

WHITE PAPER

Implications of Proposed NBPP on Bronze Plans

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MARCH 2026

INTRODUCTION

On February 9, 2026, the US Department of Health and Human Services (HHS) released the proposed Notice of Benefit and Payment Parameters (NBPP) for 2027. Under this proposal, HHS will allow issuers to offer Bronze plans with maximum out-of-pocket (MOOP) amounts higher than the established maximum annual limitation (i.e., \$12,000 for individual coverage in 2027). HHS plans to allow individual market issuers the ability to ignore the MOOP to offer a Bronze plan with cost-sharing parameters that fit within the standard de minimis range. The effect of this flexibility is that there are more variations in cost-sharing structures that can achieve the lowest possible Actuarial Value (AV) of 58 percent.

The proposal introduces considerations for state and federal regulators, operational considerations for plans and providers, and pricing implications for those who currently participate in the Accountable Care Act (ACA) Marketplace. This paper summarizes these key concepts.

STATE AND FEDERAL REGULATORY CONSIDERATIONS

The allowance of lower AV Bronze plans introduces novel dilemmas for the state Departments of Insurance and Marketplaces that review and regulate these plans.

State Oversight and Enforcement. HHS proposes to allow Bronze plans with cost sharing that exceeds the annual MOOP. As part of their review, State Departments of Insurance and State-Based Exchanges (SBEs) may make decisions on acceptability of these plans given the potential additional cost-sharing burden on enrollees and whether they should be differentially presented on the SBE websites, if approved.

PRICING IMPLICATIONS

Pricing considerations for actuaries include:

- **Impact on Claims and Benefit Richness Factors.** Actuaries should carefully evaluate whether the premium reductions achieved through higher MOOPs will outpace reductions in expected claims costs and risk adjustment implications.¹ Because the lower-premium Bronze plans are geared toward individuals with lower expected utilization, the premium reduction may largely attract healthier members without

¹ Actuaries are required to price the benefit richness factor based on a population with average morbidity. The pricing models calibrated to average morbidity may suggest increasing MOOP reduces premiums and some carriers may be tempted to improve their competitive positioning. However, the healthier than average morbidity of the members that select Bronze plans may cause the claims and risk adjustment dynamics to deviate from implicit morbidity assumptions in pricing models.

producing a commensurate decline in claims. This dynamic can create pricing pressure if the premium decreases faster than the underlying cost reductions.

- **Metal Mix.** Lower Bronze premiums may have mixed effects on enrollment dynamics across metal tiers. On the one hand, more affordable Bronze options could reduce migration into catastrophic plans because consumers might instead purchase a Bronze plan with similar premium levels but better benefits. On the other hand, more aggressive Bronze pricing could encourage member buy-down from Silver or Gold plans, particularly among healthier members seeking lower premiums.
- **Risk Adjustment.** If migration into new Bronze plans occurs at scale, it could reduce market average premiums, which in turn might affect risk adjustment transfers. Because risk adjustment calculations are driven by market average premium, a reduction in market average premiums could affect risk adjustment payers and receivers differently, potentially disadvantaging issuers that have historically received transfers. Such risk adjustment dynamics should be factored into pricing.
- **Enrollment Stability.** Strategic decisions around Bronze participation may also shift. Some carriers may determine that the combination of lower premiums, uncertain risk selection, and risk adjustment volatility makes the segment less attractive, leading to withdrawal of Bronze offerings altogether. This strategy has already been observed in some markets. If that occurs, remaining issuers offering Bronze coverage may experience higher than expected enrollment, particularly if consumers have fewer Bronze options. Such shifts in enrollment concentration could affect morbidity assumptions and should be considered in pricing and membership projections.
- **Legal Risks.** New flexibility for creation of Bronze plans may be challenged in court and potentially subject to injunctions. Similar to last year's proposed AV de minimis change, uncertainty may arise during rate setting as the final allowance of the policy.

OPERATIONAL IMPLICATIONS

Operational considerations may vary from carrier to carrier and state to state. Will smaller carriers see sufficient enrollment opportunity to warrant administrative effort to offer an alternative Bronze design? To protect their price position, will some carriers be forced to offer alternative design in response to competitors? Will brokers need additional marketing support or messaging to explain new benefits and reduce the likelihood that members shop based only on price?

In addition, carriers may consider benefit design strategies that support risk adjustment performance, such as offering primary care visits before the deductible. Providing certain services pre-deductible may encourage utilization that leads to more complete diagnosis capture and improved risk scores; however, actuaries should explicitly price in the incremental utilization associated with these services, as removing the deductible barrier may increase visit frequency. Balancing these utilization effects with the potential improvement in risk adjustment revenue will be an important component of Bronze plan pricing under the evolving regulatory framework.

CONCLUSION

The potential for a lower AV Bronze plan introduces additional uncertainty into the individual market. Individual regulators will need to make decisions on these new flexibilities. Issuers need to consider the risks of pricing these plans too low, as well as whether their competitors do the same. It is also important to note that these plans are occurring alongside other potential low-price plans, including expanded catastrophic plans and non-network plans. Consequently, issuers should consider the full range of competitive and financial implications.

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