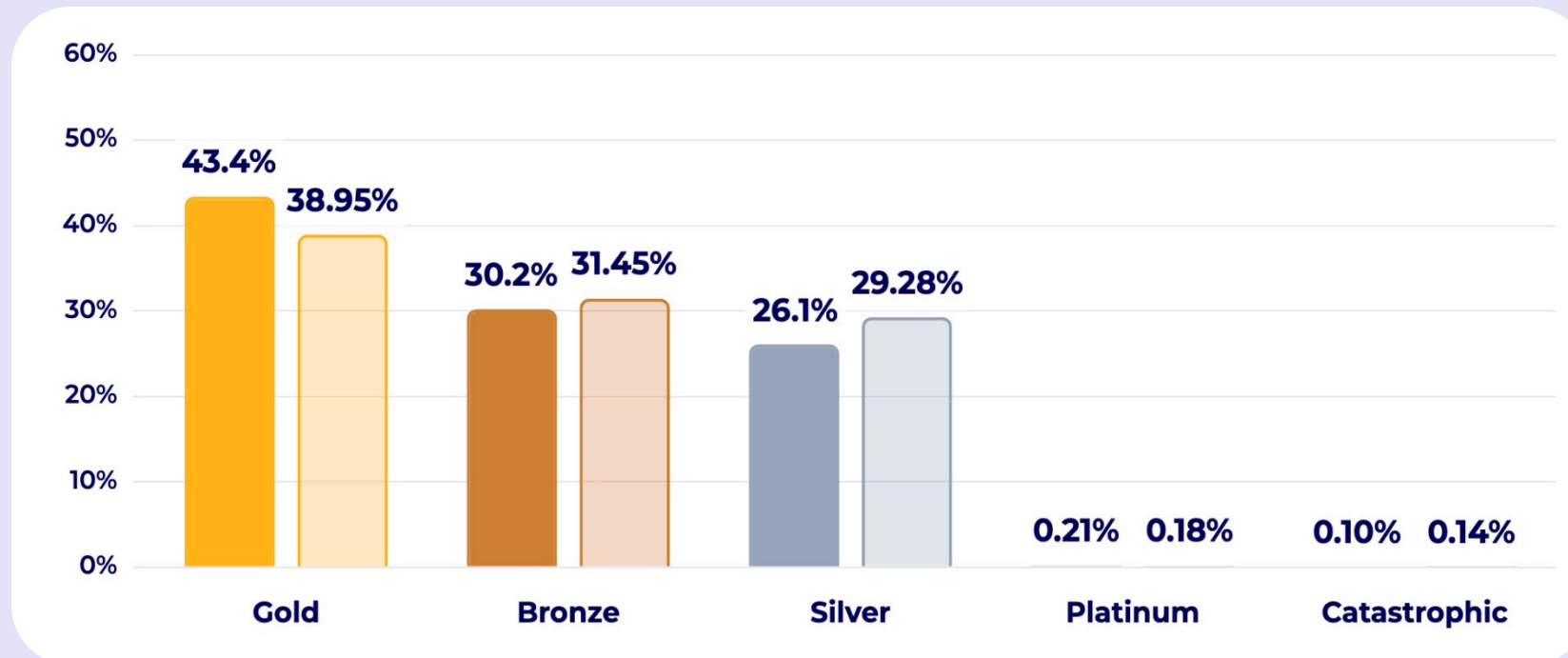
Total Terminations by Income



2026 Enrollment & Terminations Data Review

Pennie has seen a disproportionate rate of consumers leaving coverage from Silver and Bronze plans, likely reflecting affordability challenges for lower income enrollees.

- As of end OE 2026, 26.1% were enrolled in a Silver plan. As of 5/1, 29.3% of those who left had a Silver plan.
- As of end OE 2026, 30.2% were enrolled in a Bronze plan. As of 5/1, 31.5% of those who left had a Bronze plan.



Enrollment by Coverage Level as of 2/1/26



Disenrollment by Coverage Level as of 5/1/26

2026 Non-Payment of Premiums Trends

Those with Non-Pay Terminations		Member Count
Plan Year	As of...	
2026	5/1/26	54,901
2025	5/1/25	34,260
2024	5/1/24	26,925

- This only looks at consumers whose policies were ended because of non-payment of premiums.
- Compared to the same time period for Plan Year 2025, Plan Year 2026 has **60% more** consumers with non-pay terminations.
- Compared to the same time period for Plan Year 2024, Plan Year 2026 has **twice as many** consumers with non-pay terminations.

Future Enrollment Impacts

HR 1 Eligibility Changes for Lawfully Present Enrollees

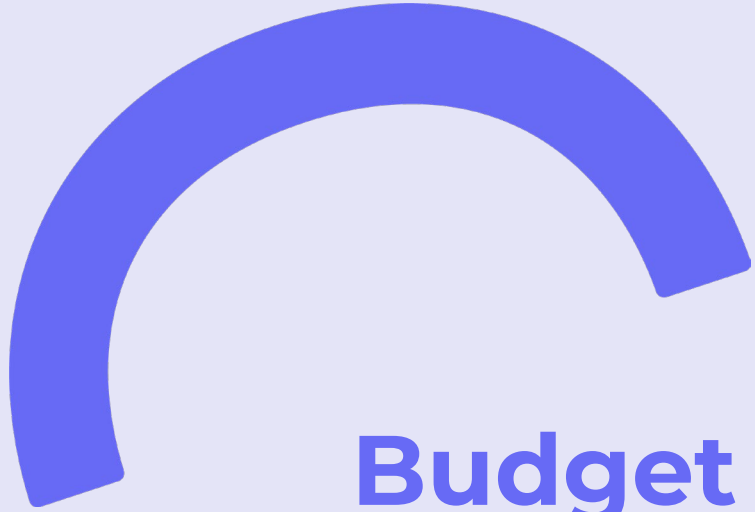
Approximately 28,000 lawfully present Pennie enrollees will lose eligibility for tax credits in 2027 due to H.R. 1.

Income Breakdown of Lawfully Present Pennie Enrollees	
FPL Group	Percent
<100%*	1%
100-138%	25%
138-150%	37%
150-200%	19%
200-250%	7%
250-400%	6%
400%+	1%
Unknown	2%

Given that nearly all enrollees are at lower incomes, we anticipate most of the 28,000 will not be able to afford full-price coverage and will become uninsured

**Note: the sub-100% FPL population is already ineligible for tax credits and only enrolled if paying full price.*





Budget Recap

Overall Financial Status

- At the end of 2025, revenue was higher than originally projected with expenses slightly under budget.
- Revenue in 2026 has started at similar levels to 2025, with lower enrollments offset by higher gross premiums due to rate increases.
- However, total revenues will decrease in Q2 due to the processing of non-pay terminations and will continue to decrease as enrollment drops.
- Revised multi-year outlook demonstrates a financial position with sufficient buffer to accommodate uncertain enrollment future.

2025 Financial Recap

CY2025 FINANCIAL RECAP

Net Position, Beginning of Year \$107,242,783

Revenues

	Budget	Actual	Variance
User Fees	\$106,250,000	\$110,572,103	\$4,322,103
Federal Receipts	\$18,000,000	\$20,517,610	\$2,517,610
Treasury Interest	\$5,000,000	\$5,579,505	\$579,505
Total	\$129,250,000	\$136,669,218	\$7,419,218

Expenses

	Budget	Actual	Variance
Personnel	\$9,500,000	\$7,651,058	(\$1,848,942)
Operations	\$61,581,000	\$57,668,772	(\$3,912,228)
Reinsurance Program	\$44,400,000	\$46,552,185	\$2,152,185
Total	\$115,481,000	\$111,872,015	(\$3,608,985)

2025 Net Position \$131,011,911*

*This figure includes the \$75M operational reserve



2026 Q1 Report

Lower Expenses, Artificially Higher Revenue

Revenue		Budgeted	Actual
Q1 Totals	User Fees	\$30,380,000	\$31,158,328
	Federal Funds	\$3,500,000	\$3,752,417
	Treasury Interest	\$1,000,000	\$1,288,648
	Total	\$32,446,976	\$36,199,393
Q1 \$ Variance	\$3,752,417		
Q1 % Variance	11.5%		

Notes: Q1 revenues may be artificially high since non-pay terminations were not effectuated until mid to late April. That processing will remove some coverage months for Q1 and will show as lower monthly revenues in future quarters as credits are made to insurer user fee charges. As enrollment drops continue, revenue is also expected to decrease.

Expenses		Budgeted	Actual
Q1 Totals	Personnel	\$2,367,000	\$1,888,512
	Operations	\$10,273,103	\$10,155,939
	Total	\$12,640,103	\$12,044,451
Q1 \$ Variance (under budget)	-\$595,652		
Q1 % Variance (under budget)	-5%		

Notes: Personnel variance is due to vacancies, and operations variance due to expenses coming in less than originally anticipated. We have hired 6 new employees in 2026, are converting 3 testing contractors to full-time employees, and plan to fill 7 additional positions by end of the year to support the call center work.



Transition to State Fiscal Year (SFY) Budgeting

- We are transitioning from a dual Calendar Year and State Fiscal Year approach to a single State Fiscal Year model to align with Commonwealth systems, improve accuracy, and reduce administrative complexity.
- This change will streamline budgeting, enhance compliance, and provide clearer, more consistent financial reporting.
- To support this shift, we will propose a 6-month gap budget (1/1/27–6/30/27) to align with the next State Fiscal Year (7/1/27–6/30/28) and will present both budgets for Board approval at the August meeting.



Reinsurance Budget



2025 Coverage Year Reinsurance Budget

An additional \$31M in funding is needed to cover higher than expected reinsurance claims in the 2025 calendar year.

The amount of reinsurance that Pennie budgeted to cover the state portion of claims costs \$50.4M* for the 2025 coverage year. Reinsurance is paid out each year in July for the prior year.

Final tallying of the reinsurance claims for 2025 show much higher claims costs than estimated.

Pennie's user fee revenue supports both Pennie operations and reinsurance.

- Pennie's reinsurance payments in 2021-2024 were \$26.6M under budget.
- Pennie paid \$2.15M additional last year for higher claims in the 2024 coverage year.
- Pennie recommends applying the prior under-budget amount (\$24.1M) to cover part of the over budget reinsurance costs this year.

If approved, the total amount to be paid out in July 2026 for the reinsurance program would then be a total of \$81.4M, representing a 61.5% increase over the original approved amount.

The additional \$31M would be funded from Pennie's available balance, while preserving the \$75M reserve.

Notes: *The \$50.4M includes \$400,000 for PID operational expenses.



Contextual Long-term Budget Outlook

To provide context for the decision to fund the reinsurance overrun, the following long-term budget outlook was compiled.

- Revenues for 2026 are higher than previously projected because 2026 rates increased more than estimated and total enrollment is higher than projected early in the year due to new enrollments backfilling disenrollments.
- As eligibility changes occur for 2027 that will cause 28,000 Pennsylvanians to lose coverage and then additional verification steps are required for 2028, enrollment is projected to continue to decrease and then hold steady after 2028.
- The scope of policy and price changes have no parallel. Future year revenues are the best educated guess at this point in time and may also be impacted by rate increases and other enrollment impacts that are not known at this time.
- This extremely high volatility in enrollment, revenues, and reinsurance costs further underscores the need to preserve the \$75M emergency fund.

With conservative estimates, Pennie will maintain long-term budget sustainability even with enrollment declines. Reinsurance volatility is one of the larger risks to manage.

Projected Long-Term Budget Outlook

Calendar Year	2026	2027	2028	2029
Estimated Average Enrollment	442,565	416,920	383,009	384,694
Estimated Net Position Beginning	\$ 131,000,000	\$46,800,000	\$31,400,000	\$15,000,000
Fixed Emergency Reserve	\$75,000,000			
Revenue				
User Fees	\$ 119,000,000	\$ 111,000,000	\$ 105,000,000	\$ 105,000,000
Federal & Treasury Interest	\$ 24,000,000	\$ 24,000,000	\$ 23,000,000	\$ 23,000,000
Total Revenue	\$ 143,000,000	\$ 135,000,000	\$ 128,000,000	\$ 128,000,000
Expenses				
Operations	\$ 70,800,000	\$ 80,000,000	\$ 74,000,000	\$ 76,000,000
Transfer to Reinsurance	\$ 50,400,000	\$ 50,400,000	\$ 60,400,000	\$ 51,912,000
Potential Reinsurance Overrun	\$ 31,000,000	\$ 20,000,000	\$10,000,000	\$0
Total Expenses	\$152,200,000	\$ 150,400,000	\$ 144,400,000	\$ 127,912,000
Operating Net (Revenue - Expenses)*	(\$ 9,200,000)	(\$ 15,400,000)	(\$16,400,000)	\$88,000
Estimated Usable Net Position End	\$46,800,000	\$31,400,000	\$15,000,000	\$15,088,000

Assumptions:

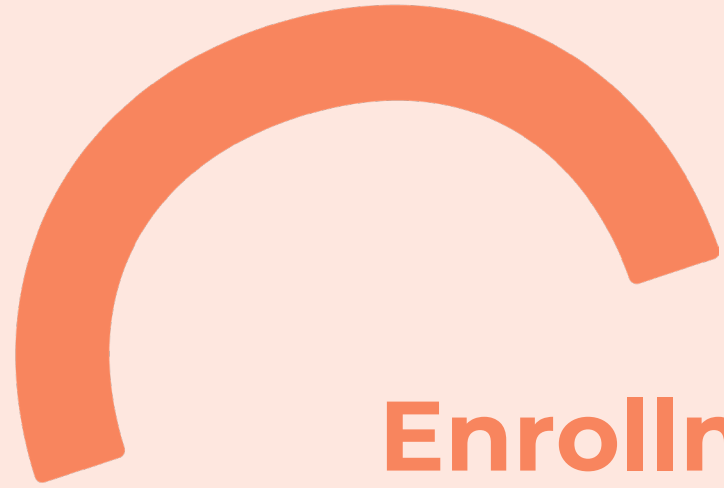
- Enrollment will hold steady next year, minus the 28,000 lawfully present individuals who will no longer be eligible for APTC.
- Enrollment will drop 10% with the pre-enrollment verification requirements starting for 2028 Open Enrollment and coverage year and then maintain at that level.
- Pennie fully covers reinsurance budget overage in July 2026. For the 2028 payment, a recalibrated model will hopefully prevent a large overrun.

Notes:

- 2026 and 2027 operations costs include \$1.7M and \$9M additional for call center implementation.
- 2028 includes a one-time built-in \$10M additional cost to reinsurance.

CY2026 Reinsurance Contribution Motion

Motion: To authorize an additional funding amount of up to \$31M for the reinsurance program in the 2026 calendar year budget to pay in full the reinsurance overrun for the 2025 coverage year.



Enrollment Issues

Enrollment Issues

- Pennie, and other exchanges nationwide, are encountering a surge in enrollments that are potentially fraudulent or contain material misrepresentations.
- While low in number of impacted enrollments (<0.1%), the associated suspected fraudulent claims total significant amounts that, if not removed, could cause cost increases.
- Pennie is acting to identify potential fraud, remove fraudulent enrollments and bad actors from our system, and enhance our activities to mitigate future threats.
 - **Identification:** Ramped up proactive monitoring of potentially suspicious accounts that fit patterns we have seen in the approximately **380** rescissions requests from insurers so far this year.
 - **Removal:** Pennie has approved over **97%** of insurer requests to rescind policies based on evidence supporting policy removal. This cuts off claims payments and is thus expected to be the single largest deterrent factor to bad actors.
 - **Prevention:** Pennie is looking at all access points to determine what changes can be made to keep bad actors from completing improper enrollments, such as Special Enrollment Period verification.

Removing Policies through Recissions

Pennie has seen a marked increase in rescission requests, increasing from a handful a month to over 300 policies in the past few months.

In response to the increased volume, Pennie consulted with other exchanges, including the federal marketplace, streamlined the process and the data required for submission, provided new guidance to insurers, and provided additional information when denying a rescission request.

Additionally, Pennie has dedicated additional internal resources to rapidly review the requests, shortening the review timeline by half to less than 15 days.

Currently, **97%** of rescission requests are approved, which are associated with **98%** of the at-risk claims, which the bad actor will not receive.

Removing Policies through Rescissions

Pennie has developed an expedited process for known fact patterns of improper or fraudulent enrollments.

Based on criteria set by Pennie, policies that meet that criteria can be submitted by insurers as a group and approved more quickly. This new process includes Pennie-initiated reviews whereby we flag potentially problematic policies and send them to insurers to confirm the existence of claims that fit the known fact pattern.

The goal is to work through as many improper or fraudulent policies as possible within the next month using this approach, to have as many rescissions in effect as possible by August 2026.

Rescinding policies and removing the fraudulent claims will cut off the money flow to the bad actors.

Rescissions are expected to be the single largest deterrent to the bad actor.

Preventing Improper Enrollments

Pennie is undertaking a comprehensive analysis of ways to proactively block bad actors from completing improper enrollments.

One area of misuse that has been identified is the misuse of Special Enrollment Periods.

Outside of Open Enrollment, applicants must have one of 25 qualifying life events. 19 of the 25 are verified by application updates or require the individual to submit documentation.

Applicants **cannot complete enrollment** until their SEP eligibility is confirmed. This contrasts with other eligibility criteria, like income, that offer temporary enrollment while documents are submitted.

Pennie identified concerning patterns in the 6 qualifying life events that do not require documentation and are not otherwise verified.

Preventing Misuse – SEP Overview

- Pennie currently has **25 different Qualifying Life Events (QLEs)** to enroll into coverage through an SEP-**19** currently have some type of system validation or require document verification. (*Note: There are different rules for some depending on whether you are a current enrollee or not*)
- **12 QLEs require the customer to provide documentation verifying eligibility**
 - Example: Moved to PA (must provide documents of moving to PA and having coverage in the past 60 days)
- **7 QLEs are system-automated where application changes confirm eligibility for SEP:**
 - Examples: Loss of Medicaid/Medical Assistance (MA) or CHIP via account transfer from DHS, change in income with change in eligibility for financial savings (APTC) or CSRs, and death of a dependent or subscriber
- **6 QLEs only require attestation:**
 - Loss of other coverage
 - Release from incarceration
 - Birth
 - Adoption
 - Gain of a court-appointed dependent
 - Member of American Indian or Alaska Native Tribe (AI/AN)*

**Based on unjustifiable increase in activity, a documentation requirement was added to the AI/AN QLE on an emergency basis along with the quarterly release in March prior to the rest of the SEP analysis being completed.*



Preventing – SEP Documentation Proposal

Following a comprehensive review of Pennie's SEP enrollment, we recommend the following changes as necessary to prevent misuse of SEPs.

- **Require Documentation for six (6) of Pennie's qualifying life events.**
 - **Temporarily:** Birth, until system can identify addition of newborn and automatically open the SEP
 - **Permanently:** Loss of Other Coverage, Release from incarceration, American Indian/Alaskan Native (AI/AN), Adoption, Gain a court-appointed dependent.
- **Change / fix the functionality of four (4) SEPs:**
 - Remove 2 types from consumer option and make only available through call center: **Error** (Exchange, Assister, Broker, Insurer, Plan Benefit Display) and **Exceptional Circumstances** (System Backlog, Natural Disaster)
 - Remove loss of Medicaid / Medical Assistance (MA) or CHIP attestation option, because Pennie already has automated approach based on DHS account transfers
 - Implement marriage system fix to provide evidence that spouse has had coverage in the past 60 days, as required.

Proposed SEP Verification Policy

Policy Options	Guiding Principles	Applicable QLE/SEP
<p>System-Automated</p>	<ul style="list-style-type: none"> • Straightforward eligibility rules • Available for current Pennie customers, or those coming to us from other PA agencies • Previously verified through trusted data sources 	<ul style="list-style-type: none"> • Loss of Medical Assistance (MA)/CHIP (account transfer from DHS) • Change in income, with change in eligibility for financial savings (APTC) • Change in income, with change in eligibility for healthcare savings (CSR) • Death of a Dependent • Death of a Subscriber • Current enrollee moved, now eligible for different health plan • Tax Filer (Path to Pennie – account transfer from DOR)
<p>Documentation BEFORE enrollment</p> <p>(Bolded – recommended to be added)</p>	<ul style="list-style-type: none"> • Life events where documentation is provided from other sources • New Pennie enrollees who have not been verified previously • May also require proof of prior coverage 	<ul style="list-style-type: none"> • Birth • Adoption • Gain a court-appointed dependent • Loss of other coverage • Release from Incarceration • American Indian/Alaskan Native (AI/AN) (gated in April) • Marriage • Divorce • Death (new enrollees) • Moved within PA (new enrollees) • New PA Resident • Newly eligible for APTC/CSR (new enrollees) • Gain lawful present status • Newly eligible due to release from incarceration • Gaining eligibility for HRA or QSEHRA • Error (Exchange, Broker, Assister, Insurer, including health plan contract violation) • Exceptional circumstances • Survivors of domestic violence, spousal abandonment (proof of prior coverage only)

Documentation Review Process

With the enrollment process now relying more on submitting acceptable documentation, Pennie has also strengthened its document review procedures.

- Additional training has already occurred with the contact center team contracted to review all documents. Enhanced protocols have been put in place to ensure adequacy and validity of documents provided.
- Pennie staff will directly review documents as well, focused on areas perceived to be at higher risk.
- Any document issues that are discovered will be incorporated into the Fraud Prevention Workgroup efforts to inform additional efforts for prevention and revise training to stay on top of changing tactics.

Comprehensive Approach

- Pennie has had a Program Integrity Workgroup focused on issues with brokers and assisters, referring 71 brokers to PID for investigation and have revoked licenses.
- With the recent activity, we are building on this model of success to create Pennie's Fraud Prevention Workgroup. The FPW is a multi-functional team that combines areas of expertise to proactively identify, research, and address potential fraud on the Pennie platform. Increasing our effort in this area will allow the organization to maintain its operational integrity and will ultimately protect future and current Pennie consumers.
- The Workgroup is working on:
 - Revising Contact Center Job Aids to assist staff is more easily identifying potentially fraudulent documentation uploaded to consumer accounts
 - Providing Contact Center and Pennie staff with an updated list of red flags which may indicate questionable account activity
 - Creating new data dashboards to assist in identifying potentially fraudulent accounts
 - Acting on returned mail to attempt address validation
 - Focusing on longer term needs including early detection, preventing re-enrollments, and other important protections.

The Workgroup will determine ongoing improvements to identify, remove, and prevent improper enrollments driven by bad actors.

Proposed QLE/SEP Verification Policy

Proposal

Require either system validation or approved documentation before determining eligibility for and allowing enrollment through any Special Enrollment Period.

Policy Goal(s)

- | Prevents misuse
- | Consistent application
- | Continue to provide a pathway to coverage for those experiencing a QLE

Policy Benefits

- | Makes sure QLE is being used only for the appropriate circumstance as required under regulation.
- | Gives Pennie time to make system enhancements that would prevent possible future misuse of QLE
- | Maintains program integrity.

Challenges

- | May put burden on individuals to provide documentation.
- | Requires CSRs time to review and approve documentation.

- Objective to automatically open SEPs based on application information when possible, while requiring documentation of eligibility when not.
- Will continually seek a reasonable, balanced approach between preventing bad actors from exploiting our system, while keeping coverage pathways open for eligible individuals without undue burden.

Special Enrollment Period Motion

Motion: To require documentation demonstrating that the person is eligible for the adoption, birth, AI/AN, loss of MEC, loss of other qualifying coverage, gain court-appointed dependent, and release from incarceration QLEs/SEPs in order to enroll in a Pennie plan as presented by Pennie staff.



Call Center Updates

Core Call Center Components - Technology

To launch our in-house call center, we need a telephone system and call center software that has back-end connections to our existing eligibility and enrollment platform.

Telephone System

- Telephone technology: being able to take and answer calls
 - ✓ Phone lines through Genesys - voice over internet protocol (VOIP) – initial license acquired
 - ✓ IVR (choose option 1 for account issues, etc., and self service) – Genesys
 - ✓ Will retain the existing toll-free number

Call Center Software

- Call center management system: system that supports many aspects of call center management, including workforce management (i.e., volume forecasting), call data analytics (i.e., speed to answer), knowledge management for CSRs to access (FAQs, etc.) and training environment to onboard new CSRs.
 - ✓ Software: Genesys – initial license acquired
- Integration with eligibility and enrollment platform: connecting Genesys to existing application and enrollment platform (currently GetInsured), including existing case management and ticketing system
 - Integration API from eligibility/enrollment platform to Genesys with certain customer data – discussions ongoing with GetInsured

Core Call Center Components – Workforce and Training

Outside of technology, the other key aspect is the hiring and training of call center representatives.

Workforce

- Comprehensive hiring plan developed for every posting from now through late 2027, to monitor progress and to inform corresponding activities such as computer equipment orders.
- Hiring of program team: program team to manage call center technology, workforce, and quality
 - 7 budgeted positions are scheduled to be filled in 2026. 4 of the 7 have been posted and the other 3 are in process. These positions are on schedule and within budget.
- Hiring of call center representatives:
 - Managers and supervisors – mid 2027
 - Frontline CSRs – mid to late 2027

Training

- Training of call center representatives is a key focus to ensure high quality and consistent answers
 - ✓ Consumer journeys to inform training are underway along with in-depth analysis of most frequent calls
 - ✓ Learning Management System identified as existing state software that is readily available

Core Call Center Components – Implementation Management

Given the many moving pieces, Pennie has developed a comprehensive project management approach.

- **Comprehensive Project Plan:** A detailed project plan has been developed to ensure all work lanes stay on schedule for a soft launch in late 2027 with full call center ownership and operation on January 1, 2028.
- **Implementation Consultant:** Pennie posted a Request for Proposal in March 2026 for implementation consulting support and is targeted to onboard the selected vendor in the late summer, as scheduled.

In-House Call Center Milestones: 2026 Refresher

2026

Q1

Strategy & Governance

Solidify contact center mission, establish workgroups and governance structure.
Define and approve success measures.

Q2

Technology Decisions

Evaluate and select contact center technology stack.
Hire and onboard two (2) IT resources.

Q3

Implementation Setup

Onboard implementation consulting partner.
Stand up core technology stack.
Develop and finalize job descriptions for **non-frontline staff**.

Q4

Quality & Training Capability

Post, hire, and onboard quality and training staff.



Call Center and Technology Contract Renewals

Current Call Center Vendor & Technology Contract

The contract between GetInsured and Pennie gives Pennie the **option to exercise a maximum of three, one-year, renewal options, with the final renewal ending in 2029**. With Pennie's in-house call center going live on January 1, 2028, we need one full option year for both technology and call center services through GetInsured for 2027, and only the technology platform for the 2028 and 2029 option years.

The proposed option year contracts include:

- The **underlying option year totals: \$56,412,604 – already included in budget projections and outlook**
- An **additional \$500K per year** to collectively support integration between the tech platform and Pennie's call center, ongoing maintenance, and above-standard pre-enrollment verification upgrades
 - This proposal aligns the option year contracts with the budgeted amount for technology integration costs outlined and approved in the original call center in-house proposal.

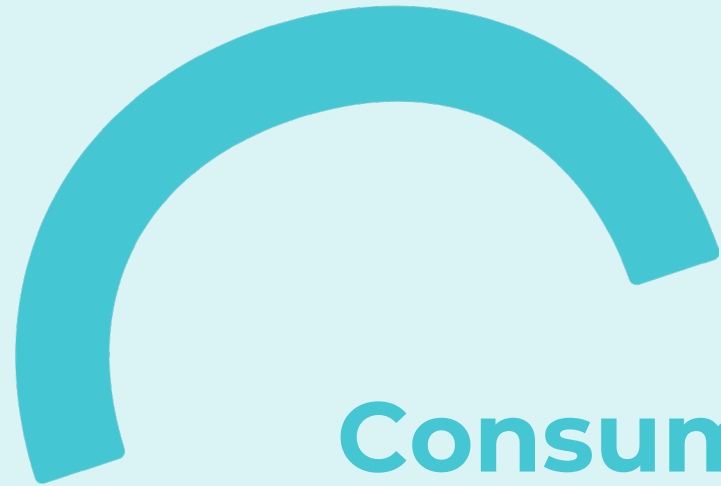
GetInsured Contract Costs

Technology and in-house call center costs have already been accounted for in prior budget assumptions and projected budget outlooks. An additional total of \$1.5 million over three years is proposed to be added to the option year contract to: support technology work for call center integration (incorporated in previously approved call center budget) and for consumer-friendly enhancements beyond basic implementation of new federal rules.

Option Years	Original Contract Costs for Technology Platform Option Years	Consumer Assistance Center through GetInsured	Existing Print & Mail Services	NEW Costs for Integration, Maintenance, and Pre-Enrollment Verification Enhancements	Total GetInsured Option Year Costs
2027	\$10,872,671	\$20,046,825	\$0 (included in 2027 contact center costs)	\$500,000	\$31,419,496
2028	\$11,307,546	\$0	\$1,212,857	\$500,000	\$13,020,403
2029	\$11,759,848	\$0	\$1,212,857	\$500,000	\$13,472,705
Total				\$1,500,000 Total New Costs	\$57,912,604 Total Costs

Current Call Center Vendor Contract

Motion: To authorize the Executive Director to exercise the three renewal options allowed under the contract with GetInsured as presented by Pennie staff.



Consumer Research and Open Enrollment 2027 Marketing Plan

Consumer Research

- **Who:**
 - Uninsured, Enrollees, Terminated, Submitted apps, and Stakeholders
- **Goals:**
 - **Assess** the impact of the expiring tax credits
 - **Understand** how to best communicate with key audiences following this shift in landscape, and get updates from Brokers and Assisters

Consumer Research – High Level

- Following the end of EPTC
 - **31% of Enrollees** say expired tax credits influenced their action during OEP (compared to **10% of the uninsured**)
 - **32% of Enrollees** say they *may drop coverage* altogether if premiums continue to rise
 - Pennie, by some distance, was not viewed as responsible for the expiration of the tax credits
 - **Affordability and predictability** is the end-game for both enrollees and the uninsured
- Big awareness jump of Pennie amongst the Uninsured
 - 49% - Up from 30% measured in 2024
 - More work needed to explain what Pennie is, as 42% identify Pennie as an insurance company
 - Net Promoter Score: 18 (strong trust in brand)
- Cost barriers dominated responses

Results of Consumer Research – Pennie Enrollees

- Value protection from unexpected medical bills **the most**
- 44% say they **want Pennie to focus on ways to make coverage more affordable and communicate clearly about affordability changes.**
- 64% say Pennie can earn more trust by helping them find the most affordable option
- **80% worry about unexpected bills** even if they have coverage
- **70% worry they'll make the wrong choice** for coverage and will regret it later
- **Assisters Brokers:** High conversion rate for those they assist (Less than 1 out of 4 don't enroll)

Results of Consumer Research – The Uninsured

- **Awareness is up nearly 20%.** Over half think Pennie has their best interest in mind.
- Many still believe coverage has never been within reach.
- Over 30% would use a "payment plan" if something happened (disconnect of actual healthcare costs).
- **Define coverage value by** protection from surprises, emergencies, and prescriptions.
- Trust level the same with doctors and nurses as family and friends.
- Nearly 60% **want a guide for most affordable solution.**

Consumer Research – Next Steps

- **Educate more on what Pennie is**
- **Be more transparent with costs**
- **Lean heavy into the value of protection from the unexpected**
- **Direct consumers to find local help**
- **Educate & equip trusted voices**

OEP27 Early Planning – At a Glance

- **Needs:**
 - New OEP dates
 - Election Cycle Plan
 - Prep enrollees for OE28's requirements
- **Strategy:**
 - Year 2 of 3-year Uninsured Plan
 - Value and Costs messaging
 - Set primary target demographics

OEP27 Early Planning

- **New Open Enrollment Dates**
 - Start communicating to enrollees in July
 - Using lessons learned from 2025, will ensure that information is both early and often
 - Strong advertising, earned media, and outbound comms push as we approach final deadline
- **Media Buy Around Election Season**
 - Employ paid media tactics that don't compete with those typically used by campaigns
 - Purchase early to ensure placement; sequence ads and ramp up after Nov 3rd
- **Strongly Encourage Action**
 - Continue to teach enrollees they must update account/income during Open Enrollment in preparation for pre-enrollment verification next year

OEP27 Early Planning

- **Year 2**
 - Lessons Learned: County-level targeting for paid media and outreach activity
 - Creative should be engaging – lean into value of coverage, start to fold in transparent costs when possible.
- **Primary target demo: Under 40 & 400% FPL**
 - Still eligible for tax credits, Healthier risk pool
 - Educating about Pennie earlier in life
 - Captures urban, rural, and suburban plus young families
 - If state affordability program funded, can easily fold in extra savings messaging

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