



COMMISSIONER OF SECURITIES AND INSURANCE

James Brown
Commissioner

Office of the
Montana State Auditor

ADVISORY MEMORANDUM

To: All interested parties

From: James Brown *JB* 5/26/26
Commissioner of Securities and Insurance, Montana State Auditor

Date: May 26, 2026

Ref: **Updated Requirements for Qualified Health Plan (QHP) Certification related to the 2027 Final Notice of Benefit and Payment Parameters**

On April 22, 2026, the Office of the Montana State Auditor, Commissioner of Securities and Insurance (CSI), issued an Advisory Memorandum that provided instructions for filing both on-exchange and off-exchange health plans (Advisory Memorandum). The Advisory Memorandum explained that the Centers for Medicare & Medicaid Services (CMS) had issued the proposed Notice of Benefit and Payment Parameters for 2027, and that the Memorandum would be updated, if necessary, once the final notice was issued. On May 15, 2026, CMS issued the 2027 Final Notice of Benefit and Payment Parameters (2027 Final Rule), which will take effect July 20, 2026. The 2027 Final Rule and accompanying Fact Sheet are available at:

- <https://www.federalregister.gov/d/2026-10050>
- <https://www.cms.gov/newsroom/fact-sheets/hhs-notice-benefit-payment-parameters-2027-final-rule>

This Addendum addresses the key changes between the proposed 2027 rule and the final rule concerning the topics mentioned in the Advisory Memorandum, and it is not a complete list of all regulatory requirements. CSI expects issuers to consult all applicable laws and regulations, in conjunction with this Memorandum, to ensure compliance with the requirements of the Patient Protection and Affordable Care Act (ACA) and other applicable state and federal requirements.

KEY CHANGES IN THE 2027 FINAL RULE

1) Unified Rate Review Template (URRT)

The 2027 Final Rule finalizes the collection of cost-sharing reduction (CSR) related plan-level adjustment information through the URRT and the Part III Actuarial Memorandum for each plan year in which CSRs are not funded. CMS states it intends to release guidance at a later date concerning submitting the required URRT and actuarial memorandum information as part of the revised unified rate review instructions. Accordingly, issuers should monitor CMS's Unified Rate Review page for the updated URRT instructions and, once posted, ensure that all required CSR-related information is submitted in the manner directed by CMS and CSI.

- <https://www.qhpcertification.cms.gov/s/Unified%20Rate%20Review>

2) Defrayal of State-Mandated Benefits

The 2027 Final Rule specified that the change to the federal defrayal framework will begin in plan year (PY) 2028. Since the new deferral requirements are not effective for PY 2027, issuers should continue to follow the existing deferral requirements for PY 2027 filings, including the guidance on pages 4-5 of the Advisory Memorandum.

3) Standardized and Non-Standardized Plan Options

As proposed in the draft Notice, the 2027 Final Rule eliminates the requirements for issuers to offer standardized plan options, beginning in PY 2027. It also removes the limits on non-standardized plan options. Issuers in Montana may now offer product portfolios without a standardized plan option and their offerings are not subject to the prior limitation on non-standard plans, as long as they comply with the provisions in the 2027 Final Rule and other applicable requirements.

4) Cost-Sharing Reduction (CSR) Loading

As proposed in the draft Notice, the 2027 Final Rule finalizes the requirement for issuers that load premiums to account for unreimbursed CSR amounts to submit specified CSR data in the URRT and supporting explanations in the Part III Actuarial Memorandum. The 2027 Final Rule explains that the URRT must include actual CSR amounts paid, additional revenue collected from the previously applied CSR load, expected CSR amounts for the upcoming plan year, the applicable CSR load factor, and the expected additional revenue from the proposed CSR load factor. CMS further clarifies that an actuarially justified CSR load factor must only recover expected unreimbursed CSR amounts and should not materially exceed those amounts or be used to distort pricing across metal levels.

5) Catastrophic Plan Changes

The 2027 Final Rule does not adopt the full set of catastrophic plan changes noted in the draft Notice. In particular, the 2027 Final Rule does not allow issuers to offer multiyear catastrophic plans for up to 10 years, nor does it adopt the broader catastrophic plan framework described in the proposed-rule summary in the Advisory Memorandum.

The 2027 Final Rule also delays the proposed catastrophic cost-sharing changes, including the higher catastrophic maximum out-of-pocket level tied to 130 percent of the standard annual limitation on cost sharing, until PY 2028, so there is no change to catastrophic Actuarial Value or maximum out-of-pocket requirements for PY 2027. Issuers should continue to follow the catastrophic coverage requirements reflected in the 2027 Final Rule and applicable CMS operational guidance rather than the proposed-rule discussion summarized in the Advisory Memorandum.

6) Bronze Plan Changes

As proposed in the draft Notice, the 2027 Final Rule allows individual market issuers to offer bronze plans with cost-sharing parameters that fit within the standard bronze *de minimis* actuarial value range even if the resulting maximum annual limitation on cost sharing exceeds the standard annual limitation, provided the issuer also offers at least one bronze plan in the same service area with a maximum annual limitation on cost sharing at or below the standard limit.

7) Network Adequacy

The 2027 Final Rule did not adopt the reduction of the ECP threshold from 35 to 20 percent as summarized in the Advisory Memorandum. Thus, the prior threshold applies to PY 2027. The final rule continues the limited exception for stand-alone dental plans in areas where it is prohibitively difficult to establish a network of dental providers, and Montana remains approved for that exception for PY 2027, as reflected in the Advisory Memorandum.

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This advisory memorandum is informational only and does not enlarge, limit, or modify any requirements of applicable law or in any way limit the authority of CSI under applicable law. CSI encourages interested persons to consult with independent legal counsel for guidance on the topics addressed in this Addendum and the Advisory Memorandum.