

Stakeholders Blast ACA Cancellations, Question Timing On Broker Moratorium

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Health care advocates are blasting the Trump administration's cancellation of Affordable Care Act coverage for 750,000 people, and other stakeholders are questioning the timing and impact of the cancellations and the temporary moratorium on agents/brokers.

The Federation of American Hospitals warns coverage losses are already putting pressure on hospitals while the National Association of Benefits and Insurance Professionals points out the pause on new registrations comes only months before open enrollment.

CMS announced Tuesday (Sept. 22) that it had canceled 315,000 ACA plans that include 750,000 individuals. According to CMS Administrator Mehmet Oz and Vice President JD Vance, the terminated plans include individuals that CMS believes are "phantom enrollees" because they did not generate any insurance claims or respond to agency outreach. Cancellations also include people who may have been ineligible for other reasons, Vance and Oz said during a press conference.

Another 450,000 enrollees responded to outreach and will get a chance to confirm eligibility, Oz said. According to CMS, the terminations resulted in \$2.2 billion returned to the federal coffers.

"These actions are part of CMS' three-pronged strategy to prevent fraudulent and improper enrollments, remove existing unauthorized enrollments, and strengthen oversight and enforcement of agents and brokers participating in Exchanges," the agency said. "CMS will continue working with health insurance companies to identify and investigate potentially unauthorized enrollments, cancel those confirmed to be unauthorized, and recoup and end associated taxpayer-funded subsidies."

The health insurance industry said it has continuously pushed CMS to add safeguards to the marketplace.

"No amount of fraud is ever acceptable," AHIP said about the announcement. "Health plans continue to support strong program integrity measures to safeguard consumers and taxpayers while ensuring millions of eligible Americans can access affordable coverage options through the individual market."

CMS announced the "aggressive, sweeping" actions in healthcare.gov in a Tuesday release that also reveals the agency has created an antifraud coordination group for healthcare.gov that includes officials from HHS and CMS who will meet regularly on program integrity efforts.

CMS is holding brokers/agents accountable for violating marketplace standards, including by issuing termination notices to more than 200 non-compliant agents/brokers since January, the press release says.

Over the summer, CMS sent 569 notices of intent to terminate agents/brokers who had submitted applications without key consumers' information, like social security numbers, the release adds.

The administration is also pausing registration for new agents and brokers until February. According to CMS, data showed that while newly registered agents/brokers made up a fraction of all agent-assisted enrollments in 2026, they accounted for a disproportionate share of unauthorized enrollments and other high-risk activity.

The Interim Final Rule that temporarily bars new agents from registering is meant to address that risk, CMS says.

The lobby representing agents and brokers came out against a moratorium last week after *Inside Health Policy* reported the idea was under consideration, and today NABIP questioned the timing and scope of the interim final rule.

"Fraud and unauthorized enrollments have no place in the Marketplace, and NABIP strongly supports enforcement against those who abuse the system," NABIP President Mychal Walker said. "But canceling more than 760,000 unauthorized enrollments while simultaneously imposing a moratorium that prevents some legitimate, licensed agents and brokers from registering for Plan Year 2027 represents significant action just before Open Enrollment."

"We can protect program integrity while also protecting eligible consumers and their access to trusted, licensed professionals," Walker said.

Charlene MacDonald, president and CEO of the Federation of American Hospitals (FAH), also said tackling health care fraud is critical to rooting out waste in the system.

"At the same time," she said, "Americans across the country are being priced out of health insurance and losing coverage as a result. Hospitals are already seeing the consequences in their emergency rooms - when patients lose coverage, they often delay care until they are sicker, which puts upward pressure on costs across the health care system."

"We need to tackle fraud while also ensuring hardworking Americans have access to affordable coverage," MacDonald added.

Health care advocates and activists slammed the announcement as a distraction from the ongoing coverage losses.

"Once again, the Trump administration is using alleged fraud accusations as a political smokescreen to double down on what they are actually doing: taking health coverage away from hundreds of thousands of people," Anthony Wright, executive director of Families USA, said.

He stressed "real fraud should be stopped, especially dishonest brokers who sign people up without their knowledge," and points out that the previous administration had banned a number of brokers, but they'd been reinstated under Trump's CMS.

"Now families, not bad actors, are paying the price," Wright said.

"Rather than addressing rising health care costs, the administration is forcing more Americans to become uninsured, live sicker, die younger, and risk being one emergency away from financial ruin," Wright said. "Fighting fraud should not result in eligible Americans losing coverage. Families want health care that is affordable, comprehensive, and accessible, not political stunts as a weak reframe of massive cuts to Medicaid and marketplaces."

Protect Our Care President Brad Woodward offered similar comments.

"Families need coverage they can afford and count on when they get sick. Vance's task force won't accomplish that. It's a smokescreen for an administration whose sole mission is to make it harder to get and stay covered but to shower billionaires with tax breaks instead," he said.