



Maryland Health Benefit Exchange Board of Trustees

August 4, 2026

10:00 a.m. – 12:00 p.m.

Meeting Held via Video Conference

Members Present:

Meena Seshamani, M.D., Ph.D., Chair

Aika Aluc, Vice Chair

JoAnn Volk, M.A.

Douglas Jacobs, M.D.

David Lehr

Marie Grant

Yvette Oquendo-Berruz, M.D.

Ken Brannan

Members Absent:

Katherine Rodgers, Ed.D, MPH

Also in Attendance:

Johanna Fabian-Marks, Executive Director, MHBE

Greg Yaculak, Deputy CIO/CISO, MHBE

Tracey Gamble, Procurement Manager, MHBE

Meeting Call to Order and Approval of Minutes

Secretary Meena Seshamani, M.D., Ph.D., Chair

Sec. Seshamani called the meeting to order, beginning by requesting a motion to approve the minutes of the July 20, 2026, public Board meeting. Dr. Jacobs moved to approve the minutes, which was seconded by Commissioner Grant. The motion was passed unanimously.

Public Comments

None offered.

Executive Director Update

Johanna Fabian-Marks, Executive Director, MHBE

Ms. Fabian-Marks began by sharing her appointment as the MHBE's new Executive Director. She then shared that since the previous Board meeting, the MHBE has received some key funding updates for the reinsurance program, including the final 2026 passthrough funding from the federal government. She shared that these numbers were greater than anticipated, relative to 2025. Ms. Fabian-Marks then shared that the Maryland Health Services Cost Review Commission (HSCRC) voted to provide \$100 million in funding via uncompensated care built into hospital rates for the MHBE's affordability program. Lastly, she shared that there have been several litigation updates regarding challenges to U.S. Department of Health and Human Services' (HHS') regulations that would make eligibility verification for the exchange more challenging. She shared that some provisions were vacated and others stayed, which reduces administrative burden for the MHBE.

Ms. Volk noted that the new funding from HSCRC will allow more generous subsidies to be available for next year and is critical for continued state subsidies.

IT Software Procurements

Greg Yaculak, Deputy Chief Information Security Officer, MHBE

Tracey Gamble, Procurement Manager, MHBE

Mr. Yaculak began presenting the requested software procurements on behalf of the IT team. First, he introduced the procurement for a migration of the MHBE's legacy security platform from PingAM to PingOne Advanced Identity Cloud (AIC). Moving forward, PingOne AIC will become the MHBE's centralized identity and access Management software. This software authenticates consumer access to the Maryland Health Connection (MHC) portal, powers single sign-on across several platforms for the MHBE's workforce, and authenticates access to several platforms for the MHBE's enterprise systems. The procurement of this new technology would allow the MHBE to retire its legacy Active Directory Federation Services infrastructure.

Mr. Yaculak then provided an overview of the outcomes that will result from implementing the PingOne AIC software across four areas; identity and authentication, platform consolidation, security and governance, and modernization and cloud. Detailed slides are available in the presentation for this meeting. Ms. Gamble then provided a

summary of the PingOne AIC procurement. She shared that the MHBE issued an invitation for bids for this software, which closed on July 16, 2026. Ms. Gamble shared that the lowest bidder was Vinsys Information Technology, Inc., with an amount of \$530,494.71. Sec. Seshamani requested a motion to approve award of the PingOne AIC license subscription to Vinsys Information Technology, Inc. for the period of September 1, 2026, to August 31, 2027, in the amount of \$530,494.71 with 100% funding through federal funds via the Maryland Department of Health. Dr. Oquendo-Berruz put forward the motion, which was seconded by Mr. Brannan. The motion was passed unanimously.

Next, Mr. Yaculak provided background information on Equifax Data Services, a data source the MHBE plans to use for verification and auto-renewals to satisfy H.R.1 work and community engagement requirements. The procurement of Equifax Data Services would provide access to National Student Clearinghouse data for education verification and Equifax complete income services for income verification, as well as automate work and community engagement verification. Mr. Yaculak then explained the cost details of the new procurement, which would cover an estimated 665,000 enrollees each year during the three-year period of the contract, with costs beginning at \$2.35 million, and increasing approximately 5% each year.

Mr. Yaculak shared that the MHBE conducted two data studies with Equifax comparing the Maryland Medicaid population against Equifax's available data, which is the analysis behind the recommendation. The estimated match rate of the Equifax data to Medicaid enrollees is 22%, which would strengthen Medicaid ex parte renewals and support H.R.1 community engagement verification for the state of Maryland. In addition, the procurement would assist with income verification for applications and renewals in the general Medicaid population. Finally, he shared that the new technology would be used only when other data sources were exhausted, and Equifax will not charge the MHBE when matches are not found.

Ms. Gamble then provided a summary of the Equifax procurement. She explained that the MHBE used a sole source procurement based upon Maryland regulations that allow a sole source procurement when only one source exists. The period for the procurement will be October 1, 2026, through September 30, 2029, with an award amount of \$7,407,938 with a federal participation amount of 75% and a state participation amount of 25%.

Mr. Brannan asked about Equifax's ability to make adjustments as new guidance is provided on H.R.1 requirements, and how new changes could impact the contract. Sec. Seshamani responded that the shifting guidance generally does not impact the

capabilities of this technology. She shared that this procurement focuses on income and education verification, while most of the uncertainty is surrounding work requirement exemptions.

Ms. Volk asked whether this new technology would be the “end of the road” source for enrollees looking to verify their community engagement, or if there will be additional steps available if Equifax does not find data. Sec. Seshamani responded there would be additional avenues for verification or exemption, including data from Chesapeake Regional Information System for our Patients (CRISP). Ms. Fabian-Marks added that Equifax would be the “end of the road” for automated verification, but enrollees are still able to manually upload documentation of income, employment, or education.

Sec. Seshamani requested a motion to approve award of the contract to Equifax to procure data verification services for the period from October 1, 2026, to September 30, 2029, in the amount of \$7,407,938 with a Federal Funding Participation amount of \$5,555,954 and a State Participation amount of \$1,851,985. Ms. Volk put forward the motion, which was seconded by Dr. Oquendo-Berruz. The motion was passed unanimously.

2027 Final State Subsidy and Reinsurance Parameters

Johanna Fabian-Marks, Executive Director, MHBE

Ms. Fabian-Marks began with background information on the state subsidy and reinsurance programs. She shared that there would be two separate motions, but that they work as a package deal in terms of funding and market impact. She explained that the individual market rates increased by 13.4% in 2026, largely due to the expiration of the federal enhanced premium tax credits (ePTCs) and the expectation that individuals ending coverage due to increased costs would decrease the overall health of the risk pool. Even with this increase in 2026, rates are still more than 6% below where they were in 2018, prior to the implementation of the State Reinsurance Program (SRP). Ms. Fabian-Marks then shared that insurers have proposed an additional 13.7% rate increase for 2027, which is under review by the Maryland Insurance Administration (MIA), and determinations are expected in September.

Ms. Fabian-Marks then presented the total individual market enrollment over the years. She noted a slight decline in market enrollment in 2026, largely due to legally present immigrants losing eligibility for federal premium tax credits following H.R.1. She then explained that the SRP reimburses insurers for a portion of their claims costs, allowing them to charge lower premiums. Ms. Fabian-Marks noted that the Board sets the following parameters for the SRP: attachment point, coinsurance rate, and annual cap.

The Board also approves the necessity of a dampening factor to account for federal risk adjustment, which is then set by the Insurance Commissioner. The SRP is approved in five-year increments, and the current waiver period will end in 2028.

Ms. Fabian-Marks shared that reinsurance covers about one-third of the costs in the individual market. Roughly 6% of individual market enrollees were covered by the SRP in 2025 but accounted for about 68% of total paid claims for the market, with half reimbursed by the SRP. She shared that in total, the SRP paid out \$742 million to insurers in 2025.

Ms. Fabian-Marks then provided background on the state subsidy program, which was established following the expiration of ePTCs in 2025. The MHBE projected significant enrollment declines in 2026 due to a sharp increase in premium costs for enrollees reliant on ePTCs, but these projections were largely averted due to the implementation of the state subsidy program which was authorized by HB 1082, passed in 2025. The MHBE is authorized to operate the state subsidy program for plan years 2026 and 2027; legislative action would be needed to continue the program in 2028.

Ms. Fabian-Marks shared that there are three funding streams for the SRP and individual subsidy program. First, there is an assessment through 2028 on most state-regulated premiums, which yields approximately \$140-\$150 million per year for the program. Second, a higher 2019 assessment and higher than expected federal funding in the early years of the SRP allowed the MHBE to build a reserve of state funds. Third, the HSCRC recently finalized a 0.4% increase in hospital rates to support the MHBE for 2027 to mitigate coverage losses in the individual market and reduce uncompensated care for hospitals. Ms. Fabian-Marks stated that the MHBE previously assessed that they would be unlikely to afford an individual subsidy without this additional \$100 million in funding from HSCRC. Additionally, the MHBE receives federal funding under section 1332 of the Affordable Care Act, as the federal government savings through the SRP are passed on to the state. Ms. Fabian-Marks emphasized that there is some flexibility in how to spend state funds, but federal funding is solely dedicated to the SRP. She then shared a graphic illustrating the funding and costs of the SRP. She noted that in early years, the program was able to build savings, which are now being drawn down to fund the program.

Ms. Fabian-Marks then provided an overview of the parameters of the state subsidy program. The program's priorities are to maximize enrollment and mitigate the impact of reductions in federal premium tax credits. The state subsidy parameters are set by the Board. For 2026, the state subsidy program fully replaces the eAPTC for people with incomes below 200% of the federal poverty level (FPL) and phases down to 50%

replacement for people with incomes at 250% of the FPL and provides 50% replacement for people with incomes between 250% and 400% of the FPL. There is no subsidy available for individuals with incomes above 400% of the FPL. The 2025 young adult subsidy program parameters were continued for 2026, and this subsidy layers on top of the state subsidy. Ms. Fabian-Marks noted that this subsidy benefits the risk pool for insurers. The MHBE was unable to provide subsidies to legally present immigrants who lost eligibility for premium tax credits in 2026, a population of roughly 20,000.

Ms. Fabian-Marks then presented the expected contributions to monthly premiums for households of varying income levels, both with and without eAPTCs. Detailed slides are available in the presentation for this meeting. The percentage of monthly household income contributed towards premiums increased for all income levels with the loss of eAPTCs, but the state subsidy mitigates some of this increase. She noted that there is no difference in expected monthly contributions for households below 200% of the FPL.

Next, Ms. Fabian-Marks presented a chart comparing individual market enrollment from June 2025 to June 2026 by income level. Overall individual market enrollment decreased by 10% during this period, but the majority of this loss was in the population with incomes below 100% of the FPL, with only a 2% loss in enrollment for individuals with incomes above 100% of the FPL. In April 2026, the federal government reported a 17% decline in enrollment through [healthcare.gov](https://www.healthcare.gov), the federal marketplace, and this decline likely grew between April and June 2026. Ms. Fabian-Marks shared that Marylanders with incomes between 100-200% of the FPL, who had their eAPTCs fully replaced, saw an increase in enrollment. However, individuals with incomes between 200% and 350% of the FPL experienced declines in enrollment.

Ms. Fabian-Marks then described shifts in enrollment by metal tier. Enrollment in the individual market has shifted out of higher-cost silver and gold plans into lower-cost bronze plans. Loss in silver and gold plan enrollment can also be attributed to the 20,000 individuals who exited the individual market entirely.

Ms. Fabian-Marks then provided an overview of enrollment in the state subsidy program. There are over 145,000 individuals receiving the state subsidy as of June 2026, with a per-member-per-month cost of \$93. She shared that individual market enrollment for the young adult population increased 35% from June 2022 to June 2026, while enrollment for the remaining age groups increased by 24%.

Next, Ms. Fabian-Marks shared the two scenarios the MHBE considered for 2027 state subsidy parameters. Scenario 1 made no adjustment to the 2026 subsidy parameters. Scenario 2 was approved by the Board as proposed at the April Board meeting. This

scenario continued full replacement of eAPTCs for individuals with incomes below 200% of the FPL, but phased down eAPTC replacement to 25% for individuals with incomes between 250-400% of the FPL. There would be no change to the Young Adult Subsidy under either scenario. She presented a table displaying the expected monthly premium contributions for enrollees by income level under both scenarios.

Ms. Fabian-Marks then presented the market predictions, in terms of costs and enrollment, under both scenarios. The MHBE predicts higher enrollment of about 4,000 enrollees under scenario 1, but would leave \$21 million less in the reinsurance fund. She noted that both scenarios assume an increase in the attachment point to \$28,000 in 2027. She also noted that both scenarios predict a decline in total enrollment, due to the loss of premium tax credits for the population of legally present immigrants.

Ms. Fabian-Marks then presented the funding projections through 2028 for the state subsidy program under both scenarios. She shared that under scenario 1, the reserve would be drawn down substantially in 2027, ending 2028 with just under \$100 million in reserve funding.

Mr. Lehr inquired about the significant decline in funds in 2027, followed by a relatively small decline in 2028. Ms. Fabian-Marks responded that the models assume no state subsidy in 2028. She noted that this decision could be reconsidered if the HSCRC funding or similar funding is authorized for 2028. Commissioner Grant added that the subsidy is currently only authorized by statute through 2027, and that even with funding, a change in the law would need to occur to continue the subsidy.

Ms. Fabian-Marks then shared projections for scenario 2, which leaves an additional \$21 million in the reserve fund at the end of 2027, but ends 2028 with roughly the same amount as scenario 1.

Ms. Fabian-Marks then presented scenario 1, continuing the current subsidy parameters through 2027, as the official recommendation to the Board. She emphasized the scenario's maximized enrollment, and alignment with the goals of HSCRC when they authorized the uncompensated care funding for the MHBE. A side benefit of the recommendation is the administrative simplicity of continuing the current subsidy program parameters.

Ms. Fabian-Marks then shared upcoming legislative considerations for the state subsidy and reinsurance program. Ms. Fabian-Marks re-stated that the state subsidy program sunsets at the end of 2027. She then shared that the 1% assessment that supports the SRP sunsets at the end of 2028 and will need to be extended by the legislature to

continue supporting the SRP. She shared that the MHBE and MIA are working on modeling to inform legislative conversations, which they expect to be presented in the fall.

Ms. Volk asked about age information for the group with incomes between 350 and 400% of the FPL, as they saw the greatest increase in bronze plan enrollment. Ms. Fabian-Marks responded that the MHBE found a large percentage of individuals leaving silver and gold plans to enroll in bronze plans were in the 55 to 64 age group.

Ms. Volk then inquired about a timeline for HSCRC discussions surrounding funding. Ms. Fabian-Marks predicted those discussions to take place in the summer of 2027, and reminded the Board that conversations are dependent upon legislative action to extend the state subsidy program. Sec. Seshamani added that the all-payer model will be changing in 2028 to the new AHEAD agreement.

Dr. Jacobs suggested that the Board could consider phasing down the 50% eAPTC replacement for individuals with incomes between 250 and 400% of the FPL, rather than a flat percentage, to mitigate affordability issues. Ms. Fabian-Marks responded that the MHBE could model this scenario for the Board in the next subsidy discussion. She also shared that the MHBE considered ending the subsidy at 350% of the FPL, and redistributing funds allocated to the population with incomes between 350 and 400% of the FPL, but these funds were relatively insignificant, and would not make a substantial difference for other populations.

Sec. Seshamani requested a motion to approve the proposed parameters for the State Subsidy Program for plan year 2027 as presented. For enrollees eligible for APTC, fully replace eAPTC up to 200% of the FPL; phase down from full eAPTC replacement at 200% of the FPL to 50% replacement at 250% of the FPL; 50% replacement of eAPTC 250%-400% of the FPL; no state subsidy above 400% of the FPL; and continue 2026 Young Adult Subsidy parameters. Ms. Volk put forward the motion, which was seconded by Dr. Oquendo-Berruz. The motion was passed unanimously.

Ms. Fabian-Marks then shared the MHBE's recommended parameters for the reinsurance program, which are consistent with the estimated parameters approved by the Board in April. The parameters included increasing the attachment point to \$28,000, maintaining a coinsurance rate of 80% and a cap of \$250,000, and requiring a dampening factor to be determined by the Insurance Commissioner.

Sec. Seshamani requested a motion to approve the proposed parameters for the state reinsurance program as presented with an attachment point of \$28,000, a coinsurance

rate of 80%, a cap of \$250,000, and a dampening factor to be provided by the Insurance Commissioner. Mr. Lehr put forward the motion, which was seconded. Commissioner Grant seconded the motion. The motion was passed unanimously.

Sec. Seshamani thanked the MHBE team and the Board for their thoughtfulness and engagement.

Adjournment

Commissioner Grant moved to close the meeting. Dr. Oquendo-Berruz seconded the motion. The motion passed unanimously, and the meeting was adjourned.