

CAPITOL STREET

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Obamacare Effectuation Rates Likely To Be Released This Week

True Effectuation Won't Be Revealed Until Possibly Summer



»» Our Take & Next Up

CMS noted at the NAIC [meetings](#) that ACA 2026 effectuation rates will be coming shortly, which we read to be this week. As a reminder, 23 M were enrolled, and in a recent news interview, CMS Administrator Dr. Oz noted that the number should be closer to 19 M. He appeared to be referring to fraudulently enrolled individuals who should be rooted out. However, it's unclear what he actually meant. If rates come out this week, we note that April is the true effectuation deadline as enrollees have a 90 day (3 month) grace period to pay premiums. In that scenario, CMS may do a second enrollment update this summer or fall. Our take on (1) cost sharing reductions (CSRs) and (2) final NBPP aka Marketplace rule can be found below.

»» Key Points

CMS has indicated it expects to release ACA Marketplace effectuation rates for plan year 2026 ASAP. CMS [reported](#) that ~23 M consumers signed up for the ACA Marketplace during the Open Enrollment Period (ended Jan 15, 2026), down from the 24.2 M in plan year 2025. However, we note that the sign-ups and initial effectuation rates will only represent part of the picture, as under CMS [rules](#), subsidized enrollees who fail to pay premiums are entitled to a three-month grace period.

If CMS releases effectuation rates this week, we note that the true effectuation deadline is April, which is only days away. CMS has in past years done this two-step dance where initial numbers come in mid-March then true rates may not be till out until the summer or fall. The grace period begins the first month a payment is missed, meaning a subsidized enrollee who stopped paying in January would have until the beginning of April before coverage is terminated. The true net effectuated enrollment, individuals with active, paid coverage will not be fully known until CMS releases its effectuation report, likely to come April or later.

The 23 M pre-effectuation enrollment rates appear strong, however no enrollee has yet been required to pay premiums under CMS grace period rules. [Effectuated](#) enrollment is the number of people who selected a plan and actually paid their premiums, making their coverage active. A plan selection alone means nothing if the premium goes unpaid. The government's headline enrollment figures always overstate actual coverage for this

reason. In 2025, 24.3 M selected plans, but only 23.4 M were effectuated by February, and that number drifts lower throughout the year as people cancel or stop paying (though generally remained higher due to EPTCs).

Interestingly, in a recent interview, CMS Administrator Dr. Oz stated some people enrolled in ACA plans should not be enrolled, and mentioned the true number to fall to around 19 M. He attributed the gap to a range of improper enrollments including individuals who signed up by mistake, those who qualify for Medicaid or employer-sponsored coverage but are receiving ACA subsidies instead, and outright fraudulent enrollments. CMS appears poised to act on these concerns, and we expect the agency to use tightened verification requirements and the forthcoming effectuation data as tools to remove ineligible individuals from the rolls.

CMS officials at the NAIC meeting this week in San Diego strongly hinted that some 2027 Marketplace rule policies (our take here) may not be finalized as proposed and were meant more for messaging.

Some of the policies in the recent Marketplace (NBPP, or notice of benefits and payment parameters) rule drew significant pushback. One of the more controversial policies include non-network plans to be certified as QHPs beginning in 2027, meaning plans with no defined provider network could qualify for Marketplace participation. The rule also proposes to repeal standardized plan options and remove limits on non-standardized plan offerings, which could make it harder for consumers to compare plans. Additionally, the agency would tighten SEP verification requirements, reintroducing pre-enrollment verification for at least 75% of SEP enrollment. We could expect the final NBPP (HHS notice of benefit and payment parameters for 2027) to be released mid/late April.

We expect CSRs may not be allocated in 2027, meaning “silver loading” will ensue.

- Negotiations over enhanced ACA premium tax credits (EPTCs) died in the Senate earlier this year and are unlikely to be factored into ACA cost-sharing reductions (CSRs) calculations for insurers’ 2027 plan year. This would likely result in more “silver loading,” in which insurers charge higher premiums for silver plans offered through the Marketplaces to offset the loss of revenue (our take here).
- Since early 2025, the GOP has supported requiring the federal government to directly reimburse insurers for CSRs, eliminating the need for “silver loading.” The policy was initially included in the House GOP reconciliation bill, but was removed under the Byrd Rule during *OBBBA* consideration. Currently, insurers must apply CSRs for silver-plan enrollees under 250% of the FPL.

Reconciliation could bring healthcare policies into play this summer/fall. There will be a run at reconciliation for passage pre-election (our take here). Reconciliation 2.0 is being eyed as a solution for funding the Dept. of Homeland Security/ICE and an Iran war supplemental, as well as voter identification requirements (*SAVE Act*). House Budget Chair Arrington (R-TX) plans to mark up a budget resolution with reconciliation instructions in the next 30 days (here) and has proposed using tariff revenue as a potential offset (here). Other healthcare items that may be included are (incremental) PBM reform and measures to boost hospital and insurer price transparency, which have bipartisan support. Codifying President Trump’s Most Favored Nations (MFN) drug pricing policy is a major priority for the White House, but would likely face a heavier lift in the Senate (our take here).

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