Standing Advisory Committee Meeting

May 21, 2026

MHBE Policy Department

MARYLAND HEALTHBENEFIT EXCHANGE

Meeting will be recorded

Agenda

2:00 - 2:25 | Welcome and Introductions, Approve November 2025 Minutes
Stephanie Klapper, SAC Co-Chair and Aika Aluc, SAC Board Liaison

2:25 - 2:40 | Executive Update
Michele Eberle, MHBE Executive Director

2:40 - 2:55 | 2027 Value Plan Updates
Becca Lane, MHBE Senior Health Policy Analyst

2:55 - 3:20 | Federal and Legislative Updates, SAC Discussion
Johanna Fabian-Marks, MHBE Deputy Executive Director

3:20 - 3:45 | State-Based Subsidy: 2026 updates and 2027 Program Parameters, and SAC Discussion
Johanna Fabian-Marks, MHBE Deputy Executive Director

3:45 - 4:00 | Public Comment

4:00 | Adjournment

Welcome & Introductions

SAC Members

Aika Aluc (MHBE Board Liaison)

Stephanie Klapper (Co-Chair)

*Jeff Amoros**

*Andrew Anderson**

*Awanya Anglin-Brodie**

Elizabeth Arend Dutta

Andrew Baum

*Sonya Bruton**

*Marcquetta Carey**

Leidi Garcia

Maya Greifer

Brandy Guy

*Ebone Liggins**

Kiya Lofland

Allison Mangiaracino

*Allan Pack**

Kimberly Robinson

Mark Romaninsky

*Rodrigo Stein**

Toni Thompson-Chittams

*Jana Varwig**

Jake Whitaker

*** 2026 new members (or applied for second term)**

MARYLAND HEALTHBENEFIT EXCHANGE

Vote on Meeting Minutes

Vote on Meeting Minutes

“I move to [approve/approve with amendments] the Standing Advisory Committee meeting minutes from November 20, 2025.”

SAC Co-Chair Nomination and Vote

SAC Bylaws

Article IV: Co-chairs

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

- Section 2. Term. Co-chairs so elected shall serve a term of no more than two years, or until their own term of service on SAC has expired, whichever comes first. If a Co-chair is elected to fill the unexpired officership of a predecessor, such service shall not count against the limitation on tenure set forth above.

- Section 3. Duties. The Co-chairs of SAC shall, in addition to presiding at meetings, have such other duties as may from time to time be assigned by the MHBE Board or otherwise prescribed by these Bylaws.

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.

Motion

"I move to approve [Name] as co-chair of the Standing Advisory Committee for 2026."

Executive Update

MARYLAND HEALTH BENEFIT EXCHANGE

2027 Value Plans

MARYLAND HEALTHBENEFIT EXCHANGE

Background

- Value Plans have standardized cost-sharing determined by MHBE (in consultation with a stakeholder workgroup). Each carrier must offer a Value Plan at the Bronze, Silver, and Gold metal levels. “Standardized” cost-sharing = the same across each carrier.
- Meant to support affordability and access; simplify plan choice; and promote health equity. They were first offered on MHC in 2020 (plan certification standard authority)
- MHBE convenes an annual workgroup to advise on updates to Value Plan standards. The Workgroup provides:
  - Recommended cost-sharing standards for the Value Plan at each of the Bronze, Silver, Silver CSR variants, and Gold metal levels.
  - A list of any other recommended requirements or considerations.

Timeline

- **January 20, 2026**: Board voted on proposed 2027 Plan Certification Standards, followed by formal public comment period
- **February 25, 2026**: CMS released the 2027 Actuarial Value (AV) Calculator.
- **March- April 2026:** MHBE staff and Value Plan Workgroup adjusted Value Plan cost sharing
- **April 3 - 10, 2026**: Public comment period - no comments received
- **April 20, 2026**: Board voted on 2027 Plan Certification Standards
- **January 1, 2027**: New plan certification standards in effect for plan year 2027

Value Plan Workgroup Recommendations for 2027

- Changes to Value Plan cost-sharing requirements for 2027
- Add requirement that at least one covered continuous glucose monitor (CGM) be available at $0 cost sharing
- Require carriers to host an “easy-to-understand, transparent, and searchable” document on their websites,* including:
  - Specific information on the $0 diabetes benefit
  - Instructions for how to access the $0 CGM
  - A link to the carrier’s medical policy for determining eligibility for a CGM

MARYLAND HEALTHBENEFIT EXCHANGE

*Specific MHBE guidance for this document is outlined on a subsequent slide

Guiding Principles for Value Plan Cost-Sharing Changes for 2027

- Maintain consistent plan AVs from 2026
- Prioritize copays over coinsurance
- Maximize number of copays not subject to the deductible
- Minimize increases to copays from 2026
- Set outpatient facility fee copays higher than outpatient provider copays
- Focus on increases to MOOPs to comply with AV requirements

Summary of Changes to Value Plan Cost Sharing

Update	Metal Levels Affected
Increased medical deductibles	• Gold - $1,000 to $1,300 • Silver 87 - $1,000 to $1,125 • Bronze - $10,150 to $11,110
Increased combined (medical and prescription drug) MOOPs	• Gold - $9,100 to $10,400 • Silver 94 - $2,200 to $4,000 • Silver 87 - $3,350 to $4,000 • Silver 73 - $8,100 to $9,100 • Base Silver - $9,800 to $10,950 • Bronze - $10,150 to $11,110
Increased copays for certain services	• Gold - specialists, lab services, x-rays, SNF, outpatient care, Rx • Silver 94 - specialists, lab services, x-rays, SNF, outpatient care, Rx • Silver 87 - outpatient care

Additional Recommendations from the Value Plan Workgroup

- Additionally, the Value Plan Workgroup recommended that MHBE:
  - Make information on the Value Plan diabetes benefit more accessible to consumers, for example by:
    - Adding information on diabetes coverage in Value Plans to the plan compare tool on MHC's plan shopping page
    - Adding a summary of carrier-specific CGM medical policies and links to carriers' new diabetes info documents to Value Plan pages on MHC
  - Conduct consumer testing on Value Plan name and alternatives
  - Have carriers submit utilization and prior authorization denials data specific to the diabetes Value Plan benefits to identify any consumer challenges accessing $0 diabetes benefits

Legislative and Federal Updates

MARYLAND HEALTHBENEFIT EXCHANGE

2026 Session Updates

2026 Legislative Session - OBBBA and MHBE Priorities

Increased MHBE fiscal year (FY) 2027 budget to include OBBBA work:

- Recognition of the very strained federal landscape, and an emphasis on the need for additional support, particularly with the implementation of OBBBA requirements
  - Additional FY2027 funding includes a dozen new staff positions, additional IT costs, Marketing, Call Center, and Fulfillment
- Maryland Department of Health Employment Training and Opportunity Database (SB772)

MHBE Bills

- Technical adjustment to **Pregnancy Special Enrollment Period** (SB 794)
- **Small Business Employee Special Enrollment Period** (HB 1068) (did not pass)
- **Special Enrollment Period for Material Changes to Provider Networks** (SB 521)
  - Ensure that patients continue to have access to care when doctors, hospitals, or health systems are in a contract dispute with an insurer.

2026 Legislative Session - Interagency and Stakeholder Health Care Commissions

Altering duties of the **Health Insurance Coverage Protection Commission (HICPC)** to include conducting Market stability studies (HB 1112) (did not pass, but MHBE will proceed with conducting individual/small group market modeling).

- The Commission shall study and make recommendations for individual and group health insurance Market stability, including by:
  - Exploring merging the individual and small group markets to stabilize risk and expand the base, including whether this could be done with existing resources and whether legislation would be needed;
  - Considering whether to establish a multiyear reinsurance stability fund;
  - Identifying ways to sustain and increase premium assistance in the individual market.

Commission on Re-Imagining Health Care in Maryland (HB 1367)

- Establishing a Commission on Re-Imagining Health Care to envision and make recommendations regarding establishing a comprehensive, patient-centered health care system in the State.
  - Final report of the Commission's findings and recommendations to the Governor and the General Assembly by December 1, 2029.

Marketplace Updates - Federal Changes

Overview of Marketplace federal changes from 2025

New federal rules makes **enrollment more difficult, restricts eligibility, reduces affordability**, and ultimately discourages healthier people from enrolling resulting in a more expensive risk pool.

CMS Marketplace Program Integrity Final Rule
Published June 20, 2025

2025 Budget Reconciliation Bill - H.R.1
Signed into law July 4, 2025

Expiration of Enhanced Premium Tax Credits
Scheduled for December 31, 2025

Major Provisions from 2025 and 2026

- Aug 1, 2025: **Rescinds DACA eligibility** for Marketplace enrollment and financial assistance **(PI Rule)**
- Jan 1, 2026: **Eliminates subsidy eligibility for income-based SEPs** - including the monthly<150% FPL SEP **(H.R.1)**
- Jan 1, 2026: **Eliminates APTC eligibility for lawfully present immigrants <100% FPL.** *Impact: 20,000* **(H.R. 1)**
- Fall 2026 for Plan Year (PY) 2027: **Shortens Open Enrollment Dates** beginning 2027 OE **(PI Rule)**

Major Provisions from 2027 and 2028

- Jan 1, 2027: **Eliminates APTC eligibility for many lawfully present immigrants**: Limit eligibility for APTC to lawfully present immigrants who are green card holders, COFA migrants, and certain Cuban/Haitian immigrants. Eliminates eligibility for many lawfully present immigrants including refugees, asylees, and people with Temporary Protected Status. **(H.R.1)**
  - Similar limits for Medicaid effective October 1, 2026

- Tax year 2026 (PY2027): **Recapture of excess premium tax credits -** requires that recipients repay the full amount of any excess, regardless of income **(H.R. 1)**

- Jan. 1, 2028: **Pre-enrollment verification of eligibility**: Requires new and renewing consumers to verify their information and resolve any data matching errors before receiving APTC. Functionally ends auto-renewal. **(H.R.1)**

Marketplace -2027 NBPP

2027 Notice of Benefit and Payment Parameters - Final Rule

- The Department of Health and Human Services (HHS) **2027 Notice of Benefit and Payment Parameters (NBPP)** Proposed Rule was published on February 11, 2026. The proposed rule:
  - Codifies some of the provisions from H.R.1;
  - Revisits provisions of the 2025 Marketplace Integrity final rule; and
  - Introduces several new policies

- Members of the public had a shortened window of 30 days to provide comment on the proposed rule.
  - MHBE submitted comment on March 13, 2026 - mostly advocating to retain state flexibility to implement many of the provisions under the proposed rule

- The **Final Rule** was published last Friday on May 15
  - Finalizes many of the provisions *without* state flexibility.

MARYLAND HEALTHBENEFIT EXCHANGE

More details on provisions: https://shvs.org/wp-content/uploads/2026/02/Proposed-Marketplace-and-Insurance-Changes-in-the-2027-Notice-of-Benefit-Payment-Parameters_-Implications-for-States_2.13.26.pdf

Highlight of Provisions Impacting Maryland

Codification of H.R. 1 (OBBBA)

- Codify **restrictions on immigrant eligibility for APTC**
- **Remove the monthly <150% (low-income) Special Enrollment Period**

Re-Introduction of ***Court-Stayed Provisions*** from 2025 Program Integrity Rule*

- Remove APTC for **one year of failure to file and reconcile (FTR)**
  - MHBE is not implementing this for tax year 2025 due to the court stay
- I**ncrease income verification requirements:**
  - Required income verification when income is below 100% FPL or when tax data is unavailable, creating more income-based data matching issues (DMI) that require manual verifications

*MHBE is still evaluating how to proceed with the reintroduced provisions from the PI Rule that were never implemented as a result of the court-stays, which are still in effect.

Highlight of Provisions Impacting Maryland

New Provisions:

- **Allow Exchanges to certify non-network plans** as qualified health plans *(optional for State-based Marketplaces (SBMs))*.
- **Bronze & Catastrophic Plan Changes**
  - Allow contracts of up to 10 years in catastrophic plans (instead of 1)
  - Allow bronze and catastrophic plans to raise their cost-sharing above the statutory MOOP limitations (up to 130% or $15,400 in PY2027)
  - Expand eligibility for catastrophic plans to all ages for consumers not eligible for APTC and CSRs (below 100%FPL and above 250%FPL) (*state flexibility for SBMs)*
    - Currently only those with age <30, no offer of affordable coverage are eligible

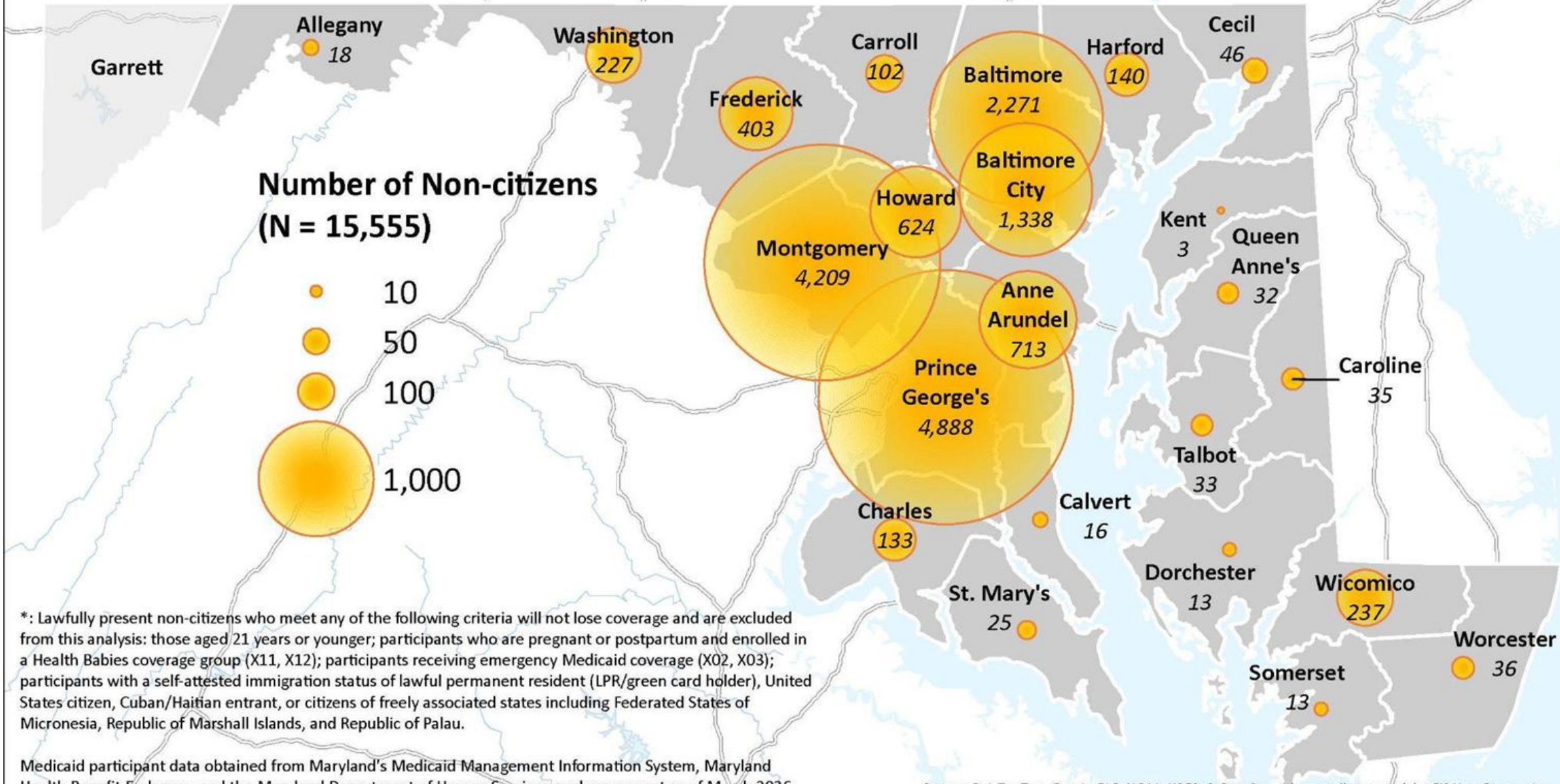
Medicaid Updates - Federal Changes

Medicaid H.R.1 Eligibility Provisions (1/3)

- **Changes to Immigrant Eligibility (October 1, 2026).**
  - Certain immigrants are no longer eligible for Medicaid. This includes refugees, asylees, immigrants granted parole for at least one year, and certain victims of abuse and trafficking. ***Note*: Pregnant women and children are not impacted. Emergency Medical Assistance is not impacted.**
  - Eligibility for Medicaid coverage will be limited to U.S. Citizens and the following Eligible Non-Citizens (ENC):
    - Legal Permanent Residents (LPRs or green card holders) who meet or are exempt from the five-year rule,
    - Cuban and Haitian non-citizens, and
    - Compact of Free Association (COFA) migrants.
  - **Impact**: **~15,000 non-citizens may lose coverage.** (Note: this is a reduction from previously published est. of ~60,000)

*November 2025 data.

Number of Lawfully Present Non-Citizens Assumed to Lose Medicaid Coverage Under 2025 Federal Budget Reconciliation Law on 9/30/2026, by County*



*: Lawfully present non-citizens who meet any of the following criteria will not lose coverage and are excluded from this analysis: those aged 21 years or younger; participants who are pregnant or postpartum and enrolled in a Health Babies coverage group (X11, X12); participants receiving emergency Medicaid coverage (X02, X03); participants with a self-attested immigration status of lawful permanent resident (LPR/green card holder), United States citizen, Cuban/Haitian entrant, or citizens of freely associated states including Federated States of Micronesia, Republic of Marshall Islands, and Republic of Palau.

Medicaid participant data obtained from Maryland's Medicaid Management Information System, Maryland Health Benefit Exchange, and the Maryland Department of Human Services, and are current as of March 2026.

Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community

Medicaid H.R.1 Eligibility Provisions (2/3)

- **Medicaid work requirements (January 1, 2027).**
  - Requires states to implement work requirements as a condition of Medicaid eligibility for ACA expansion adults aged 19 through 64.
  - **Impact**: **~115,000 ACA Adults could lose coverage.** Requirements apply to the more than **~320,000 adults*** in this coverage group.

*November 2025 data.

Medicaid H.R.1 Eligibility Provisions (3/3)

- **Increased Medicaid redeterminations (January 1, 2027)**
  - Requires states to conduct eligibility redeterminations once every six months for ACA expansion adults. (Current requirement is annual).
  - **Impact**: Requirement impacts the more than **320,000 adults** eligible under the ACA Expansion.
- **Shortened Medicaid retroactive coverage opportunities (January 1, 2027)**
  - Reduces retroactive coverage from three months to one or two months depending on eligibility category.
  - **Impact:** ACA expansion adults are limited to **one month of retroactive coverage**, and all other enrollees are limited to two months retroactive coverage. **These changes also impact Emergency Medicaid.**

Communications Approach

Key Messaging Goal	• **Message discipline** across agencies and stakeholder partners.
Overarching Strategy	• **Consumer-focused** materials • **Provider/community stakeholder-focused** materials
Key Audience	• **ACA Adults** • **Non-Citizens** • **Pregnant Women & Children**
Partners	• Sister Agencies: **DHS, MHBE, DoL** • **MCOs** • **Stakeholders and Community Organizations**

Resources

- MDH H.R.1 Fact Sheet (Issued July 11, 2025)
- Is My Medicaid Going to Change? (fact sheet published Dec 2025)
- MDH Webpage on H.R.1 Medicaid Changes
  - Note, this will be updated as more information becomes available.
- FAQs: What the New Federal Budget Law Means for Your Medicaid Coverage
- FAQs: Cómo impacta la nueva ley presupuestaria federal en su cobertura de Medicaid
- Maryland Medicaid DataPort
  - See “Federal Changes” tab.

State-Based Subsidy: 2026 updates and 2027 Program Parameters

MARYLAND HEALTHBENEFIT EXCHANGE

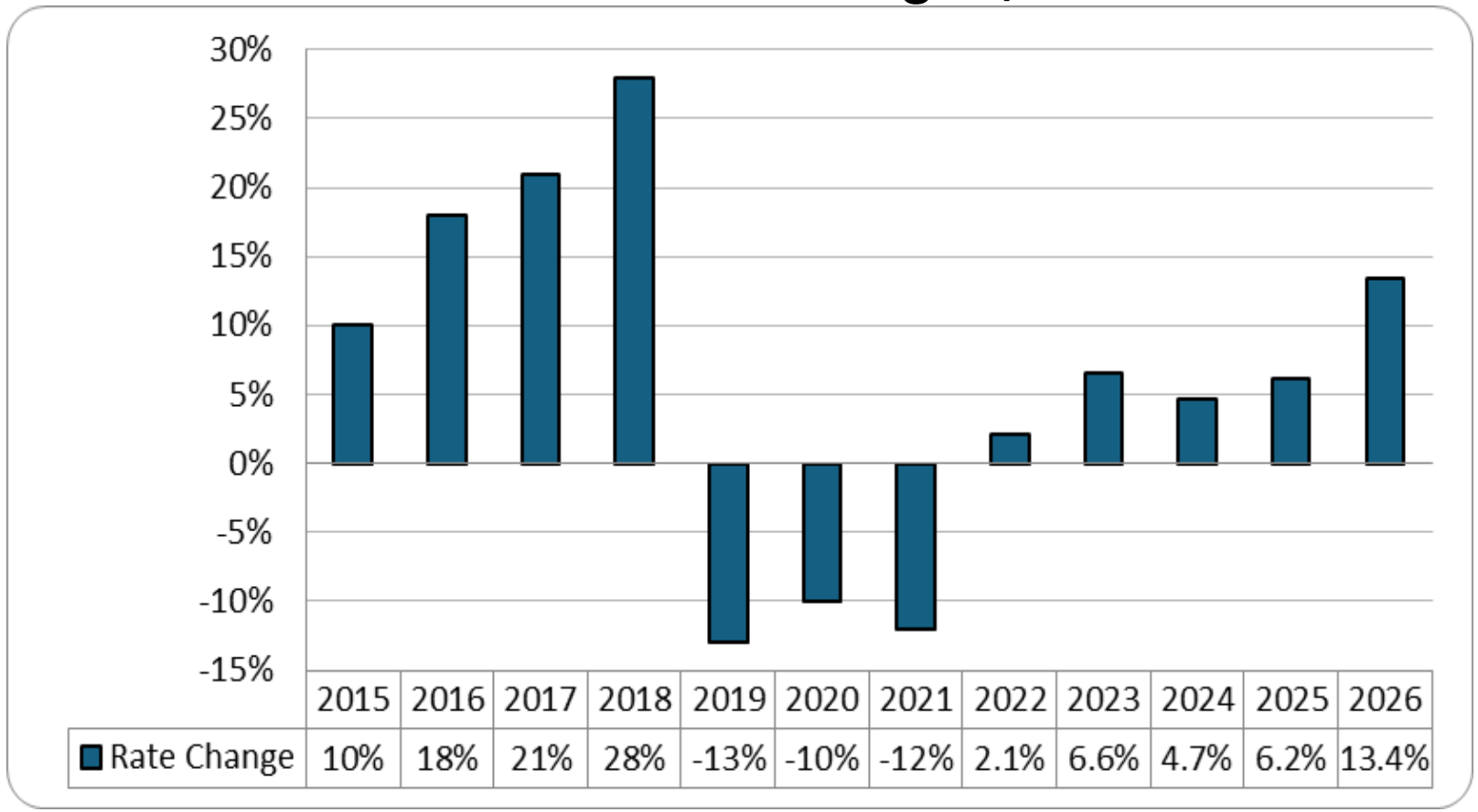
1. Reinsurance and State Subsidy Overview

Reinsurance Background

History:

- **2014:** ACA market reforms went into effect
- **2014-2018:** Individual market rates increased by double digits
- **2019:** Reinsurance program implemented
- **2026:** *Rates still down more than 6%* compared to pre-waiver 2018, enrollment up.

Individual Market Rate Changes, 2015 - 2026



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Rate Change	10%	18%	21%	28%	-13%	-10%	-12%	2.1%	6.6%	4.7%	6.2%	13.4%

MARYLAND HEALTHBENEFIT EXCHANGE

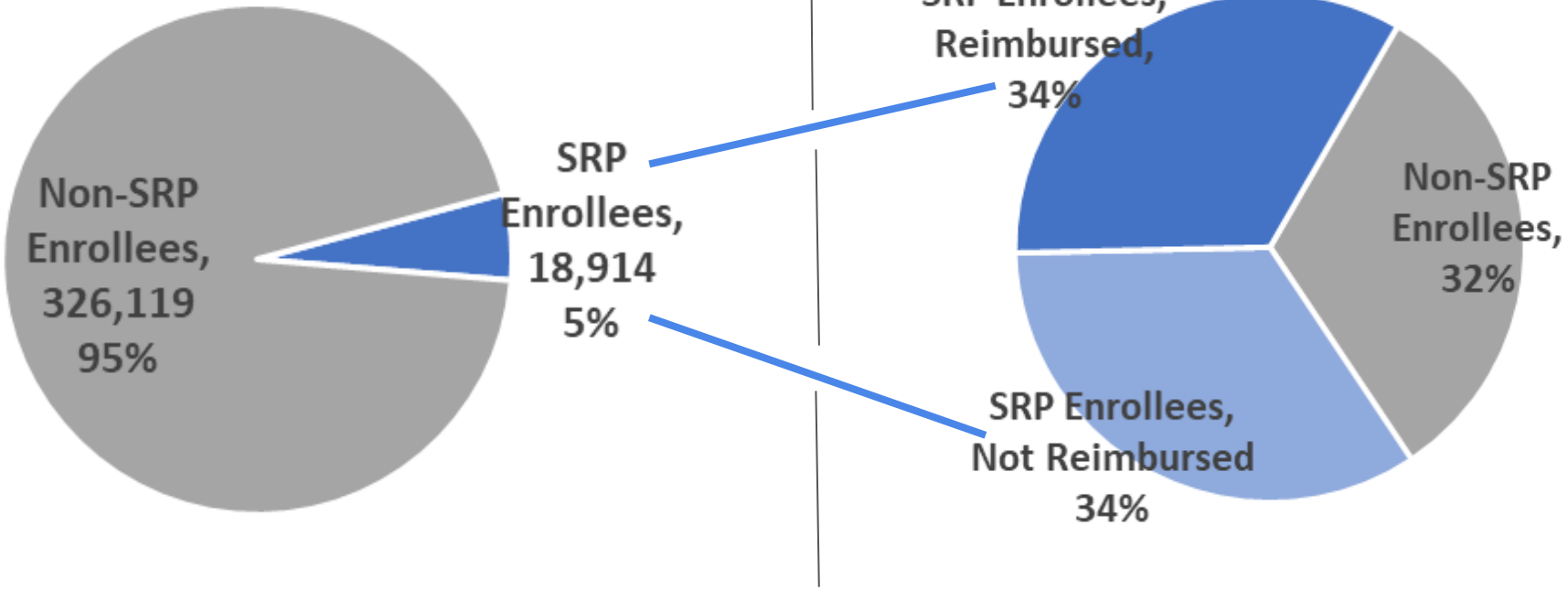
How Does Reinsurance Work?

- Reinsurance reimburses insurers for a portion of their claims costs. Lower costs allow carriers to charge lower premiums.
- The MHBE Board sets the parameters for the reinsurance program.
- Feds approve the waiver governing reinsurance in 5-year increments; current waiver period end Dec 31, 2028.

Parameters	2019 - 2022	2023	2024	2025	2026
Attachment Point	$20,000	$18,500	$20,000	$21,000	$24,000
Coinsurance Rate	80%	80%	80%	80%	80%
Cap	$250,000	$250,000	$250,000	$250,000	$250,000
Dampening Factor	.760 - .805	.840	.850	.850	.850

What is the Reinsurance Program's Scope?

2024 Total Average Individual Market Enrollment



2024 Total Paid Claims: $1.9B
SRP Paid Claims: $639M

MARYLAND HEALTHBENEFIT EXCHANGE

Subsidy Background

- Enhanced federal tax credits, which reduced net premiums and boosted enrollment 2021-2025, expired at the end of 2025 after Congressional inaction
- Enrollment was projected to decline in 2026 due to reduced affordability:
  - Premiums were estimated to increase by 95% on average for those receiving tax credits (~190,000 at the time)
  - For the 105,000 “unsubsidized” enrollees (on and off-exchange), the MIA finalized a 13.4% rate increase, lower than the ~17% average rate increases proposed by insurers
- Maryland’s HB 1082 required MHBE to establish a State-Based Individual Subsidy Program to mitigate enrollment losses and stabilize market in PYs 2026-2027

How Do We Fund Reinsurance + Subsidy?

State Funds

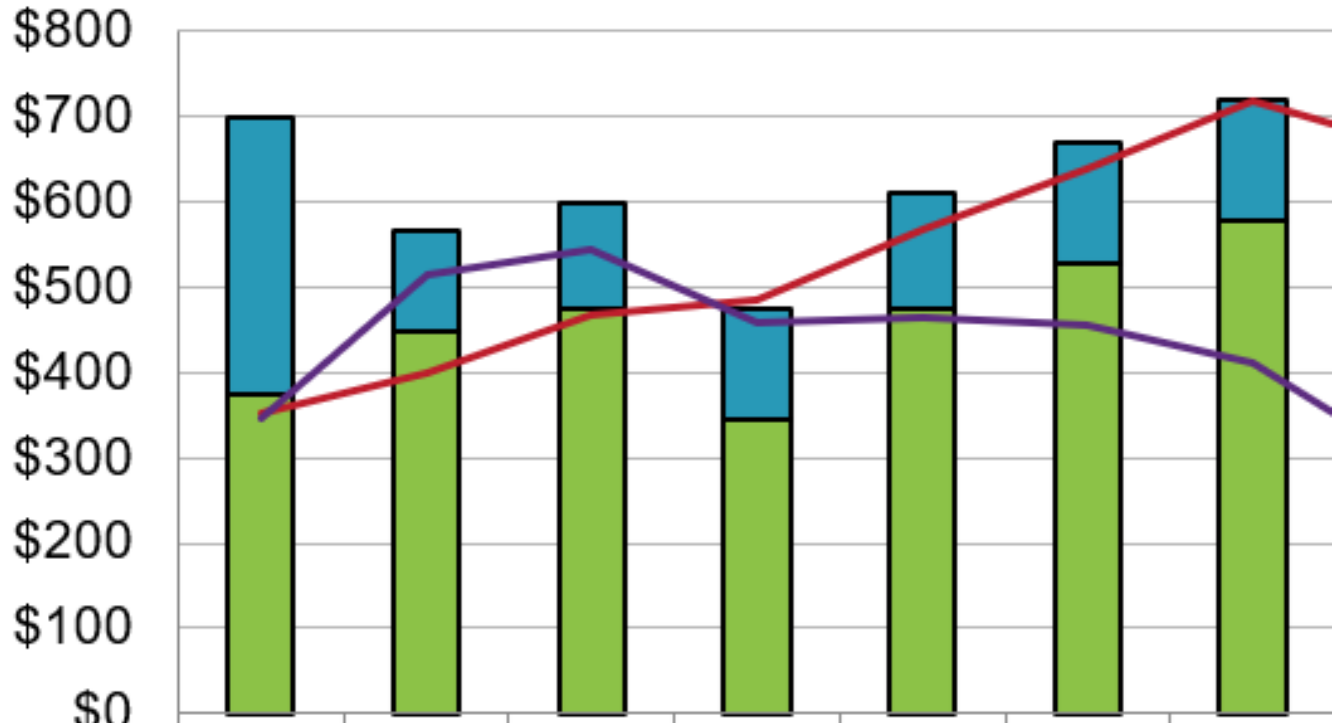
- **Assessment** through 2028 on most state-regulated health insurance premiums. 2.75% in 2019, 1% for 2020-2028
- **Reserve**: The higher 2019 assessment + higher than expected federal funding in the early years of the program allowed MHBE to build up a reserve of state funds

Federal Funds: ACA Section 1332 State Innovation Waiver

- Under Section 1332 of the ACA, states can waive certain ACA rules
- If the waiver lowers premiums, federal premium subsidy costs decrease, saving the feds money
- Under the waiver, the federal government then redirects those savings back to the state - called **pass-through funding** - to help run the waiver program

To the extent a state intervention (like a subsidy) increases APTC-eligible enrollment, it can also increase pass-through funding. This reduces the state funds necessary for reinsurance, partially offsetting the state cost of the intervention.

Reinsurance Funding Experience, 2019-2025



	2019	2020	2021	2022	2023	2024	2025
State Funding	$327	$119	$124	$131	$137	$141	$142
Federal Funding	$373	$447	$475	$344	$473	$527	$578
Reinsurance Cost	$353	$400	$468	$485	$568	$639	$719
Fund Balance End-of-Year	$347	$513	$544	$459	$465	$454	$412

2. Recommended 2026 State Subsidy Parameters

Priorities for Subsidy Design

(As set forth in HB 1082 / Md. Ins. Art., §31-125(D))

- Mitigate reduction in federal tax credits
- Maximize enrollment in the individual market
- Consider state funds necessary to ensure the State Reinsurance Program continues to provide market stability through CY2028
- Account for uncertainties in enrollment in Medicaid, the individual market, and small group market due to changes in state and federal regulation and funding

PY 2026 State Subsidy Parameters

- Fully replace eAPTC up to 200% FPL;
- Phase down from full eAPTC replacement at 200% FPL to 50% replacement at 250% FPL
- 50% replacement of eAPTC 250%-400% FPL;
- No state subsidy above 400% FPL;
- Continue 2025 Young Adult Subsidy parameters.

Considerations

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

2026 Federal Poverty Level (FPL) Income Thresholds

Household Size	200% FPL	300% FPL	400% FPL
1 person	$31,920	$47,880	$63,840
4 people	$66,000	$99,000	$132,000

Modeled Scenarios

Scenario 1

2027: No change in subsidy from 2026 (including full Young Adult Subsidy)

2028: No subsidy

(Most generous)

Scenario 2

2027:

- Full subsidy to 200% FPL;
- Phase down from full replacement at 200% to 25% at 250% FPL;
- 25% replacement 250-400%;
- **Continue** Young Adult Subsidy with '26 parameters

2028: No subsidy

Scenario 3

2027: Same parameters as Scenario 2 but **WITHOUT** Young Adult Subsidy

2028: No subsidy

(Least generous)

MARYLAND HEALTHBENEFIT EXCHANGE

All scenarios assume no subsidy in 2028; and an attachment point of $28k in 2027 and $34k in 2028, and AP increase by $1k each year in 2029 and beyond

2027 Subsidy Design Recommendation

Recommendation: Scenario 2

- For enrollees eligible for APTC,
  - Fully replace eAPTC up to 200% FPL;
  - Phase down from full eAPTC replacement at 200% FPL to 25% replacement at 250% FPL (down from 50% in 2026)
  - **25%** replacement of eAPTC 250%-400% FPL (down from 50% in 2026);
  - No state subsidy above 400% FPL;
  - Continue 2026 Young Adult Subsidy parameters.

Rationale

- Minimal projected impact to enrollment; reduce subsidy cost by $35M relative to 2026 parameters
- Continuing Young Adult Subsidy preserves improved morbidity in the market

3. Recommended 2027 State Reinsurance Program Parameters

Estimated 2027 SRP Parameters

- MHBE staff recommend increasing the attachment point to $28,000, 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	Final 2026	Estimated 2027
Attachment Point	$20,000	$18,500	$20,000	$21,000	$24,000	$28,000
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	0.850	TBD

Public Comment

MARYLAND HEALTHBENEFIT EXCHANGE