



## MHBE

### Standing Advisory Committee

July 17, 2025

2:00PM – 4:00PM

Via Google Meets

#### **Members:**

Aika Aluc, MHBE Board Liaison  
Mark Meiselbach, Co-Chair  
Brandy Guy  
Elizabeth Arend Dutta  
Maya Greifer  
Nate Apathy  
Stephanie Klapper  
Allison Mangiaracino  
Kimberly Robinson  
Leidi Garcia  
Mukta Bain

#### **MHBE Staff**

Michele Eberle  
Andrew Ratner  
Amelia Marcus

Becca Lane  
Johanna Fabian-Marks  
Makeda Hailegebere  
Kimberly Edwards  
Alexandra Edwards  
Nicole Edge

#### **Members of the Public**

Brad Boban  
Adam Zimmerman  
Joe Gutberlet  
Pallavi Arora  
Suzanne Schlattman  
Laura Spicer  
Meredith Lawler  
Nic Nemec

#### **Welcome, Agenda, and Minutes**

Co-Chair Mark Meiselbach opened the meeting and gave an overview of the agenda. He encouraged attendees to review the full list of Standing Advisory Committee (SAC) members, who come from a variety of backgrounds and many of whom have newly joined the SAC this year. Mr. Meiselbach moved to approve the SAC meeting minutes from May 15, 2025. Stephanie Klapper seconded. The minutes were approved.

#### **Co-Chair Nomination**

Amelia Marcus, Health Policy Analyst at the Maryland Health Benefit Exchange (MHBE), indicated that the scheduled vote on the vacant second Co-Chair position would be delayed since a quorum is not present. Mr. Meiselbach gave background on the vote, going over Article IV of the SAC bylaws, which specifies the term length and duties of Co-Chairs. He expressed agreement with MHBE staff's recommendation of Ms. Klapper, who represents Maryland Citizen's Health Initiative, for the vacant position. Ms. Klapper introduced herself.

Mr. Meiselbach asked if any SAC members would like to make any additional nominations. None were offered.

### **Federal Updates**

Ms. Marcus provided relevant updates on the current federal landscape. Detailed slides are available in the presentation for this meeting. She began with the Centers for Medicare & Medicaid Services (CMS) Marketplace Integrity and Affordability Proposed Rule. The Final Rule includes changes from the rule as proposed in March, such as sunset dates for some provisions or their removal in response to a large volume of feedback, including from the MHBE, pushing back on provisions and advocating for continued flexibility for states in how they run their health insurance exchanges. However, affordability challenges are still anticipated to cause healthier individuals to leave the exchange.

She then moved on to discussing the Budget Reconciliation Bill, also known as the One Big Beautiful Bill Act or H.R.1, which became law July 4, 2025. Only some of the provisions present in the original draft codifying parts of the CMS Final Rule remain in the final draft. The other major marketplace provisions generally fall into three categories: those likely to result in affordability challenges, those that rescind eligibility for consumers, and those that add more enrollment burdens. The act did not address the upcoming expiration of enhanced premium tax credits (ePTCs) at the end of 2025, which would introduce significant affordability challenges for consumers.

Ms. Marcus then reviewed a more in-depth list of the relevant provisions present in one or both policies that fall under each of the three categories. Almost all of the items are likely to lead to enrollment losses either directly or indirectly. The expiration of ePTCs is estimated to lead to a premium increase of 68% and, ultimately, enrollment losses of 70,000 individuals. Tax credit calculation changes are expected to lead to a premium increase of around 4.5%. Also, the policies expand the *de minimis* ranges dictating the required generosity of a plan in a given metal level, although states can still impose stricter limits. Consumers will now need to repay the full amount of any advance premium tax credits (APTCs) in cases where their attested and actual incomes differ, likely leading to significant liabilities for low-income consumers. One additional provision in the CMS Final Rule prohibits the inclusion of gender-affirming care as an essential health benefit.

Deferred Action for Childhood Arrivals (DACA) and many lawfully present immigrants will lose eligibility for financial assistance through the Exchange (APTC). APTCs will also be denied to those failing to file and reconcile their taxes for one year prior, not two.

The open enrollment period (OEP) will now be shortened so that it takes place between November 1 and December 31 rather than ending on January 15. Other provisions will eliminate auto-reenrollment and conditional eligibility for subsidies, meaning consumers will no longer receive subsidies in the months while their eligibility is being determined, and restrict the MHBE's ability to accept consumer attestation of income, leading to additional data matching issues.

Ms. Marcus then went over major Medicaid provisions in H.R.1., which will have cost impacts for the MHBE. These provisions include both the Medicaid work requirement and more frequent Medicaid redeterminations for the Medicaid expansion population and a reduction in retroactive coverage for all Medicaid enrollees from three months to one or two.

Ms. Marcus shared resources, linked in the presentation for this meeting, providing in-depth overviews of the provisions discussed.

Ms. Klapper asked whether the change discontinuing auto-enrollment and the practice of applying conditional eligibility for subsidies makes it so that everyone will be paying their full premium for a few months at the start, as it sometimes takes that long for eligibility to be determined. Ms. Marcus replied in the affirmative but noted that the consumer will still receive retroactive coverage.

Ms. Klapper asked whether, in that case, the consumer would get those funds back or a discount on future months or if they would simply have forfeited the funds. Michele Eberle, Executive Director of the MHBE, replied that the consumer would likely receive the funds back at the time when they file their taxes, as APTCs are reconciled then.

Mr. Meiselbach inquired about the MHBE's expected role in mitigating the administrative burdens resulting from the Medicaid work requirement and other provisions in these policies, noting findings that, in states where work requirements have been implemented, most consumers would have qualified for coverage but were deterred by the amount of paperwork. In response, Ms. Eberle transitioned to her executive update, commenting that it will likely answer Mr. Meiselbach's question.

### **Executive Update**

Ms. Eberle began her executive update by expressing pride at the MHBE's work with other exchanges in communicating with CMS the need for state flexibilities in marketplace operation and in sharing data on anticipated impacts of these policies, both of which resulted in real gains in the final versions. She emphasized the projected impact of ePTC expiration on both the population eligible to receive them and the market more generally. She noted that the MHBE is working with the Maryland Department of Health to interpret these policies, with the later effective dates for some giving the MHBE time to plan.

Ms. Eberle identified the communications around the end of financial assistance for those with DACA status and the expiration of ePTCs as priorities for the MHBE, noting that resources will be sent to applicable enrollees next week. The impacts on lawfully present enrollees are also major issues, although the timeline for the provision removing their subsidy eligibility is more extended. She noted that the MHBE Board of Trustees' annual all-day planning session will take place on Monday, July 21, followed by a Board meeting, and that the MHBE is in the midst of preparing a new three-year strategic plan. Agenda items for the July 21 Board meeting include software procurement items and

reviews of the final 2026 state subsidy reinsurance parameters, additional plan certification standards, and the final regulations on consumer assistance. She shared a list of staffing changes, including the retirement of Betsy Plunkett and Andy Ratner and the transition of Maggie Church and Theresa Battaglia into the roles of director and deputy director, respectively, of marketing, communications, and digital strategies. Johanna Fabian-Marks, currently the MHBE's Director of Policy and Plan Management, will transition to the role of deputy executive director for the MHBE. Also, Dr. Douglas Jacobs has been named as the new director for the Maryland Health Care Commission.

Ms. Klapper congratulated the staff members retiring or stepping into new roles. She expressed gratitude for the MHBE's advocacy at the federal level and asked if there are specific gains of which Ms. Eberle is particularly proud. Ms. Eberle replied that greater flexibility is the largest gain, with state flexibility in their OEP length as a major example. She also highlighted that state-based marketplaces were exempted from additional verifications that will need to take place on the federally facilitated marketplace.

### **Plan Certification Standards Update**

Next, Becca Lane, Senior Health Policy Analyst at the MHBE, gave an update on plan certification standards for 2026 Value Plans on MHC. Detailed slides are available in the presentation for this meeting. Ms. Lane explained that, in response to the CMS Final Rule lowering the actuarial value (AV) floor above which plans must remain to meet federal plan generosity requirements, the MHBE is releasing a last-minute update to the 2026 plan certification standards, as the 2026 plan review process is currently underway. She provided background on the ways *de minimis* ranges determine the bounds within which a plan's AV can fall for a particular metal level.

Ms. Lane explained that the CMS Final Rule widens the AV range in which plans can fall from two percentage points above or below the Gold metal level AV benchmark to four points above or below it, but the MHBE's proposal would keep the range at two percentage points above or below the AV benchmark. She further noted that one carrier, who filed plans that would only be allowed under the CMS Final Rule under the assumption that Maryland would use these standards, would need to re-file to align their plans with the MHBE standards.

### **2026 State-Based Subsidy: Update on Proposed Program Parameters**

Ms. Fabian-Marks then presented on the proposed program parameters for Maryland's state-based health insurance subsidy in 2026. Detailed slides are available in the presentation for this meeting. Ms. Fabian-Marks noted the likely expiration of ePTCs in 2026 and the resulting projected enrollment declines due to reduced affordability. As a result, unless Congress acts to renew ePTCs, Maryland's House Bill (HB) 1082 requires the MHBE to establish a state-based subsidy program to mitigate these impacts using funds from the agency's reserve funding for its affordability programs. Under the program as planned, the Young Adult Subsidy would cease to be its own named program and would instead be a part of the larger individual subsidy program.

Ms. Fabian-Marks explained that the MHBE modeled several options for partially replacing the lost ePTCs, as state funds are insufficient to fully replace them. She stated that the MHBE has considered shrinking the state reinsurance program (SRP) by adjusting its attachment point to free up funds for this endeavor and that the modeling did not include replacing the advance premium tax credits (APTCs) for lawfully present immigrants ineligible for Medicaid under 100% of the federal poverty level (FPL), who will also no longer be eligible for APTC starting 2026 per the CMS Final Rule provision.

Ms. Fabian-Marks explained the priorities set forth for the subsidy design in HB 1082: mitigate tax credit reductions, maximize enrollment, consider how to continue to fund the SRP through 2028, and account for market uncertainties resulting from federal action and funding challenges. She gave a snapshot of the composition of enrollment currently eligible for ePTCs and reviewed considerations that the MHBE has weighed regarding the options modeled. She reviewed the functioning of each parameter for the SRP and showed a graph demonstrating that Maryland's attachment point and SRP are among the most generous of any state, and also a result Maryland's premiums are some of the lowest in the country.

Ms. Fabian-Marks then presented the details of the options modeled. Detailed slides are available in the presentation for this meeting. In the two scenarios to which the MHBE narrowed its modeling, called A1 and A3, consumers with the lowest incomes would retain the greatest percentage of their ePTCs. Option A1 maintains the SRP's attachment point at \$22,000, while Option A3 raises it to \$30,000 to cover ePTCs for consumers with incomes above 400% FPL. She noted that both A1 and A3 mitigate enrollment losses from the projected 22% enrollment loss in the ePTC expiration scenario, to 3%. Option A1 would result in \$40 million left for the program at the end of 2027 and an overall average rate increase of 10%, while Option A3 would leave \$68 million and result in an average rate increase of 18%, compared with projected rate increases of 17.1% as filed assuming no ePTC replacement or 7.9% were ePTCs to be fully replaced. Ms. Fabian-Marks showed charts summarizing the consumers within income brackets that would be most impacted by each scenario.

Ms. Fabian-Marks noted that the public comments received were generally in support of one option or the other or in support for the young adult subsidy. These parameters will be presented to the MHBE Board on July 21, and the Seventh Annual Reinsurance Forum will take place on July 23.

Allison Mangiaracino asked for confirmation that, on the "Rate Impact of State Subsidy Scenarios" slide in the presentation, the column headings referring to "1A" and "1C" in fact correspond to Options A1 and A3. Ms. Fabian-Marks answered in the affirmative.

Ms. Klapper thanked the MHBE for the inclusion of the Young Adult Subsidy in these models and asked for confirmation that, while the effects of options A1 and A3 are the same for consumers with incomes below 400% FPL, under Option A3, rates would increase more, but out-of-pocket costs would be lower for those with incomes greater than 400% FPL. Ms. Fabian-Marks noted that those over 400% FPL will indeed

experience the most substantial changes but clarified that Option A3 somewhat smooths the impact of the higher rate increase rather than insulating consumers with incomes above 400% FPL from that impact altogether. She noted that those aged 50+ are most likely to receive high premiums under Option A3 due to age rating, a tradeoff of that option.

Ms. Klapper asked whether rates should be considered for the population of lawfully present immigrants who will be newly denied APTCs, in case they will need to purchase full-price coverage. Ms. Fabian-Marks replied that, because the ones who will be made ineligible have incomes less than 100% FPL, few are likely to be able to afford full-priced coverage.

Ms. Klapper asked whether HB 1082 gives Maryland authority to direct subsidies to this newly ineligible lawfully present immigrant population or if the law targets only the expiration of ePTCs. Ms. Fabian-Marks answered that, while the legislation gives the state some discretion regarding the subsidy program's design, she would need to consult with the MHBE's legal department to provide a confident response.

### **Co-Chair Vote Delay**

Ms. Marcus stated that the Co-Chair vote will be delayed until the SAC's September meeting, as the number of members present did not reach a quorum. She invited members to submit additional nominations for the Co-Chair position to her over email.

### **MHBE Strategic Planning Discussion**

Ms. Marcus explained that the MHBE is currently developing the strategic plan that will guide its work for the next three years and invited SAC members to share preliminary thoughts to be shared with the MHBE Board for priorities on which to focus given the current landscape for health coverage.

Ms. Klapper suggested focusing on leveraging Maryland's Easy Enrollment program to enroll individuals at tax time or through unemployment insurance, mitigating the detrimental impacts from the federal policies discussed.

Ms. Mangiaracino asked when the MHBE expects to have a final strategic plan approved. Ms. Marcus replied that she will follow up later with a response and invited members to send feedback over email as well, including after the Board meeting on July 21.

Elizabeth Arend Dutta emphasized the importance of sending out copious communications for the sake of those who may be unaware they will lose coverage.

Ms. Klapper expressed appreciation for the expansion of Maryland's Prescription Drug Affordability Board (PDAB) and hope that the PDAB can establish upper payment limits for high-cost drugs in Maryland to help stabilize premiums. She added that her organization is supporting passage of the Renew Act, which would assess major

polluters in the state and direct funds raised in part toward health coverage access and equity programs.

### **Plan Shopping Experience Updates Discussion**

Ms. Marcus then gave a brief overview of the MHBE's planned updates to the consumer plan shopping experience, aimed at lessening the administrative burden on consumers associated with plan shopping. Planned updates the inclusion of in-network facilities in the provider directory in addition to individual providers, optimization of the plan tile display, and tailored plan recommendations for consumers based on the information they input. Ms. Marcus asked for members' initial thoughts on the improvements the MHBE should prioritize.

Ms. Dutta expressed support for the ability to search for facilities in one's area and suggested including proximity to public transport as a factor within that functionality.

Ms. Marcus noted that the group can continue this discussion at its September meeting. She thanked the group for their feedback.

Mr. Meiselbach closed the meeting.

### **Public Comment**

None offered.