

Maryland Small Business

Trends, Challenges, and Opportunities

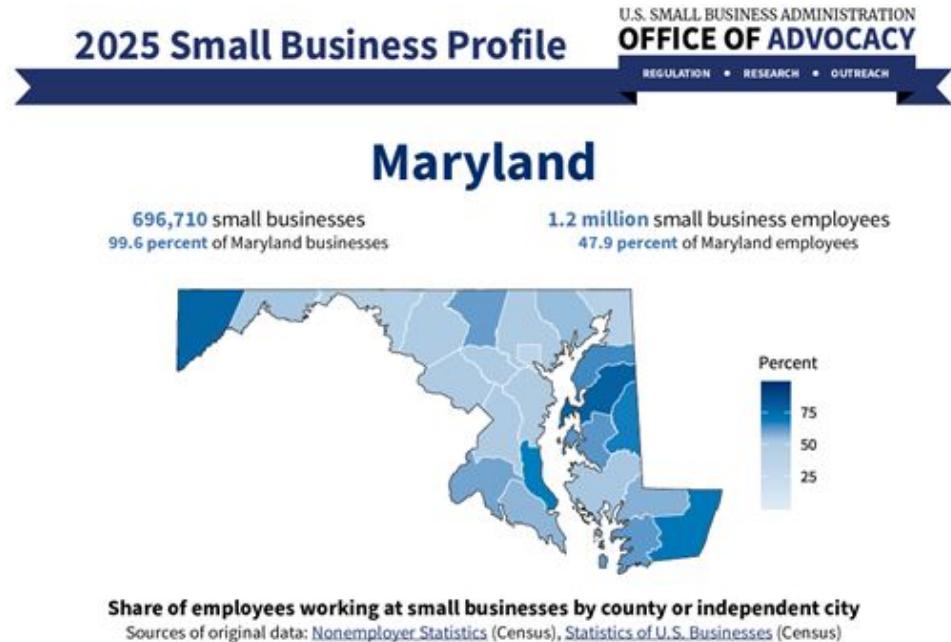
Mimi Hailegebriel
Small Business Program Manager



for small business

Market Overview

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



Overall Market Challenges

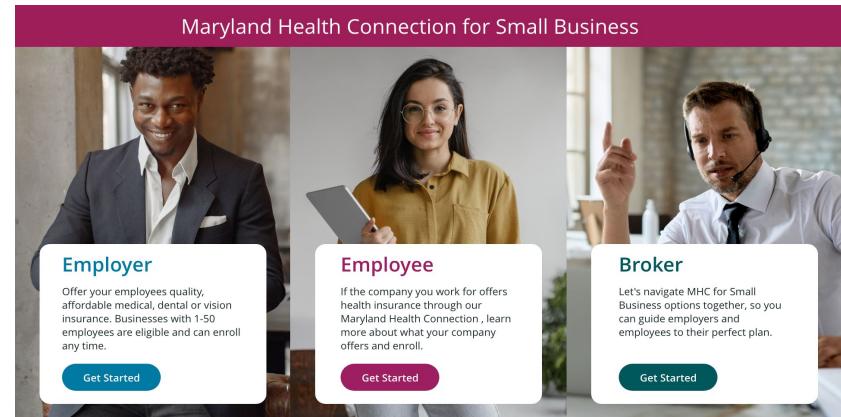
- **Cost:** Small businesses often struggle with the cost of health insurance premiums and may be limited by budget constraints.
- **Unbiased Information:** Difficult to get clear, unbiased information/data to make purchasing decisions
- **Disadvantage for Lower-Wage Employees:** Lower-income employees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

Maryland Health Connection for Small Business

- Maryland's marketplace for small businesses

Features:

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



New Portal Launch - Fall 2025!

Goal: Enroll approx. 10,000 in the first 5 years post-launch.

Target Audience: Small Businesses with fewer than 10 employees.

Obligation: Fulfill our statutory mandate to serve small businesses (Md. Code Ann. §31–102 (c)(3)).

Outreach Action Plan: Implement a robust marketing strategy post-launch.

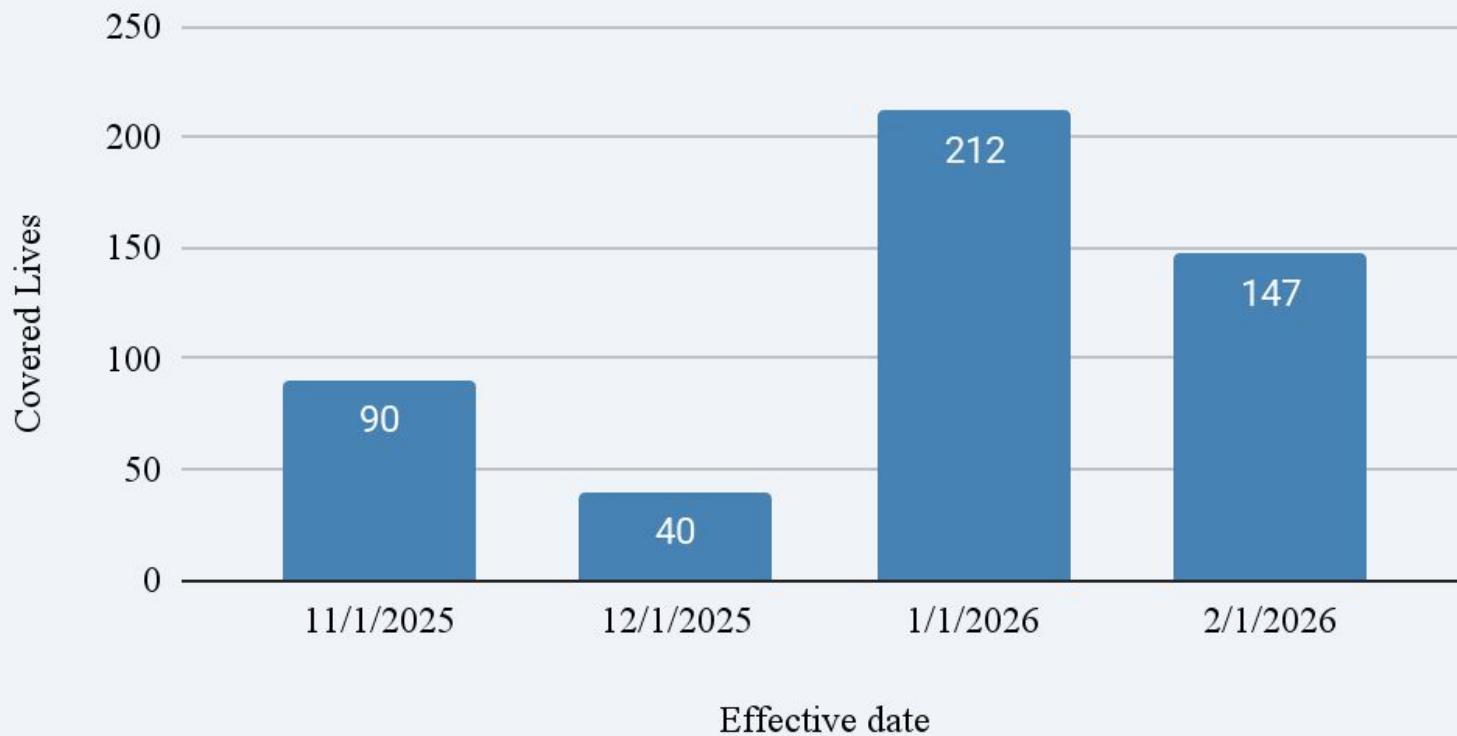
“The Maryland Health Connection has invested in a brand new online program to enroll small businesses in the Affordable Health Program. This new program is in effect now and I salute the Maryland Health Connection as an Authorized Broker for a job well done.”

-Eugene Poole
MHC Top Small Business Broker

New Business vs. Migrated Group Count by Effective



Covered Lives Count by Effective Date



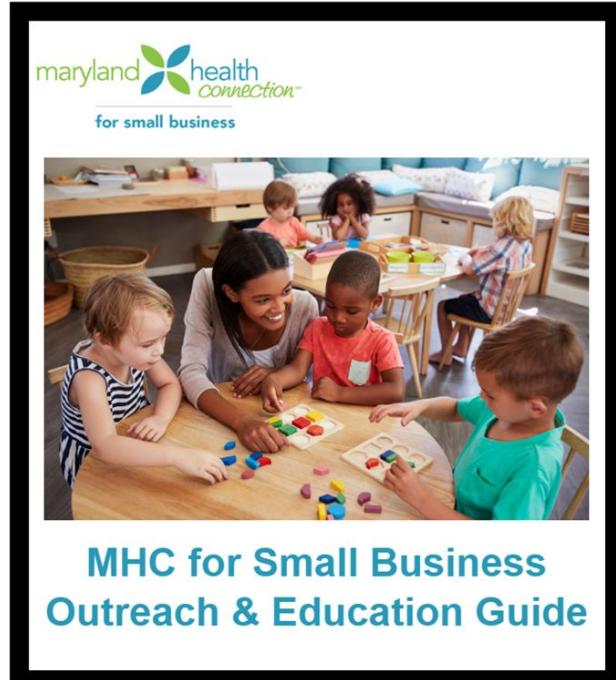
Outreach & Education Program

How It Works

Step 1- Watch two 7-minute Employer Videos

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

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



Future Opportunities & Innovations

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



2026 Marketing Timeline

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



Thank You!

Appendix

Federal Small Business Tax Credit

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

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

Eligibility & Market Rules

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

Policy & Regulatory Landscape

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

Outreach Events & Conferences

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



Resources and Fact Sheets

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

