

# CAPITOL STREET

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September 24, 2025

## ACA Plans May Restate Premiums For 2026 Through Oct 1

Marketplace Subsidies Hang In Balance: Do Premiums Rise Then Fall?

Relevant Companies



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### »» Our Take & Next Up

**CMS provides mixed messages to plans?** In a [memo](#) from CMS, the agency is restating premium guidance, with a Sept 30 - Oct, 1 2025 data change window to revise premiums before open enrollment. All health plans in the 28 federal marketplace states can adjust premiums, with no alterations to plan benefits, cost sharing, AV (actuarial value), metal level or new plan offerings. To us, the implication is that plans may have to raise rates – see court case background below – but then, if/when subsidies are extended (sometime between now and Dec 2025), premiums may come down. Given the state of government funding (see below), we view EPTC funding as likely in Nov/December.

### »» Key Points

**The CMS actions are in response to the City of Columbus v. Kennedy court decision that invalidated several aspects of the highly-contested 2026 program integrity rule ([here](#))**, including new verification requirements and a \$5 charge on \$0 premium plans (our take [here](#)). The agency acknowledges that this “re-rating imposes operational burdens” but considers it essential for maintaining marketplace stability and plan availability. To us, CMS opening up the restating period signals they expect plans to increase premiums.

**The timing of open enrollment and passage of EPTCs will be critical in determining 2026 rates.** Once open enrollment starts on Nov 1, 2025, premiums set during the restating period are locked in. If Congress continues to delay EPTC passage, this could impact how much beneficiaries pay. If subsidies come in after Jan 1, there is virtually no way to get the dollars back to beneficiaries.

**A September extension would be cheaper & easier, while Nov/Dec extension would cost more and potentially lead to rate shock, with the risk pool worsening.**

- On Friday, House Republicans passed a clean, short-term funding [extension](#) that excludes EPTCs, meaning expiration of subsidies are still set for December 31, 2025.
- If Congress waits until December to extend EPTCs, insurers may set rates assuming subsidies lapse, potentially leading to a projected +18% premium spike and worsened risk pool from healthier enrollees

exiting the marketplace, leaving a concentration of higher-risk enrollees (our analysis [here](#)).

- A September congressional extension of EPTCs would be more cost-effective and help avoid disruptions during open enrollment. It would ensure beneficiaries see lower premiums and stable plan offerings without last-minute adjustments.

**Tensions are high as Dems continue to push for a permanent extension (which we believe is not happening), while GOP members are likely more susceptible to a short-term (1-2 year) extension.** The extension is still likely, but the structure (temporary 1-year vs. permanent) will determine the next round of premiums. Democrats are currently urging for an Oct. 31 CR that includes (1) permanent EPTC extension (2) reversal of OBBB Medicaid cuts and (3) end to billions in spending rescissions (4) restoration of public-broadcasting funds, costing at least \$1 trillion. The CMS restating period highlights timing sensitivity as plan premiums may rise unless EPTCs are extended before open enrollment.

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