



Pennie Advisory Council Meeting

September 23, 2026

Agenda

- **Preliminary Matters**
- **Plan Year 2026 Enrollment Update**
- **Program Integrity Update**
- **Readiness for Open Enrollment and Federal Changes**
- **Adjourn**

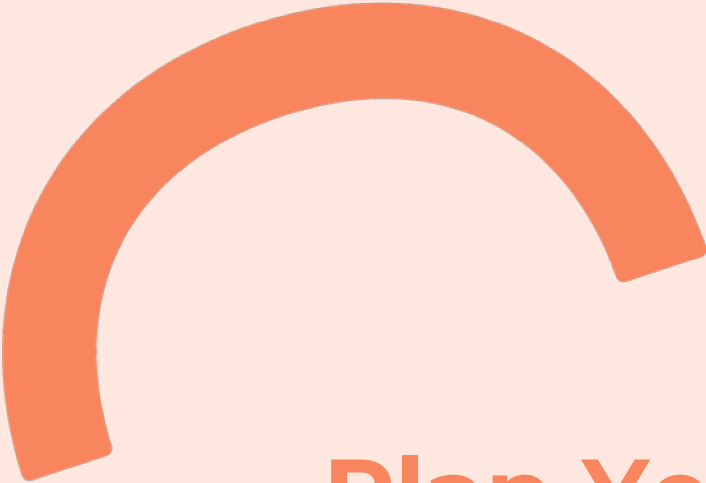




Preliminary Matters

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



Plan Year 2026 Enrollment Update

2026 Enrollment & Cancellations Data Review

496,661

Pennie Peak Total Enrollment
End of OE 25

486,577

Total Enrollment
End of OE 26

415,647

Total Enrollment
as of 9/22/26

Down **16%**
from 2025 peak

Total disenrollments as of 9/22: 211,796
who had coverage through Pennie in 2025 and no longer do

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



Cancellations by Income

Pennie is still seeing disenrollments across all incomes, but especially in the 150-250% FPL income band.



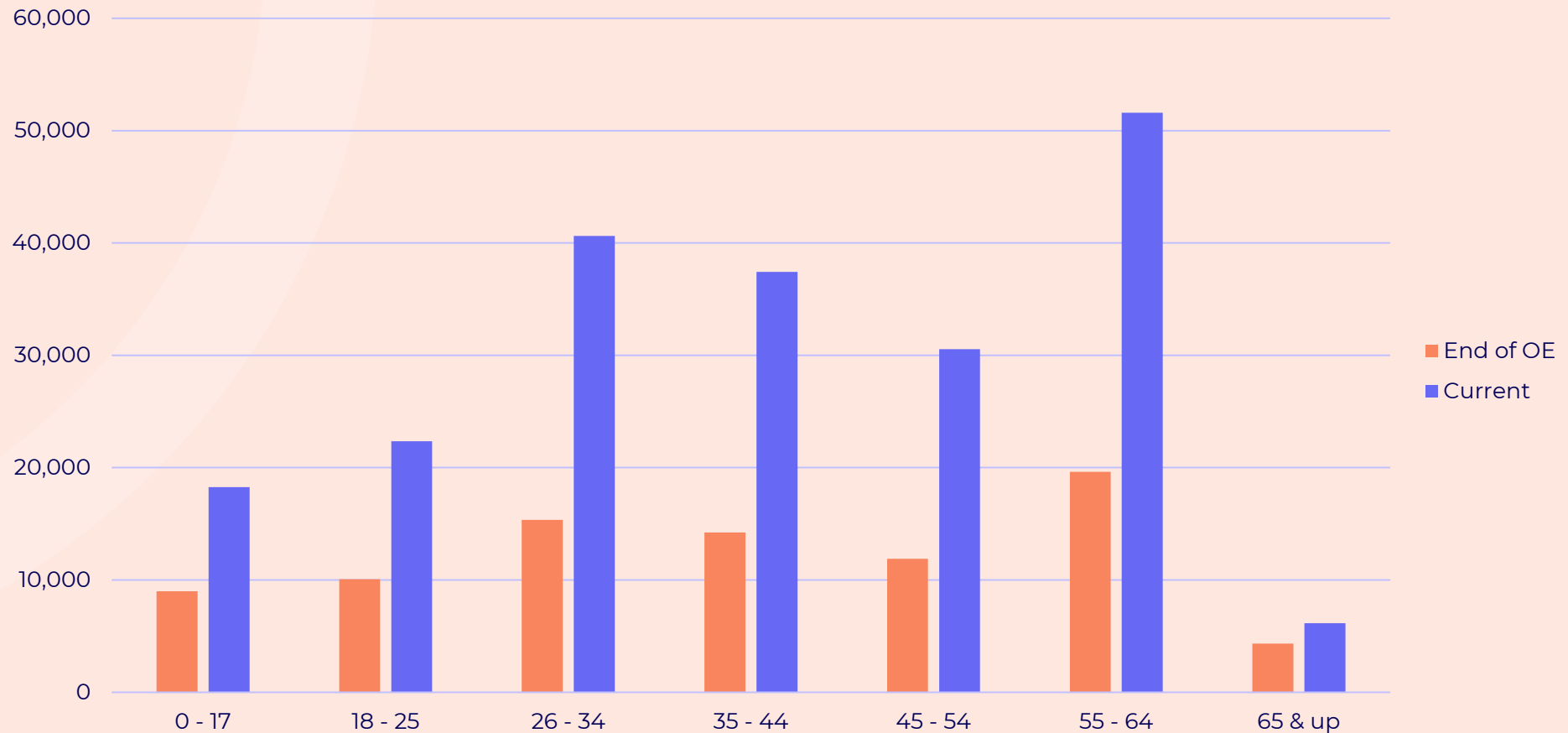
*Non-financial apps: Enrollees either did not apply for premium tax credits or have lost premium tax credits for administrative reasons and need to update their applications.

Data as of 09/09/26

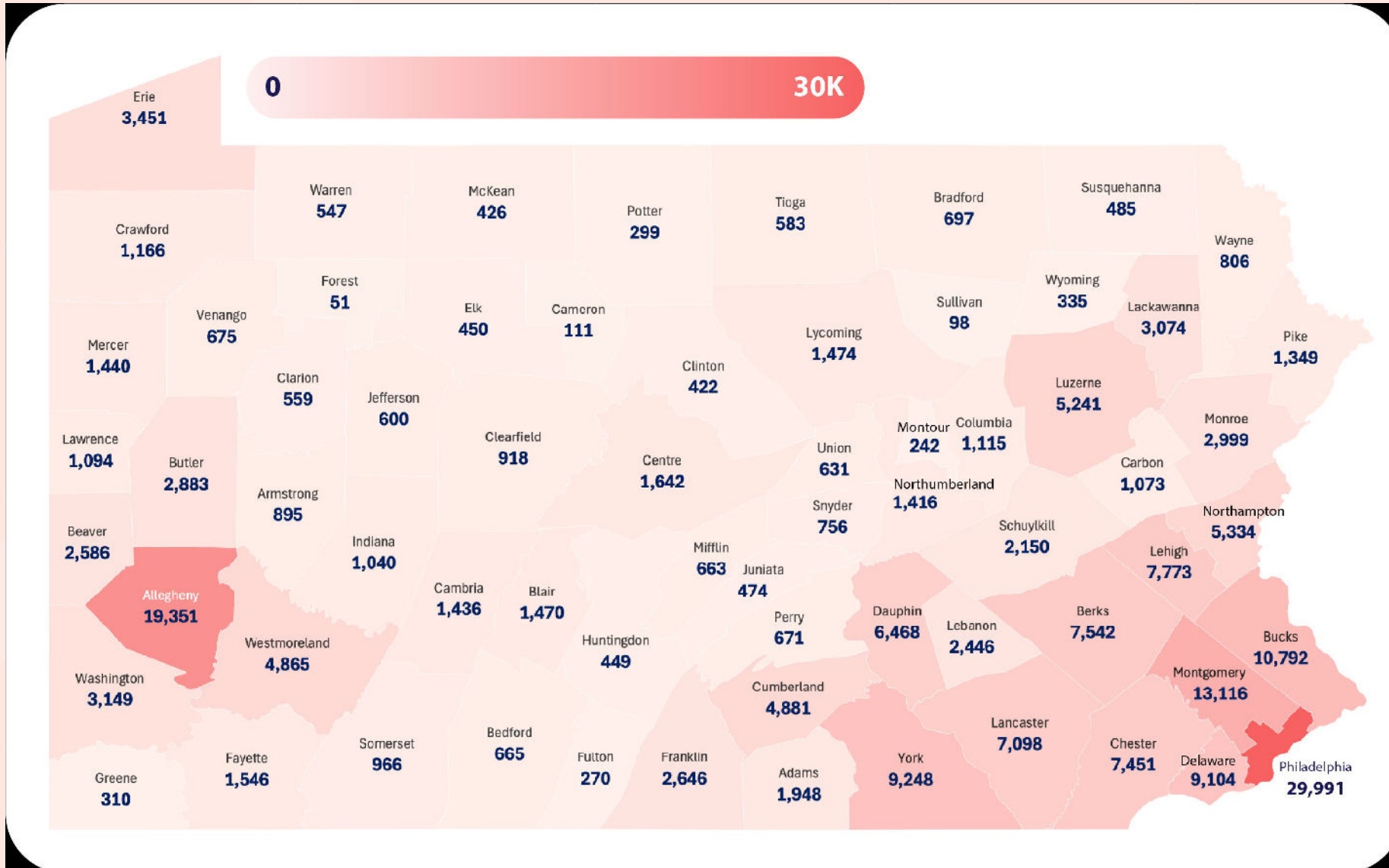


Cancellations by Age

Since the end of Open Enrollment, we are continuing to see loss of coverage for younger, and typically healthier populations ages 26 – 34 and early retirees ages 55 – 64.



Cancellations by County



Data as of
09/09/26

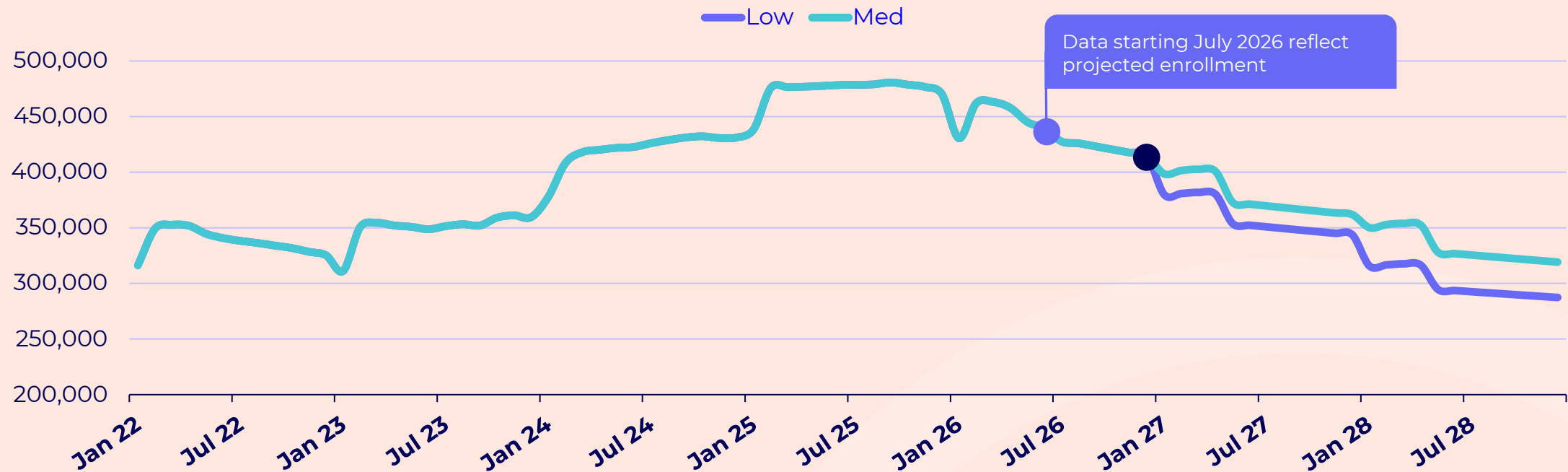


2026 Cancellations

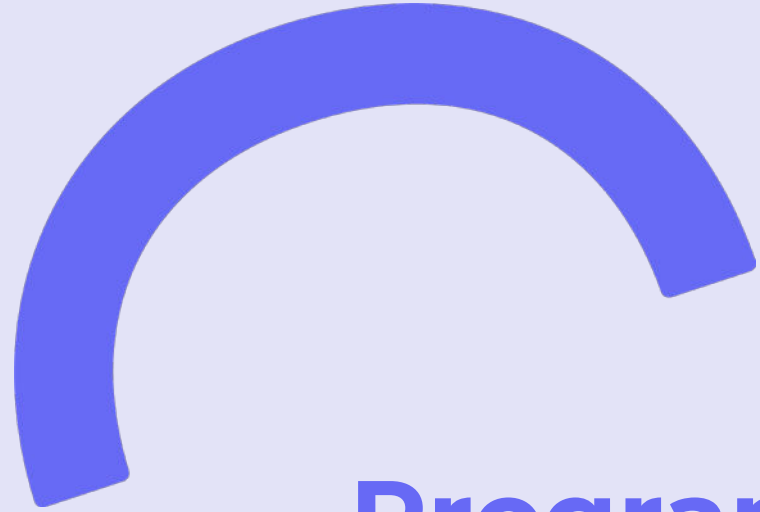
- As the year progresses, we have seen a significant drop off from the **150% - 200% FPL** population and the **young adult and early retiree** cohort. This has contributed to a **net enrollment loss of around 71,000 individuals** from January to September.
- **In the first 9 months of this year, Pennie has already lost nearly half of the enrolled population gained due to the enhanced premium tax credits (150K).** While some may have shifted to other coverage, the sheer volume of drop offs is so much higher than any prior single year that we know the uninsured ranks are increasing. Surveys identify cost as the number one reason for why people drop.

Historical and Projected Enrollment

Historical and Forecasted Enrollment



* Enrollment shown reflects only those plans that have already started and have been effectuated – narrower than the usual reported counts for enrollment.



Program Integrity Update

Background

Earlier this year, Pennie was impacted by a fraud scheme that, in volume, outpaced any cases seen prior. Pennie has taken a comprehensive approach to address existing fraudulent enrollments and prevent the issue from continuing.

All marketplaces, including Pennie, receive rescission requests on an ongoing basis. Historically, these have been for individual cases or, at most, tens of enrollments (<0.013% of enrollment). The recent fraud scheme has resulted in approval of the rescission of nearly 1600 policies (<0.38% of enrollment)

Efforts to stop the fraud scheme have included:

1. **Identification:** Pennie is proactively identifying suspicious policies based on a set of criteria.
2. **Removal:** Pennie is working with insurers to rescind fraudulent policies.
3. **Prevention:** Pennie is taking steps to prevent additional fraudulent enrollments.

Recent Steps Taken

Pennie took quick and intentional action to close the door to illegitimate enrollments and these steps have proven effective at curtailing fraud.

- Pennie significantly expanded efforts to proactively find and root out policies with suspicious data patterns.
- Pennie introduced a new more streamlined recissions review process in mid-May with the insurers which resulted in processing times being cut in half.
- Pennie made changes to qualifying life event verification policies to prevent improper enrollment through a Special Enrollment Period by requiring every qualifying life event to be verified by the system or consumer-provided documentation. This change went into effect in mid-May.

These actions have resulted in the removal of policies found to be fraudulent and a significant drop off in suspicious policies.



Long-Term Anti-Fraud Efforts

There are two main ways to benefit from the marketplace program through fraud.

- 1) Brokers receiving commissions for improper enrollments.**
- 2) Bad actors working with providers to enroll individuals improperly and then submit large, fraudulent bills.**

Pennie has continuously strengthened its position against both forms of fraud, including:

- Instituting a new broker agreement with clearer and direct consequences for improper enrollments
- Stronger coordination with PID on broker referrals and license removals, including dedicated resources
- Adding verification for Special Enrollment Periods to prevent misuse
- Active monitoring of data anomalies and consumer complaints

Some national reports include claims of income issues – i.e., people saying their income is higher or lower than it is.

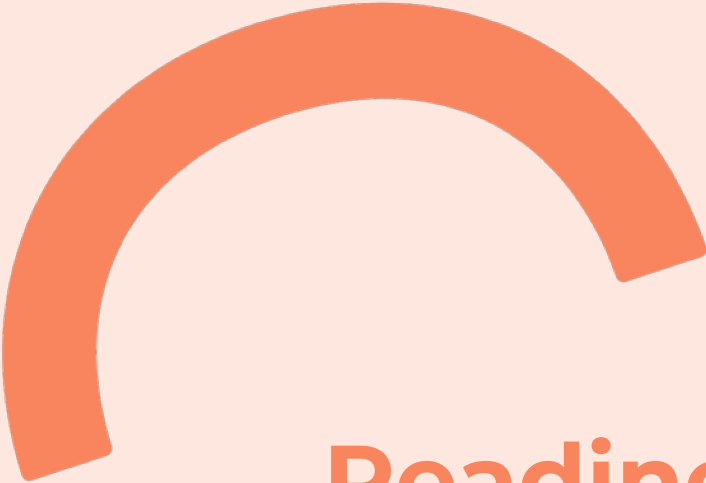
- 1) Making an incorrect prediction on future income is not fraud. Research shows that households at lower incomes are much more likely to have unpredictable and volatile incomes.
- 2) This is not a key concern for Pennie. Pennsylvania has expanded Medicaid, removing the main driver in non-expansion states for some individuals predicting a higher income that would qualify them for affordable coverage. On the other side, the ACA has built-in mechanisms for people who estimate their income to be lower than it actually is with repayment of excess APTC at tax time.

Long-Term Anti-Fraud Efforts

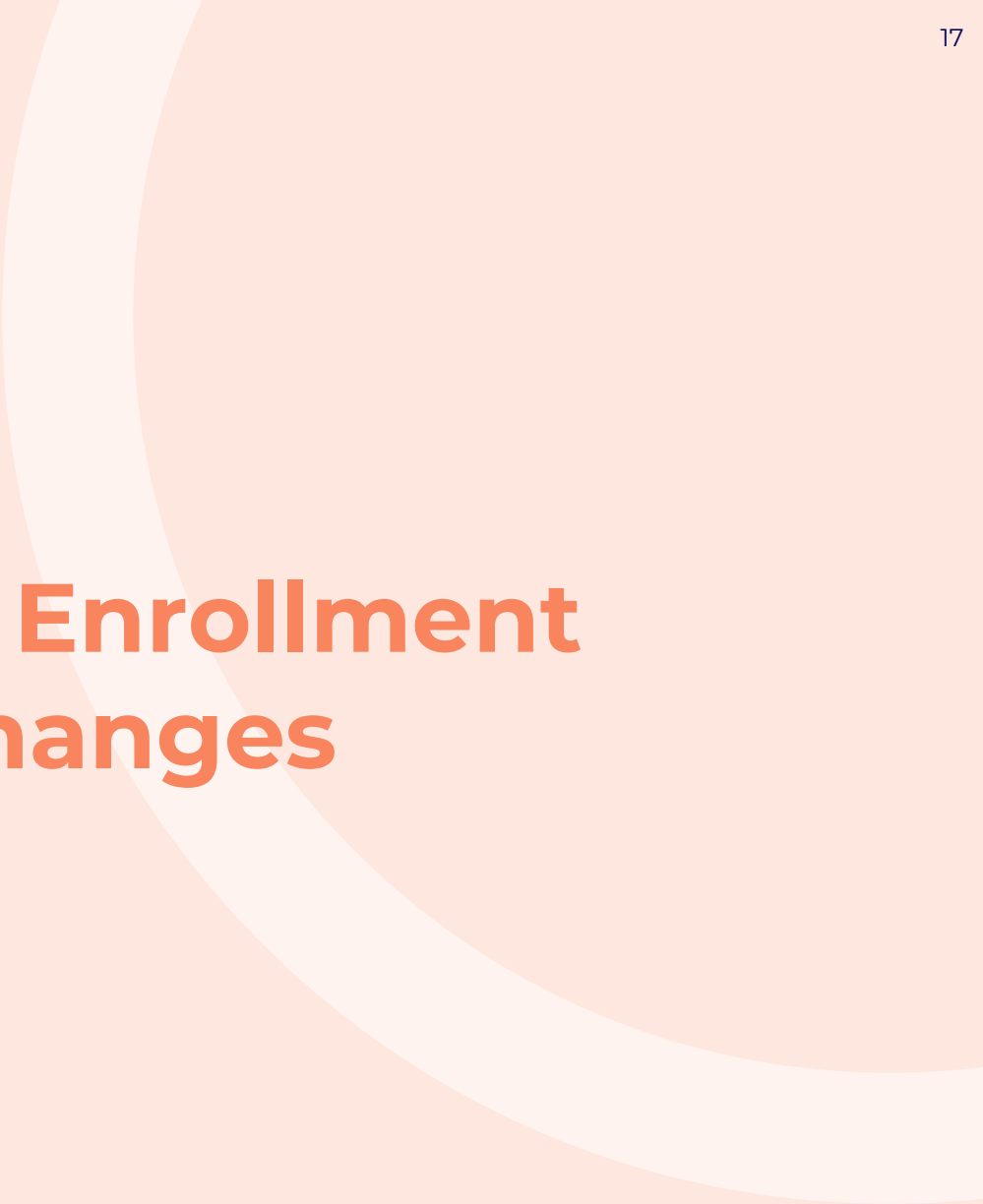
Moving forward, Pennie plans to maintain a continuously active posture against potential fraud, with additional resources, plans, and tools to identify suspicious patterns early on and develop evolving approaches to deterring fraud schemes on an ongoing basis.

The goals of identification, removal and prevention will remain the same, but with additional resources to improve effectiveness:

- **Adding a dedicated fraud specialist** position to monitor progress on the strategy and coordinate expert resources across the team as needed. We are currently in the hiring process.
- Supplementing in-depth application reviews by **leveraging other tools and databases** to confirm application information or highlight discrepancies to support rescission
- Strengthening verifications by **establishing an automated residency verification**. Pennie has received CMS approval to partner with PennDOT to begin verifying residency for Pennie enrollees in mid to late 2027.
- **Excluding 2026 policies that have been approved for rescission from autorenewals**. Pennie will actively monitor enrollment to ensure previously rescinded policyholders do not re-enroll for 2027.



Readiness for Open Enrollment 2027 and Federal Changes



Planning for Open Enrollment 2027

On July 23, the Pennie Board of Directors voted to reinstate November 1 to January 15 as the timeframe for OE27, due to regulations changed by court rulings. Pennie immediately communicated the policy change to insurers, assisters, and other stakeholders.

Additional Changes Coming in 2027:

- Starting Plan Year 2027, only non-citizens who are lawful permanent residents (LPR), Compact of Free Association (COFA) migrants, or Cuban-Haitian entrants will be eligible for advance premium tax credits (APTC) through the marketplace. This change means that approximately **19,000 current lawfully present enrollees will lose advance premium tax credits** due to their lawfully present status no longer being APTC eligible under the H.R. 1 changes.
- From Jan. 1, 2027, those who are determined ineligible for Medical Assistance because they **did not prove they meet the new community engagement requirements, will not be eligible for advance premium tax credits (APTC)** through Pennie.
- For the 2026 tax year and after, H.R.1 removed the limit on the amount of APTC required to be repaid if a household received more than what the IRS determined was allowed. Now, **all excess APTC received must be paid back in full**, regardless of income level.
- Starting in August 2027, new and existing enrollees **must actively confirm all their information is current** and provide documents for any discrepancies **before coverage with APTC can start**, and before coverage can be automatically renewed with APTC each year.

Open Enrollment Strategy

Pennie will use multiple avenues for communicating what is changing, how Pennie enrollees can be prepared, and targeting the uninsured.

- **Direct customer communications:** emails, texts, notice inserts, monthly e-newsletters, outbound calling scripts, homepage banners reinforcing the enrollment dates and the need to update, shop, and stay covered.
- **Owned and earned media:** Website updates, social media countdowns, stakeholder toolkits, press events, and partner messaging to extend reach through trusted voices.
- **Paid Media, Pennie Outreach & Education, and Assister Network:** OEP primary target is Pennsylvanians under 40 years old and making under 400% FPL. County-level targeting based on high population <40/400% and high uninsured rate likely Pennie-eligible. Pennie Outreach & Education team will focus on: community-based & state agency partners, community health worker orgs, and universities. Pennie Assister network will work on grassroots event attendance, increasing digital presence, growing their regional networks, and reaching every county

Open Enrollment Communications

Communicating About Federal Changes

Outreach to Lawfully Present Individuals who Formerly Qualified for APTCs

- Pennie will explain the loss of APTC to impacted consumers on their account dashboard and the eligibility notice.
- Pennie will send an ad hoc notice to current customers who are lawfully present but do not meet the new APTC-eligibility criteria, informing them of the change, the need to update their immigration status immediately, and their ability to stay enrolled in a QHP without financial help.

Medical Assistance Community Engagement Requirements

- Pennie will communicate these changes to consumers through the member dashboard, updates to the eligibility determination notice, and other consumer-facing resources.

Tax Penalty Changes & Pre-Enrollment Verification

- A key message to consumers will be to log in to their account and verify their information. The goal is to cultivate in enrollees the habit of checking their account on a regular basis.
- Monthly emails have been sent to consumers reminding them of this change and the need to keep their information up to date.
- Pennie is encouraging brokers and assisters to spread this message.

Enrollment Growth Strategy

Paid Media

Key messages

- Addressing the worry of unexpected medical bills
- Value-based, high-quality health coverage
- 4/5 enrollees qualify for savings
- Pennie is not an insurance company
- Free help available
- Stressing deadlines

Tactics

- TV, Audio, Transit/Billboards, Print
- Digital paid search, social media, influencers, streaming TV
- Lifestyle – PHL Thanksgiving parade, laundromats, grocery stores, gas stations, mobile billboards, shopping plazas

Tiered Targets

- Tier 1: Philadelphia, Montgomery, Bucks, Delaware, Chester, Berks, Allegheny, Lancaster, York, Lehigh
- Tier 2: Luzerne, Dauphin, Erie, Northampton, Westmoreland, Cumberland

Timelines

- Pre-OEP: Now thru Nov 1
- Broadcast TV: Ramps up after election, strongest from Thanksgiving til Dec 15



Enrollment Best Practice Reminders

1. **Always compare options on Pennie first.** 4 out of 5 Pennie enrollees still qualify for savings and every plan available guarantees maximum consumer protections.
2. **Encourage consumers to update, shop, and stay covered.** Even if consumers are going to be auto-renewed for 2027, we want them in the habit of checking the accuracy of their information every year, especially given the federal changes on the horizon.
3. **If circumstances change for an enrollee mid-year, come back into the application and update.** Pennie commonly sees enrollees forget to make income changes or notify Pennie when they turn 65 and enroll in Medicare. To avoid tax consequences, these updates must be made timely.
4. **If enrolling mid-year, be prepared with necessary documents to enroll.** Documentation will most likely be required to verify a consumer's qualifying life event for a mid-year enrollment. Acceptable documents can be found on the [Submitting Documents](#) tab on pennie.com.

2027 Open Enrollment Must-Do List:

- 1 Update
- 2 Shop
- 3 Stay Covered



Adjourn

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