2026 ACA
Individual Non-Medigap & Small Group Markets
Health Insurance Premium Filings

Update for Maryland Health Benefit Exchange Board Meeting
October 20, 2025

Presenter:
Brad Boban, Chief Actuary

Maryland
INSURANCE ADMINISTRATION

insurance.maryland.gov

General Rate Review Process

1. Maryland Insurance Article § 11-603(c)(2) requires that rates must not be excessive, inadequate, or unfairly discriminatory and ***must be reasonable in relation to benefits.*** Otherwise, the Commissioner "…shall disapprove or modify a proposed premium rate filing."

2. Begin by reviewing 2024 experience period claims and comparing to past years claims and to what carrier's had previously projected when setting 2024 rates. Obtain analyses from carriers that help normalize for confounding variables and understand drivers of past year's experience.

3. Review assumptions used to project experience period claims. "Actuarial Standards of Practice" (ASOP) # 8 describe an approach where assumptions need to be supported and reasonable both individually and in aggregate.

4. Key assumptions for 2026 include 1) claims trend (both cost and utilization), 2) morbidity (relative health status of the pool), 3) operating expenses, 4) profit margin/contribution to reserve, 5) risk adjustment transfers 6) reinsurance recoveries under 1332 waiver, and 7) impact of proposed federal legislation and regulations.

Timeline for Review – Key Dates

- May 19 - Rates Filed with MIA
- July 30 - MIA Public Hearing
- Aug. 18 – MHBE Board Vote on State Subsidy
- August 30 – MIA Deadline for Public Comments
- September 19 – Final Rates Approved

Enhanced Advanced Premium Tax Credits (eAPTC) have not been renewed for 2026 as of 10.13.25.

Key Market Trends

1. **Affordable Rates -** Marylanders will continue to enjoy some of the most affordable rates in the country – largely because of the continued effectiveness of Maryland's 1332 State Innovation Waiver in stabilizing the market.

2. **Comparatively Lower Rates -** Approved 2026 rates are 6% lower than the pre-waiver 2018 rates, and the waiver continues to keep rates 30-35% lower than they would be without it. The 13.4% increase was driven by expiring federal tax credits, as well as increased pharmaceutical costs.

3. **Marylanders Use APTC to help afford coverage-** About 78% of people who purchase their individual market policy on the Maryland Health Connection, the state's health insurance exchange, currently receive some reduction in premium through federal Advance Premium Tax Credits (APTC). Enhanced APTCs (eAPTC) through the end of 2025, but these are set to expire unless Congress takes action to extend them.

Key Market Trends (Continued)

4. **State Subsidy Program** - The State created a new subsidy program for all ages for those who are under 400% of the federal poverty level ***for 2026 and 2027 only*** to help offset the expiration of the enhanced federal subsidies.

   The subsidy program will:

   - Replace 100% of the enhanced federal subsidies for those under 200% of the federal poverty level.
   - Phase subsidies from 100% replacement down to 50% replacement for those between 200% and 250% of the federal poverty level.
   - Replace 50% of enhanced federal subsidies for those between 250% and 400% of the federal poverty level.

Those earning more than 400% of the federal poverty level will **not** be eligible for subsidies.

What's Been Approved – 2026 Individual ACA

1. Carriers were approved for an average premium increase of 13.4%. Ranges from 9.8% to 15.2% by carrier.

2. Average rate increase is estimated to be 10-11% if ARPA subsidies were extended. This is higher than initial filing due to change in reinsurance attachment point for 2026.

3. Aetna is exiting the market nationwide in 2026, which will impact just under 5,000 members.

4. Carriers are seeing an overall pricing trend of 6.4%. This comprises 4.8 % on hospital, 6.1% on professional, and 10.4% on prescription drug.

5. Morbidity is main driver of 13.4% increase in approved rates, with enrollment expected to fall 16 % from the 2025 record level. The healthier members are more likely to lapse when premiums rise, leaving behind a risk pool approximately 12% sicker according to carrier projections.

Enhanced Tax Credit Expiration – Currently Scheduled for End of 2025

- Advanced Premium Tax Credits (APTCs) were enhanced, originally under the American Rescue Plan Act (ARPA) in 2021, then extended by the Inflation Reduction Act (IRA) through 12/31/25.

- The ARPA both a) increased the tax credit amount for those already eligible for tax credits and b) increased the number of those eligible for tax credit by removing the 400% cliff and allowing tax credits at any income where the benchmark plan would be more than 8.5% of income.

- Since May 2021 when tax credits were enhanced, Maryland has seen a 50% increase in the number of those receiving tax credits from 126,000 to 190,000, a +64,000 increase, per the MHBE's monthly data report. (Source: https://www.marylandhbe.com/news-resources/reports-data/)
- As of 10/14/2025 – the status of enhanced APTC is uncertain and is the subject of negotiations over the end of a shutdown to the federal government.

If APTC Subsidies are Extended

- Rates expected to decrease further from what was approved (average increase of 13.4%).
- Carriers were initially asked to file **two** sets of rates – one assuming the credits expire and the other one assuming that they are extended.
- If the eAPTC subsidies are extended – then the **State Subsidy Program will sunset.**
    - *Note: some conversations at federal level are about potential redesign of eAPTC.*
- The increase in 2026 is partly driven by the assumed lapse in healthier enrollment leaving the pool due to Marylanders losing some or all of their enhanced tax credit.
- If the eAPTC are not extended imminently, **it is likely too late to have carriers refile rates.**
    - ***However, extending federal enhanced tax credits this fall will still have a significant benefit for affordability for Marylanders.***

Monthly Premium Impact of ARPA-Tax Credit Expiration

Exhibit 2a							
2026 ACA: INDIVIDUAL MARKET							
ILLUSTRATIVE PREMIUM IMPACTS							
100% fpl							
Individual Age 40: Premiums after Federal AND State subsidies							
	Federal					No State Subsidy	
	Expected	2025 Premium	2026 Premium			2026 Premium	
% FPL	Contr 2026	PMPM	PMPM	% Increase		PMPM	% Increase
138%	3.14%	$ 1	$ 1	0%		$ 57	7385%
150%	4.19%	$ 1	$ 1	0%		$ 83	10709%
200%	6.60%	$ 53	$ 53	0%		$ 173	227%
250%	8.44%	$ 131	$ 204	55%		$ 276	110%
300%	9.96%	$ 236	$ 313	33%		$ 390	66%
350%	9.96%	$ 332	$ 394	19%		$ 414	25%
400%	9.96%	$ 365	$ 414	13%		$ 414	13%
401%	9.96%	$ 365	$ 414	13%		$ 414	13%
Family of Four (Ages 45, 43, 15, 13): Premiums after Federal AND State subsidies							
	Federal					No State Subsidy	
	Expected	2025 Premium	2026 Premium			2026 Premium	
% FPL	Contr 2026	PMPM	PMPM	% Increase		PMPM	% Increase
138%	3.14%	$ 3	$ 3	0%		$ 119	4408%
150%	4.19%	$ 3	$ 3	0%		$ 171	6393%
200%	6.60%	$ 110	$ 110	0%		$ 356	225%
250%	8.44%	$ 271	$ 419	55%		$ 568	110%
300%	9.96%	$ 485	$ 644	33%		$ 803	66%
350%	9.96%	$ 682	$ 810	19%		$ 937	37%
400%	9.96%	$ 914	$ 992	9%		$ 1,070	17%
401%	9.96%	$ 916	$ 1,427	56%		$ 1,427	56%

Examples of Increases with State Subsidy + No eAPTC Extension

- How the rate increases and loss of enhanced APTC will impact Marylanders differently based on age, income, family size, and plan enrollment.
- **Example 1:** A 40 year old single person in Maryland earning $31,300 per year (200% FPL) can anticipate paying a premium of $53 per month in 2026, **a 0% change from 2025, thanks to the Maryland premium subsidy.**
  - If the state had not implemented a state subsidy, the same individual would pay on average a $173 premium per month - ***a 227% percent increase.***

Examples of Increases with State Subsidy + No eAPTC Extension

- **Example 2:** A family of 4 in Maryland, with adults age 45 and 43, that makes $80,375 combined per year, can anticipate paying $419 per month in 2026 v. $271 per month in 2025 - ***a 55% increase***.
  - This family's income is at 250% of the Federal Poverty level. If Maryland did not have a state subsidy, they would pay $568 per month - **a *110% increase.***
- **Example 3:** A family of 4 in Maryland, with adults age 45 and 43, that makes $128,922 combined per year, can anticipate paying $1,427 per month for coverage in 2026 v. $916 per month in 2025 - ***a 56% increase.***
  - Because this family's income is over 400% of the Federal Poverty Level, they do not qualify for the Maryland subsidy.

2026 Individual Average Rate Approvals

Legal Entity	Network Type	Members On & Off Exchange 7/31/2024	Members On & Off Exchange 7/31/2025	% Change In Members vs 7/31/2024	7/31/2025 Market Share	Approved 2023 Average Rate Change	Approved 2024 Average Rate Change	Approved 2025 Average Rate Change	Initially Filed 2026 Average Rate Change	Final Approved 2026 Average Rate Change
CareFirst BlueChoice	HMO	128,862	122,623	-4.8%	41.7%	6.0%	4.9%	5.1%	18.7%	13.6%
CareFirst GHMSI	PPO	8,026	8,906	11.0%	3.0%	13.3%	-2.5%	8.6%	14.2%	13.1%
CareFirst CFMI	PPO	11,701	13,412	14.6%	4.6%	13.3%	-2.5%	8.6%	14.2%	13.1%
Kaiser	HMO	56,317	49,427	-12.2%	16.8%	6.6%	8.3%	8.5%	12.0%	9.8%
Optimum Choice (UHC)	HMO	63,355	93,465	47.5%	31.8%	4.4%	-1.2%	5.5%	18.6%	15.2%
Aetna Health Inc.	HMO	2,636	4,939	87.4%	1.7%	N/A	New	8.8%	N/A	N/A
Wellpoint Maryland, Inc.	HMO	0	1,417	N/A	0.5%	N/A	N/A	New	8.1%	10.0%
TOTAL		**270,897**	**294,189**	**8.6%**	**100.0%**	**6.6%**	**4.7%**	**6.2%**	**17.1%**	**13.4%**
SUBTOTAL (By Insurer)										
CareFirst		148,589	144,941	-2.5%	49.3%	6.7%	4.1%	5.6%	18.0%	13.5%
Kaiser		56,317	49,427	-12.2%	16.8%	6.6%	8.3%	8.5%	12.0%	9.8%
Optimum Choice (UHC)		63,355	93,465	47.5%	31.8%	4.4%	-1.2%	5.5%	18.6%	15.2%
Aetna Health Inc.		2,636	4,939	87.4%	1.7%	N/A	N/A	8.8%	N/A	N/A
Wellpoint Maryland, Inc.		0	1,417	0.0%	0.5%	N/A	N/A	New	8.1%	10.0%
TOTAL		**270,897**	**294,189**	**8.6%**	**100.0%**	**6.6%**	**4.7%**	**6.2%**	**17.1%**	**13.4%**

What's Been Filed – Individual ACA Dental

1. Dental carriers had rate decreases approved at an average of -1.4%.
2. Approximately 51% of policyholders receiving rate decreases.
3. Claims trends in dental remain very low compared to medical.

Individual ACA Dental Requests (2026 Filings)

1	3	4	5	6	9	10			14	
									Filed 05/01/25	Approved
Market	Legal Entity	Network Type	Actual Members On & Off Exchange 03/31/24	Actual Members On & Off Exchange 03/31/25	vs. 03/31/24 Δ	03/31/25 Market Share	Approved 2024 Average Rate Increase	Approved 2025 Average Rate Increase	2026 Average Rate Increase	2026 Average Rate Increase
Individual	Alpha Dental	DPPO	4,407	6,393	45.1%	6%	4.2%	4.2%	-1.6%	-1.6%
Non-	CareFirst GHMSI/CFMI	DPPO	15,678	16,138	2.9%	16%	-3.2%	-5.0%	-2.6%	-2.6%
Medigap	CareFirst CFMI	DPPO	36,581	37,655	2.9%	38%	-3.2%	-5.0%	-2.6%	-2.6%
(INM)	Delta Dental of PA	DPPO	25,103	28,672	14.2%	29%	2.0%	9.7%	0.0%	0.0%
	Dominion Dental Services	DHMO+DPPO	12,990	11,250	-13.4%	11%	-1.0%	2.3%	2.2%	1.0%
	TOTAL		**94,759**	**100,108**	**5.6%**	**100%**	**-1.3%**	**0.3%**	**-1.3%**	**-1.4%**

What’s Been Approved – Small Group ACA

1. Small group carriers originally requested an average increase of 5.5%, but were approved at a final rate of 4.9%

2. Variation by carrier, but all carriers were approved for increases, from +2.9 to +11.8%.

3. Major driver of rate increase is the claims trend (the increase in costs that would occur for a static population). Average small group trend of 6.9%. 12% prescription drug is main service driver.

4. Below trend increase because of favorable experience in 2024.

5. 10% enrollment loss is the largest in recent years. However, morbidity is stable, implying that the groups that are leaving the market are not healthier than average.

Small Group ACA Filed Rates (2026 Approved)

	Legal Entity	Network Type	Members On & Off Exchange 03/31/24	Members On & Off Exchange 03/31/25	% Change in Members vs 03/31/24	03/31/25 Market Share	Approved 2024 Average Rate Increase*	Approved 2025 Average Rate Increase	Initially Filed 2026 Average Rate Increase	Final Approved 2026 Average Rate Increase
1	CareFirst BlueChoice, Inc.	HMO	154,599	143,549	-7.1%	71%	4.9%	3.7%	3.3%	2.9%
2	CF GHMSI	PPO	12,644	12,449	-1.5%	6%	7.5%	6.0%	11.2%	11.8%
3	CF CFMI	PPO	9,157	9,875	7.8%	5%	7.5%	6.0%	11.2%	11.8%
4	United Healthcare of the Mid-Atlantic	HMO	2,298	1,554	-32.4%	1%	13.0%	8.2%	10.4%	7.9%
5	United Healthcare (Optimum Choice)	HMO	5,249	4,367	-16.8%	2%	6.4%	3.6%	10.9%	8.4%
6	United Healthcare (MAMSI)	EPO	8,637	8,376	-3.0%	4%	5.2%	1.5%	12.2%	10.4%
7	United Healthcare Insurance Co.	PPO	14,517	13,889	-4.3%	7%	6.0%	1.9%	11.8%	9.3%
4	Kaiser	HMO	9,377	9,188	-2.0%	5%	8.0%	8.1%	6.6%	6.6%
	Aetna Health, Inc.	HMO	7,095	0	-100.0%	0%	15.4%	18.5%	N/A	N/A
	Aetna Life Insurance Co.	PPO	3653	0	-100.0%	0%	1.4%	23.0%	N/A	N/A
	TOTAL		**227,226**	**203,247**	**-10.6%**	**100%**	**6.9%**	**4.5%**	**5.5%**	**4.9%**
	SUBTOTAL (By Insurer)									
11	CareFirst		176,400	165,873	-6.0%	82%	6.8%	4.0%	4.4%	4.1%
14	United Healthcare		30,701	28,186	-8.2%	14%	6.4%	2.4%	11.7%	9.4%
13	Kaiser		9,377	9,188	-2.0%	5%	8.0%	8.1%	6.6%	6.6%
	TOTAL		**216,478**	**203,247**	**-6.1%**	**100%**	**6.9%**	**4.5%**	**5.5%**	**4.9%**
	SUBTOTAL (By Coverage Type)									
15	HMO		171,523	158,658	-7.5%	78%	7.6%	4.0%	3.8%	3.3%
16	EPO		8,637	8,376	-3.0%	4%	5.2%	1.5%	12.2%	10.4%
14	PPO		36,318	36,213	-0.3%	18%	4.1%	4.4%	11.4%	10.8%
	TOTAL		**216,478**	**203,247**	**-6.1%**	**100%**	**6.9%**	**4.5%**	**5.5%**	**4.9%**

Questions?

Contact Information

Maryland Insurance Administration

800-492-6116 | 410-468-2000 | 800-735-2258 (TTY)

insurance.maryland.gov

@MDInsuranceAdmin

en Español: @MDInsuranceAdminES

Maryland Insurance Administration

@marylandinsuranceadmin

MD_Insurance

https://bit.ly/mdmiayoutube

Maryland
INSURANCE ADMINISTRATION

insurance.maryland.gov

Appendix

Appendix – Sample 2026 Rates

Sample Individual Premiums – Lowest Bronze

Lowest Cost Bronze Plan - Age 40 Baltimore Metro Region					
Carrier	Network Type	2025 Monthly Approved	% Rate Change	2026 Monthly Approved	Monthly Change
CareFirst BlueChoice	HMO	$295	14.9%	$339	$44
CareFirst GHMSI/CFMI	PPO	$456	11.7%	$510	$54
Kaiser	HMO	$287	14.2%	$328	$41
Optimum Choice (UHC)	HMO	$261	8.7%	$283	$23
Wellpoint Maryland, Inc.	HMO	$304	9.2%	$332	$28

Sample Individual Premiums – Lowest Silver

Lowest Cost Silver Plan - Age 40 Baltimore Metro Region					
Carrier	Network Type	2025 Monthly Approved	% Rate Change	2026 Monthly Approved	Monthly Change
CareFirst BlueChoice	HMO	$355	4.7%	$371	$17
CareFirst GHMSI/CFMI	PPO	$510	14.7%	$585	$75
Kaiser	HMO	$319	8.0%	$344	$25
Optimum Choice (UHC)	HMO	$302	13.1%	$342	$40
Wellpoint Maryland, Inc.	HMO	$397	10.0%	$437	$40

Sample Individual Premiums – Lowest Gold

Lowest Cost Gold Plan - Age 40 Baltimore Metro Region					
Carrier	Network Type	2025 Monthly Approved	% Rate Change	2026 Monthly Approved	` Monthly Change
CareFirst BlueChoice	HMO	$398	13.6%	$452	$54
CareFirst GHMSI/CFMI	PPO	$574	13.0%	$649	$75
Kaiser	HMO	$390	6.1%	$414	$24
Optimum Choice (UHC)	HMO	$340	14.9%	$391	$51
Wellpoint Maryland, Inc,	HMO	$368	9.8%	$404	$36

Sample Small Group Premiums – Lowest Bronze

Lowest Cost Bronze Plan					
Carrier	Network Type	2025 Monthly Approved	% Rate Change	2026 Monthly Requested	Monthly Change
CareFirst BlueChoice	HMO	$375	1.7%	$381	$6
CareFirst GHMSI/CFMI	PPO	$466	12.8%	$526	$60
Kaiser	HMO	$333	10.7%	$368	$35
United Healthcare (MAMSI)	EPO	$436	10.8%	$483	$47
United Healthcare (Optimum Choice)	HMO	$421	7.3%	$452	$31
United Healthcare of the Mid-Atlantic	HMO	$437	7.0%	$468	$30
United Healthcare Insurance Co.	PPO	$463	10.9%	$514	$51

Maryland INSURANCE ADMINISTRATION

insurance.maryland.gov

Sample Small Group Premiums – Lowest Silver

Lowest Cost Silver Plan - Age 40 Baltimore Metro Region					
Carrier	Network Type	2025 Monthly Approved	% Rate Change	2026 Monthly Requested	Monthly Change
CareFirst BlueChoice	HMO	$451	2.9%	$464	$13
CareFirst GHMSI/CFMI	PPO	$520	12.0%	$582	$62
Kaiser	HMO	$380	7.4%	$409	$28
United Healthcare (MAMSI)	EPO	$450	13.4%	$511	$60
United Healthcare (Optimum Choice)	HMO	$445	7.9%	$480	$35
United Healthcare of the Mid-Atlantic	HMO	$462	7.5%	$496	$35
United Healthcare Insurance Co.	PPO	$478	13.9%	$545	$67

Sample Small Group Premiums – Lowest Gold

Lowest Cost Gold Plan - Age 40 Baltimore Metro Region					
Carrier	Network Type	2025 Monthly Approved	% Rate Change	2026 Monthly Requested	Monthly Change
CareFirst BlueChoice	HMO	$551	3.5%	$570	$19
CareFirst GHMSI/CFMI	PPO	$610	11.4%	$679	$69
Kaiser	HMO	$433	10.5%	$479	$45
United Healthcare (MAMSI)	EPO	$500	10.8%	$554	$54
United Healthcare (Optimum Choice)	HMO	$483	7.6%	$519	$37
United Healthcare of the Mid-Atlantic	HMO	$499	7.3%	$535	$36
United Healthcare Insurance Co.	PPO	$530	10.9%	$588	$58

Maryland INSURANCE ADMINISTRATION

insurance.maryland.gov