

Proposed MHC for Small Business Regulations

July 15, 2024

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14.35.18 Proposals

1. Minimum Participation Rate (MPR) ([14.35.18.03](#)):

- Reduce the employee MPR for a qualified employer's SHOP eligibility to **60%** uniformly.
 - Current regulation sets the MPR at 75% for the Employee Choice model, and is left to the discretion of the carrier but may not exceed 75% for Employer Choice model

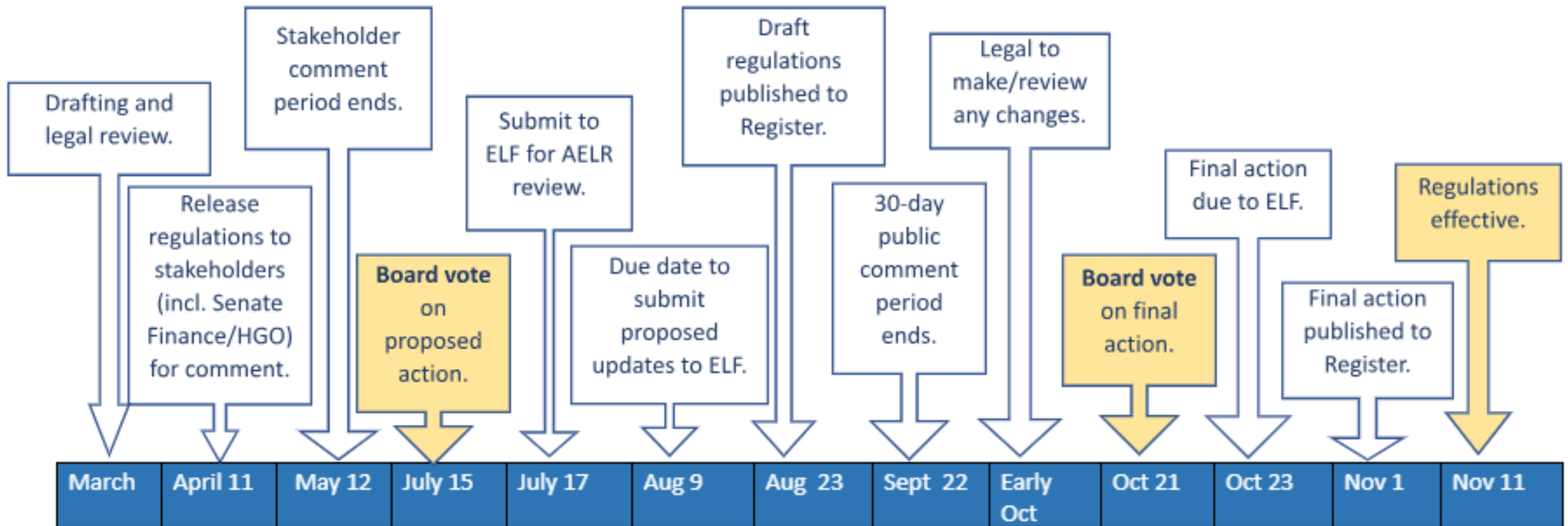
1. Waiting Period ([14.35.18.04](#)):

- Reduce the waiting period a small employer may set for a qualified employee to no more than **60 days**, with coverage effective the first of the month after the end of the waiting period date.
 - Current regulation allows up to 90 days.

Additional Background

- Proposed updates were discussed in prior MHBE Small Business Programs Advisory Committee (SBPAC) stakeholder meetings.
- Federal regulations allow State Marketplace flexibility to adapt SHOP MPR ([45 CFR 155.706](#)).
 - SBPAC provided feedback that the 75% MPR is difficult for many small employers to meet.
- Federal regulations limit waiting periods to a maximum of 90 calendar days from the date an employee is first eligible for coverage, for coverage to become effective ([45 CFR 147.116](#))
 - Current state regulations also limit waiting periods to 90 days but specify that coverage effectuates at the first of the month **following** the end of the wait period, which could amount to up to 120 days in total.

Timeline



Request for Approval of Proposed Regulations and Authorization to Submit to AELR and DSD

MOTION: I move to [approve/defer/reject] the proposed regulations as presented, and authorize MHBE to submit them to the Joint Committee on Administrative, Executive, and Legislative Review for review and to the Division of State Documents for publication in the Maryland Register [as presented/as amended].