Essential Guide to the Final CMS Program Integrity Rule

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Overview of the Final CMS Program Integrity Rule

What does it do

Overview: In June 2025, CMS finalized its Patient Protection and Affordable Care Act; Marketplace Integrity and Affordability Rule (Program Integrity Rule). The rule focuses on preventing fraud, waste, and abuse in the individual market.

As a reminder, CMS may release other regulations and guidance over the course of the year. **Separately, this rule does not address whether enhanced tax credits will be renewed** – that remains an ongoing debate in Congress. Enhanced premium tax credits are currently set to expire at the end of 2025 unless Congress takes action.

When it will take effect

Effective Date: Varies by provision. Refer to the table later in this document for more detail.

What it means for brokers and members

Impact on Brokers: Brokers need to understand these new rules to ensure compliance and accurately advise members. Changes to SEP, OEP, and the renewal processes require brokers to adapt their practices and stay informed about effective dates and eligibility details.

Coupled with the potential loss of enhanced premium tax credits at the end of 2025, these new rules require brokers to be highly educated on eligibility requirements, timelines, and plan selection strategies. Don’t worry, Oscar will provide the proper training to help educate you each step of the way.

Impact on Members: Members will experience changes in eligibility verification, SEP, and renewal processes. The rule aims to increase program integrity and reduce fraud, with the goal of a more stable and reliable marketplace. However, members need to be aware of new requirements and timelines to maintain coverage and avoid disruptions.

How will Oscar Help You, the Broker?

Throughout the year, Oscar will provide:

Additional **deep-dive webinars** about enhanced tax credit expiration, CMS provisions, changes as a result of the reconciliation bill, and how to best navigate all of these changes.

Email series with actionable recommendations brokers can take to mitigate the impact of these regulations on their book of business.

One-pagers on available plan options to guide members to the best plan for them.

Broker portal enhancements to proactively identify members who may be most impacted by these changes.

Select **in-person trainings** throughout the summer and fall.

Oscar's Resource Hub for OEP 2026 Policy Updates

Stay informed with our latest education material by navigating to hioscar.com/oe26-policy-updates.
Here, you'll find everything you need to succeed this OEP, including:

Live & On-Demand Webinars: Sign up for upcoming trainings or catch up with recordings and presentations from past webinars – perfect for learning on your schedule.

Essential Resources: Download must-have documents like this *Essential Guide*, our *Broker Checklist for OEP*, and a wealth of other helpful tools.

Continuous Updates: Get the latest policy changes, implications, and best practices – all in one convenient place!

Key Provisions Brokers Should Know

Delaying shortened OEP until OEP 2027

Oscar has been actively engaged in shaping provisions in the final rule, including our strong advocacy against the proposed shortened Open Enrollment Period (OEP). Thanks to these efforts, and those of other stakeholders, CMS decided to delay the shortening of OEP. See the table below for OEP by marketplace for OEP 2026 and OEP 2027 and beyond.

Marketplace	OEP 2026	OEP 2027+
FFM	Nov 1, 2025 to Jan 15, 2026	Nov 1 - Dec 15 (For 1/1 effective dates)
SBE	Will vary by SBE. We recommend brokers confirm the OEP with their state Exchange.	SBEs may opt for an OEP that starts no later than November 1 and ends no later than December 31, not exceeding 9 calendar weeks. (For 1/1 effective dates)

In preparation for OEP 2026, the following table details what brokers should know about key provisions in the final rule.

Provision	What You Should Know	What Brokers Should Consider
Provisions to Consider for OEP 2026		
Pause the monthly SEP for members with incomes at or below 150% FPL.	≤150% FPL members will lose the ability to change carriers and plans monthly outside of OEP, and must enroll during OEP to gain or maintain coverage. 150% FPL members that meet standards for other qualifying life events would still be eligible for other SEPs. This SEP will temporarily end, beginning August 25th through the end of December 31, 2026. ≤150% FPL members need to be prepared to enroll at the start of November, as they will not be able to rely on the monthly SEP in PY 2026 if they do not enroll during OEP. **Long-term:** OEP (or other qualifying SEPs) will be the only option for the <150% FPL population to receive APTCs moving forward. Due to the budget reconciliation bill recently signed into law, the <150% FPL SEP will return beginning January 1, 2027, allowing individuals to enroll in this SEP, but they will not be eligible for APTC.	Communicate this provision to your ≤150% FPL members, and make sure they are ready to enroll in an ACA plan by the start of OEP.

Legal Disclaimer: The following document involves proposed regulatory rules that are subject to change. It is not intended as, nor does it constitute legal advice. The information provided, whether in writing, or in verbal communication, should not be considered a substitute for seeking advice from your own qualified legal counsel. This information is not intended to be relied upon to make a legal decision.

Provision	What You Should Know	What Brokers Should Consider
Provisions to Consider for OEP 2026 (Cont.)		
Creates annual income Data Matching Issues (DMIs) when applicants attest to income above 100% FPL, but trusted data sources show income below 100% FPL.	CMS will flag income discrepancies when applicants report income above 100% FPL, but official data sources (e.g., IRS, Social Security) show income below 100% FPL. If there is a DMI, applicants will see their eligibility is temporary and must submit documentation to verify their prospective income within 90 days. The 90-day period starts once the member receives the notice of temporary eligibility, which is normally at the point of enrollment. **Long-term:** As finalized in the rule, this provision is expected to sunset at the end of PY 2026.	Educate your members on causes of DMIs and remind them of the documents they may need (**ideally before OEP**). Oscar does not receive detailed DMI information and will be unable to assist. As much as possible, try to collect documents ahead of time. Refer to the CMS Guide to Confirming Your Income Information for more detail.
Pauses the requirement that Exchanges accept an applicant's attestation of household income and family size without verification, in the scenario there is no tax return income available to verify	Previously, applicants could attest to prospective income without triggering an income DMI when (1) the Exchange requests tax return data from the IRS to verify income, and (2) the IRS confirms there is no such tax return data available. Exchanges now require the verification of household income with CMS approved sources when tax return data is unavailable. Applicants should then follow the full alternative verification process. **Long-term:** As finalized in the rule, this provision is expected to sunset at the end of PY 2026.	Remind members to gather income verification documents ahead of OEP. Attestation alone is no longer a sufficient document type.
Ends the automatic 60 day extension, in addition to the 90-day period, to provide income verification documents.	CMS removed the automatic application of the 60-day extension for all enrollees, that was in addition to the 90-day period, to provide documentation for a DMI. This means the total period to provide income verification documents shrinks from 150 days to 90. The 90-day period starts once the member receives the notice of temporary eligibility, which is normally at the point of enrollment.	Remind members of what documents can be submitted to resolve DMIs, and the shortened period to submit verification documents. As much as possible, try to collect documents ahead of time.

Provision	What You Should Know	What Brokers Should Consider
Provisions to Consider for OEP 2026 (Cont.)		
Reinstates pre-enrollment verifications for other categories of SEPs for Exchanges on the Federal platform.	For FFMs only, CMS will conduct pre-enrollment verifications for multiple types of SEPs, rather than limit verifications to only the loss of minimum essential coverage. The goal is for CMS to make sure it verifies the life changes members are undergoing and confirm the member's SEP eligibility. **Long-term:** As finalized in the rule, this provision is expected to sunset at the end of PY 2026. **What you should *also* know:** Beginning PY 2026, CMS will require that FFMs conduct SEP verifications for at least 75% of new enrollments through SEPs. This provision is also expected to sunset at the end of PY 2026.	Proactively assist members to prepare verification documents for all SEP enrollments.
Reinstates policy that a member is ineligible for APTC if they 1) received APTC in a prior year and 2) did not file a Federal income tax return and reconcile APTC for that year. This is commonly referred to as "Failure to File and Reconcile" (FTR).	This changes the FTR period from 2 years to 1 year, which means if a member does not file their income taxes in 2025 for tax year 2024 (or previous tax years) and received APTC in those years, they will be given an FTR status. The member will be notified of their FTR status in early fall of 2025. If a member does not resolve their FTR status by the end of OEP, by filing their taxes and completing IRS Form 8962, they will lose APTC for PY 2026, starting on 1/1/26. Put simply, members without filed taxes for just one year will be at risk of losing APTC eligibility. **Long-term:** As finalized in the rule, this provision is expected to sunset at the end of PY 2026. The two-year FTR policy will be in effect for PY 2027 and beyond, beginning with OEP 2027.	Remind members to file taxes and Form 8962 for each year they received APTC.

Provision	What You Should Know	What Brokers Should Consider
Provisions to Consider for OEP 2026 (Cont.)		
Directs FFMs to reduce APTC by $5 each month for auto-renewed $0 premium members who fail to verify their APTC eligibility on or before the last day of OEP 2026	For FFMs only, members who auto-renew (passively renew) into a $0 plan for PY 2026 and fail to verify their APTC eligibility before the end of OEP 2026 will have to pay a $5 premium each month. The member will owe the $5 premium each month until they verify APTC eligibility, or their coverage is terminated. Once eligibility is confirmed by CMS, true APTC will be reinstated going forward. For OEP 2026, this rule will only apply to: • Members who enroll in Federally-Facilitated Marketplaces (FFMs) • Members who auto-renew into a $0 plan and fail to verify APTC eligibility before the end of OEP For OEP 2026, this rule will **NOT** apply to: • Members who enroll in State-Based Exchanges (SBEs) • Members who auto-renew into a plan with a premium greater than $0. This rule only applies to members auto-renewing into $0 plans who fail to verify APTC eligibility. **Long-term:** As finalized in the rule, this provision, which is only for FFMs, is expected to sunset at the end of PY 2026. **What you should *also* know:** Starting PY 2027, SBEs may implement a similar process, subject to HHS approval.	Inform members with $0 plans about this rule, and emphasize the need to actively update and confirm their eligibility during OEP. Be prepared to assist members in updating eligibility.

Update on enhanced tax credits, which are set to expire at the end of 2025

As a reminder, the final Program Integrity Rule does not impact the future of enhanced premium tax credits. These tax credits are slated to expire at the end of 2025, and therefore revert to the original ACA tax credit schedule for PY 2026. Congress has to take action to renew these tax credits in their current (or a modified) version.

Brokers can proactively inform subsidized members about the potential impact to their enhanced premium tax credits. Additionally, keep a look out for additional communications from Oscar - we will provide plan selection strategies ahead of OEP to help identify the best plan for your members.

Update on immigration-related provisions

The Program Integrity Rule amends the definition of "lawfully present" to exclude Deferred Action for Childhood Arrivals (DACA) recipients from enrolling in coverage, with or without APTC. Beginning August 25, 2025, this change will make DACA recipients ineligible to enroll in a Qualified Health Plan (QHP) through the Marketplace or in the Basic Health Program (BHP) in states that elect to operate a BHP and ineligible for APTC and cost-sharing reductions (CSRs).

The budget reconciliation bill recently signed into law makes key changes for APTC eligibility for different legal categories of immigrants for PY 2027.

Beginning January 1, 2027, the following groups will no longer qualify for APTCs:

- Refugees;
- Immigrants granted parole for at least one year;
- Immigrants granted asylum or related relief;
- Certain abused spouses and children;
- Certain victims of trafficking; and
- Lawfully present immigrants with incomes under 100% FPL who don't qualify for Medicaid due to their immigration status.

Beginning January 1, 2027, the following groups will retain eligibility for APTCs as long as they retain their status while enrolled in coverage:

- Lawful Permanent Residents (LPRs);
- Cuban and Haitian refugees; and
- Citizens of the Freely Associated States (COFA migrants) residing in states and territories (i.e., Marshall Islands, Micronesia, and Palau).

Frequently Asked Questions

Broker Checklist

1. **How can I best prepare my members for this OEP and ensure they maintain their APTC eligibility?**
   a. One simple idea you may try is starting early to help keep your members organized – with something like a checklist for existing and new members:

Broker checklist for existing members

- [ ] Reach out to members prior to the beginning of OEP and start the conversation early
- [ ] Let your members know all of the potential documentation to pull together ahead of time
  - [ ] **Income verification:** [List of potential income verification documents from CMS]()
  - [ ] **Citizenship or Immigration:** [List of potential confirmation documents from CMS]()
  - [ ] **Tax filings:** Remind members to file taxes for each year they received APTC

Broker checklist for new members

- [ ] Ask your prospective member to gather a list of documents so that you can ensure the smoothest enrollment possible
- [ ] Inform prospective members of all the potential documentation to pull together ahead of time
  - [ ] **Income verification:** [List of potential income verification documents from CMS]()
  - [ ] **Citizenship or Immigration:** [List of potential confirmation documents from CMS]()
  - [ ] **Tax filings:** Remind members to file taxes for each year they received APTC

DMIs

2. **Will I be notified if one of my members has a Data Matching Issue (DMI)?**
    a. Yes. You will be notified of a DMI via email or through the broker portal on the Exchange website (e.g., Healthcare.gov or EDEs). Oscar does not get this information and cannot assist you, however.
    b. Details explaining what caused the DMI will vary, depending on which platform is used to enroll the member. Members will receive notifications directly, which may also prompt them to contact their broker.
    c. Explore this link to see different eligibility determination notices from CMS.

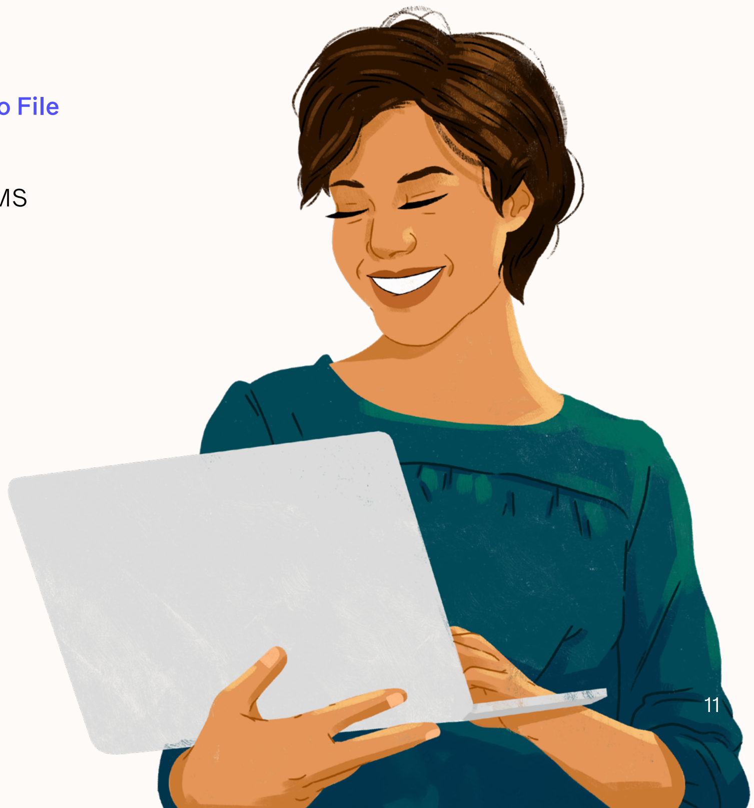
3. **Is there a way to proactively check for potential DMIs before they enroll?**
    a. While there is no CMS system to check for DMIs before members enroll, brokers can be proactive. Brokers can discuss prospective income rules with members and collect all necessary documentation ahead of time.

4. **What documentation is required for members to verify their prospective income in the case of a DMI?**
    a. Please refer to this CMS Guide to Confirming Your Income Information, as well as this CMS link here for a list of potential income verification documents.

5. **What documentation is required for members to verify their citizenship or immigration status in the case of a DMI?**
    a. Example documents to confirm your citizenship can be found through this CMS link here.
    b. Example documents to confirm your immigration status can be found through this CMS link here.

FTR

6. **What steps can a member take to rectify their Failure to File and Reconcile (FTR) status?**
    a. Prior to OEP, members will be sent notices from CMS indicating their FTR status. The notice will provide directions to complete the required reconciliation by filing tax returns for missing years and filling out IRS Form 8962.



$5 Passive Renewal Premium

7. **What steps should I take to ensure my auto-renewed $0 premium members are aware of the potential $5 monthly charge and how they can avoid this fee?**
    - **a.** It may be helpful to prepare your members prior to OEP and help them take an active role in their plan selection, validating their subsidy eligibility, and avoiding the $5 fee.
    - **b.** Another potential idea is to ensure you have a list of your members currently on $0 plans and treat them all like an active renewal during OEP.
        - **i.** Oscar is working on making this easy for you. We are working to help identify and flag these members. More details to come!
    - **c.** Keep an eye on your Oscar portal to ensure all of your $0 members are successfully renewed.
    - **d.** Remember, this provision only applies to FFMs for OEP 2026.

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8. **How can I assist members with this verification process?**
    - **a.** Ensure that your members gather the proper income documentation prior to signing up for their plan.
    - **b.** Treat each of these members as an active renewal, even if they do not want to make plan changes.

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9. **Will members who pay a $5 premium get a refund from Oscar if they verify eligibility later in PY 2026?**
    - **a.** No, if a member updates their eligibility in PY26 and qualifies for a $0 plan, that plan would be reinstated proactively, not retroactively.

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10. **Can the insurer waive the $5 premium?**
    - **a.** No, because this is a CMS requirement, Oscar is unable to waive the $5 premium.