

Reconciliation Bill Marketplace Provisions

On July 4, the President signed into law a budget reconciliation [bill](#) that addressed many aspects of the country's economy, including health and insurance programs. It significantly impacts eligibility for coverage and associated premium tax credits available to enrollees of Marketplaces like the Health Connector.

The law's Marketplace-impacting provisions

Beginning January 2026

- Non-citizens under the poverty line no longer qualify for APTC; in Massachusetts this is the ConnectorCare "Plan Type 1" population that currently covers 33,000 individuals
- Elimination of limitations on the repayment of advance premium tax credits for individuals whose income is under 400% FPL when they file their taxes
- Elimination of APTCs associated with the special enrollment period (SEP) for people with income up to 150 percent of the federal poverty level, which the recent final rule from CMS does as early as August. However, the law gives the Secretary of Health and Human Services authority to restrict tax credit availability for other SEPs as well

Beginning January 2027

- Restriction of eligibility for APTCs to a subset of lawfully present non-citizens who can qualify
 - Only lawful permanent residents, Cuban/Haitian entrants, and Compact of Free Association (COFA) migrants would continue to qualify, resulting in an additional 25,000-30,000 individuals losing eligibility. This includes refugees, asylees, parolees, and other visa holders.

Beginning January 2028

- Tax credits will not be available for any coverage month prior to the Exchange verifying the applicant's eligibility for QHPs and associated subsidies
 - This could significantly disrupt the process of obtaining coverage, reporting life changes, and annual renewals, as the current rules allow for the Health

Connector to allow tax credits based on an applicant's attested eligibility while they submit any necessary verification documents

Changes to Marketplace-impacting provisions from earlier bill versions

The final version of the bill reflected some notable changes relative to earlier versions:

- The House would have codified almost all provisions from the proposed Marketplace Program Integrity bill. However, the only provisions that remained in the final version of the law are elimination of the cap on APTC repayment at tax time and the essential elimination of the SEP for individuals with income up to 150 percent FPL
- The Senate Parliamentarian removed the provision added by the House that would have appropriated funding for cost sharing reductions

Next steps

- Now that the bill has become law, the Health Connector will work on implementation planning as needed, including monitoring for regulatory, sub-regulatory, or technical guidance from federal agencies such as the Centers for Medicare and Medicaid Services (CMS) and the Internal Revenue Service (IRS)