

HHS Affirms Criteria Used For ACA Plan Cancellations

Sep 24, 2026, 5:27 PM EDT

(Inside Health Policy)

HHS confirmed to *Inside Health Policy* the steps it took before canceling Affordable Care Act plans for 760,000 enrollees: CMS first identified enrollees whose applications were submitted by brokers or agents/brokers and had no Social Security or immigration numbers, and then it checked for other criteria -- including the enrollment had no record of contact with the insurer, no medical claims and the consumer had a \$0 premium.

The administration on Tuesday said it canceled 315,000 enrollments covering about 760,000 individuals via a press release that offered no insight into the criteria used to determine unauthorized enrollment. CMS Administrator Mehmet Oz and Vice President J.D. Vance said the tranche of cancellations included suspected “phantoms,” which refers to enrollments of people who do not exist, and other enrollees whose eligibility could not be verified.

Brian Blase, president of the influential Paragon Institute, which has been calling attention to unauthorized enrollments for years, says he learned about the criteria from the administration on Tuesday, and described it in a post on X and in media appearances. HHS confirmed to *IHP* that Blase’s account was correct.

“CMS identified 760,000 potentially unauthorized enrollments that were all agent or broker assisted and lacked a Social Security Number (SSN) or immigration document number. They were then reviewed for the following criteria: The individual’s premium had to be covered 100% by advance payments of the premium tax credit (APTC); no claims could have been filed for any enrollee on the policy; and the issuer could have no record of the enrollee contacting the company about the policy or benefits.

“Once an enrollment was found to have met ALL of the above criteria, issuers were required to use multiple methods to conduct outreach and provided 30 days for the consumer to respond. Enrollments that met the criteria, and for which the issuer was unable to contact a consumer following outreach, were canceled.”

HHS continues: "CMS also maintains safeguards for consumers whose coverage may have been canceled in error. If a legitimate consumer was affected, that consumer can contact the Marketplace Call Center, provide a verified SSN or immigration document number, and be reinstated."

CMS continues to review more than 400,000 enrollments for which consumers did respond to outreach and have a chance to affirm their eligibility, officials said Tuesday.

Although Paragon applauded CMS actions, health care advocates and activists slammed the plan terminations as a "smokescreen" for removing more people from coverage.

One health expert worried that eligible enrollees and the legitimate brokers they worked with could be wrapped up in the terminations.

CMS' criteria are not inherently fraudulent, says the source who questioned why the agency wouldn't start the investigation with the applications from the agents/brokers the agency has already terminated or intends to terminate.

"Seems like they'd be able to ID at a higher level where the misconduct is being led from," says the source. -- Amy Lotven (alotven@iwpnews.com)