

February 26, 2026

The Honorable Heather Bagnall
Chair, House Health Committee
240 Taylor House Office Building
6 Bladen St.
Annapolis, MD 21401

Re: Letter of Support – HB 1068 – Health Insurance - Special Enrollment Period for Newly Hired Employees of Small Businesses

Dear Chair Bagnall and Members of the House Health Committee:

The Maryland Health Benefit Exchange (MHBE) respectfully submits this letter of support for House Bill (HB) 1068 – Health Insurance - Special Enrollment Period for Newly Hired Employees of Small Businesses. HB 1068 would create a 60-day Special Enrollment Period in the individual market, for Marylanders who become employed by a small employer that does not offer employer-sponsored health plans.

MHBE is Maryland’s state-designated health insurance marketplace, responsible for the administration of the marketplace enrollment platform Maryland Health Connection (MHC) where residents can shop for and enroll in health plans, compare rates, and determine eligibility for public assistance all in one place.

Background:

Pursuant to SB 632 of the 2022 legislative session, MHBE convened a workgroup to study and make recommendations on the efficacy of establishing a “Small Business and Nonprofit Health Insurance Subsidies Program” to provide subsidies to small businesses and nonprofit employers. The Workgroup ultimately recommended that the legislature ensure MHBE has funding sufficient to **significantly expand and develop targeted marketing and outreach to small employers and their employees** to educate them about current coverage options in both the small group and individual health insurance markets.¹ In response, MHBE has made strategic investments over the last few years to support the small business community in Maryland. In September 2025 MHBE launched the new Maryland Health Connection for Small Business (MHC-SB) enrollment portal, which provides Maryland small businesses with a one-stop shop to explore health insurance plans, compare rates, and assess their eligibility for coverage while quoting and establishing benefit packages using employer or employee choice models. Small businesses can also connect with free assistance through authorized brokers to help find plans that best meet employee needs and qualify for tax credits through MHC-SB. MHBE also developed and launched a Small Business Outreach and Education program alongside the enhanced enrollment portal, which focuses on increasing awareness and understanding of small-group as well as individual coverage options available

¹ Maryland Health Benefit Exchange: Small Business and Nonprofit Health Insurance Subsidies Program Work Group, [Final Report to the Legislature](#) (2022).

through Maryland Health Connection. Employers that participate in the program receive an MHC for Small Business Seal that they can use on their business front to highlight support for health coverage for their employees.

Additionally, MHBE implemented an **enhanced and multifaceted and targeted outreach and marketing campaign to the Child Care Professional community** in Maryland this past year in close partnership with the Maryland State Department of Education (MSDE), pursuant to HB 859 of the 2025 legislative session. The campaign targeted both child care facility owners and employees, including mailed and emailed Open Enrollment communications, partnerships with state child care associations, paid advertising, and the development of new educational materials like onboarding documents for facility owners to provide to new hires, with information about Maryland Health Connection. These efforts were designed to increase awareness of available coverage options through MHC, for the state’s essential Child Care Professional workforce.

Despite consistent outreach efforts and growing consumer familiarity with the enrollment process, approximately 237,000 individuals eligible to enroll through Maryland Health Connection continue to lack coverage, including approximately 161,000 eligible for Medicaid or federal financial assistance.² Moreover, small businesses, in Maryland defined as one with 50 or less employees,³ offer health insurance to their employees at persistently low rates, particularly businesses with 10 or fewer employees. In 2024 around 35% of Maryland employees at organizations in the private sector with **less than 10 employees** reported being offered employer-sponsored health insurance in 2024, compared to 67.5% of employees at organizations with between 10 to 24 people, and 96% at organizations with 50 or more people.⁴

Bill Purpose:

Maryland small businesses that are not able to offer employer sponsored coverage, are still able to support new employees by providing information or referrals to coverage options through Maryland Health Connection. However individuals can only enroll in coverage outside of the annual Open Enrollment period through qualifying life events, like losing current coverage, changes in residence, changes in family size like marriage or birth, for example.⁵ If an individual does not have a qualifying life event at the point of hire, they would not have an opportunity to enroll in and start coverage until January 1st of the next year. To illustrate, an individual newly hired by a small business in April would have to wait eight months after learning about coverage options through MHC, to enroll. **The addition of a small business employee special enrollment period** would pair with MHBE’s significant investment in small business outreach and marketing initiatives over the last few years, in partnership with the Maryland General Assembly, to help ensure that new small business employees are not only educated about their coverage options, but

² Kaiser Family Foundation: [Distribution of Eligibility for ACA Health Coverage Among the Remaining Uninsured \(2023\)](#).

³ MD Code Ann., Ins. Art. §31–101(aa).

⁴ Agency for Healthcare Research and Quality, Center for Financing, Access and Cost Trends: 2024 Medical Expenditure Panel Survey - Insurance Component. . Retrieved from <https://datatools.ahrq.gov/meps-ic/?tab=private-sector-state&dash=28>

⁵ More information on special enrollment periods and qualifying life events in Maryland: <https://www.marylandhealthconnection.gov/how-to-enroll/special-enrollment/>



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are provided the opportunity to enroll in individual coverage when employer-sponsored plans are not available. These efforts could contribute to the overarching goal of reducing the overall uninsured rate in the state, and support Maryland small businesses in attracting and retaining employees by ensuring that their employees have access to the coverage options they need to remain healthy and competitive.

MHBE would also highlight that there are many changes coming to the Marketplace and Medicaid program under the federal reconciliation bill (H.R. 1, or the One Big Beautiful Bill Act (OBBBA)), that will impact eligibility and affordability for many Maryland Health Connection consumers over the next few years. These Marketplace challenges are exacerbated by the expiration of the enhanced premium tax credits in 2026, which were introduced in 2021 through the American Rescue Plan Act (ARPA) and made health insurance more affordable and accessible over the last few years. While there are many affordability challenges ahead, MHBE will continue to work closely with the Maryland General Assembly and stakeholders to drive state-level innovation to improve affordability and ensure all Marylanders have access to quality and affordable healthcare.

For further discussions or questions on HB 1068, please contact Johanna Fabian-Marks, Deputy Executive Director at johanna.fabian-marks@maryland.gov.

Sincerely,

Michele Eberle
Executive Director