

HB 1082 - SUPP - FIN - Health Insurance Tax Credit

Uploaded by: Henry Bogdan

Position: FAV

March 27, 2025

Testimony on House Bill 1082
Health Insurance - Individual Market Stabilization - Establishment of the
State-Based Health Insurance Subsidies Program
Senate Finance Committee

Position: Favorable

Maryland Nonprofits is a statewide association of nonprofit organizations and institutions of all sizes serving Marylanders and communities across the entire state. The health care coverage of many of the Maryland families that nonprofits serve could be put at serious risk by cutbacks or elimination of federal Affordable Care Act tax credits or subsidies by the current federal Administration.

House Bill 1082 would temporarily authorize the use of state funds from the 1% health insurance provider assessment collected under the Reinsurance fund, for the Maryland Health Benefit Exchange (MHBE) in consultation with the Maryland Insurance Administration (MIA) to establish and operate a broader state-based individual market health insurance subsidies program in calendar year 2026 in order to mitigate the impact of the expiration of enhanced federal marketplace tax credits in the individual market.

Establishing a state-based program as proposed under this bill is contingent on the enhanced tax credits expiring at the end of 2025 or being significantly reduced in generosity. MHBE is Maryland's state-designated health insurance marketplace, established in 2011 in accordance with the Federal Patient Protection and Affordable Care Act (ACA) to improve the health and well-being of Marylanders by connecting them with high-quality, affordable health coverage.

Those who do not have access to affordable employer-sponsored insurance (ESI) or government-sponsored insurance can get coverage through Maryland Health Connection (MHC), and most consumers are eligible for financial assistance in the form of Advance Premium Tax Credits (APTCs) to reduce monthly premiums. Around 80% of MHC private plan enrollees are enrolled with financial help.

To avoid the potential loss of coverage for so many Marylanders, we urge you to give House Bill 1082 a Favorable Report.

HB 1082_FAV_MdPHA.pdf

Uploaded by: Ilona Kabara

Position: FAV



Mission: To improve public health in Maryland through education and advocacy **Vision:** Healthy Marylanders living in Healthy Communities

Testimony In Support of HB 1082
Health Insurance - Individual Market Stabilization - Establishment of the State-Based
Health Insurance Subsidies Program
Before the Senate Finance Committee
By: Maryland Public Health Association (MdPHA)
March 27, 2025

Chair Beidle, Vice-Chair Hayes, and Members of the Finance Committee, thank you for the opportunity to submit supportive testimony for HB 1082. Thanks to your Committee's leadership, we have made great progress in Maryland improving access to health coverage, cutting the uninsured rate in half since the passage of the Patient Protection and Affordable Care Act through programs like the Easy Enrollment Health Insurance Program and Young Adult Health Insurance Subsidy Program. HB 1082 would help ensure that Marylanders who rely on federal subsidies to be able to afford private health coverage through the Maryland Health Benefit Exchange would receive state assistance affording plans if federal subsidies were to be decreased or eliminated through 2028. When more Marylanders have access to health coverage, we all benefit through reduced uncompensated care, stabilized health insurance premiums, and smaller emergency room wait times. We urge the Senate Finance Committee to pass HB 1082. Thank you for your leadership and commitment to public health.

The Maryland Public Health Association (MdPHA) is a nonprofit, statewide organization of public health professionals dedicated to improving the lives of all Marylanders through education, advocacy, and collaboration. We support public policies consistent with our vision of healthy Marylanders living in healthy, equitable, communities. MdPHA is the state affiliate of the American Public Health Association, a nearly 145-year-old professional organization dedicated to improving population health and reducing the health disparities that plague our state and our nation.

Maryland Public Health Association (MdPHA)
PO Box 7045 • 6801 Oak Hall Ln • Columbia, MD 21045-9998
GetInfo@MdPHA.org www.mdpha.org 443.475.0242

MD HB 1082 Marketplace Stabilization testimony.pdf

Uploaded by: Lauren Edwards

Position: FAV



March 27, 2025

Senator Beidle, Chair
Senator Hayes, Vice Chair
Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, Maryland 21401

Dear Chair Beidle, Vice Chair Hayes and members of the Committee:

The Leukemia and Lymphoma Society is grateful for the opportunity to provide comments in support of HB 1082. We thank the Delegates for carrying this piece legislation to protect Marylanders facing uncertainty around the potential expiration of the enhanced Advance Premium Tax Credit (eAPTC) subsidies implemented by the Inflation Reduction Act (IRA).

Enhanced The enhanced APTCs have provided financial assistance to individuals and families purchasing health insurance through the Maryland individual marketplace and have been a lifeline for many Marylanders who might be otherwise unable to access care due to prohibitively expensive monthly premiums. In fact, according to recent reporting, the 2024 open enrollment period saw “a record-breaking 247,000 Marylanders who got private health insurance through the state’s insurance marketplace...an increase which includes more Black, Hispanic, and young Marylanders.”¹

However, the impending expiration of the eAPTCs poses risks to the health and financial security of Marylanders. If the enhanced subsidies do not continue, many individuals and families could face dramatic increases in their premium costs, putting high-quality health coverage out of reach. For blood cancer patients, affordable access to high quality insurance is essential to diagnosing, treating and managing their disease.

By maintaining affordable premiums, HB 1082 helps to ensure that the individual health insurance market stability by keeping patients complex and chronic illnesses covered while also preventing healthy individuals from being priced out and exiting the marketplace.

¹ <https://marylandmatters.org/2025/01/18/more-black-hispanic-and-young-marylanders-enrolled-in-state-insurance-marketplace/>

The expiration of the enhanced eAPTCs poses an immediate and critical threat to Marylanders' access to affordable healthcare and we urge the committee to support HB 1082.

Sincerely,

Lauren Edwards
Director, State Government Affairs
The Leukemia & Lymphoma Society
lauren.edwards@lls.org | (804) 922-3446

HB 1082 3:27:25 Written Testimony.pdf

Uploaded by: Lynn Mortoro

Position: FAV



TESTIMONY IN SUPPORT OF HB 1082

Health Insurance - Individual Market Stabilization - Establishment of the
State-Based Health Insurance Subsidies Program

FAVORABLE

**TO: Chair Senator Pamela Beidle, Vice Chair Senator Antonio Hayes, all
members of the Senate Finance Committee.**

**FROM: Lynn R. Mortoro, member of the Maryland Episcopal Public Policy
Network. (MEPPN)**

DATE: March 27, 2025

Chair Beidle, Vice Chair Senator Hayes and members of the Senate Finance
Committee.

Thank you for the opportunity to give written testimony on behalf of the House Bill
1082.

As a retired RN and a member of the Episcopal Church, I feel that this bill must be
passed.

Studies have shown that assistance with insurance payments for those who are
struggling results in positive health outcomes. Preventative care can be done, people
are healthier and that results in fewer ER visits. Those Emergency visits that do
happen are at least partially covered by insurance. It is a win for all of us. It is the right
thing as a community to do for those who have less than we do.

The Episcopal Church's position on health care is this:

"The Church supports comprehensive health care and recognizes the need
for universal and equitable access for all."

This position has been repeated for years. We are mandated to support health care for
all people, especially those who are in need.

The Diocese of Maryland requests a **Favorable** report

HB 1082 - MIA - FAV - FIN.pdf

Uploaded by: Marie Grant

Position: FAV

WES MOORE
Governor

ARUNA MILLER
Lt. Governor



MARIE GRANT
Acting Commissioner

JOY Y. HATCHETTE
Deputy Commissioner

DAVID COONEY
Associate Commissioner
Life and Health Unit

200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202
Direct Dial: 410-468-2471 Fax: 410-468-2020
1-800-492-6116 TTY: 1-800-735-2258
www.insurance.maryland.gov

Date: March 27, 2025

Bill # / Title: House Bill 1082 - Health Insurance - Individual Market Stabilization - Establishment of the State-Based Health Insurance Subsidies Program

Committee: Senate Finance Committee

Position: Support

The Maryland Insurance Administration (MIA) appreciates the opportunity to share its support for House Bill 1082.

This bill directs the Maryland Health Benefits Exchange (MHBE), in consultation with the Maryland Insurance Commissioner, to establish and implement the State-Based Health Insurance Subsidies Program (Program) to mitigate the impact of a reduction in the enhanced federal advance premium tax credits (APTCs) (scheduled to occur on 12/31/25, absent federal congressional action), and to maximize enrollment in the individual market. The subsidy is created for two plan years –2026 and 2027. This extends over three fiscal years, FY 2026-2028, because the third and fourth quarters of 2027 are part of Fiscal Year 2028. The Program is funded through the assessment under § 6–102.1 of the Insurance Article.

APTCs are advance payments of tax credits Maryland consumers can use to lower their monthly insurance premiums when they enroll in a plan through Maryland’s State-based health insurance marketplace (the Exchange). Consumers can use APTCs for a plan in any metal category, except for catastrophic. When comparing plans, consumers can select the amount of the APTC for which they are eligible that they want paid on their behalf to their chosen insurance company.

The American Rescue Plan Act of 2021 (ARPA) expanded eligibility for APTCs for the 2021 and 2022 plan years, and the Inflation Reduction Act (IRA) extended this provision through the 2025 plan year. Under the IRA, APTCs are now also available through 2025 to consumers who otherwise meet eligibility requirements and who have an expected household income above 400 percent of the federal poverty level. In addition to expanding eligibility, these acts also enhanced the level of subsidies for all consumers who were already eligible. However, these enhanced subsidies will expire at the end of this year unless a new law extending the subsidies is passed at the federal level.

In addition to leading to record levels of enrollment through the Exchange, the impact of enhanced tax credits has led to significant gains in health equity, with African-American and Latino enrollment increasing by 23% and 25% respectively year over year.

It is also important to note that Maryland's reinsurance program is a key market stabilizer in the State's individual market. The MIA has worked with the sponsor, the Committee, and stakeholders to ensure that the Program is sized to preserve Maryland's reinsurance program as well as mitigate adverse market impacts of the loss of enhanced subsidies.

Since its introduction, House Bill 1082 has been amended to include additional factors for consideration when MHBE and the Insurance Commissioner establish subsidy and eligibility payment parameters for the program. These parameters will consider both the necessary state funds for stabilizing the State Reinsurance Program and the uncertainties in enrollment across the Maryland Medical Assistance Program, the individual market, and the small group market due to changes in regulations and funding at the state and federal levels.

For these reasons, the MIA recommends a favorable committee report on House Bill 1082 and thanks the committee for the opportunity to share its support.

2025 MDAC HB 1082 Senate Side.pdf

Uploaded by: Michael Paddy

Position: FAV



10015 Old Columbia Road, Suite B-215
Columbia, Maryland 21046
www.mdac.us

Committee: Senate Finance Committee

Bill Number: House Bill 1082 – Health Insurance - Individual Market Stabilization - Establishment of the State-Based Health Insurance Subsidies Program

Hearing Date: March 27, 2025

Position: Support

The Maryland Dental Action Coalition (MDAC) supports *House Bill 1082 – Health Insurance – Individual Market Stabilization – Establishment of the State-Based Health Insurance Subsidies Program*. The legislation establishes the framework for a state program to provide premium support for low-income families that purchase health insurance through the Maryland Health Benefit Exchange. This premium support is currently provided through federal funds, but with the changing federal landscape, it is unclear of how long it will continue. The federal subsidy program has enabled thousands of Marylanders to purchase health insurance, which includes pediatric dental coverage under essential health benefit requirements.

We ask for a favorable report. MDAC supports this legislation because it provides stability for Maryland’s consumers. If we can provide any further information, please contact Robyn Elliott at relliott@policypartners.net or (443) 926-3443.

Optimal Oral Health for All Marylanders

HB 1082- LWVMD- FAV- Establishment of the State-Ba

Uploaded by: Nora Miller Smith

Position: FAV



TESTIMONY TO THE SENATE FINANCE COMMITTEE

HB 1082: Health Insurance- Individual Market Stabilization- Establishment of the State-Based Health Insurance Subsidies Program

POSITION: Support

BY: Linda Kohn, President

DATE: March 27, 2025

The League of Women Voters of Maryland believes that every Maryland resident should have access to affordable, equitable, quality health care.

The League supports House Bill 1082, which would establish a state-based health insurance subsidies program to mitigate the impact of a future reduction in federal marketplace premium tax credits. Thus, regardless of changes in federal subsidies, a state-based program would help provide assistance so that more Marylanders could continue to get the health care they need.

Passage of the Patient Protection and Affordable Care Act (ACA) in 2010 enabled over 600,000 previously uninsured Marylanders to gain access to health care through the state's adoption of Medicaid expansion or by enrolling in an affordable ACA Qualified Health Plan available on the Maryland Health Benefit Exchange. But due to recent developments in Congress and the new administration, efforts may be made to weaken or irrevocably compromise the fundamental principles of the ACA, resulting in large-scale loss of affordable health coverage. **Passage of HB 1082 will help Marylanders enroll in and keep their health care coverage, assuring that our healthcare system is equitable and works for all.**

The League of Women Voters of Maryland urges the committee to give a favorable report to House Bill 1082.

HB 1082_Klapper_FAV.pdf

Uploaded by: Stephanie Klapper

Position: FAV



TESTIMONY IN SUPPORT OF HOUSE BILL 1082

Health Insurance - Individual Market Stabilization - Establishment of the State-Based Health Insurance Subsidies Program

Before the Senate Finance Committee

By Stephanie Klapper, Deputy Director, Maryland Health Care For All Coalition

March 27, 2025

Thank you Chair Beidle, Vice-Chair Hayes, and Members of the Senate Finance Committee for this opportunity to strongly support HB 1082. I am Stephanie Klapper of the Maryland Health Care For All Coalition, bringing together hundreds of faith, community, labor, health care and business groups from across the state. Thanks to the leadership of this Committee, Maryland has become one of the leading states in the nation in fully implementing the provisions of the Affordable Care Act and the Inflation Reduction Act which have fostered increase health care coverage across the country. As you know so well, as a result, our uninsured rate has dropped from 13 percent to 6 percent, with over 400,000 Marylanders getting the health care coverage they so need. Now, this progress is under threat from the Trump Administration and Congress. As HB 1082 recognizes, if the Advanced Tax Credit Program in the Inflation Reduction Act is allowed to expire at the end of this year, millions of Americans, and tens of thousands of Marylanders will see their health insurance premiums rise dramatically and many of them will lose coverage. HB 1082 is a smart way for Maryland to prepare for this contingency to make sure that in Maryland people do not lose their coverage. Thank you for your leadership expanding access to quality, affordable health care. We strongly urge this Committee to support HB 1082.

Maryland Health Care for All! Coalition



HB 1082 - FIN - MHBE - LOSAA.docx.pdf

Uploaded by: State of Maryland (MD)

Position: FWA

March 27, 2025

The Honorable Pamela G. Beidle
Chair, Senate Finance Committee
3 East Mill Senate Office Building
11 Bladen St.
Annapolis, MD 21401

Re: Letter of Support as Amended – HB 1082 – Health Insurance - Individual Market Stabilization - Establishment of the State-Based Health Insurance Subsidies Program

Dear Chair Beidle and Members of the Senate Finance Committee,

The Maryland Health Benefit Exchange (MHBE) respectfully submits this letter of support as amended for House Bill (HB) 1082 – Health Insurance - Individual Market Stabilization - Establishment of the State-Based Health Insurance Subsidies Program. HB 1082 would temporarily authorize the use of state funds from the 1% health insurance provider assessment collected under the Reinsurance fund, for the Maryland Health Benefit Exchange (MHBE) in consultation with the Maryland Insurance Administration (MIA) to establish and operate a broader state-based individual market health insurance subsidies program in calendar year 2026 **and 2027** in order to mitigate the impact of the expiration of enhanced federal marketplace tax credits in the individual market. Establishing an individual market stabilization subsidies program is contingent on the reduction or expiration of enhanced tax credits at the end of 2025, and would consider funds needed to ensure the State Reinsurance Program's (SRP) continued solvency through its current waiver period through the end of 2028, when setting subsidy program eligibility and payment parameters.

MHBE is Maryland's state-designated health insurance marketplace, established in 2011 in accordance with the Federal Patient Protection and Affordable Care Act (ACA) to improve the health and well-being of Marylanders by connecting them with high-quality, affordable health coverage. Those who do not have access to affordable employer-sponsored insurance (ESI) or government-sponsored insurance can get coverage through Maryland Health Connection (MHC), and most consumers are eligible for financial assistance in the form of Advance Premium Tax Credits (APTCs) to reduce monthly premiums. Around 80% of MHC private plan enrollees are enrolled with financial help.

In 2021 the American Rescue Plan Act (ARPA) made health insurance more affordable and accessible for Marylanders by temporarily increasing the generosity of APTC, which has driven MHC enrollment to a historic high of 247,000 as of the end of 2025 Open Enrollment. ARPA both increased premium assistance for individuals under 400% of the federal poverty level (FPL), and also eliminated the 400% FPL cliff at which middle-income Americans had no longer qualified for financial assistance prior to ARPA.¹ The enhanced tax credits were extended under the Inflation Reduction Act through the end of 2025 and, without federal action, are currently set to expire at the end of December 2025.

¹ Kaiser Family Foundation: [Inflation Reduction Act Health Insurance Subsidies: What is Their Impact and What Would Happen if They Expire?](#) (July 2024).

Table 1: Expected contribution percentages under American Rescue Plan Act (ARPA) compared to original Affordable Care Act (ACA) parameters:

Household Income (% of FPL)	Individual Contribution to Premium (as a % of income)	
	Original ACA*	Expanded PTC
Up to 133%	1.82%	0%
133% - 150%	2.73% - 3.64%	0%
150% - 200%	3.64% - 5.73%	0% - 2.0%
200% - 250%	5.73% - 7.33%	2.0% - 4.0%
250% - 300%	7.33% - 8.65%	4.0% - 6.0%
300% - 400%	8.65%	6.0% - 8.5%
Above 400%	Credit not available	8.5%

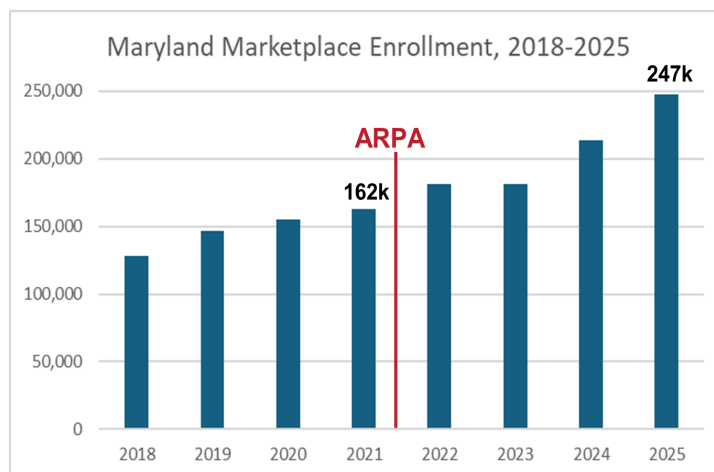
*Under the ACA's original premium subsidy structure, contribution requirements are adjusted annually to reflect premium growth relative to income. By contrast, the ARPA/IRA expansion of the PTC established fixed contribution requirements that do not change, year-to-year. The contribution requirements shown in the "Original ACA" column are those that would have applied in 2025, but for the ARPA/IRA expansion.

In 2024 tax credit-eligible MHC consumers paid an average of **\$101/month** for coverage, and almost **190,000** MHC enrollees are currently receiving and benefitting from lower premiums due to the enhanced tax credit.

The impact of enhanced tax credits on MHC enrollment and affordability:

- **Record enrollment year after year** - enrollment through MHC is at an all-time high of 247,000, an increase of 52% compared to pre-ARPA enrollment in 2021.
- **Significant gains in health equity** - enrollment of Black residents grew by 23% year over year, and enrollment of Hispanic residents by 25% (compared to overall year over year enrollment increase of 16% in 2025).
- **Safety net for Medicaid recipients** - enrollment for individuals with incomes between 138-150% of the Federal Poverty Level is up 44% year over year.
- **Increased purchasing power** - Lower premiums have increased consumer purchasing power, enabling more Marylanders to buy higher value plans with lower out-of-pocket costs. In 2021 prior to ARPA, 40% of consumers were enrolled in gold plans, compared to 2025 when 46% of consumers are now enrolled in gold plans.

Table 2: Maryland Health Connection enrollment growth 2018-2025, relative to the introduction of ARPA-enhanced tax credits in 2021:



The expiration of enhanced tax credits will lead to major affordability challenges for tens of thousands of Marylanders, and challenges for the individual market:

- Almost **190,000 Marylanders** would lose some or all of their financial support
- Premiums are estimated to increase by **68%** for tax credit-eligible consumers in 2026, with average premium spending increases of **over \$820** per enrollee per year ²
- Significant decline in enrollment gains over the last few years in the individual market particularly among younger and healthier consumers, and an increase in the uninsured rate as a result - estimated enrollment decrease **as high as 32%** ³
 - Increased uncompensated care and consumer debt, leading to increased spending on charity care and financial instability for individuals and families

As drafted, HB 1082 provides flexibility in establishing specific eligibility parameters for a state subsidy program including whether to fully or partially replace the lost enhanced tax credits, provided that the program is designed to maintain affordability for Marketplace consumers, and target individuals who experience a reduction in tax credit eligibility in 2026. A 2023 report submitted to the legislature by the MIA in consultation with MHBE on the impact of the State Reinsurance Program (SRP) also provided considerations for state action to minimize the premium shock to consumers in the event that enhanced tax credits expire after 2025. This report projected that the cost for the state to fully replace the lost ARPA-enhanced tax credits would be around \$150 million in 2026.⁴ The most recent SRP program and funding forecast projected that the state's 1% provider assessment is estimated to collect around \$160 million in 2026.⁵

MHBE is supportive of the state taking proactive measures by providing the authority to establish a broader state-funded subsidies program to address the impending affordability challenges facing the individual market. However, we note the importance of preserving State Reinsurance Program (SRP) funds for the purpose of funding the SRP. Based on current financial projections, the SRP has funding sufficient to provide this one-year market stabilization and remain solvent through the current 1332 waiver period ending in 2028. MHBE carefully monitors the solvency of the SRP and updates fiscal projections at least annually. If future conditions change, the General Assembly may need to take action in a future legislative session to ensure the SRP fund's solvency.

For further discussions or questions on HB 1082, please contact Johanna Fabian-Marks, Director of Policy and Plan Management at johanna.fabian-marks@maryland.gov.

Sincerely,



Michele Eberle
Executive Director

² MHBE analysis of September 2024 enrollment data.

³ 2024 Joint Chairmen's Report: [MHBE Report on Reinsurance Program Costs and Forecast](#) - Appendix: 10-Year Projections.

⁴ Report pursuant to HB 413: [Report on the Impact of the State Reinsurance Program](#) (2023).

⁵ 2024 Joint Chairmen's Report: [MHBE Report on Reinsurance Program Costs and Forecast](#). - Table 11: Projected Program Spending and Funding with Enhanced Federal Premium Subsidies Expiring at the End of 2025.