

# Standing Advisory Committee Meeting

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September 18, 2025

MHBE Policy Department



Meeting will be recorded

# Agenda

**2:00 - 2:10 | Welcome, Approve July Minutes, and Results of Co-Chair Vote**

*Mark Meiselbach and Stephanie Klapper, SAC Co-Chairs*

**2:10 - 2:25 | Executive Update**

*Michele Eberle, MHBE Executive Director*

**2:25 - 2:45 | Final Update on 2026 State Subsidy and Reinsurance Parameters**

*Johanna Fabian-Marks, MHBE Deputy Executive Director*

**2:45 - 3:00 | Upcoming Federal Changes**

*Johanna Fabian-Marks, MHBE Deputy Executive Director*

**3:00 - 3:20 | Marketing Update on 2026 Open Enrollment Strategy**

*Maggie Church, MHBE Director of Marketing*

**3:20 - 3:50 | SAC Discussion - Plan Recommendations and 2027 Plan Certification Standards**

**3:50 - 4:00 | Public Comment**

**4:00 | Adjournment**



Welcome

# SAC Members

Aika Aluc (MHBE Board Liaison)

Mark Meiselbach (Co-Chair)

*Nate Apathy \**

*Elizabeth Arend Dutta \**

Andrew Baum

Mukta Bain

Marcquetta Carey

*Leidi Garcia \**

*Maya Greifer \**

*Brandy Guy \**

Evelyn Johnson

Stephanie Klapper

Carmen Larsen

*Kiya Lofland \**

*Kathleen Loughran \**

Allison Mangiaracino

James Mullen

Yvette Oquendo-Berruz

Zach Peters

*Kimberly Robinson \**

Mark Romaninsky

Douglas Spotts

*Toni Thompson-Chittams \**

Rick Weldon

*Jake Whitaker \**

**\* 2025 new members**



Vote on Meeting Minutes

# Vote on Meeting Minutes

“I move to [approve/approve with amendments] the Standing Advisory Committee meeting minutes from July 17, 2025.”



SAC Co-Chair Vote



# Co-Chair Nominations

## **Standing Advisory Committee Bylaws**

ARTICLE IV Co-chairs Section 1. Election of Co-chairs. The Members shall elect from their membership two Co-chairs.

## **Results of Co-Chair Vote**

Members voted to approve Stephanie Klapper, Deputy Director of Maryland Citizens' Health Initiative, as co-chair of the Standing Advisory Committee for 2025, via a virtual poll.

The background features a solid teal color with a central graphic of four overlapping circles that create a flower-like pattern. The text "Executive Update" is centered in white.

# Executive Update

# 2026 State Subsidy and Reinsurance Parameters

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# Overview of Priorities/Considerations for Subsidy Design

## 1. Market impacts

- Impact on net premiums
- Impact on enrollment
- Impact on silver loading

## 2. Subsidy program cost

## 3. State Reinsurance Program and Fund impacts

- Impact on reinsurance cost
- Impact on pass through
- SRP fund balance

# Modeled Scenarios Presented at July Board Meeting

1. **No state subsidy replaces the enhanced APTC (eAPTC)**
2. **State subsidy fully replaces eAPTC and**
  - a. No change to planned attachment point (\$22k)
  - b. Increase attachment point to \$30k
  - c. Increase attachment point to \$40k
  - d. Replace 75% of eAPTC for all recipients; attachment point to \$30k
3. **Fully replace eAPTC up to 200% FPL, phase out subsidy to 250% FPL, no state subsidy above 250% FPL**
4. **Fully replace eAPTC up to 200% FPL, phase out subsidy to 250% FPL, 50% replacement of eAPTC 250%-400% FPL and**
  - a. **[A1] No change to planned attachment point (\$22k) + maintain Young Adult Subsidy**
  - b. Increase attachment point to \$30k
  - c. Provide eAPTC to >400% FPL, no change to planned attachment point (\$22k)
  - d. Provide eAPTC to >400% FPL, increase attachment point to \$30k
  - e. **[A3] Provide eAPTC to >400% FPL, increase attachment point to \$30k + maintain YAS**

\*Scenarios 2-4 include covering non-EHB premium for all enrollees with a 0% expected contribution

# Subsidy Design Evolution

- Modeled 10+ scenarios to explore options
- Based on modeling and public comment narrowed down to two leading contenders discussed with the Board at July 21st meeting (“A1” and “A3”).
- Updated modeling to reflect new developments and assumptions detailed on previous slide
- Modeled potential pathways to maintain reinsurance and state subsidy through the end of 2028 within available funding
- After extensive discussion with MIA Actuarial Department and contracted actuaries, and considering public comment, narrowed down recommended 2026 subsidy to design A1 presented to the Board at July 21st meeting, with an increase to the 2026 attachment point from initially anticipated \$22,000 to \$24,000.

# Modeling Updates

Actuarial modeling has been updated to reflect recent federal developments:

- **2026 Expected contribution table** released by IRS: Higher expected contributions than projected. Approximate **-45M impact on the 2028 End of Year Balance (EYB)** due to making the state subsidy more expensive; also partially offset due to increased lapses.
- **<100% FPL lawfully present individuals** are no longer eligible for APTC starting 1/1/26 under HR1; ~20,000 affected individuals removed from modeling. **-50M impact on the 2028 EYB.**

Additionally, we assumed:

- An **increase in the attachment point** from anticipated \$22,000 to \$24,000 in 2026. This has a **+10M impact** on the 2028 EYB.
- MHBE is granted authority to continue a state subsidy program through the end of 2028.

# There are pathways to adjust '27-'28 subsidy & reinsurance parameters to yield projected positive EO28 Fund balance

State Subsidy Description		Reinsurance Attachment Point (000s)			Enrollment Decline Relative to 2025 (324k)			Net Funding EOY (M)	
		2026	2027	2028	2026	2027	2028	2027	2028
	Baseline: eAPTC expires, no state subsidy	\$24	\$30	\$36	34% (215k)	37% (204k)	39% (198k)	\$193	\$145
B1	2026: A1. '27-28: Sunset YAS EO26. No reduction to state subsidy	\$24	\$30	\$36	15% (276k)	19% (263k)	21% (257k)	\$84	(\$10)
B2	2026: A1. '27-28: Sunset YAS EO26. Reduce state subsidy 50% in 2027, 2028 for >200%					21% (256k)	23% (250k)	\$102	\$34
B3	2026: A1. '26-27: Sunset YAS EO26. For >200%, full state subsidy in 2027, none in 2028					19% (263k)	27% (237k)	\$84	\$19



# Sample Subsidy Scenarios - 2026 through 2028

**B2**

Subsidy Elements	2026 (A1)	2027 (B2)	2028 (B2)
Attachment Point	\$24,000	\$30,000	\$36,000
Young Adult Subsidy	Same as 2025	No Young Adult Subsidy	No Young Adult Subsidy
≤200% FPL	Fully replace eAPTC	Fully replace eAPTC	Fully replace eAPTC
>200-≤250% FPL	Phase down from full replacement at 200% FPL to 50% replacement at 250% FPL	Same as 2026	No premium subsidy
>250% - 400% FPL	50% eAPTC replacement	Same as 2026	No premium subsidy
>400% FPL	No premium subsidy	No premium subsidy	No premium subsidy

**B3**

Subsidy Elements	2026 (A1)	2027 (B3)	2028 (B3)
Attachment Point	\$24,000	\$30,000	\$36,000
Young Adult Subsidy	Same as 2025	No Young Adult Subsidy	No Young Adult Subsidy
≤200% FPL	Fully replace eAPTC	Fully replace eAPTC	Fully replace eAPTC
>200-≤250% FPL	Phase down from full replacement at 200% FPL to 50% replacement at 250% FPL	Phase down from full to 25% replacement	Phase down from full to 25% replacement
>250% - 400% FPL	50% eAPTC replacement	25% eAPTC replacement	25% eAPTC replacement
>400% FPL	No premium subsidy	No premium subsidy	No premium subsidy

# Subsidy Design Recommendation

## Recommendation

- Use A1 subsidy design for 2026, increase attachment point from \$22,000 to \$24,000
- Evaluate emerging 2026 experience to inform program design decisions in summer 2026 for plan year 2027
  - Anticipate offering greatest market support in 2026 and phase down in 2027 and 2028
    - Accelerated attachment point increases and reduction in subsidy program for 2027 and 2028 likely required in order to operate within available funds
  - Anticipate continuing both programs through 2028 to mitigate enrollment losses to the greatest extent possible (legislation required to extend subsidy authority for 2028)

## Rationale

- More generous support in 2026 and phase out of market support in later years more likely to mitigate enrollment losses compared to a sharper reduction in 2026
- Provides additional time for Congress to act
- It's hard to gain back enrollees once you've lost them

# 2026 Expected contribution for benchmark plan with and without eAPTC & for recommended subsidy option

FPL	eAPTC Continues	eAPTC Expires	State Subsidy
<138%	0.00%	2.10%	0.00%
138%	0.00%	3.14%	0.00%
150%	0.00%	4.19%	0.00%
200%	2.00%	6.60%	1.00%
250%	4.00%	8.44%	6.22%
300%	6.00%	9.96%	7.98%
400%	8.50%	9.96%	9.23%
>400%	8.5%	n/a	n/a

Note: For those under 400% FPL, the young adult subsidy reduces the state subsidy expected contribution by 2.5% for ages 18-33, phasing out by 0.5% per year through age 37, with those over 38 ineligible for the young adult subsidy.

# Final 2026 SRP Parameters

- In February, the Board set estimated parameters with an attachment point (AP) of \$22,000
- MHBE staff recommend increasing the attachment point to \$24,000, and maintaining the coinsurance rate of 80% and cap of \$250,000.
- MHBE staff recommend that the Board again determine that a dampening factor, to be provided by the Commissioner, is required.

Parameters	Final 2019-2022	Final 2023	Final 2024	Final 2025	Estimated 2026 (as of Feb 2025)	Final 2026
Attachment Point	\$20,000	\$18,500	\$20,000	\$21,000	\$22,000	\$24,000
Coinsurance Rate	80%	80%	80%	80%	80%	80%
Cap	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Dampening Factor	0.760-0.805	0.840	0.850	0.850	TBD	TBD

# Upcoming Federal Changes

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# Background

- June 20, 2025: CMS released [2025 Marketplace Integrity and Affordability Final Rule](#)
- July 4, 2025: [H.R. 1](#) (reconciliation bill) signed into law
- Marketplace engaged in extensive education about impacts of proposed provisions and some detrimental proposals did not make it into law
- Both the reconciliation bill and the CMS final rule are likely to lead to significant enrollment losses and cost/operational burdens on the Marketplace to implement
- Very challenging implementation timelines

# Provisions Effective August 25, 2025: Program Integrity Rule

- ? **Income Verification When Electronic Data Unavailable** – Requires verification of income when electronic data is unavailable (currently can accept attested income). Sunsets Dec 31, 2026.  
*Impact: >80,000.*
- ? **Income Verification When Data Sources Indicate Income <100% FPL** – Marketplaces must require consumer to submit income verification documents when a consumer's attested projected income is above 100% FPL but federal data sources indicate that actual income is below 100% FPL. Sunsets Dec 31, 2026.
- ? **Eliminates <150% Special Enrollment Period:** The lowest income households will no longer be able to enroll at any point in the year. Sunsets Dec 31, 2026.  
*Impact: 1000/month currently enroll each month through this SEP and an H.R.1 provision will effectively permanently end this SEP after 2026 (Eliminate subsidy eligibility for income-based SEPs)*
- ? **Ends 60-Day Extension to Resolve Income Verifications:** Marketplace consumers will no longer receive an automatic 60-day extension to the 90-day period to resolve income-related data matching inconsistencies
- ? **DACA Eligibility** – Eliminates DACA recipients' eligibility to enroll on-exchange.  
*Impact: ~300.*

# Provisions Effective Jan. 1, 2026: Fall 2025 Implementation

## Program Integrity Rule

- ☑ **Changes Failure to File and Reconcile Process:** Beginning with the 2026 plan year, marketplaces must deny APTC to a consumer who fails to file federal income taxes and reconcile APTC for one prior year. Made permanent by H.R. 1.  
*Impact: Estimated 4,000 Marylanders could lose financial assistance*
- ? **Modifies Premium Adjustment Percentage Index (PAPI):** Changes methodology for calculating the PAPI; will reduce premium tax credits, and permit higher cost-sharing for the entire private insurance market including those with employer-sponsored plans.
- ? **Allows Insurers to Increase Cost Sharing:** Increases “de minimis” variation permitted at each metal level
- ? **Bans gender affirming care as part of Essential Health Benefits:** APTC can’t be used to cover portion of premium attributable to non-EHBs
- ☑ **H.R. 1: Eliminates APTC eligibility for lawfully present immigrants <100% FPL**  
*Impact: 20,000*



# Update:Emergency stay of six of the eight CMS Rule provisions

On August 22, a federal District Court judge in Maryland stayed, on a nationwide basis, the implementation of several provisions in the CMS Program Integrity final rule.

1. **Income Verification When Data Sources Indicate Income <100% FPL**
2. **In addition, the ruling found no statutory basis for CMS's long-standing "failure to reconcile" (FTR) rules:**

While the Court's Opinion is clear that that it finds no statutory basis for the FTR rule in either form, the Court's Order is not entirely clear about whether it is staying the enforcement of FTR in general or just the new, one-year rule.

3. Permitting coverage denials for past-due premiums.
4. Expanding actuarial value (AV) de minimis ranges to permit less generous plans.
5. Imposing a \$5 premium for automatic re-enrollees [Federally-Facilitated Marketplace (FFM) only]
6. Requiring additional documentation for special enrollment periods (FFM only)

# Enhanced Premium Tax Credits NOT Renewed

- 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/>)
- Could still get extended this year through separate action by Congress.

# Impact on Individual Market Rate Filing for 2026

- Carriers have filed for an average increase of 17.1%. Ranges from 8.1% to 18.7% by carrier.
- Average rate increase would be 7.9% if ARPA subsidies were extended, with most rate filings between 5 and 7%.
- Aetna is exiting the market nationwide in 2026, which will impact just under 5,000 members.
- Carriers are seeing an overall pricing trend of 6.4%. This comprises 4.9% on medical, and 11.9% on prescription drug.
- Morbidity is main driver of 17.1% increase, with enrollment expected to fall 19% from 2025 record level. The healthier members are more likely to lapse when premiums rise, leaving behind a risk pool approximately 10% sicker according to carrier projections.

# Near Term Communication

## High level communication in near term :

- No changes to 2025 coverage (w/ exception of DACA)
- Use your coverage now
- Your 2026 costs are going up, but Open Enrollment is the best time to look at your options and find the best plan for your budget

# Discussion

- SAC input on any communication strategies for impacted populations

# 2026 Open Enrollment Updates

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# Open Enrollment Marketing & Outreach





# Goals

We want to **maintain current enrollees and enroll new Marylanders** into Qualified Health Plans.

- Existing MHC enrollees
- Young adults (19-37 years old)
- Hispanic/Latino Marylanders
- Black Marylanders
- Marylanders living in rural areas

Also this year we will concentrate our efforts to reach:

- Childcare providers
- Small business leaders



# Approach

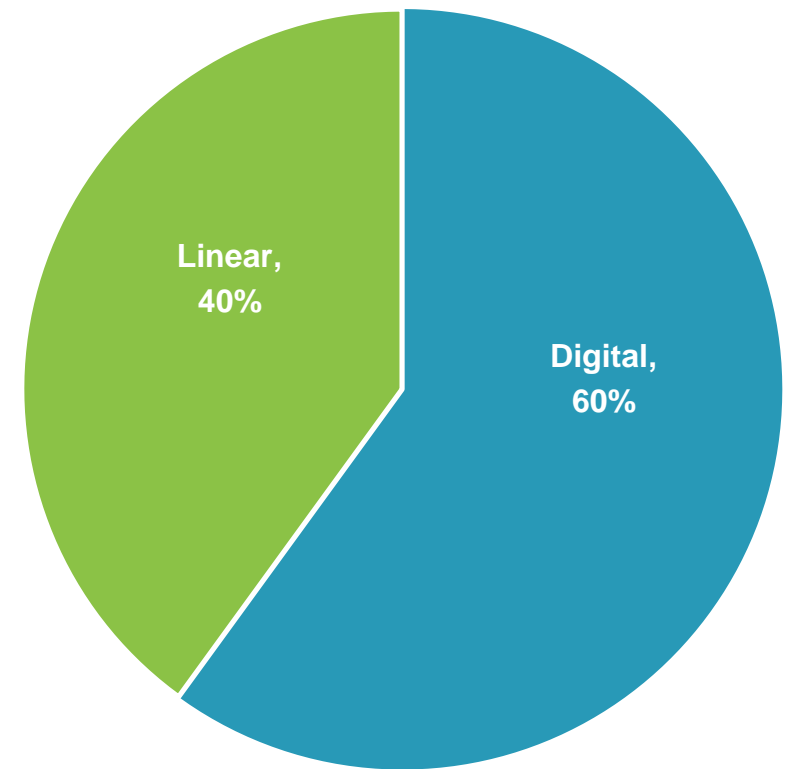
- **Helping current enrollees maintain their coverage** by increasing direct communications and encouraging plan shopping.
- **Preparing consumers for new policies and changes**—notably prices increases, new restrictions for immigrants, and additional paperwork—so they have time to explore their options. We will focus on changes impacting consumers today or for plan year 2026.
- **Our best offering** our ability to help consumers navigate the changes and costs, and assurances that all plans are comprehensive.

# Media buy

## Primary audiences

- Uninsured young adults 19–37
- Uninsured Black Marylanders
- Uninsured Hispanic/Latino Marylanders, both English and Spanish speaking
- Lookalike audiences of MHC consumers

Media Mix



# Events

We will prioritize event-based outreach through:



**MHBE-led virtual events** focused on engaging stakeholders and enrolling consumers.



**CE-staffed in-person events** focused on enrolling consumers.



Limited, **high-profile events that do not require physical presence** like sponsorships, distributing materials, and media integrations.

# SAC Discussion

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# SAC Discussion #1 - Plan Certification Standards

- 2027 Plan Certification Standard for Small Business: MHBE is considering increasing the plan limit in the Small Business marketplace from 4 to 8 plans per metal tier **per parent company** (currently carriers operating under multiple licenses may offer up to 4 plans per metal tier **per license**)
  - Carriers operating under multiple licences will be limited to a total of 8 plans per metal tier

2025 plan offerings

	Platinum	Gold	Silver	Bronze	Total
Kaiser Permanente	2	4	4	3	13
CareFirst BC and GHMSI	0	5	5	5	15
United Healthcare, MAMSI, Optimum Choice	5	8	7	4	24
Total	7	17	16	12	52

- Discussion** - Other ideas for 2027, anything from SAC for consideration that we might take to board?

# SAC Discussion - Plan Recommendations

- MHBE is planning for multiple improvements to our [consumer plan shopping tool](#), including:
  - Providing tailored plan recommendations to consumers, based on consumer inputs in the anonymous browsing “Get an Estimate” plan shopping tool, and the application.
- SAC Discussion: Input on considerations for the formula and strategy to be developed, for providing plan recommendations.
  - Overview of Washington State’s Marketplace consumer decision support tool and plan recommendations.

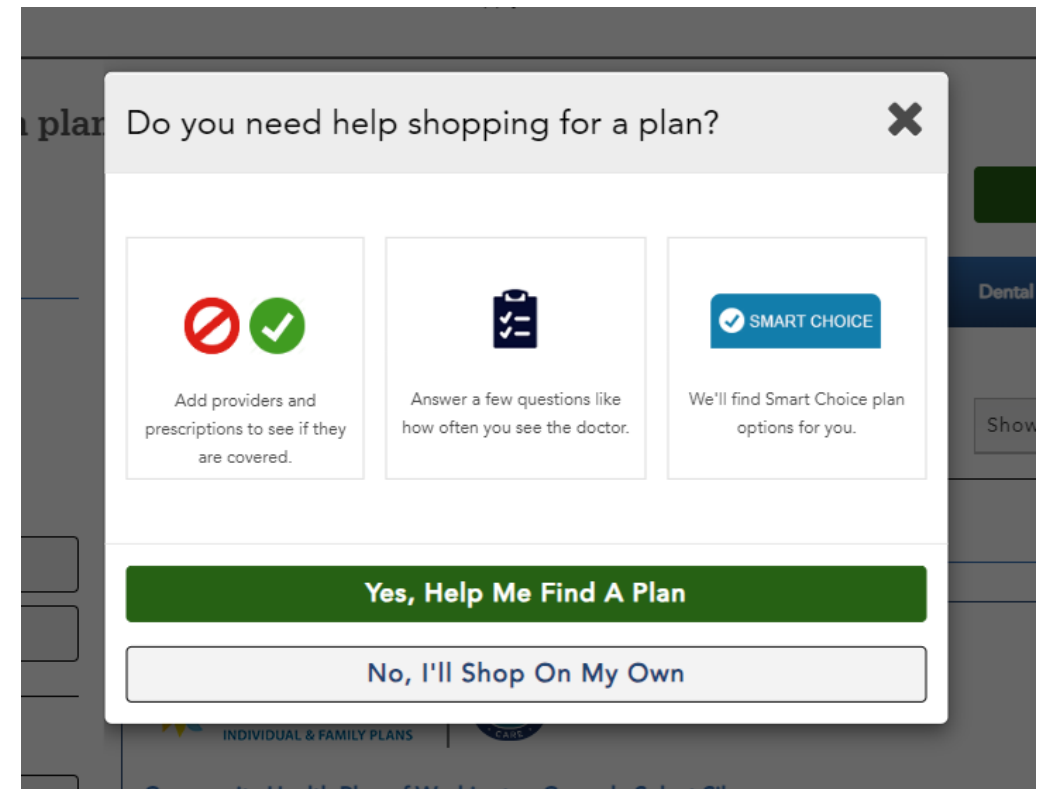
# Overview of Washington State's Marketplace consumer decision support tool (CDST) and plan recommendations

- Software product for health insurance shopping and comparing health plans
- Provides recommendation based on
  1. Premium (must integrate subsidies for Exchanges);
  2. Out of pocket costs (based on estimated medical usage and key insurance benefit design features);
  3. provider network; and
  4. Pharmacy coverage.
- Requires inputs from customer
- Full list of plans remains available for customer to shop

# Exchange Tools Direct Customers to Most Affordable Plans

## Consumer Decision Support Tool (CDST) and Plan Display Order Encourage Enrollment in Standard Plans

- CDST heavily weights out-of-pocket costs, which means plans with lower net premiums (often driven by state subsidy) are recommended most often.
- Plan display architecture in *HealthPlanFinder* features standard plans before non-standard plans.





# Inputs CDST Uses to Calculate Plan Score

Input	Details	Illustrative Example of Available Points
Total Expense Estimate Score (Annual Premium and Out-of-Pocket Costs)	Displayed as “Estimated Yearly Total Cost”; Factors in federal tax credits and Cascade Care Savings	60
Utilization and Deductible	Deductible adjusted based on utilization	10
Doctor(s) /Facility(ies) Entered in-Network	Customer may enter up to 5	15
Prescription (s) Entered Covered	Customer may enter up to 5	15

# SAC Discussion #2 - Plan Recommendations

- **Discussion:** Input on considerations for the formula and strategy to be developed, for providing plan recommendations.
  - Thoughts on Washington State's algorithm and approach for plan recommendations, as a baseline for MHBE? Anything missing or adaptations to consider?
  - Vision is to implement in Maryland in 2027.



# Public Comment