

PY27 Cert Training - HR1 & Final Rule Addendum

Table of Contents

1. Title Slide	2
1.1 Title Slide	2
2. Overview	3
2.1 Overview	3
2.2 Overview	3
3. Plan Year 2027 Changes.....	4
3.1 Plan Year 2027 Changes.....	4
3.2 Lawfully Present Eligibility Changes.....	4
3.3 Community Engagement Requirements.....	5
3.4 Pre-Renewal and Pre-Enrollment Verification	5
3.5 Elimination of Provisional Eligibility.....	6
4. Final Slide	6
4.1 Final Slide	6

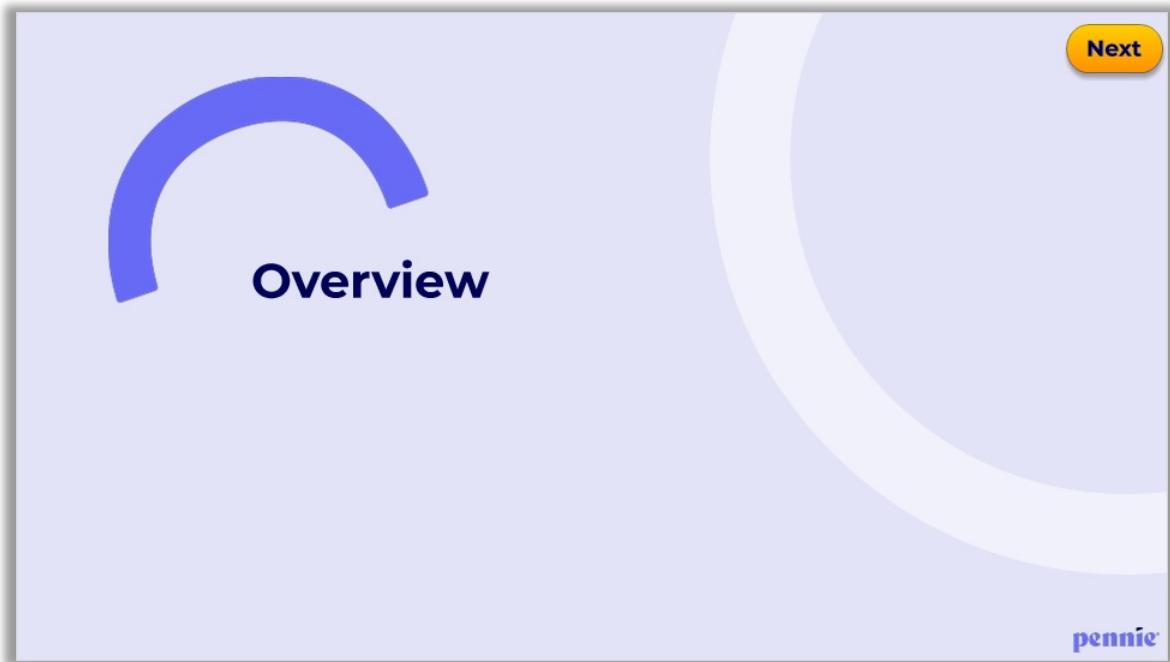
1. Title Slide

1.1 Title Slide



2. Overview

2.1 Overview



2.2 Overview

Overview

BackNext

On June 25, 2025, the Department of Health & Human Services (HHS) and Centers for Medicare & Medicaid Services (CMS) issued the 2025 Marketplace Integrity and Affordability Final Rule. In July, H.R.1 (the "One Big Beautiful Bill Act") was passed, codifying many of these changes into law.

In the Pennie Plan Year 2026 Certification Training, this module reviewed the most significant changes which went into effect before the end of the 2025 Plan Year, for Plan Year 2026, or for Tax Year 2026. For this year's Training, those changes were incorporated into the corresponding module slides so that this module can focus on the H.R.1 and Final Rule changes that will go into effect before the end of this plan year, for Plan Year 2027, or for Tax Year 2027.

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3. Plan Year 2027 Changes

3.1 Plan Year 2027 Changes



3.2 Lawfully Present Eligibility Changes

Lawfully Present Eligibility Changes

Contained within H.R.1 are changes to the definition of "lawful presence." Beginning in Plan Year 2027, these changes stipulate that 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 will cause approximately 27,000 current lawfully present enrollees to lose APTC.

Pennie will receive information through our trusted data sources to verify if a customer meets the above eligibility criteria. A new data matching issue (DMI) will be created for instances when a customer attests to having a lawfully present status that confers APTC-eligibility, but federal data indicates otherwise.

Customers who are lawfully present, but do not meet the new APTC-eligibility criteria, will receive a notice informing them of the change, the need to update their immigration status immediately, and their ability to stay enrolled in a QHP without financial savings.

In addition, Pennie will stop referring non-citizens who do not meet the above criteria for a Medicaid determination beginning October 1, 2026.

3.3 Community Engagement Requirements

Community Engagement Requirements

[Back](#)[Next](#)

Also beginning January 1, 2027, adults (ages 19-64) in the Medicaid expansion population newly applying to – or seeking to be renewed in – Medicaid must demonstrate that they meet new **community engagement requirements (CER)**, or qualify for an exemption.

- CER requires adults who do not qualify for an exemption to complete **80 hours of work, education, or volunteering activities per month**.
- These members will also need to be **renewed every six (6) months**, instead of once a year.

Customers determined to be eligible for Medicaid – but cannot enroll because they do not meet CER – will *not* be eligible for advance premium tax credits (APTC) through Pennie.

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

Pennie continues to work with DHS to add specific CER questions to its application to streamline the Medicaid assessment and verification process between the two agencies.



3.4 Pre-Renewal and Pre-Enrollment Verification

Pre-Renewal and Pre-Enrollment Verification

[Back](#)[Next](#)

By no later than August 1, 2027, new and existing enrollees will need to **actively confirm all data 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**.

Pennie continues to work with our technology vendor to develop an approach that will:

- Allow for early and often communication to existing customers regarding changes
- Provide as many chances as possible to confirm information before auto renewals

With these changes, **the annual autorenewal process** used to renew over 95% of Pennie customers **will essentially be eliminated**. This change takes effect during Plan Year 2027 meaning that it will be in-force during Open Enrollment 2027. **It is critical that customers be made aware of these changes now so they have plenty of time to prepare.**



3.5 Elimination of Provisional Eligibility

Elimination of Provisional Eligibility

Effective January 1, 2027, in the event of a DMI is triggered for *any* member of a household, all financial savings granted to the household must be removed until the DMI is resolved. If the DMI is not cured, the household must pay full price for the plan if they wish to continue coverage.

Premium Adjustment Percentage

For Plan Year 2027, cost sharing for annual out-of-pocket maximums may increase to \$12,000 for self-only coverage and \$24,000 for coverages other than self-only.

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4. Final Slide

4.1 Final Slide

Back **Exit**

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