

2027 ACA Individual Non-Medigap & Small Group ACA Markets

**Maryland Health Benefit Exchange Board Meeting
October 19, 2026**

**Presenter:
Brad Boban, Chief Actuary**



Who's In These Markets?

Market Type	Companies	Size/Scope
Individual	4 Carriers	274k members (216k on-Exchange, 58k off)
Dental	5 Carriers	103k members (all have Individual medical plans)
Small Group	3 Carriers	199k members



General Rate Review Process

1. Maryland Insurance Article § 11-603(c)(2) requires that rates must not be excessive, inadequate, or unfairly discriminatory and ***must be reasonable in relation to benefits***. Otherwise, the Commissioner “...shall disapprove or modify a proposed premium rate filing.”
1. Begin by reviewing 2025 experience period claims and comparing to past years claims and to what carrier’s had previously projected when setting 2026 rates. Obtain analyses from carriers that help normalize for confounding variables and understand drivers of past year’s experience.



General Rate Review Process

3. Review assumptions used to project experience period claims. “Actuarial Standards of Practice” (ASOP) # 8 describe an approach where assumptions need to be supported and reasonable both individually and in aggregate.
4. Key assumptions for 2026 include
 - 1) claims trend (both cost and utilization),
 - 2) morbidity (relative health status of the pool),
 - 3) profit margin/contribution to reserve,
 - 4) risk adjustment transfers
 - 5) reinsurance recoveries under 1332 waiver, and
 - 6) impact of new federal legislation and regulations.
 - 7) impact of state subsidy program
 - 8) impact of standardized silver-load



Timeline for Review – Key Dates

May 18 &
June 1 –
Rates Filed
with MIA

July 23 –
MIA Public
Hearing

August 4 –
MHBE Board
Finalized
State
Subsidy

August 28 –
MIA
Deadline for
Public
Comments

September 25
Final Rates
Approved

State Subsidy was extended at 2026 level; unlike preliminary April vote which would have reduced it.



Key Market Trends

- **Affordable Rates** - Marylanders will continue to have among the lowest individual market rates in the country – because of both the continued effectiveness of Maryland’s 1332 State Innovation Waiver in stabilizing the market, in addition to the state subsidies which replaced a significant portion of the enhanced federal APTCs that ended on 12/31/25. This helps keep healthy people in the pool as well as helps Marylanders continue to afford out of pocket costs.
- **Comparatively Lower Rates** - Approved 2027 rates are comparable to the pre-waiver 2018 rates, but the waiver continues to keep rates 30-35% lower than they would be without it. The 14.6% increase was driven by the increase to the attachment point in the state reinsurance program to ensure funding for the state subsidy program, by changes made by the federal H.R. 1 to groups eligible for Exchange coverage, and rising hospitalization and pharmaceutical costs.
- **Marylanders Use Subsidies to Help Afford Coverage**- About 70% of Maryland Health Connection users, the state’s health insurance exchange, and 55% of overall market members, currently receive some reduction in premium through State subsidies for residents who qualify for financial assistance



Key Market Trends (Continued)

- **State Subsidy Program** - The State created a subsidy program for all ages for those who are under 400% of the federal poverty level to help offset the expiration of the enhanced federal subsidies.

The subsidy program:

- Replaced 100% of the enhanced federal subsidies for those under 200% of the federal poverty level.
- Phased subsidies from 100% replacement down to 50% replacement for those between 200% and 250% of the federal poverty level.
- Replaced 50% of enhanced federal subsidies for those between 250% and 400% of the federal poverty level.

Those earning more than 400% of the federal poverty level will **not** be eligible for subsidies. These subsidies will remain in effect for 2027.



What's Been Approved - 2026 Individual ACA

1. Carriers were approved for an average premium increase of 14.6%. This ranges from 12.3% to 16.8% by carrier.
2. About 274,000 Marylanders are covered through the individual market, down from 294,000 last year, or about 6.8%. This is mostly a result of the loss of subsidy eligibility in Maryland's immigrant community due to changes made by H.R. 1.
3. Average increases varied by metal level. The average bronze increase is 10.6%, the average off-exchange silver change is 12.2%, average gold change is 14.1%
4. The highest increase is for on-exchange silver at 19.7%. This is due to updates to "silver-loading" which account for unfunded cost-sharing reductions.
5. Federal APTC is benchmarked to on-exchange silver, so will increase more than premiums for many subsidized subscribers and will lead to lower net premiums.
6. The higher silver loads will also offset expected reductions in federal pass-throughs to help fund the State Reinsurance Program.



2027 Individual Average Rate Approvals

		Members	Members	% Change		Approved 2025	Approved 2026	Initially Filed 2027	Mid Cycle 2027	Approved 2027
		On & Off	On & Off	In Members	7/31/2026	Average	Average	Average	Average	Average
Legal	Network	Exchange	Exchange	vs	Market	Rate	Rate	Rate	Rate	Rate
Entlty	Type	7/31/2025	7/31/2026	7/31/2025	Share	Change	Change	Change	Change	Change
CareFirst BlueChoice	HMO	122,623	123,072	0.4%	44.9%	5.1%	13.6%	14.3%	16.9%	13.9%
CareFirst GHMSI	PPO	8,906	9,544	7.2%	3.5%	8.6%	13.1%	14.6%	19.5%	16.8%
CareFirst CFMI	PPO	13,412	13,875	3.5%	5.1%	8.6%	13.1%	14.6%	19.5%	16.8%
Kaiser	HMO	49,427	44,783	-9.4%	16.3%	8.5%	9.8%	12.0%	11.0%	12.3%
Optimum Choice (UHC)	HMO	93,465	79,650	-14.8%	29.1%	5.5%	15.2%	13.5%	14.1%	16.2%
Wellpoint Maryland, Inc.	HMO	1,417	3,112	119.6%	1.1%	New	10.0%	12.8%	12.7%	13.7%
TOTAL		294,189	274,036	-6.9%	100.0%	6.2%	13.4%	13.7%	15.3%	14.6%
SUBTOTAL (By Insurer)										
CareFirst		144,941	146,491	1.1%	53.5%	5.6%	13.5%	14.3%	17.3%	14.4%
Kaiser		49,427	44,783	-9.4%	16.3%	8.5%	9.8%	12.0%	11.0%	12.3%
Optimum Choice (UHC)		93,465	79,650	-14.8%	29.1%	5.5%	15.2%	13.5%	14.1%	16.2%
Wellpoint Maryland, Inc.		1,417	3,112	0.0%	1.1%	New	10.0%	12.8%	12.7%	13.7%
TOTAL		294,189	274,036	-6.9%	100.0%	6.2%	13.4%	13.7%	15.3%	14.6%



2027 Individual Approvals by Metal

	Original	Approved	Difference
Bronze	13.6%	10.6%	-3.0%
Silver On	11.9%	19.7%	7.8%
Silver Off	13.6%	12.2%	-1.4%
Gold	14.9%	14.1%	-0.8%
Grand Total	13.7%	14.6%	0.9%



What's Been Approved – Individual ACA Dental

1. Dental carriers had a rate increase approved at an average of 3.5% in the individual market, compared to 6% originally requested.
2. Approximately 103,000 Marylanders purchase stand-alone dental plans in the individual market, representing 38% of total Individual market participants.
3. Claims trends in dental remain very low compared to medical.



Individual ACA Dental Requests (2027 Approved)

1	3	4	5	6	9	10			14
			Actual	Actual			Approved	Approved	Initially Filed
			Members	Members	03/31/26		2025	2026	05/01/26
			On & Off	On & Off	vs.	03/31/26	Average	Average	2027
			Exchange	Exchange	03/31/25	Market	Rate	Rate	Average
			03/31/25	03/31/26	Δ	Share	Increase	Increase	Rate
Market	Legal	Network							Increase
Individual	Entity	Type							
	Alpha Dental	DPPO	6,393	6,034	-5.6%	6%	4.2%	-1.6%	0.0%
Non-	CareFirst GHMSI/CFMI	DPPO	16,138	16,943	5.0%	16%	-5.0%	-2.6%	1.4%
Medigap	CareFirst CFMI	DPPO	37,655	39,533	5.0%	38%	-5.0%	-2.6%	1.4%
(INM)	Delta Dental of PA	DPPO	28,672	28,262	-1.4%	27%	9.7%	0.0%	10.4%
	Dominion Dental Services	DHMO+DPPO	11,250	12,191	8.4%	12%	2.3%	1.0%	19.8%
	Best Life & Health Ins Co.	DPPO	0	0	0.0%	0%	N/A	N/A	New
	TOTAL		100,108	102,962	2.9%	100%	0.3%	-1.4%	6.0%
									3.5%



What's Been Approved – Small Group ACA

1. Small group carriers originally requested an average increase of 13.1%, but were approved at a final average rate of 10.2%.
2. There is variation by carrier, but all carriers were approved for increases, ranging from +3.1 to +11.7%.
3. The primary drivers of rising premiums are continued increases in medical and prescription drug costs. Hospital costs are trending upward by 7.8%, professional services by 8.6%, and prescription drugs by 14.8%.



Small Group ACA Filed Rates (2027 Approved)

						Approved	Initially	Initially	Initially	Initially	Initially							
						2026	Filed	Filed	Filed	Filed	Filed	Filed	Filed	Filed	Filed	Filed		
						Average	Average	Average	Average	Average	Average	Average	Average	Average	Average	Average		
						Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate		
						Increase	Increase	Increase	Increase	Increase	Increase	Increase	Increase	Increase	Increase	Increase		
		Members	On & Off	03/31/26														
	Legal	Network	Exchange	Market														
	Entity	Type	03/31/26	Share														
1	CareFirst BlueChoice, Inc.	HMO	144,739	73%	5.6%	16.2%	16.7%	11.4%	11.4%	13.8%	13.8%	14.5%	9.5%	9.6%	11.7%			
2	CF GHMSI	PPO	12,201	6%	12.3%	4.7%	4.3%	3.8%	3.4%	4.1%	3.0%	3.1%	3.2%	3.2%	3.1%			
3	CF CFMI	PPO	9,792	5%	12.3%	4.7%	4.3%	3.8%	3.4%	4.1%	3.0%	3.1%	3.2%	3.2%	3.1%			
4	United Healthcare of the Mid-Atlantic	HMO	1,055	1%	8.6%	19.0%	20.4%	21.9%	21.4%	20.7%	9.9%	10.2%	10.6%	9.4%	10.0%			
5	United Healthcare (Optimum Choice)	HMO	3,677	2%	9.1%	17.7%	19.1%	20.6%	20.1%	19.6%	8.1%	8.4%	8.8%	7.6%	8.2%			
6	United Healthcare (MAMSI)	EPO	7,886	4%	11.0%	18.7%	20.1%	21.6%	21.1%	20.5%	9.0%	9.3%	9.7%	8.5%	9.1%			
7	United Healthcare Insurance Co.	PPO	10,682	5%	9.7%	18.0%	19.4%	20.9%	20.4%	19.7%	8.4%	8.7%	9.1%	7.9%	8.5%			
4	Kaiser	HMO	8,875	4%	6.6%	6.6%	6.9%	7.2%	7.5%	7.0%	6.6%	6.9%	7.2%	7.5%	7.0%			
TOTAL						198,907	100%	6.9%	14.7%	15.2%	11.5%	11.4%	13.1%	11.7%	12.2%	8.7%	8.6%	10.2%
SUBTOTAL (By Insurer)																		
11	CareFirst		166,732	84%	6.5%	14.7%	15.1%	10.4%	10.3%	12.5%	12.4%	13.0%	8.7%	8.8%	10.6%			
14	United Healthcare		23,300	12%	10.0%	18.3%	19.7%	21.1%	20.7%	20.0%	8.6%	8.9%	9.3%	8.1%	8.7%			
13	Kaiser		8,875	4%	6.6%	6.6%	6.9%	7.2%	7.5%	7.0%	6.6%	6.9%	7.2%	7.5%	7.0%			
TOTAL						198,907	100%	6.9%	14.7%	15.2%	11.5%	11.4%	13.1%	11.7%	12.2%	8.7%	8.6%	10.2%
SUBTOTAL (By Coverage Type)																		
15	HMO		158,346	80%	5.7%	15.7%	16.2%	11.4%	11.5%	13.6%	13.2%	13.9%	9.4%	9.4%	11.3%			
16	EPO		7,886	4%	11.0%	18.7%	20.1%	21.6%	21.1%	20.5%	9.0%	9.3%	9.7%	8.5%	9.1%			
14	PPO		32,675	16%	11.4%	9.1%	9.2%	9.4%	9.0%	9.2%	4.8%	4.9%	5.1%	4.7%	4.9%			
TOTAL						198,907	100%	6.9%	14.7%	15.2%	11.5%	11.4%	13.1%	11.7%	12.2%	8.7%	8.6%	10.2%



Questions?



Contact Information

Maryland Insurance Administration

 **800-492-6116 | 410-468-2000 | 800-735-2258 (TTY)**

 **insurance.maryland.gov**



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Maryland Insurance Administration





Appendix

Appendix

Sample 2027 Rates



Sample Individual Premiums

Lowest Bronze

Lowest Cost Bronze Plan - Age 40 Baltimore Metro Region						
	Carrier	Network Type	2026 Monthly Approved	% Rate Change	2027 Monthly Approved	Monthly Change
	CareFirst BlueChoice	HMO	\$339	13.5%	\$384	\$46
	CareFirst GHMSI/CFMI	PPO	\$510	17.2%	\$598	\$88
	Kaiser	HMO	\$328	7.8%	\$353	\$26
	Optimum Choice (UHC)	HMO	\$283	3.5%	\$293	\$10
	Wellpoint Maryland, Inc.	HMO	\$332	9.7%	\$364	\$32



Sample Individual Premiums

Lowest Silver

Lowest Cost Silver Plan - Age 40 Baltimore Metro Region					
	Network	2026	%	2027	
<u>Carrier</u>	<u>Type</u>	<u>Monthly</u>	<u>Rate</u>	<u>Monthly</u>	<u>Monthly</u>
		<u>Approved</u>	<u>Change</u>	<u>Approved</u>	<u>Change</u>
CareFirst BlueChoice	HMO	\$371	16.1%	\$431	\$60
CareFirst GHMSI/CFMI	PPO	\$585	15.2%	\$674	\$89
Kaiser	HMO	\$344	7.8%	\$371	\$27
Optimum Choice (UHC)	HMO	\$342	2.6%	\$350	\$9
Wellpoint Maryland, Inc.	HMO	\$437	19.2%	\$521	\$84



Sample Individual Premiums

Lowest Gold

Lowest Cost Gold Plan - Age 40 Baltimore Metro Region						
	Carrier	Network Type	2026	%	2027	
			Monthly <u>Approved</u>	Rate <u>Change</u>	Monthly <u>Approved</u>	Monthly <u>Change</u>
	CareFirst BlueChoice	HMO	\$452	13.6%	\$513	\$61
	CareFirst GHMSI/CFMI	PPO	\$649	15.8%	\$751	\$103
	Kaiser	HMO	\$414	9.4%	\$453	\$39
	Optimum Choice (UHC)	HMO	\$391	16.9%	\$456	\$66
	Wellpoint Maryland, Inc,	HMO	\$404	12.5%	\$454	\$50



Sample Small Group Premiums

Lowest Bronze

Lowest Cost Bronze Plan			2026	%	2027	
	Carrier	Network Type	Monthly Approved	Rate Change	Monthly Approved	Monthly Change
	CareFirst BlueChoice	HMO	\$381	16.9%	\$445	\$64
	CareFirst GHMSI/CFMI	PPO	\$526	1.6%	\$534	\$8
	Kaiser	HMO	\$368	5.2%	\$388	\$19
	United Healthcare (MAMSI)	EPO	\$483	7.4%	\$519	\$36
	United Healthcare (Optimum Choice)	HMO	\$452	7.0%	\$484	\$32
	United Healthcare of the Mid-Atlantic	HMO	\$468	7.7%	\$504	\$36
	United Healthcare Insurance Co.	PPO	\$514	6.9%	\$549	\$35



Sample Small Group Premiums

Lowest Silver

Lowest Cost Silver Plan - Age 40 Baltimore Metro Region						
	Carrier	Network Type	2026 Monthly Approved	% Rate Change	2027 Monthly Approved	Monthly Change
	CareFirst BlueChoice	HMO	\$464	14.7%	\$532	\$68
	CareFirst GHMSI/CFMI	PPO	\$582	6.4%	\$619	\$37
	Kaiser	HMO	\$409	4.9%	\$429	\$20
	United Healthcare (MAMSI)	EPO	\$511	8.9%	\$557	\$46
	United Healthcare (Optimum Choice)	HMO	\$480	7.8%	\$517	\$37
	United Healthcare of the Mid-Atlantic	HMO	\$496	8.8%	\$540	\$44
	United Healthcare Insurance Co.	PPO	\$545	8.0%	\$589	\$44



Sample Small Group Premiums

Lowest Gold

Lowest Cost Gold Plan - Age 40 Baltimore Metro Region					
<u>Carrier</u>	<u>Network Type</u>	<u>2026 Monthly Approved</u>	<u>% Rate Change</u>	<u>2027 Monthly Approved</u>	<u>Monthly Change</u>
CareFirst BlueChoice	HMO	\$570	14.5%	\$653	\$83
CareFirst GHMSI/CFMI	PPO	\$679	7.3%	\$729	\$50
Kaiser	HMO	\$479	7.2%	\$513	\$34
United Healthcare (MAMSI)	EPO	\$554	10.4%	\$611	\$57
United Healthcare (Optimum Choice)	HMO	\$519	10.8%	\$576	\$56
United Healthcare of the Mid-Atlantic	HMO	\$535	10.9%	\$593	\$58
United Healthcare Insurance Co.	PPO	\$588	10.1%	\$647	\$59

