MARYLAND HEALTH BENEFIT EXCHANGE

750 E. Pratt St., 6th floor
Baltimore, MD 21202
marylandhbe.com

November 6, 2025

The Honorable Robert Kennedy
Secretary of Health and Human Services
Department of Health and Human Services
200 Independence Avenue SW
Washington, DC 20201

The Honorable Scott Bessent
Secretary of the Treasury
Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20220

To submit via email

Dear Secretary Kennedy and Secretary Bessent:

The Maryland Health Benefit Exchange (MHBE) is providing the Departments with an update on the implementation plan for the waiver amendment approved by the Departments on January 15, 2025 pursuant to STC 8 of the specific terms and conditions of the waiver amendment approval.[1] MHBE is requesting to postpone its effective date for waiver amendment implementation due to changes at the Federal level that MHBE could not have foreseen when the agency requested the amendment. The Marketplace Integrity Final Rule and H.R. 1 both require MHBE to make substantial changes to its IT system. Further, MHBE has an integrated eligibility system with Medicaid and is responsible for many system changes necessary to implement the new federally-mandated work requirements.

MHBE intends to implement the waiver amendment (waiving section 1312(f)(3) of the ACA) effective January 1, 2028, rather than the original date of January 1, 2026. If time and resources allow, MHBE may be able to implement earlier. In the case of an implementation date earlier than January 1, 2028, MHBE will notify the Departments at least six (6) months before the implementation date. A detailed updated implementation plan is enclosed at the end of this letter. A phase-out plan as specified under STC 8 is not necessary as the program authorized by the waiver amendment has not yet been implemented.

The amended waiver, which includes both (1) the waiver of section 1312(c)(1) of the ACA, in order to implement the State Reinsurance Program and (2) the waiver of section 1312(f)(3) of the ACA "the amendment"), will remain in compliance with the 1332 guardrails during the period of January 1, 2026-January 1, 2028 while the implementation of the amendment is delayed.

Guardrail 1: Comprehensiveness. Neither the Reinsurance program alone nor the amended waiver include any changes to Essential Health Benefits. Coverage will continue to be as comprehensive as it would be without the waiver during the period during which implementation of the amendment is delayed.

Guardrail 2: Affordability. Because new enrollees eligible to enroll due to the amendment would be ineligible for premium tax credit and state financial assistance, enrollment resulting from the amendment was projected to be modest and the impact to premiums of implementing the amendment

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is projected to be immaterial. Coverage continues to be projected to be significantly more affordable with the waiver in place during the period of delayed implementation of the amendment than it would be absent the waiver, due to the impact of the reinsurance program, and delay of the amendment does not materially impact affordability.

Guardrail 3: Coverage. The amendment will expand eligibility to enroll through the Exchange but does not limit or impact coverage for existing eligible enrollees. During the period of delayed implementation of the amendment, more individuals are still forecast to have coverage under the waiver than would have coverage absent the waiver due to the impact of the reinsurance program on affordability, and delay of the amendment does not materially impact the number of state residents forecast to have coverage under the waiver.[1]

Guardrail 4: Federal deficit. The addition of the new enrollees pursuant to the amendment is not expected to materially impact premiums or federal premium tax credit payments, and implementation or delay of the amendment is not projected to impact the federal deficit. The waiver will continue to comply with the deficit neutrality guardrail during the period of delayed implementation of the amendment, as the reinsurance program will continue to significantly decrease premiums and reduce federal premium tax credit payments.

The Reinsurance Program will also see no impact from the requested delay. MHBE did not project that the waiver amendment would materially impact federal pass-through funding available under the waiver, and did not request any pass-through funding attributable to the amendment. All pass-through funding MHBE expects to receive as a result of the 1332 waiver, regardless of implementation of the amendment, is attributable to the Reinsurance Program and unchanged by implementation of the amendment. Therefore, MHBE also does not expect the delay of the waiver amendment to impact pass-through funding. The Reinsurance Program alone is expected to continue to reduce premiums for the individual market and improve affordability and coverage for consumers compared to the without-waiver scenario. Additionally, the large premium reduction achieved by the Reinsurance Program is expected to continue yielding federal premium tax credit savings.

MHBE received two public comments during the comment period, plus a third after the comment period closed. A coalition representing the American Cancer Society Cancer Action Network, American Lung Association, Asthma and Allergy Foundation of America, Blood Cancer United, Coalition for Hemophilia B, National Bleeding Disorders Foundation, Pulmonary Hypertension Association, Susan G. Komen, and The AIDS Institute expressed their understanding that the Exchange is experiencing an unexpected increase in federal requirements but urges MHBE to implement the amendment as soon as possible. MHBE's response was that MHBE will implement the program earlier than 2028 if resources allow. 1199 SEIU United Healthcare Workers East commented in opposition to the delay, citing their belief that implementing the amendment would reduce emergency care and the cost of uncompensated care. MHBE's response was that, although we share the concern related to the importance of health insurance coverage and reducing uncompensated care, the new program is not expected to impact emergency and uncompensated care, regardless of changes to federal policy; that fewer than 300 individuals are

[1] https://www.cms.gov/files/document/1332-md-waiver-amendment-approval-letter-stcs-signed.pdf

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expected to take advantage of the new pathway to enrollment due to the lack of financial assistance through the new program; and that the waiver amendment population continues to be eligible to enroll off-Exchange. Additionally, MHBE received a third comment after the comment period ended. CASA, along with 103 co-signing organizations, expressed their opposition to the delay, stating that the waiver amendment program would improve affordability for newly eligible individuals and mitigate the impact of H.R. 1 on enrollment for lawfully present immigrants. We have included this letter with our submission materials, and the specific 103 co-signing organizations are listed there. MHBE's response was that, although we share concern around the loss of affordable coverage options for certain lawfully present immigrants, the new program will not mitigate the impact of federal changes: enrollees under the new program will not be eligible for financial assistance, and the program will not offer a new pathway for the lawfully present immigrants impacted by H.R. 1; also, the waiver amendment population continues to be eligible to enroll in off-Exchange plans. MHBE appreciates the public input received but, due to the previously described resource constraints, does not plan to make changes to the updated implementation plan in response to these comments.

Please contact Johanna Fabian-Marks, Deputy Executive Director, (johanna.fabian marks@maryland.gov) with any questions.

Sincerely,

DocuSigned by:
Michele Eberle
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Michele Eberle

Executive Director

Waiver Amendment Implementation Plan

	Original Plan	Updated Plan
Spring 2025	March: Exchange begins designing system changes	Between now and early 2027, exchange implements new QHP and Medicaid requirements in Marketplace Integrity Rule and H.R.1
Summer 2025	Finalize system updates and complete testing in advance of fall OE activities, to support waiver implementation for OE 2026	
November 2025	OE 2026 begins; waiver population eligible to purchase QHPs	
January 2026	OE ends Jan 15; QHP coverage	

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	begins for waiver population	
Summer 2027		Finalize system updates and complete testing in advance of fall OE activities, to support waiver implementation for OE 2028
November 2027		OE 2028 begins; waiver population eligible to purchase QHPs
January 2028		QHP coverage begins for waiver population

Attachment 1: Public Comments (1 of 3)

October 3, 2025

1199 SEIU United Healthcare Workers East
611 N Eutaw Street
Baltimore, MD 21223

Re: Access to Care Act Waiver Implementation Delay

To: Maryland Health Benefit Exchange

Thank you for the opportunity to comment on the Access to Care Act Waiver Implementation Delay. 1199 SEIU United Healthcare Workers East strongly opposes the waiver delay. We are the largest healthcare union in the nation, where we represent over 10,000 healthcare workers in Maryland. With federal Medicaid cuts, Maryland hospitals are going to be increasingly over-burdened and short-staffed.

The state covers the most expensive form of care there is: emergency care. Right now, Maryland's emergency department wait times are the longest in the country. Expanding access to care now would provide cost saving in the uncompensated costs incurred by the state when uninsured individuals seek costly emergency department care. In FY21, Maryland Hospitals provided over $780 million in uncompensated care, with some hospitals paying upward of 10% of their total allocated budget towards this expense.

For 1199SEIU members, implementing the waiver amendment is essential for two reasons. First, our members understand that increasing the number of insured individuals also means less of a burden on our short-staffed hospitals. When patients can afford primary care, they are less likely to end up in the hospital. Any step to provide individuals with healthcare coverage will alleviate this strain.

Second, many of our members come from immigrant families themselves. They know the benefits of what health insurance can do to change the lives of immigrant families and believe that without health insurance, it leaves many Marylanders at risk of serious health concerns.

We urgently request Maryland Health Benefit Exchange to reconsider the delay and implement the waiver to minimize healthcare coverage lapses for Marylanders.

Sincerely,

Loraine Arikat
Senior Policy Analyst
1199 SEIU United Healthcare Workers East

Attachment 1: Public Comments (2 of 3)

From: **Ninfa Amador** <namador@wearecasa.org>
Date: Thu, Oct 9, 2025 at 1:00 PM
Subject: 100+ Organizations Oppose Updated MHBE Access to Care Act Implementation Plan
To: <meena.seshamani@maryland.gov>, <michele.eberle@maryland.gov>, kamal.essaheb@maryland.gov <kamal.essaheb@maryland.gov>, <Hannah.Dier@maryland.gov>
Cc: Marie Grant -MDInsurance- <marie.grant1@maryland.gov>, <johanna.fabian-marks@maryland.gov>, aika.aluc@gmail.com <aika.aluc@gmail.com>, dr.yvetteoquendo@gmail.com <dr.yvetteoquendo@gmail.com>, <joann.volk@georgetown.edu>, <Marnie_Brennan@primarycarecoalition.org>, katherine.rodgers@tidalhealth.org <katherine.rodgers@tidalhealth.org>, douglas.jacobs@maryland.gov <douglas.jacobs@maryland.gov>, <mprbusinesssolutionsllc@gmail.com>, emily.berg@maryland.gov <emily.berg@maryland.gov>

Dear Governor Moore, Madam Chair, Board Members, and Ms. Eberle,

Please see a letter attached and pasted below sent from 103 advocacy, labor, business, community service providers, and faith organizations calling on your leadership to support timely implementation of the Access to Care Act. The groups respectfully request your urgent assistance in ensuring that immigrant families who are currently uninsured, as well as those who will lose coverage due to the implications of HR 1, have access to the resources offered to Marylanders by the Exchange to find appropriate coverage options.
Sincerely,
Ninfa Amador-Hernandez, on behalf of CASA and the 100+ the signed organizations

October 9, 2025

Governor Wes Moore
100 State Circle, Annapolis, MD 21401

Dr. Meena Seshamani, Secretary of Health
201 West Preston St., Baltimore, MD 21201

Michele Eberle, Executive Director
750 East Pratt St., 6th floor, Baltimore, MD 21202

CC:
Aika Aluc, Ken Brannan, Marie Grant, Dr. Douglas Jacobs, Dr. Yvette Oquendo-Berruz, Katherine Rodgers, MPH, Maria Pilar Rodriguez, JoAnn Volk, M.A.

RE: 100+ Organizations Oppose Updated MHBE Access to Care Act Implementation Plan

Dear Governor Moore, Dr. Seshamani, Ms. Eberle, and Members of the Maryland Health Benefit Exchange Board,

On behalf of the undersigned organizations representing advocacy, labor, business, community service, and healthcare providers, faith organizations, and Maryland residents, we write to express our deep concern regarding the **Maryland Health Benefit Exchange's (MHBE) proposal to delay implementation of the Access to Care Act from January 1, 2026, to January 1, 2028.**

Passed in 2024, the Access to Care opened up the Maryland Health Benefit Exchange to all Marylanders, regardless of immigration status. While we understand the technical challenges posed by federal policy changes, including the Marketplace Integrity Final Rule and H.R. 1, this two-year delay will have catastrophic consequences for Maryland's immigrant communities and our entire healthcare system at a moment when they are already facing unprecedented challenges. The convergence of multiple healthcare access crises makes this delay not merely inconvenient, but potentially life-threatening for thousands of Maryland families.

The Perfect Storm: Why Delay Now Is Devastating

<u>The Enhanced Premium Tax Credit Crisis</u>

Maryland is facing an immediate healthcare coverage crisis that will begin on January 1, 2026, with the expiration of enhanced Premium Tax Credits. According to data from the Maryland Insurance Administration and federal projections, approximately 20,000 legally present immigrants with incomes under 100% of the Federal Poverty Level will lose all premium tax credit eligibility. These individuals, who have been able to access coverage through the marketplace despite their low incomes due to a specific provision in the Affordable Care Act, will face a coverage cliff with absolutely no safety net.

The impact extends far beyond these 20,000 individuals. Maryland has already approved a 13.4% average premium increase for 2026, more than double the typical annual increase, with insurers directly attributing this spike to the anticipated loss of healthier enrollees who will drop coverage when subsidies disappear. The Maryland Insurance Administration has acknowledged that without the enhanced tax credits, rate increases would have been limited to 7.9%, demonstrating that nearly half of the premium increase is directly attributable to the federal policy change.

This creates a vicious cycle that insurance experts call a "death spiral." When healthier individuals drop coverage due to affordability, the remaining risk pool becomes sicker and more expensive to insure, driving premiums even higher and pushing more people out of the market. Maryland's delay of Access to Care implementation removes the only potential alternative for these residents, leaving them with zero affordable coverage options at precisely the moment they need them most.

Federally Qualified Health Centers at the Breaking Point

Maryland's Federally Qualified Health Centers (FQHCs), which serve as the healthcare safety net for uninsured and underinsured residents, are already operating at or beyond capacity. These centers, which provide care regardless of ability to pay or immigration status, will face an impossible burden when enhanced Premium Tax Credits expire and Access to Care remains unavailable.

National projections from the Urban Institute paint a stark picture of what's coming. Healthcare providers across all settings face more than $32.1 billion in lost revenue if enhanced premium tax credits expire, with approximately $14.2 billion lost by hospitals, $5.1 billion by office-based physicians, $5.8 billion in prescription drug coverage, and $6.9 billion in other healthcare services. Critically, uncompensated care will simultaneously increase by $7.7 billion nationally, with FQHCs bearing a disproportionate share of this burden.

In Maryland specifically, our FQHCs report they are already struggling to meet current demand. Adding 112,400 potential Access to Care enrollees to their uninsured patient load, on top of the 20,000 losing marketplace coverage and others priced out due to premium increases, creates an mathematically impossible situation. FQHCs operate on thin margins with limited federal grant funding that has not increased proportionally to meet growing demand. They cannot simply absorb tens of thousands of additional uninsured patients without additional resources. The result will be longer wait times for all patients, reduced services, staff burnout leading to turnover, and potentially clinic closures in the communities that need them most.

The Human Cost of Delay

The statistics and projections, while compelling, cannot fully capture the human suffering that will result from this delay. Behind every number is a Maryland family facing impossible choices between medical care and basic necessities. These are our neighbors, coworkers, and community members who contribute billions in taxes to Maryland's economy and have kept our essential services running through the pandemic and beyond.

The population that would benefit from accessing our state’s Marketplace includes many of Maryland's essential workers who have sustained the state's economy through challenging times. These are the agricultural workers who ensure food security, construction workers who build and maintain infrastructure, home health aides who care for elderly and disabled residents, restaurant workers who support the hospitality industry, and countless others whose labor is essential to Maryland's economy. During a time when the federal government is turning its back on these essential Marylanders, our state must step up.

Marylanders Cannot Afford to Wait

Maryland has led the nation in healthcare innovation—creating a model health exchange, expanding Medicaid early, and investing in health equity. The Access to Care Act represents the next step in this tradition. While we acknowledge MHBE's technical challenges, they cannot justify two years of additional suffering for 112,400 Maryland residents.

We respectfully but urgently call on MHBE to reconsider the proposed delay and implement the Access to Care Act by January 1, 2026. If full implementation is impossible, the state must provide specific reasons, detailed timelines, and concrete interim measures to address healthcare needs.

We are proud to live in a state that has long welcomed immigrants and defended healthcare access. We care for all our residents, regardless of where they come from. We strongly urge you to reconsider this proposed implementation plan.

Respectfully,

1. CASA
2. 1199 SEIU
3. 32BJ SEIU
4. Advance Maryland
5. AFSCME Maryland Council 3
6. All* Above All
7. American Civil Liberties Union (ACLU) of Maryland
8. Ames United Methodist Church Bel Air
9. Anne Arundel County NAACP
10. Arnolia United Methodist Church
11. Baltimore Abolition Movement
12. Baltimore Deportation Defense
13. Baltimore Rapid Response Network
14. Baltimore Teachers Union
15. Baltimore Yearly Meeting Peace & Society Concerns Committee
16. Bend the Arc: Jewish Action, Maryland
17. Bethesda African Cemetery Coalition
18. Black Alliance for Just Immigration
19. Black Diaspora Voices
20. Black United Front of Montgomery County
21. BRIDGE Maryland, Inc.
22. Carroll County Immigrant Rights Defense
23. CASH Campaign of Maryland
24. CATA: Farmworkers Support Committee
25. Caucus of Color
26. Cedar Lane Unitarian Universalist Congregation Environmental Justice Ministry
27. Chase Home, Inc.
28. Common Cause Maryland
29. Congregation Action Network

30. Delaware-Maryland Synod, ELCA
31. Divinity Lutheran Church
32. Doctors for Camp Closure Maryland
33. Donovan Waterworks
34. Down Syndrome Network of Montgomery County
35. Economic Action Maryland Fund
36. Elders Climate Action Maryland
37. Eliza's House
38. Emanual United Methodist Church
39. Empathy+Action=Change
40. Episcopal Refugee and Immigrant Center Alliance
41. Epworth Chapel United Methodist Church
42. Eyes On ICE- Baltimore
43. Frederick County Progressives
44. Frederick Democratic Socialists of America
45. Free State Coalition
46. Goshen United Methodist Church
47. Greater Baltimore Democratic Socialists of America
48. Hagerstown Area Religious Council (HARC)
49. Haitian American Outreach Management Group
50. High Note Consulting, LLC
51. Indivisible Baltimore
52. Indivisible Baltimore County
53. Indivisible Bowie and Beyond
54. Indivisible Carroll County
55. Indivisible Frederick Forward
56. Indivisible Glen Burnie
57. Indivisible MoCoWoMen
58. Indivisible Prince George's County
59. Indivisible Route 1 Corridor
60. Jews United for Justice
61. La Clinica Del Pueblo
62. League of Women Voters of Maryland
63. Luminus Network
64. Maryland Center on Economic Policy
65. Maryland Episcopal Public Policy Network
66. Maryland Legislative Coalition
67. Maryland Out of School Time Network
68. Minority Coalition Community Center of Baltimore County
69. Montgomery County Immigrant Rights Collective
70. Montgomery County Jewish Collective
71. Montgomery County Palestine Solidarity Network
72. National Immigration Law Center
73. New Covenant Community United Church of Christ

74. Nigerian Center
75. Northwood Appold United Methodist Church
76. North Baltimore Mennonite Church
77. One Million Rising Alliance Leisure World Maryland
78. Organizing Black
79. Our Revolution Howard County
80. Out for Justice
81. Progressive Harford County
82. Progressive Maryland
83. Public Justice Center
84. RISE Coalition of Western Maryland
85. Runners4Justice
86. Sheppard Pratt's Youth First Care Program
87. Showing Up for Racial Justice Annapolis and Anne Arundel County (SURJ3A)
88. Showing Up for Racial Justice Baltimore (SURJ)
89. St Mary’s MD Indivisible
90. Stony Run Peace and Justice Committee, Stony Run Meeting
91. Tahirih Justice Center
92. Talking Drum Incorporated
93. TAMOJA Foundation
94. TAWL Foundation
95. TECK Lady LLC
96. The Shriver Center at UMBC
97. Unitarian Universalist Legislative Ministry of Maryland
98. UNITE HERE Local 7
99. Washington County Indivisible
100. Washington County NAACP
101. Women's Democratic Club
102. WOLC Immigration Service
103. Young People for Progress

October 3, 2025

Michele Eberle
Executive Director
Maryland Health Benefit Exchange
750 East Pratt St., 6th floor
Baltimore, MD 21202

Re: Maryland Access to Care Act Implementation Delay

Dear Director Eberle:

Thank you for the opportunity to provide feedback on Maryland's Access to Care Act Implementation Delay.

The undersigned organizations represent millions of individuals facing serious, acute and chronic health conditions. We have a unique perspective on what individuals and families need to prevent disease, cure illness and manage chronic health conditions. The diversity of our organizations and the populations we serve enable us to draw upon a wealth of knowledge and expertise that is an invaluable resource regarding any decisions affecting the Affordable Care Act, the marketplace, and the people that they serve. We urge the state to make the best use of the recommendations, knowledge and experience our organizations offer here.

Our organizations are committed to ensuring that Maryland's healthcare programs provide quality and affordable healthcare coverage. Our organizations believe that allowing all Marylanders, regardless of immigration status, to enroll in marketplace coverage will advance these objectives and many of our organizations previously supported the Access to Care Act 1332 waiver.[1] However, we understand that H.R.1 and the Marketplace Program Integrity rule impose unexpected burdens on the Maryland Health Benefit Exchange and those who rely on it. Implementation of these policies will require additional costs and operational changes that require immediate and ongoing action from state-based marketplaces.

Our organizations appreciate Maryland's commitment to implementing the Access to Care Act 1332 Waiver as soon as possible and urge the state to consider earlier implementation if time and resources allow. This will enable more families with mixed immigration status to enroll in coverage together, and

for uninsured individuals with no other options for health coverage to enroll in coverage as well. As changes from H.R.1 and the Marketplace Integrity rule place greater limits on eligibility for certain immigrant populations, this waiver amendment provides an important coverage option for a growing number of Marylanders.

Thank you for the opportunity to provide comments.

Sincerely,

American Cancer Society Cancer Action Network
American Lung Association
Asthma and Allergy Foundation of America
Blood Cancer United
Coalition for Hemophilia B
National Bleeding Disorders Foundation
Pulmonary Hypertension Association
Susan G. Komen
The AIDS Institute

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[1] PPC Comments re Maryland 1332 Waiver Amendment Request. September 20, 2024. Available at: https://www.protectcoverage.org/siteFiles/47986/09%2020%202024%20PPC%20Comments%20re%20MD%201332%20Waiver%20Amendment%20Request.pdf

Operational Report
Section 1332 of the Patient Protection and Affordable Care Act (PPACA)
State Innovation Waivers – Operational Report

Reporting Instructions: Please complete the information requested in this template for the state's section 1332 waiver operational report, which has been developed based on the state's specific terms and conditions (STCs) and in accordance with ACA section 1332(a)(4)(B)(iv). STC 11 notes that the state must submit a report to the Departments that details that project timeline for implementation of the waiver and associated milestones, within 90 days of waiver approval. The state must also comply with operational readiness reviews and open enrollment readiness reviews as required by the Departments.

STATE: Maryland

A. STATE INFORMATION

1. Report Submitted On (Date)

2. Federal Agency and Organization Element to Which Report is Submitted

Consumer Information & Insurance Oversight at the Department of Health and Human Services and the Office of Tax Analysis at the Department of the Treasury

3. Federal Grant Number Assigned by Federal Agency	4a. DUNS Number	4b. EIN
1SIWIW190006-01-00	N/A	526002033

5. Recipient Organization Name

Maryland Health Benefit Exchange

Address Line 1

750 E. Pratt St.

Address Line 2

6th Floor

Address Line 3

City	State	Zip Code
Baltimore	MD	21202

Zip Extension	6. Waiver Period Start Date	7. Waiver Period End Date
	January 1, 2019	December 31, 2028

8. Other Attachments (attach other documents as needed or as instructed by the awarding Federal agency)

Operational Report

B. REPORT CERTIFICATION

9. Certification: I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purposes set forth in the award documents.

9a. Typed or printed name and title of Authorized Certifying Official

Michele Eberle, Executive Director

9b. Signature of Authorized Certifying Official

Michele Eberle

DocuSigned by:
Michele Eberle
15236E43324D44E...

9c. Telephone (area code, number, and extension)

410-547-1270

9d. E-mail address

Michele.Eberle@maryland.gov

9e. Date report submitted (month/day/year)

C. PROGRESS OF SECTION 1332 WAIVER - Operations

10. Provide an update on progress made in implementing and/or operating the state's approved 1332 waiver program. Please include a timeline with milestones for implementation of the waiver.

Based on consultation with the Maryland Insurance Administration (MIA) and actuarial firm Lewis & Ellis, Maryland Health Benefit Exchange (MHBE) staff recommended that the Board of Trustees (the Board) approve the 2025 estimated reinsurance parameters to include a $21,000 attachment point, 80% coinsurance, $250,000 cap, and a dampening factor to be determined by the Insurance Commissioner. On February 20, 2024, the Board voted to approve the staff recommendation for the 2025 estimated parameters. The estimated parameters were to inform 2025 rate filings submitted in May 2024. A 30-day public comment period on the estimated parameters (except for the as-yet undetermined dampening factor) was held March 26th through April 25, 2024.

The Board voted to finalize 2025 parameters as estimated at its July 15, 2024 meeting. The Insurance Commissioner provided a dampening factor for 2025 of 0.850.

On July 15, 2024, MHBE submitted an application to CMS and the Department of Treasury to amend the 1332 State Innovation Waiver to waive section 1312(f)(3) of the Affordable Care Act and allow all otherwise-qualified Maryland residents to enroll in QHPs on-Exchange. The application was approved on January 15, 2025. MHBE plans to implement updated system rules to be in place for open enrollment for PY2028 plans, effective for enrollments for January 1, 2028 or later.

11. Provide the state's outreach and communications plan and spend plan to implement the waiver.

The outreach and communications activities planned to implement the waiver amendment fall under MHBE's existing marketing and outreach budgets and no special allocation has been made. We plan to create communications materials including talking points, fact sheets, updated brochures, and updated website content. We will share the information through our network of partners, including navigators, stakeholders at the grassroots level, elected officials, and community leaders. We will also develop and implement training for all frontline staff. In addition, we will provide our Consumer Assistance Workers with clear, accessible support materials, such as Job Aids and Policy Pointers.

D. PROGRESS OF SECTION 1332 WAIVER - State Monthly and Annual Form 1095-A Reporting to the Internal Revenue Service (IRS) and Individuals

12. STC 17 provides that the state will modify certain elements of information reporting to the IRS as the IRS deems necessary to administer the waiver. These modifications include changes to monthly and annual reporting on IRS Form 1095-A (both electronic reporting to the IRS and copies furnished to individuals) to exclude information related to enrollees who would not be eligible for Exchange coverage without the waiver amendment.

These modifications are needed to ensure that a premium tax credit (PTC) cannot be claimed for the Exchange coverage of individuals who are qualified residents as defined in Md. Code, Ins. Section 31-101(u-1) but would not be eligible to enroll on-Exchange absent the waiver amendment.

Exchanges, including Maryland Health Connection, generally rely on the Business Service Definition (BSD) documents between the Centers for Medicare & Medicaid Services (CMS) and the IRS to determine the data elements the Exchanges must report monthly and annually to the IRS.[1] Those data elements are listed in Table 4 of Part I of the BSD. The state's section 1332 waiver affects the following data elements in Table 4:

9	**SSN of Tax Filer Dependent**
11	**Advance Payment Amount**
12	**Total Monthly Premium Amount**
15	**Second Lowest Cost Silver Plan**
60	**Name of Insured**
61	**SSN of Insured**
82	**Date of Birth of Insured**

Exchanges also must report certain data elements annually to individuals on IRS Form 1095-A, *Health Insurance Marketplace Statement*.

In accordance with the certification in Section B of this report, the state agrees to perform the following activities for the purposes set forth in the award documents:

[1] See Exchange Version of Business Service Definition of Monthly Information and 1095 End of Year Information Return, Part I, Version 3.5 (July 31, 2017) and Exchange Version of Business Service Definition of Monthly Information and 1095 End of Year Information Return, Part II, Version 3.7 (November 17, 2020).

(1) Self-only Exchange enrollment of qualified residents who would be ineligible for Exchange coverage if not for the waiver amendment.

If a qualified resident who would otherwise be ineligible for Exchange coverage if not for the waiver amendment enrolls in a self-only plan through the Exchange, the state must not treat that individual as being enrolled in Exchange coverage. Thus, the state must not report any information in Table 4 about that individual on any monthly or annual information provided to the IRS, and must not provide that individual with a Form 1095-A. This is similar to how the Exchange excludes from IRS reporting an individual enrolled in a catastrophic health plan or a separate dental policy and does not issue a Form 1095-A to that individual for that coverage.

(2) Family Exchange enrollment of individuals who would be ineligible for Exchange coverage if not for the waiver amendment.

If two or more individuals enroll in a family plan through the Exchange, and none of those individuals would be eligible for Exchange coverage if not for the waiver amendment, the state must not treat any of those individuals as being enrolled in Exchange coverage. Thus, the state must not report any information in Table 4 about any of those individuals on any monthly or annual information provided to the IRS, and must not provide any of those individuals with a Form 1095-A. This is similar to how the Exchange excludes from IRS reporting individuals enrolled in catastrophic health plans or in separate dental policies and does not issue a Form 1095-A for that coverage.

(3) Exchange enrollment of family, some of whom would be ineligible for Exchange coverage if not for the waiver amendment – Monthly and Annual Reporting to IRS

If two or more individuals enroll in a family plan through the Exchange, and one or more of those individuals would not be eligible for Exchange coverage if not for the waiver amendment, the state must modify the data elements in Table 4 of part I of the BSD when submitting the monthly and annual reports to the IRS and Form 1095-A to the enrollees, as indicated in the column below titled "Revised Data under the Waiver." The first three columns below are reproduced from Table 4.[2]

Example scenario: A family of four, consisting of parents P1 and P2 and children C1 and C2, enroll in a MD qualified health plan. P1, C1, and C2 are eligible for Exchange coverage with or without the waiver amendment, but P2 would not be eligible absent the waiver amendment. Their enrollment premium is $1,500, but the cost to cover just P1, C1, and C2 is $1,000. P2 should not be included in the coverage family in determining the monthly SLCSP premium. Therefore, the SLCSP premium for a coverage family consisting of P1, C1, and C2 is $1,150/month. Their contribution amount is $300/month. The APTC for the family's coverage is $850/month.

#	Data Element Name	Data Element Description	Revised Data under the Waiver
9	SSN of Tax Filer Dependent	SSN(s) of the dependents covered by health insurance. SSN may not always be present (see section 155.305(a)(3) in 45 CFR, Exchange Final Rule). [Note: this data element is reported on the monthly feed only.]	Do not report for any dependent who would not be eligible for Exchange coverage absent the waiver amendment. *In the example, all dependents are eligible for APTC so SSNs of C1 and C2 should be reported to the IRS.*

[2] The waiver does not affect the information in columns 4-10 of any data elements in Table 4, nor does it affect any data elements in Table 4 not explicitly listed here.

11	Advance Payment Amount	APTC payment made to issuer on behalf of tax filer associated with the policy on a monthly basis within the calendar year.	No APTC is allowed for the coverage of qualified residents who would be ineligible for on-Exchange coverage absent the waiver amendment. Report APTC only for the coverage of individuals who are allowed APTC. *In the example, $850/month is reported to the IRS.*
12	Total Monthly Premium Amount	Total monthly premium amounts for coverage without regard for APTC payments within the calendar year adjusted by excluding the portion of the premium allocated to benefits exceeding EHBs and including the amount of premium for a purchased stand-alone dental plan allocable to pediatric dental benefits.	Report the total monthly premium amounts only for coverage of individuals who are allowed APTC, without regard for APTC payments within the calendar year, adjusted by excluding the portion of the premium allocated to benefits exceeding EHBs and including the amount of premium for a purchased stand-alone dental plan allocable to pediatric dental benefits for individuals eligible for on-Exchange coverage regardless of the waiver amendment. *In the example, $1,000/month is reported to the IRS.*
15	Second Lowest Cost Silver Plan	The premium for the applicable benchmark plan for the category of coverage of the policy, excluding the portion of the premium allocated to benefits exceeding EHB. Please note that when multiple policies are purchased by a single tax household, this figure will be repeated for each policy.	Report the premium for the applicable benchmark plan for the category of coverage of the policy that would cover individuals eligible for on-Exchange coverage regardless of the waiver amendment, excluding the portion of the premium allocated to benefits exceeding EHB. Please note that when multiple policies are purchased by a single tax household, this figure will be repeated for each policy. *In the example, $1,150/month is reported to the IRS.*
60	Name of Insured	Name of person covered on the policy.	Do not report for any individual who would not be eligible for on-Exchange coverage absent the waiver amendment. *In the example, P2's name is not reported to the IRS.*
61	SSN of Insured	SSN of person covered on the policy. SSN may not always be present (see section 155.305(a)(3) in 45	Do not report for any individual who would not be eligible for on-Exchange coverage

		CFR, Exchange Final Rule)	absent the waiver amendment. *In the example, P2's SSN is not reported to the IRS.*
82	Date of Birth of Insured	Date of birth for person covered on the policy if SSN is not populated.	Do not report for any individual who would not be eligible for on-Exchange coverage absent the waiver amendment. *In the example, P2's DOB is not reported to the IRS.*

(4) Exchange enrollment of family, some of whom would be ineligible for Exchange coverage if not for the waiver amendment – Reporting to individuals on Form 1095-A

If two or more individuals enroll in a family plan through the Exchange, and one or more of those individuals would be ineligible for Exchange coverage absent the waiver amendment, the state must modify the data elements on Form 1095-A[3] as follows:

Part I Recipient Information: No revisions. Enter information per Form 1095-A instructions.

Part II Covered Individuals: Enter on lines 16 through 20 and columns A through E information (name, SSN, date of birth, coverage start date, and coverage termination date) for each individual covered under the policy who would be eligible regardless of the waiver amendment, including the recipient and the recipient's spouse, if covered and if they would be eligible regardless of the waiver amendment. Do not report the name, SSN, date of birth, coverage start date, or coverage termination date for any covered individual who would not be eligible absent the waiver amendment. *In the example, P2's information is not included on Form 1095-A.*

Part III Coverage Information: In column A, "Monthly enrollment premiums," enter the monthly enrollment premiums for the policy in which the covered individuals enrolled and that are attributable only to the individuals who would be eligible regardless of the waiver amendment. Include only the premium allocable to essential health benefits. If an individual who would be eligible regardless of the waiver amendment is enrolled in a stand-alone dental plan, include the portion of the premiums for the stand-alone dental plan that is allocable to pediatric dental coverage in the total monthly enrollment premiums. *In the example, $1,000/month is reported in column A on Form 1095-A.*

In column B, "Monthly second lowest cost silver plan (SLCSP) premium," enter the premiums for the applicable SLCSP that would cover only individuals who would be eligible regardless of the waiver amendment, excluding the portion of the premium allocated to benefits exceeding EHB. *In the example, $1,150/month is reported in column B on Form 1095-A.*

In column C, "Monthly advance payment of premium tax credit," enter the amount of advance credit payments for the month for the coverage of individuals who would be eligible regardless of the waiver amendment. *In the example, $850/month is reported in column C on Form 1095-A.*

[3] See also the Instructions for Form 1095-A.