Federal Court Stays Portions of Changes to Affordable Care Act



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On August 22, 2025, a Maryland Federal District Court issued a preliminary injunction temporarily staying certain regulatory changes enacted by the Department of Health and Human Services (HHS) that would restrict enrollment in Affordable Care Act marketplace health plans. The Court's ruling addressed a challenge filed by several cities and non-profit groups under the Administrative Procedure Act against a set of changes in the "Marketplace Integrity and Affordability" final rule adopted by HHS that the plaintiffs argued would increase health insurance premiums, reduce coverage, impose burdensome barriers, especially for lower-income individuals, and shift costs onto cities, providers and non-profit organizations. HHS defended the changes as necessary to address fraud, improper enrollments and distortions in the risk pool.

In its decision, the Court temporary delayed enactment of seven of the rule's most consequential provisions, including a $5 monthly premium for individuals who automatically reenroll in coverage and do not confirm their eligibility for $0 premium, and a policy disqualifying people from receiving subsidies who fail to reconcile tax credits with their income. The Court also paused the elimination of guaranteed coverage for people whose premiums are past due; the imposition of higher income verification standards if exchanges find inconsistencies in tax data; a policy requiring stricter eligibility checks ahead of a special enrollment period; and changes to the formula used to sort exchange plans into different coverage tiers.

The new rules were set to take effect on August 25, 2025. The Court's decision puts the policies on hold until the case concludes, which will likely take several months.

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