United States Senate
WASHINGTON, DC 20510–6200

May 8, 2025

The Honorable Robert F. Kennedy, Jr.
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue SW
Washington, D.C. 20201

The Honorable Mehmet Oz
Administrator
Centers for Medicare & Medicaid Services
U.S. Department of Health and Human Services
200 Independence Avenue SW
Washington, D.C. 20201

Dear Secretary Kennedy and Administrator Oz:

We write to express our strong opposition to the *2025 Marketplace Integrity and Affordability Proposed Rule* (proposed rule) published in the Federal Register on March 19, 2025, and urge the Trump Administration to immediately withdraw these disastrous proposals. The proposed rule claims to protect consumers and improve the integrity of the Health Insurance Marketplace, but its policies kick eligible people off of their health coverage, and make it easier for for-profit insurance companies to raise premiums and out-of-pocket costs, and cover fewer services.

Buried in the fine print of the Trump Administration's own proposal are estimates from the Centers for Medicare & Medicaid Services (CMS) reflecting that the proposed rule will kick two million eligible people off of their Affordable Care Act (ACA) coverage, increase premiums for working Americans by nearly $3 billion over the next four years, and impose over $360 million and an estimated 15 million hours in additional burdensome administrative requirements on consumers and states that operate their own Marketplaces.[1]

1 Department of Health and Human Services, Center for Medicare and Medicaid Services, Patient Protection and Affordable Care Act; Marketplace Integrity and Affordability, 90 Fed. Reg. 12942 (Mar. 19, 2025).

The proposed rule comes alongside Trump Administration budget documents[2] that reflect Republicans' intent to take away enhanced premium tax credits that make insurance affordable for Americans who purchase their own coverage through the ACA Marketplace. According to the Congressional Budget Office (CBO), if Republicans fail to extend these tax credits, an estimated 3.8 million Americans will lose health coverage because they will be unable to afford their skyrocketing health insurance premiums. This decision to let premiums increase, combined with the proposed rule, clarifies and builds on the Republican agenda to rip away health coverage and raise costs for hard-working Americans and their families.

***This proposed rule will terminate insurance for eligible people.***

The proposed rule would cut one month from the annual open enrollment period, reducing the time that working people and families can shop for coverage each year by almost half. Longer open enrollment periods improve access to quality health coverage by giving people the time they need to find an affordable coverage option that is right for them. Cutting off a full month from the annual open enrollment period will also reduce the number of healthy individuals who purchase coverage through the Marketplace, since it is those most in need of coverage who are most likely to enroll or re-enroll early in the open enrollment period, and healthier, lower-cost individuals tend to enroll at the end of the open enrollment period.[3] This change would not only make it harder to get covered, it could also increase premiums by making the risk pool sicker.

The benefit of a longer open enrollment period has been made clear through experience. Most states that operate their own Marketplaces adopted longer enrollment periods in order to make it easier to sign up for coverage and to encourage a healthier risk pool. This misguided rule not only shortens the open enrollment period on the Federal Marketplace, it also forces states to arbitrarily shorten their open enrollment periods, too, despite a proven track record of success. The Trump Administration has cited program integrity as the reason for this change, but the true intended effect of this policy is to reduce coverage and destabilize the risk pool, leading to higher costs and more barriers to coverage for individuals and families buying their own insurance.

The proposed rule would also arbitrarily eliminate the monthly special enrollment period (SEP) that lower income people rely on to shop for coverage. People at or below 150 percent of the federal poverty level (FPL) which includes individuals making less than $23,500 per year and families of four making less than $45,500 per year,[4] rely on this monthly SEP for continued access to health coverage, including during transitions from Medicaid or the Children's Health Insurance Program (CHIP). Consistent with Republicans' approach to health care across the

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2https://www.fiercehealthcare.com/regulatory/hhs-budget-slashed-40-billion-first-look-hhs-reorganization-leaked-document

3 https://hwsph.ucsd.edu/research/programs-groups/cdps.html#Major-Revision-of-CDPS-to-7.0

4https://aspe.hhs.gov/sites/default/files/documents/dd73d4f00d8a819d10b2fdb70d254f7b/detailed-guidelines-2025.pdf

board, the elimination of this SEP makes it harder for low-income individuals and families to access and enroll in the coverage they are eligible for.

The proposed rule would also eliminate Marketplace eligibility for Deferred Action for Childhood Arrivals (DACA) recipients, which runs contrary to the longstanding definition of "lawfully present" used by the Department of Homeland Security (DHS) to determine eligibility to apply for benefits. The decision to single out lawfully present, tax-paying DACA recipients is not only arbitrary and cruel, but it is done with the intent of further undermining the ACA Marketplaces, taking these younger, healthier people out of the risk pool, which raises premiums for everyone who remains covered.

***This proposed rule intentionally allows insurance companies to raise costs and offer worse coverage.***

The proposed rule intentionally lets insurance companies raise out-of-pocket costs and cover fewer services for people who purchase their own insurance by decreasing the actuarial value of their plan offerings each year. These changes will increase maximum annual out-of-pocket limits by 15 percent next year,[5] leading to additional coverage losses and worse health coverage in future years. In addition, the proposed rule eliminates a policy that automatically moves re-enrolled people to a higher quality plan they are eligible for, provided the premium is the same or lower and the insurer and network remain the same. This policy does not address fraud or improve the consumer experience, but it does ensure that many people will not be enrolled in the highest quality and most affordable plan option they are eligible for.

In addition to raising costs, the proposed rule takes steps to intentionally make the quality of ACA health coverage worse. The proposed rule includes changes to the premium adjustment percentage, which sets limits on maximum out-of-pocket costs and is used to calculate tax credits and payments by employers. The changes would result in higher out-of-pocket costs for people with commercial insurance, including those with employer-sponsored coverage. It would also reduce the tax credits available for people who purchase coverage on their own. Again, the Trump Administration's own estimates show that the change will increase costs for working people, with cost-sharing and premiums estimated to increase by 4.5 percent if this change goes into effect.[6] The intended effect of this policy is to further destabilize the ACA Marketplace by causing healthier people to drop coverage rather than pay increased premiums.

The proposed rule would also require the millions of people who are eligible for, and automatically re-enrolled in, zero-dollar premium plans each year to pay a $5 monthly premium

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5 Health Affairs, HHS Proposes To Restrict Marketplace Eligibility, Enrollment, And Affordability In First Major Rule Under Trump Administration

6 Department of Health and Human Services, Center for Medicare and Medicaid Services, Patient Protection and Affordable Care Act; Marketplace Integrity and Affordability, 90 Fed. Reg. 12942.

until they navigate newly created bureaucratic red tape, forcing them to reconfirm information already submitted. Auto-enrollment makes Marketplaces more efficient for consumers and simplifies the process of continuously accessing health coverage, which is why it is something that working people and families rely on. It is also how the vast majority of people who get health insurance through their job stay covered from year to year. The arbitrary imposition of an unexpected $5 bill will confuse enrollees and ultimately lead to coverage losses. CMS estimates that over 2.5 million individuals would have potentially lost coverage this year had this policy been in effect for the 2025 plan year, further demonstrating that the intent of this policy is to kick working people and families off the coverage they are eligible for.

Taken together, these changes leave consumers with a choice between purchasing less comprehensive coverage with higher out-of-pocket costs or facing skyrocketing premiums to keep the coverage they currently have. If this proposed rule takes effect, the average working family would see their **premiums increase by over $300, and face an additional $900 in annual out-of-pocket costs**.[7] Should Republicans take away the enhanced premium tax credits Democrats passed in the Inflation Reduction Act, this affordability crisis will only worsen.

***This proposed rule is designed to increase administrative burden.***

In addition to taking intentional steps to allow insurance companies to cover less and charge people more, the proposed rule also creates arbitrary burden and costs for states, reverses standard practices Marketplaces have relied on for years, and creates new layers of bureaucratic red tape that block people from accessing the coverage they are eligible for. The proposed rule requires pre-enrollment SEP verification that imposes new paperwork requirements on low-income people and new administrative burdens on Marketplaces. People with incomes that vary during the year, such as self-employed individuals, those who transition jobs, or those who face an unexpected period of unemployment, will be cut off from coverage if they cannot quickly confirm or validate changes to their recent income.

The proposed rule itself estimates that working people would need to spend an estimated **15 million hours** responding to these new and arbitrary verification requests,[8] or risk losing coverage altogether. The impact of this change will be many people losing coverage, and healthy individuals deciding not to enroll due to the burdensome requirements they are asked to complete. This again aligns with the true intent of this proposed rule–to take away coverage, destabilize the risk pool, and raise costs. Importantly, these policies not only make it harder to sign up for coverage, they also raise premiums. Healthy people are the least likely to be willing to navigate hours of unnecessary paperwork for insurance they don't immediately need, and

7 https://www.cbpp.org/research/health/proposed-aca-marketplace-rule-would-raise-health-care-costs-for-millions-of

8 Department of Health and Human Services, Center for Medicare and Medicaid Services, Patient Protection and Affordable Care Act; Marketplace Integrity and Affordability, 90 Fed. Reg. 12942.

when they choose to go without insurance, it makes the risk pool sicker, which raises costs for everyone.

Republicans' health care agenda is crystal clear: kicking people off coverage, raising health care costs, and increasing profits for corporations like for-profit insurance companies at the expense of working Americans. The Trump Administration's efforts to frame these policies as improving program integrity are undermined by its own data, which estimates that millions of working people will lose the coverage they are eligible for, and those lucky enough to keep their coverage will face rising costs.

The proposed rule makes clear that Republicans will use every tool at their disposal to take away health care from the American people; this Administration is rushing through policies to raise premiums and out-of-pocket costs, set red tape and paperwork traps, and worsen the overall quality of a person's coverage. Meanwhile, Congressional Republicans plan to take away the enhanced tax credits that are allowing millions to afford health insurance through the ACA Marketplaces. At a time when the American people are already facing the skyrocketing costs and instability of the Trump economy, we urge you to immediately withdraw this dangerous proposed rule.

Sincerely,

Ron Wyden
United States Senator
Ranking Member, Committee on Finance

Charles E. Schumer
United States Senator

Amy Klobuchar
United States Senator

Peter Welch
United States Senator

John Fetterman
United States Senator

Mark R. Warner
United States Senator

Raphael Warnock
United States Senator

Tina Smith
United States Senator

Jeffrey A. Merkley
United States Senator

Jeanne Shaheen
United States Senator

Richard Blumenthal
United States Senator

Ben Ray Luján
United States Senator

Tammy Baldwin
United States Senator

Tammy Duckworth
United States Senator

Angus S. King, Jr.
United States Senator

Patty Murray
United States Senator

Mazie K. Hirono
United States Senator