

# ACA Trends to Watch in 2025

## A Record-Breaking Year for Open Enrollment



Open Enrollment (OE 2025) set a new record, with 24.2 million consumers selecting ACA coverage, including 3.9 million new enrollees.<sup>1</sup>

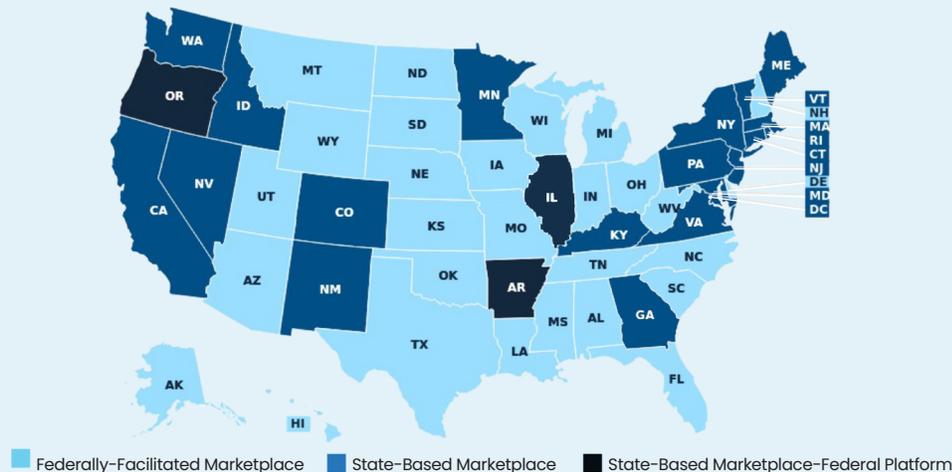
As political landscapes shift and consumer expectations evolve, six key trends will shape the future of the ACA Marketplace.

# 1

## More States Transitioning to State-Based Marketplaces

The transition from the Federally-Facilitated Marketplace (FFM) to State-Based Marketplaces (SBMs) is speeding up, requiring health plans to adapt quickly.

### The expansion continues



### Benefits of Switching to an SBM:

- Flexible Open and Special Enrollment Periods
- Improved Medicaid/CHIP integration
- Freedom to offer supplemental subsidies
- Lower user fees retained by the state

Currently, 19 states operate SBMs, but more will follow.

### Key insights and considerations:

- Texas and Louisiana are weighing a transition, which could prompt other Republican-led states to follow suit
- The Trump administration has shown strong support for SBMs over the FFM
- While SBMs offer advantages, shifting can be costly and operationally complex for health plans

<sup>1</sup> CMS. Marketplace 2025 Open Enrollment Period Report: National Snapshot.

# 2

## Enhanced Subsidies Set to Expire

Enhanced subsidies introduced under the American Rescue Plan Act (ARP) and extended by the Inflation Reduction Act (IRA) are set to expire at the end of 2025. These subsidies have been critical in driving record-high ACA enrollments.

### 75% increase in premium payments if enhanced subsidies go away

— Data from KFF brief:

[Inflation Reduction Act Health Insurance Subsidies: What is Their Impact and What Would Happen if They Expire?](#)

If this occurs, health plan members will need additional support from their health plans.

#### Key insights and considerations:

- Enrollment is expected to decline, requiring health plans to update pricing strategies and market differentiators to maintain ACA gains
- Members currently enrolled in zero-dollar premium plans will be at the highest risk
- Health plans must proactively engage affected members, update billing information, and explore alternative coverage options for those facing affordability challenges

# 3

## Operational Investments for Long-Term Gains

Health plans are doubling down on operational investments in hopes of long-term payoff.

### Providence Health Plan reported \$1 billion in operational savings from a 3-year-long restructuring and cost-cutting initiative

— Reported by Digital Health News

But delivering on the promise of transformative initiatives is not easy. Health plans need to be fully invested in these initiatives to drive efficiencies.

#### Key insights and considerations:

- Successful initiatives are built on good data. A deep understanding of current missed KPIs, member drop-off points, and manual processes is the first step
- Artificial Intelligence (AI) is playing a large role in successful operational improvement initiatives. AI use must be well-designed, function as an enhancement rather than an employee replacement, and align with the health plan's overall strategy
- Leadership commitment is essential. Health plans need strong leaders who can drive efficiency and maintain long-term strategic focus

## 4 Growth of Individual Coverage Health Reimbursement Arrangements (ICHRA)

ICHRA adoption continues to grow, allowing employers to offer tax-free reimbursements for employees' individual health insurance purchases. For health plans looking to grow their ACA market or that struggle with traditional group coverage, **ICHRA is the answer.**

**29% growth in ICHRA adoption between 2023 and 2024**

**83% of employers were not offered coverage before ICHRA and QSEHRA**

— Data from the HRA Council data report:

Growth Trends in ICHRA & QSEHRA

Ready to capitalize on the growing ICHRA market?

### Key insights and considerations:

- Health plan leadership is catching up, but there is still a learning curve when it comes to ICHRA. Plans have started creating dedicated roles for ICHRA oversight and implementation
- Partnerships with benefits agencies and brokers to support the full ICHRA lifecycle and administration will be critical for success
- Customized ICHRA shopping experiences guide employees toward the ACA coverage that's right for them and their families

## 5 Rising Demand for Seamless Member Experiences

Consumer expectations around healthcare access, affordability, and digital convenience are higher than ever. As younger, tech-savvy consumers enter the ACA market, health plans must prioritize a digital-first, frictionless experience that spans plan selection, enrollment, and ongoing member engagement.

Health plan success requires standing out in the market.

### Key insights and considerations:

- AI-driven customer support solutions enhance efficiency while maintaining a personalized touch
- Digital dashboards, automated billing, and chatbots for common questions reduce member frustration and call center burdens
- Streamlined access to ACA plans alongside Medicare Advantage, Medicaid, ICHRA, and ancillary benefits (e.g., dental, vision) enhances value and retention



# 6

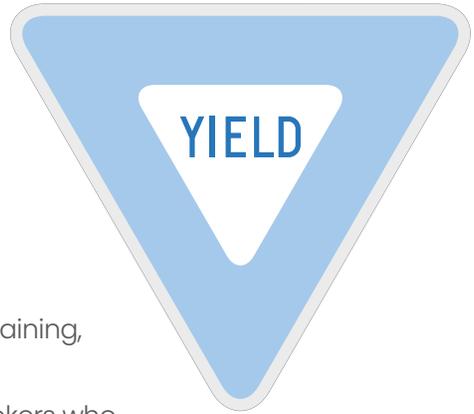
## Government Oversight into Broker Practices

Brokers play a crucial role in ACA enrollments, guiding individuals and small businesses through plan selection and compliance. However, federal regulators are cracking down on fraudulent practices, including unauthorized plan changes.

Regulatory action and policy shifts are already happening.

### Key insights and considerations:

- CMS and state regulators are introducing stricter licensing, training, and oversight requirements for brokers operating in the ACA
- Health plans must work closely with reputable, compliant brokers who prioritize transparency and consumers' interests. Give brokers the tools they need to guide people to the plans that work best for them
- AI-driven monitoring systems can help health plans and regulators identify and address irregular enrollment patterns in real-time



**Is your plan ready to adapt to the changes coming in 2025? Softheon has been helping health plans succeed in ACA and private marketplaces for 25 years. We're here to help you navigate the complexities with confidence.**

 **Website** [Softheon.com](https://softheon.com)

 **Email** [info@softheon.com](mailto:info@softheon.com)

 **LinkedIn** [linkedin.com/company/softheon](https://www.linkedin.com/company/softheon)