



Federal Changes Quick Guide for Enrollers

Overview

The 2025 Marketplace Integrity and Affordability Final Rule (Marketplace Rule) establishes new and updated standards for Health Insurance Marketplaces. While many provisions are effective August 25, 2025, most changes will be implemented for the 2026 plan year, with certain updates delayed until 2027.

These changes cover areas such as income verifications and inconsistencies, enrollment processes, and essential health benefits.

Knowledge content will be updated and distributed to support these changes as Covered California updates processes and procedures to implement them.

[Overview](#)

Key Provisions

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Key Provisions

Note: Information, effective dates, and timelines for the following may be adjusted based on future court rulings or decisions.

Deferred Action for Childhood Arrivals (DACA) Rollback

Effective Date: August 2025

DACA recipients are no longer eligible to apply for or receive health or dental insurance coverage or financial help to lower their monthly premium payment through Covered California.

The last day of coverage for DACA recipients enrolled in a Covered California health or dental insurance plan will be August 31, 2025.

Outreach to affected consumers is in progress. See the following for information, questions and answers and steps and resources to help affected consumers.

- [Deferred Action for Childhood Arrivals \(DACA\) FAQs for Enrollers](#)

Covered California

Outreach and Sales Division

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Under 150% Federal Poverty Level (FPL) SEP

Effective Date: August 25, 2025 through the end of plan year 2026

The monthly special enrollment period (SEP) for individuals with household incomes below 150% of the federal poverty level (FPL) is paused for plan year 2026. The pause will end after December 31, 2026.

- The SEP remains effective until December 31, 2025.
- CalHEERS will remove the SEP starting January 1, 2026.
- CalHEERS configurations are in place to reenable the SEP after December 31, 2026.

Limiting the Period for Income Inconsistency Resolution

Effective Date: August 25, 2025

The automatic 60-day extension (beyond the initial 95 days) for applicants to provide documentation to confirm their income is eliminated.

- In September 2025, CalHEERS will be updated to revert back to a 95-day Reasonable Opportunity Period (ROP) for income inconsistencies.

Income Verification Requirements

Effective: August 25, 2025, through the end of plan year 2026

The following will apply for plan year 2026:

- Documentation is required if:
 1. A consumer's projected income is higher than 100% FPL;
 2. Federal data sources show that their actual income is below 100% FPL;
 3. The individual is not eligible for Medi-Cal or the County Children's Health Insurance Program (CCHIP) based on their income; and
 4. Their projected income exceeds actual income by a "reasonable threshold" (i.e., at least 10% or a threshold dollar amount).
- An applicant's attestation will no longer be accepted when tax data is not available.

CalHEERS system updates are scheduled for Release 26.2 (February 22, 2026) to implement these income verification changes.



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Failure to Reconcile (FTR)

Effective: August 25, 2025 through the end of plan year 2026

The Failure to Reconcile period for advanced premium tax credits (APTC) is reduced from two years to one year for plan year 2026. It will revert back to two years for plan year 2027.

- Notices and procedures will be updated to reflect the updated one-year timeframe.

Premiums and Plan Designs

Effective Date: Beginning plan year 2026

The Marketplace Rule adopted changes to plan year 2026 premium requirements and plan designs by increasing the maximum-out-of-pocket limits. The Standard Benefit Design Chart 2026 will be updated to reflect the changes.

- Covered California readopted its Catastrophic Plan Design for plan year 2026 to comply with the new maximum-out-of-pocket limit.

Gender Affirming Care Coverage Changes

Effective Date: Beginning plan year 2026

Under the Marketplace Rule gender-affirming care will no longer be considered an Essential Health Benefit. However, California health insurance companies are still required to provide gender-affirming care to enrollees pursuant to California state nondiscrimination requirements.

- Covered California enrollees will be able to access gender-affirming care benefits as required by state law.

Shortened Open Enrollment Period

Effective Date: Beginning plan year 2027

There is no change for plan year 2026. Open enrollment will run from November 1, 2025 through January 31, 2026.

- For plan year 2027, the Marketplace Rule shortens the open enrollment period to a maximum of 9 weeks ending December 31.
- Dates for 2027 open enrollment will be provided at a later time, closer to implementation.



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Important Tips for Affected Consumers

Marketplace Rule Questions

For questions about the Marketplace Rule, express empathy and use words like:

- The changes under the Marketplace Rule were made at the federal level and apply to all states, including California.
- Covered California is committed to providing clear, timely information and connecting individuals to affordable health and dental insurance or coverage options in California.
- We will notify you in advance of any Marketplace Rule changes that affect your health insurance plan enrollment or eligibility.
- We are also updating our website at [CoveredCA.com](https://www.coveredca.com) with information and resources to keep you informed.
 - The URL is: <https://www.coveredca.com/important-changes/>
- You can review the full text of the Patient Protection and Affordable Care ACT; Marketplace Integrity and Affordability Final Rule (Marketplace Rule) on the Federal Register website:
 - <https://www.federalregister.gov/documents/2025/06/25/2025-11606/patient-protection-and-affordable-care-act-marketplace-integrity-and-affordability>

Steps to Take Now

For questions about what steps to take now, review the following with consumers.

- Your monthly premium payment will remain the same through the end of 2025, as long as there are no changes to your income, household size, or other factors that affect your insurance.
 - Starting on October 15, 2025, you can use the [Shop and Compare tool](#) on CoveredCA.com to see how much you'll pay for health insurance in 2026 and find a plan that best meets your budget and health insurance needs.
- It's critical that we have your most up to date contact, income, household, and consent for verification information.
- Keeping your contact information updated is vital so you don't miss important notices about your coverage or renewal.
- Watch your mail, email, or text messages for important notices, renewal information, or requests for information.
- Respond to notices from Covered California, Medi-Cal, or your health insurance company.
 - If you have questions about the notice, call the number on the notice for help as soon as possible.



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- Some notices have deadlines to respond or provide information or eligibility documents, so it's important to follow up quickly.
- Review your renewal information promptly and carefully when it arrives.
 - Use the [Shop and Compare tool](#) to review plans and prices. The tool will be updated with 2026 information starting October 15, 2025.