

HHS Opens Door to Nontraditional Plans on Obamacare Exchanges

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- The proposed rule would allow plans that offer preset dollar amounts for care to meet the requirements of a “qualified health plan” if they demonstrate a sufficient number of doctors would accept the plan’s payment terms.
- The proposal expands hardship exemptions and permits plans with low deductibles and higher out-of-pocket costs, while also reversing changes made under the Biden administration, including requiring insurers to offer standardized plan options.

The Trump administration on Monday released a proposal that would update rules for the Obamacare exchanges, including allowing certain nontraditional health plans to qualify as minimum essential coverage under the Affordable Care Act.

The annual rule (RIN [0938-AV62](#)) affects cost-sharing, administrative fees, and other aspects of the exchanges. Around **23 million** Americans have selected ACA plans for the 2026 plan year, although [studies](#) around fraud raise questions about the true enrollment number. Provisions take effect in the 2027 plan year.

The proposed rule comes amid a series of fights around the ACA. The administration is embroiled in two legal battles with Democratic cities and states to tighten enrollment through a separate rule released in June. Lawmakers also seem unlikely to extend expired pandemic-era tax credits even after premiums for 2026 doubled.

The Notice of Benefit and Payment Parameters from the Centers for Medicare & Medicaid Services would allow certain plans that offer preset dollar amounts for care—such as indemnity plans—to meet the requirements of a “qualified health plan” under the ACA if they demonstrate a sufficient number of doctors would accept the plan’s payment terms.

The provision is the latest move to expand access to plans with less coverage in what the administration says is a bid to expand options to lower-cost care. Critics, by contrast, accuse President Donald Trump and Republicans of forcing Americans to buy “junk insurance.”

“This proposal puts patients, taxpayers, and states first by lowering costs and reinforcing accountability for taxpayer dollars,” CMS Administrator Mehmet Oz said in a statement. “We are cracking down on improper and misleading practices while giving states and health plans more room to innovate and compete.”

The rule likewise expands hardship exemptions to permit more individuals to buy “catastrophic” plans with the lowest level of cost-sharing and coverage, and allows catastrophic plan issuers to offer multi-year terms. The proposal would also permit plans with low deductibles and higher out-of-pocket costs

The rule also reverses changes made under the Biden administration, including requiring insurers to offer standardized plan options that were meant to simplify choices.

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