

# Maryland Small Business

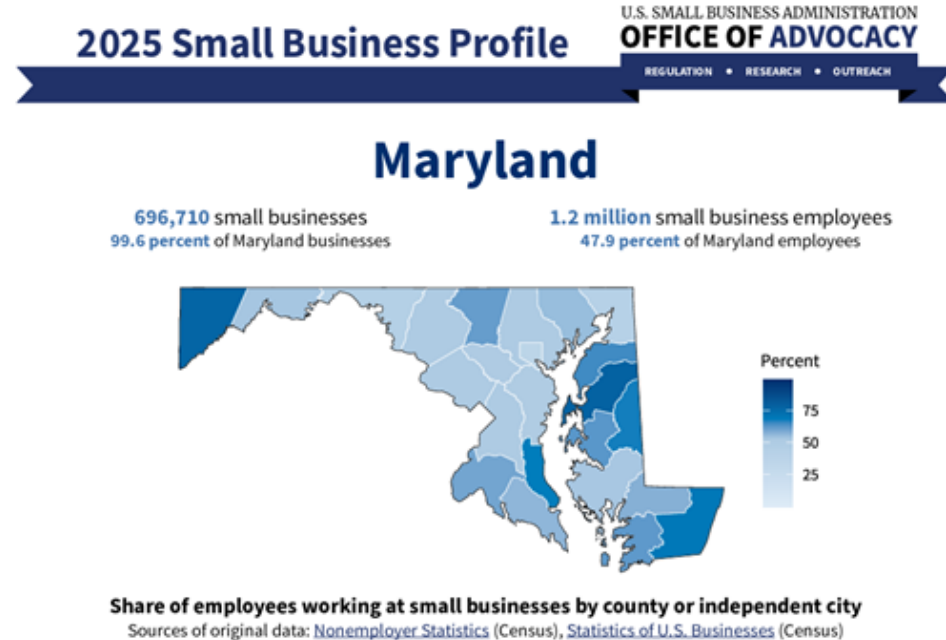
Trends, Challenges, and Opportunities

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**Small Business Program Manager**

maryland  health  
connection<sup>SM</sup>  
for small business

# Market Overview

- 696,710 small businesses in Maryland (99.6% of all businesses)
- Employ ~1.2 million people (over 47.9% of MD workforce)
- Roughly 39.5% offer employer-sponsored health coverage; 203k enrolled in 2025.



# Overall Market Challenges

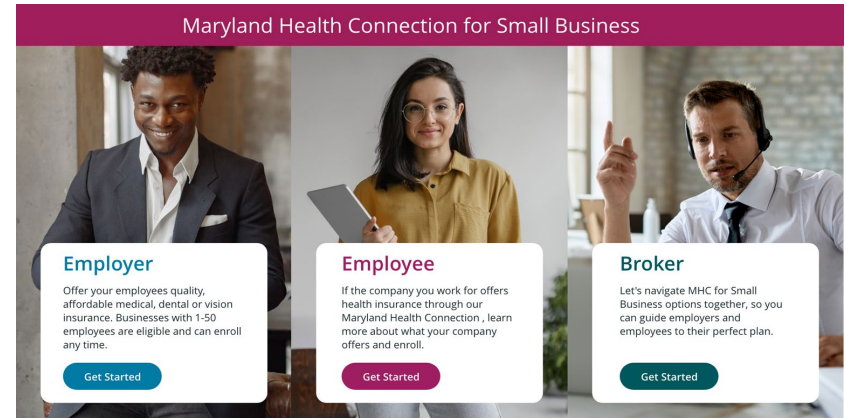
- **Cost:** Small businesses often struggle with the cost of health insurance premiums and may be limited by budget constraints.
- **Unbiased Information:** Difficult to get clear, unbiased information/data to make purchasing decisions
- **Disadvantage for Lower-Wage Employees:** Lower-income employees may benefit more from coverage on the individual marketplace, since they may qualify for subsidies.
- **Administrative Burden:** Managing health insurance for a small group adds significant administrative complexity for businesses with limited resources.

# Maryland Health Connection for Small Business

- Maryland's marketplace for small businesses

## Features:

- **Employee choice**, employer choice, single plan offerings
- Premium aggregation & **streamlined** enrollment
- Federal Small Business **Tax Credit**



# New Portal Launch - Fall 2025!

- **Goal:** Enroll approx. 10,000 in the first 5 years post-launch.
- **Target Audience:** Small Businesses with fewer than 10 employees.
- **Obligation:** Fulfill our statutory mandate to serve small businesses (Md. Code Ann. §31–102 (c)(3)).
- **Outreach Action Plan:** Implement a robust marketing strategy post-launch.

# Enrollment Projections (Q4)

Status	1-Nov	1-Dec	1-Jan	No Effective Date
<b>Migrating</b>	<ul style="list-style-type: none"> <li>Existing Groups: <b>10</b></li> <li>Completed: <b>9</b></li> <li>Enrollment: <b>59</b></li> </ul>	<ul style="list-style-type: none"> <li>Existing Groups: <b>6</b></li> <li>Projected Enrollment: <b>70</b></li> </ul>	<ul style="list-style-type: none"> <li><i>Not started (32 groups)</i></li> <li>Projected Enrollment: <b>152</b></li> </ul>	<b>N/A</b>
<b>Pipeline</b>	<ul style="list-style-type: none"> <li>New Groups: <b>0</b></li> </ul>	<ul style="list-style-type: none"> <li>New Groups: <b>7</b></li> <li>Projected Enrollment: <b>30</b></li> </ul>	<ul style="list-style-type: none"> <li>New Group: <b>5</b></li> <li>Projected Enrollment: <b>12</b></li> </ul>	<ul style="list-style-type: none"> <li>New Groups: <b>6</b></li> <li>Projected Enrollment: <b>TBD</b></li> </ul>

# Outreach & Education Program

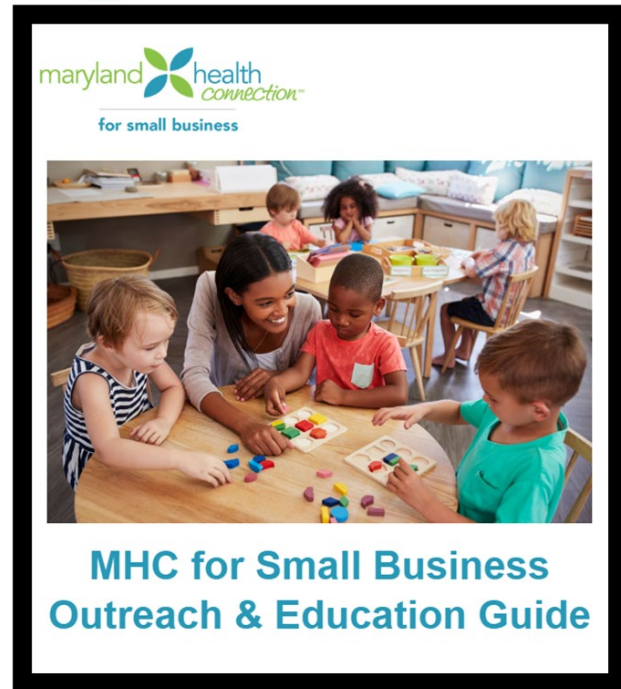


## How It Works

Step 1- Watch two 7-minute Employer Videos

Step 2- Schedule a presentation for your employees with a certified MHBE broker.

Step 3- Sign up for coverage to receive a MHC for Small Business Seal.



# Future Opportunities & Innovations

- Integrate Individual Coverage Health Reimbursement Arrangements (ICHRA) in MHC for Small Business (FY27)
- Continue to enhance the MHC-SB portal
- Increase available plans to small businesses from 4 per metal tier per issuer to 8 per holding company
- Continue exploring opportunities to increase affordability of group coverage
- Expand outreach & education program with a focus on areas with the highest uninsured rates
  - Gig-economy workers, childcare providers





# 2026 Marketing Timeline

- **Sept.1–Oct. 15:** Awareness campaign
- **October–January:** Outreach & education
- **January–March:** Webinars, conferences, events
- **Spring:** Full launch of targeted paid ad campaign, digital and social media, press release to garner media attention



Thank You!

A stylized graphic of four overlapping leaf-like shapes in a lighter shade of teal, arranged in a cross pattern behind the text.

# Appendix

The background is a solid teal color. Overlaid on this background is a large, stylized graphic of a plant with four broad, rounded leaves. The leaves are a lighter shade of teal than the background, creating a subtle, organic pattern. The leaves are arranged in a cross-like formation, with two leaves pointing towards the top and two towards the bottom.

# Federal Small Business Tax Credit

Federal tax credit incentive: under the Affordable Care Act that helps eligible small employers cover the cost of health insurance premiums for their employees. To qualify for the Small Business Health Care Tax Credit (through MHC-SB), the employer must:

- Pay  $\geq 50\%$  of the premium for employee-only coverage.
- Have fewer than 25 full-time equivalent employees.
- Pay average annual wages of  $< \$65,000$  (indexed).
- Tax Credit sliding scale: credit reduced if FTEs  $> 10$ , average wage  $> \$30,000$  and limited (2 year) availability of the tax credit.

# Eligibility & Market Rules

- **Small group size:** In Maryland, “small employer” = 1 – 50 full-time equivalent employees.
- **No contribution requirements:** Maryland does not require small employers to contribute to employee premiums under state law.
- **Employer Mandate:** State law does not mandate small employers to offer coverage.
- **Enrollment period:** Small businesses can apply anytime of the year. It’s especially advantageous to enroll from Nov 15 to Dec 15 to bypass Minimum Participation Requirement (MPR).
- **Guaranteed issue:** Insurers must offer coverage to any small employer that applies, regardless of employee health status.

# Policy & Regulatory Landscape

- ACA Small Group laws remain largely unchanged.
- Federal small business tax credit remains unchanged.
- State regs updated to streamline participation requirements to 60% and waiting periods limited to 60 days (2024).
- ICHRA Plans- Becoming increasingly popular as a meaningful alternative option.
  - H.R. 5463 - (the Choice Arrangement Act of 2025) To amend the Internal Revenue Code of 1986 to provide for the treatment of employer-provided health reimbursement arrangements that are integrated with individual market coverage, and for other purposes.

# Outreach Events & Conferences

- Maryland State Child Care Association
- Maryland State Family Child Care Assoc.
- Maryland Nonprofits, Bridging Communities
- U.S. Small Business Association Small Business Resource Day in Central Maryland
- Social media series, share your stories and small business successes



# Resources and Fact Sheets

- **What is MHC for Small Business? English and Spanish**
- **Small Business tax credits**
- **How to get help** (promoting free authorized broker support)
- **Brochure - Need Health Insurance for Your Employees?**
- **Testimonials** broker and small businesses - owner/employees

**Health Coverage and Savings for Small Businesses**

**Maryland Health Connection for Small Business** helps small businesses and nonprofit organizations provide health and dental insurance coverage to their employees. Businesses can sign up at any time of the year. MHC for Small Business also is the only place where small businesses may qualify for a federal tax credit to lower the cost of coverage for their employees.

**Why enroll?**

- As a small business owner, you can claim the deduction on taxes paid or other premiums for health insurance, vision and dental, and you may be eligible for a health care tax credit.
- Employees get a break because their portion of their health insurance premium is paid pre-tax, lowering their income tax bill.
- Providing insurance helps retain good employees who see the value of their employer-provided insurance in comparison to others.
- Rates fluctuate less in the small group market than in the individual market. You can better predict long-term costs.

**To be eligible to participate you must:**

- Have a principal business address within Maryland
- Have at least one employee on payroll (not including a business owner, owner's spouse or family member)
- Employ 50 or fewer full-time-equivalent employees (FTEs)
- Offer coverage to all FTEs

**GET STARTED TODAY**

1. Complete the eligibility application online at [mhcsmallbiz.MarylandHealthConnection.gov](https://mhcsmallbiz.MarylandHealthConnection.gov). You can expect a response from Maryland Health Connection regarding your business' eligibility within 10 business days.
2. Select a MHC-authorized broker to assist you. These licensed professionals provide free help choosing a plan that works for your business.
3. Work with your authorized broker to browse health plans and insurance companies, and complete enrollment in a plan.

[marylandhealthconnection.gov](https://marylandhealthconnection.gov)

**The Small Business Health Care Tax Credit**

Helping small businesses cover the cost of employee health benefits.

Maryland small businesses and nonprofit organizations that provide health insurance coverage to their employees through Maryland Health Connection may qualify for a health care tax credit from the IRS to help lower the cost of employee coverage.

Businesses can sign up at any time of the year through the Maryland Health Connection for Small Business, which is part of Maryland Health Connection, the state's health insurance marketplace.

Your business may still be eligible to enroll in this program and enjoy its many benefits even if you don't qualify for the federal tax credit.

**How MHC for Small Business helps your business:**

- Tax credits to pay a share of employee premium costs for small businesses that qualify
- Flexibility in contributing to employee premiums
- Simplified billing for employee premiums
- More coverage options

**Who is eligible for the health care tax credit?**

Maryland small businesses and tax-exempt organizations may qualify for the Small Business Health Care Tax Credit if they:

- Buy group health insurance coverage through Maryland Health Connection for Small Business
- Have fewer than 25 full-time-equivalent (FTE) employees
- Buy group health insurance coverage through Maryland Health Connection for Small Business
- You could still qualify with 25 or more employees, if some are part-time.
- Total FTEs don't include the owner or owner's spouse or family members.
- Pay an average annual salary of less than \$42,000 (adjusted for inflation)
- This average excludes wages for owner and owner's spouse or family members.
- Contribute at least 50 percent toward employee-only health insurance premiums
- Amounts paid toward dependent coverage, if offered, also may be included in the total.

[marylandhealthconnection.gov](https://marylandhealthconnection.gov)

**Need health insurance for your employees?**

**How do I get savings?**

The Small Business Health Care Tax Credit is available for plans purchased through Maryland Health Connection for Small Business and may be claimed for any two consecutive years.

Up to 50 percent of your contribution to employee premiums (or 75 percent for a tax-exempt small employer) may be covered by the tax credit. Tax credit eligibility is determined by the IRS.

**Maryland small businesses and tax-exempt organizations may qualify for the Small Business Health Care Tax Credit if they:**

- Buy group health insurance coverage through Maryland Health Connection for Small Business
- Have fewer than 25 full-time-equivalent (FTE) employees
- You could still qualify with 25 or more employees, if some are part-time
- Total FTEs don't include the owner or owner's spouse or family members
- Pay an average annual salary of \$42,000 or less in 2023 (Adjusted for inflation annually)
- This average excludes wages for owner and owner's spouse or family members
- Contribute at least 50 percent toward employee-only health insurance premiums
- Amounts paid toward dependent coverage, if offered, also may be included in this total

**We're here to help**

[mhcsmallbiz.MarylandHealthConnection.gov](https://mhcsmallbiz.MarylandHealthConnection.gov)

[info.mhcsmallbiz.org](https://info.mhcsmallbiz.org)

[marylandhealthconnection.gov](https://marylandhealthconnection.gov)

**A step-by-step guide on enrolling your employees in an affordable health plan. Businesses and nonprofit organizations can sign up at any time of the year.**

**Maryland Health Connection for Small Business** is the only place where small businesses may qualify for a federal tax credit to lower the cost.

[mhcsmallbiz.MarylandHealthConnection.gov](https://mhcsmallbiz.MarylandHealthConnection.gov)