

Department of Health & Human Services
Centers for Medicare & Medicaid Services
Center for Consumer Information and Insurance
Oversight
200 Independence Avenue SW
Washington, DC 20201



From: Center for Consumer Information and Insurance Oversight (CCIIO), Centers for Medicare & Medicaid Services (CMS)

RE: *City of Columbus v. Kennedy*, No. 25-cv-2114;

Pursuant to an order of the federal district court for the District of Maryland in *City of Columbus v. Kennedy*, No. 25-cv-2114-BAH (D. Md.), the implementation of certain provisions of the recently promulgated [Marketplace Integrity and Affordability Final Rule](#), 90 Fed. Reg. 27,074 (June 25, 2025), have been stayed while the litigation remains pending. These provisions were scheduled to go into effect on August 25, 2025.

As a result of the court's order, the following provisions of the final rule will not go into effect on August 25, 2025:

- a. The requirement that enrollees in fully subsidized Exchange coverage who fail to timely submit an application for an updated eligibility determination be subject to a \$5 monthly premium until such an application is submitted, as reflected through the addition of 45 C.F.R. § 155.335(a)(3) and (n).
- b. The policy permitting issuers, subject to applicable state law, to decline to effectuate new coverage if a customer fails to pay premiums owed for prior coverage, as reflected through revisions to 45 C.F.R. § 147.104(i);
- c. The Final Rule's amendments to the failure to reconcile policy in 45 C.F.R. § 155.305(f)(4)(iii), which establishes a one-year failure to file and reconcile policy for 2026, thereby reverting all Exchanges back to the two-year failure to file and reconcile policy for 2026 that was in place prior to the 2025 Marketplace Integrity and Affordability Rule (90 FR 27074)¹;
- d. The imposition of pre-enrollment eligibility verification requirements for all special enrollment periods, through revisions to 45 C.F.R. § 155.420(g);
- e. The imposition of a requirement that Exchanges verify household income inconsistencies when a tax filer's attested projected annual household income differs from "trusted data

¹ Updated September 23, 2025 to provide further clarity on the failure to reconcile policy. HHS will continue to work with State-Based Exchanges (SBEs) as they update us on their operational capabilities and timelines.

sources,” through revisions to 45 C.F.R. § 155.320(c)(3)(iii)(A) and the addition of 45 C.F.R. § 155.320(c)(3)(vi)(C)(2);

f. The imposition of a requirement that Exchanges verify a consumer’s annual household income when tax return data is unavailable, through revisions to 45 C.F.R. § 155.320(c)(5);

g. The changes to the de minimis ranges for actuarial value calculations, through revisions to 45 C.F.R. §§ 156.140(c), 156.200(b)(3), and 156.400.

On August 29, 2025, the Department of Justice filed concurrent motions for a stay pending appeal on behalf of the U.S. Department of Health and Human Services in *City of Columbus v. Kennedy* (D. Md.). The motions ask the Maryland District Court and the Federal Court of Appeals for the Fourth Circuit to stay the order with respect to the actuarial value policy under the Marketplace Integrity and Affordability final rule.