DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Consumer Information & Insurance Oversight
200 Independence Avenue SW
Washington, DC 20201

Date: **July 31, 2026**

From: **Peter Nelson, Deputy Administrator and Director, Center for Consumer Information & Insurance Oversight**

Subject: **Statement Regarding the *City of Columbus v. Kennedy*, No. 1:26-cv-02215**

On July 16, 2026, in *City of Columbus v. Kennedy,* No. 1:26-cv-02215, the U.S. District Court for the District of Maryland issued an order staying certain provisions of the Notice of Benefit and Payment Parameters for 2027 (91 FR 29256) ("the rule"), while the litigation remains pending. These provisions were scheduled to go into effect on July 20, 2026, or ahead of plan year 2027. As a result of the Court's order, the following provisions didn't or won't go into effect as finalized:

- The failure to file and reconcile policy in the rule's amendment of 45 C.F.R. § 155.305(f)(4) which finalized the one-year failure to file and reconcile policy option for Exchanges in plan year 2027 and the requirement for the one-year failure to file and reconcile policy in plan year 2028, thereby preventing all Exchanges from operating any failure to file and reconcile policy in plan year 2027
- Income verification policy when data sources indicate income less than 100 percent of the FPL in 45 C.F.R. § 155.320(c)(3)(iii) and (c)(3)(vi)(C)(2);
- Removal of the requirement to accept attestations of household income when tax data is unavailable in 45 C.F.R. § 155.320(c)(5);
- Removal of the restriction on special enrollment period (SEP) verification and requirement to verify 75% of SEPs in 45 C.F.R. § 155.420(g) (this has no impact on existing SEP verification for loss of coverage);
- The expansion of maximum out-of-pocket limits for individual market bronze plans in 45 C.F.R. § 156.130(a)(2), and 45 C.F.R. § 156.136, and for catastrophic plans in 45 C.F.R. § 156.155(a)(3);
- The expansion of eligibility for catastrophic plans in 45 C.F.R. § 155.605(d)(l)(iv), along with the related guidance issued September 4, 2025;
- The adoption of flexibilities to allow qualifying Federally-facilitated Exchange (FFE) states, including states performing plan management, to conduct their own provider access and Essential Community Provider (ECP) certification reviews if determined to have an Effective Provider Access Review Program and Effective ECP Review Program, consecutively, through revisions of 45 C.F.R. §§ 155.1050(d) and 155.1051;

- The relaxation of the network adequacy standards that State-based Exchanges on the Federal Platform (SPE-FPs) and State-based Exchanges (SBEs) must impose on QHPs offered through the State-based Exchanges in revisions of 45 C.F.R. § 155.1050(a);
- The addition of the policy allowing non-network plans to be offered as QHPs on the Federally-facilitated Exchange (FFE) at §156.236; and
- The elimination of the requirement to offer standardized plans and the limitations on non-standardized plans in the rule's revisions of 45 C.F.R. §§ 155.20 and 155.205(b)(l) and rescission of 45 C.F.R. §§ 155.220(c)(3)(i)(H), 156.201, 156.202, and 156.265(b)(3)(iv).

As a result, Exchanges and other affected entities must immediately begin to update their systems, as applicable, to comply. HHS understands that this order affects Qualified Health Plan certification, which is already underway, and will provide additional guidance soon.

For information on prior court rulings impacting 2026 and 2027 plan years, please see Updated Statement regarding the Failure to File and Reconcile requirement for Plan Years 2026-2027 where CMS provided information about an earlier court ruling. As noted in the statement, Open Enrollment at the Federally-facilitated Exchange will begin on November 1, 2026, and end on January 15, 2027.