



Maryland Health Benefit Exchange Board of Trustees

October 20, 2025

2:00 p.m. – 4:00 p.m.

Meeting Held via Video Conference

Members Present:

Aika Aluc, Vice Chair

Ken Brannan

Marie Grant

Douglas Jacobs, M.D.

Yvette Oquendo-Berruz, M.D.

Katherine Rodgers

Maria Pilar Rodriguez

JoAnn Volk, M.A.

Also in Attendance:

Michele Eberle, Executive Director, MHBE

Johanna Fabian-Marks, Deputy Executive Director, MHBE

Tony Armiger, Chief Financial Officer, MHBE

Tamara Gunter, Director, Consumer Assistance & Eligibility, MHBE

Meeting Call to Order and Approval of Minutes

Katherine Rodgers, Board Member

Ms. Rodgers called the meeting to order and asked for a motion to approve the minutes of the September 15 public Board meeting. Ms. Grant moved to approve the minutes. The Board voted unanimously to approve the minutes.

2026 Approved Rates

Bradley Boban, Chief Actuary, Maryland Insurance Administration (MIA)

Mr. Boban gave an overview of the 2026 individual and small group market rates. He began by briefly explaining the process by which the MIA reviews and approves rates, noting that the agency evaluates proposed rates by whether they are excessive, inadequate, or unfairly discriminatory and whether they are reasonable in comparison to the benefits offered. Each year's proposed rates are compared with the insurers' actual claims experience from two years before, so the 2026 rates are based on the 2024 results.

Next, Mr. Boban discussed the key market trends informing the rates for 2026, including that Maryland's rates will continue to be among the most affordable in the country and even remain lower than before the State Reinsurance Program (SRP) took effect in 2019. He explained that the approved rates for 2026 include an average increase of 13.4% over the prior year, driven mostly by the expiration of federal tax credits, worsening morbidity, and increases in pharmaceutical costs. Mr. Boban noted that Maryland created a new state subsidy program to offset some of the lost federal tax credits in 2026 and 2027. Under the new program, lost federal tax credits will be fully replaced by state funds for those with household incomes under 200% of the federal poverty level (FPL). The program follows a sliding scale from full to half replacement between 200% and 250% FPL and stays at half replacement up to 400% FPL, beyond which no subsidies are available.

Mr. Boban then provided further details of the 2026 approved rates. He explained that the overall average premium increased by 13.4%, with ranges from 9.8% to 15.2% by carrier, compared with an estimated increase of 10-11% if the federal subsidies are extended. He noted that Aetna is withdrawing from the market nationwide in 2026, affecting some 5,000 Marylanders. He shared pricing trends for carriers in the individual market, with an overall trend of 6.4% broken down into hospital trend of 4.8%, professional physician trend of 6.1%, and prescription drug trend of 10.4%. Mr. Boban pointed out that, while the prescription drug trend impact on rates is real, the main contributing factor to the increase is the morbidity of the insured population, since healthier Marylanders are more likely to go without coverage and leave the risk pool.

Next, Mr. Boban discussed the enhanced federal tax credit expiration in more detail, noting that Maryland saw a 50% increase in the number of enrollees receiving tax credits due to those enhancements and that the status of those tax credits remains uncertain. He explained that, if the subsidies are extended, the rates would be expected to be lower than what was approved. Since the future of the tax credits are unknown, carriers submitted two sets of rates—with and without the federal tax credit renewal.

Mr. Boban then shared several hypothetical examples to illustrate the impact of various subsidy outcomes to Maryland enrollees. With these examples, he demonstrated that those at the lowest end of the FPL scale receive the most assistance and have the least change in their premium year-over-year.

Next, Mr. Boban shared the approved dental rates for 2026, where over half of enrolled Marylanders will see a premium decrease over 2025. He noted that the overall average rate change for all dental enrollees is minus 1.4% and that enrollment has passed 100,000 and continues to grow.

Mr. Boban concluded by presenting approved rates for the small group market in 2026, where carriers requested an average increase of 5.5% and were approved at a final average increase of 4.9%. He noted that all carriers were approved for an increase, but the approved increases range from 2.9% to 11.8% by carrier. One major driver of the increase in small group rates is the claims trend, at 6.9% overall and 12% on prescription drugs. Since the carriers had favorable experience in 2024, the rate increase is below cost trend, he explained, noting that the small group market's morbidity is stable despite enrollment fluctuation, which indicates that healthier groups are not opting out of coverage disproportionately.

Ms. Volk asked whether prescription drug trend reflects the impact of tariffs or utilization. Mr. Boban replied that prescription drug trend is entirely based on utilization.

Ms. Volk asked what contingency plans are in place if the federal subsidies are extended at the last moment. Ms. Eberle replied that the MHBE is keeping close watch on developments and is evaluating options for such scenarios.

Public Comment

Leidi Garcia provided the following public comment:

Thank you for allowing me the time and the space to speak on behalf of CASA. My name is Leidi Garcia. I'm the senior manager of Health and Social Services at CASA.

CASA operates our health and human services department, working closely with undocumented Marylanders who are uninsured. Our health department assists thousands of families each year in navigating the health and human services system through our comprehensive, culturally responsive, fully-benefited outreach and enrollment program. CASA is one of the leading and most trusted organizations providing health support to the immigrant community, as well as the permanent advocate for immigrant health care policy.

As a state, we know that legislative action has proven effective in reducing uninsured rates and uncompensated care costs. However, under current health programs, thousands of Marylanders are left without care due to their immigration status, particularly under the Affordable Care Act and the stringent provisions of H.R. 1, which require individuals to have the legal status to access care. A staggering 30% of uninsured Marylanders are denied health care solely due to their immigration status, and this number is likely to increase.

The lack of access to routine, comprehensive, and affordable care has forced uninsured Marylanders to seek the most expensive type of care: emergency departments. This is not only unsustainable for hospitals, but also ineffective for long-term treatment of chronic conditions and renders an unjust system that excludes immigrant families from the health care landscape. To address this issue, CASA supported and led efforts to pass the Access to Care Act.

Today, I am here to express CASA's strong opposition to the proposed delay of this program that the board is voting on today. I echo the sentiment expressed in a letter dated October 9, co-signed by 103 other organizations, and respectfully, but yet urgently, call on you to reconsider this proposed delay. We must find solutions to ensure the undocumented Marylanders and those with various legal statuses gain full access to the state's health care system via the Maryland Health Connection.

The Access to Care Act was intended to be a stepping stone towards affordable access to care in immigrant families, and we urge the state to uphold its commitment to the immigrant community. Thank you for your time.

Executive Report

Michele Eberle, Executive Director, MHBE

Ms. Eberle devoted her executive update to the federal government shutdown. She explained that there has been little impact thus far to the MHBE's operations. Contacts at the Centers for Medicare & Medicaid Services (CMS) have been furloughed, suspending or delaying some regulatory and oversight meetings. Maryland will be most strongly affected by the termination of federal subsidies, she noted, adding that the termination of coverage for Deferred Action for Childhood Arrivals (DACA) recipients has resulted in an uptick of calls to the MHBE call center. Lawfully present immigrants will be unable to access tax credits beginning in January, impacting some 17,000 people currently in coverage through the MHBE.

Next, Ms. Eberle described how the MHBE is responding to the changes, preparing to potentially re-introduce the tax credits, initiate robocalls, have carriers re-file rates, or implement a range of other responses based on how federal action proceeds. She noted that the agency's primary objective is to retain enrollment and provide as much assistance as possible to Marylanders.

Ms. Grant asked whether, given the right circumstances, the MHBE could delay open enrollment. Ms. Eberle replied that every action is possible should the circumstances demand.

Finance Committee Report

Michele Eberle, Executive Director, MHBE

Ms. Eberle read out a report from the Finance Committee which noted that the group held a meeting on October 16th, where they heard a presentation from MHBE Chief Financial Officer Tony Armiger reviewing FY 2026 year-to-date and FY2025/FY 2026 comparative financials. The Committee heard a compliance and audit report as well.

FY26 Connector Entity Grant Amendment

Tamara Gunter, Consumer Assistance Director, MHBE

Ms. Gunter presented a request to revise the extension of the Connector Entity (CE) grants. She began by sharing the timeline of changes to the grant with the expected budget cuts, noting that the Board had approved a nine-month extension of the grants in September 2025. Later that same month, the Maryland Department of Health (the Department) informed the MHBE of a method to restore some lost funding. Ms. Gunter shared that, while some portion of the budget cuts remain, the new method identified by the Department has allowed the CEs to extend services to both Medicaid and individual market enrollees, whereas the prior configuration would cover individual market enrollees only.

Next, Ms. Gunter described strategies the CEs will use to maximize coverage and accessibility, including targeted outreach to the uninsured, staffing adjustments, signage, and expanded in-person event participation. She shared plans to stand up a workgroup after the open enrollment period ends to study the program's results in comparison with its intent.

Ms. Gunter then presented a breakdown showing each region's grantee, total uninsured population, and the revised budget allocation for the period of October 1, 2025, through June 30, 2026.

Ms. Volk asked whether the CEs were able to restore laid-off staff. Ms. Gunter replied that only one CE had layoffs, and all affected staff have been rehired.

Mr. Brannan asked whether the CEs are obliged to undertake staffing directives from the MHBE. Ms. Gunter replied in the affirmative and provided an example where the CEs were required to redirect work involving redeterminations to local health departments and local departments of human services to free up resources for new enrollments.

Ms. Rodgers asked whether the MHBE has concerns about CEs leaving the program. Ms. Gunter acknowledged that it is a possibility, noting that one CE, who is also one of the local health departments, has chosen to discontinue its work with the program after this open enrollment.

Ms. Rodgers asked whether the MHBE will work with the outgoing CE to recruit a replacement. Ms. Gunter replied that the CE is cooperating to ensure a smooth transition while the MHBE works with its legal department on bidding out the remaining time on the existing CE contract. She added that two to three entities have indicated interest in bidding.

Ms. Aluc moved to approve the Maryland Health Benefit Exchange request to revise Modification #2, increasing the not-to-exceed amount from \$2.5 million to \$5.1 million for the period of October 1, 2025, through June 30, 2026, to support Medicaid and Qualified Health Plan enrollment and education. Ms. Rodgers seconded. The motion was approved unanimously.

[2027 Proposed Plan Certification Standards Preview](#)

Johanna Fabian-Marks, Deputy Executive Director, MHBE

Ms. Fabian-Marks then presented on the proposed 2027 plan certification standards, beginning with background information for the benefit of newer Board members. She discussed Value Plan standards, first introduced in 2020 as a policy tool to support affordability and access, simplify plan choice, and promote health equity.

Next, Ms. Fabian-Marks described the two new items likely to be included in the 2027 plan certification standards. The first is a requirement that plans and carriers align with primary care investment targets under the Achieving Healthcare Efficiency through Accountable Design (AHEAD) model. The second is the 2027 Value Plan standards.

Ms. Fabian-Marks then laid out the timeline of plan certification standard promulgation. She explained that the Board would likely be asked to vote on the 2027 plan certification standards during its January 2026 meeting, after which a public comment period begins leading to a final vote in February 2026.

Next, Ms. Fabian-Marks discussed the primary care investment standard in more detail. She began by describing the research into the efficacy of primary care investment, where more availability of providers is shown to reduce mortality and achieve more equitable health outcomes. She contrasted this with analysis by the Maryland Health Care Commission showing that the percentage of health care spending devoted to primary care remained flat from 2021 through 2023. Under the AHEAD model, Maryland will agree to statewide targets for total cost of care growth and primary care investments for all payers, along with prospective care management payments and requirements to

integrate behavioral health into primary care. Ms. Fabian-Marks explained that the Board will be asked to approve a plan certification standard around primary care investment, but operational details are still to be worked out among the stakeholders. Dr. Jacobs added that MHBE plan certification standards affect only the individual market and shared that the implementation of AHEAD will require mechanisms to ensure the targets are reached.

Ms. Fabian-Marks then turned to Value Plans, explaining that they are plans with standardized cost-sharing determined by the MHBE. Each carrier is required to offer one Value Plan at each of the Bronze, Silver, and Gold metal levels that determine the actuarial value (AV) of the plan. Value Plans are designed to support policy goals including improving health care access and affordability, promoting insurer competition, and simplifying plan shopping. Ms. Fabian-Marks noted that the possible changes to the 2027 Value Plans include a continuation of existing cost sharing, a requirement to cover at least one continuous glucose monitor with \$0 cost sharing, and a potential name change from Value Plan to another label, using input from consumer research.

Dr. Jacobs noted that CMS has performed focus groups on the term “value-based care,” showing a negative reaction from consumers. Ms. Rodgers agreed, adding that her organization avoided the word “value” in naming their Core Plan. Ms. Fabian-Marks welcomed further suggestions for renaming Value Plans.

Mr. Brannan asked whether CMS or any other institution is taking action to increase the availability of primary care providers (PCPs). Dr. Jacobs replied that CMS has begun making substantial per-member per-month payments to providers for primary care management.

Ms. Volk asked whether the change in diabetes coverage is intended to address differences between the Durable Medical Equipment (DME) and Pharmacy benefit categories among carriers. Ms. Fabian-Marks replied that, while that was a consideration, the change is a broader statement to clearly enumerate the zero-dollar services required.

Ms. Grant, noting the success of Maryland’s existing Medicare Primary Care Program alongside increased investments in primary care by Medicaid, cautioned that individual market enrollees through the MHBE will be a small fraction of the overall statewide result.

1332 Waiver Amendment Update

Johanna Fabian-Marks, Deputy Executive Director, MHBE

Next, Ms. Fabian-Marks provided an update on the MHBE’s 1332 waiver amendment. She began by providing background information. In January, the federal government approved the MHBE’s application for an Affordable Care Act (ACA) waiver amendment to allow for residents with any immigration status to enroll on MHC, with the intent for the new rules to take effect on November 1, 2025. However, due to recent federal developments, the MHBE is requesting the Board’s approval of an updated implementation plan that would delay implementation of the new rules until the Fall 2027 open enrollment period for 2028 plans. Ms. Fabian-Marks explained that the MHBE will be required to undertake system changes unforeseen when the waiver amendment was approved, adding that the agency will implement the changes earlier if resources allow. She noted that the updated plan was released for public comment and received three responses, each of which will be included in the letter for submission. Ms. Fabian-Marks asked the Board for a motion to approve the updated plan.

Ms. Volk asked whether the only difference for the affected population would be that they cannot enroll on Maryland Health Connection (MHC). Ms. Fabian-Marks replied in the affirmative, adding that the affected consumers would have to enroll with the plans directly.

Ms. Aluc moved to approve submission of the 1332 Waiver Amendment Implementation Update Letter as presented to the Centers for Medicare and Medicaid Services (CMS) in the Department of Health and Human Services, and the Department of the Treasury. Ms. Volk seconded. The motion was approved unanimously.

2026 Broker Achievement Awards Sponsorship

Theresa Battaglia, Deputy Director, Marketing, MHBE

Ms. Battaglia presented a request to solicit a sponsor for the 2026 Broker Achievement Award. She began by sharing the statutory authority allowing the MHBE Board to use external sponsorship to fund an annual award ceremony to recognize the top 100 brokers, including securing the venue, awards, supporting materials, and meals for the guests. Ms. Battaglia explained that any funds remaining beyond the cost of the event will be allocated to support ongoing consumer engagement activities. She cautioned that event materials will include prominent disclaimers that sponsorship confers no special access or consideration in dealings with the MHBE or the State, and that all activities related to the event and sponsorship will adhere to the guidelines in the Gift Policy.

Mr. Brannan asked when the event will occur. Ms. Battaglia replied that the prior events have been in May and that they are targeting May 20, 2026.

Ms. Eberle noted that the MIA was the event's sponsor for its first two years and expressed the MHBE's gratitude.

Ms. Aluc moved to approve the request of the MHBE Marketing department to solicit sponsorships for the Broker Achievement Awards as presented. Ms. Rodgers seconded. The motion was approved unanimously.

Adjournment

Ms. Aluc closed the meeting.