

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 1112 (Delegate Cullison)
 Health

Health Insurance Coverage Protection Commission - Study on Individual and Group Health Insurance Market Stability

This bill requires the Maryland Health Insurance Coverage Protection Commission to study and make recommendations for individual and group health insurance market stability, including procuring a specified actuarial analysis. **The bill takes effect July 1, 2026, and terminates upon termination of the commission.**

Fiscal Summary

State Effect: General fund expenditures for the Department of Legislative Services (DLS) increase by at least \$250,000 as early as FY 2027 for the actuarial analysis. Revenues are not affected.

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	250,000	0	0	0	0
Net Effect	(\$250,000)	\$0	\$0	\$0	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The commission must (1) have an actuarial analysis conducted that compares Medicaid and commercial rates to estimate premium savings under a public option; (2) explore regulatory exemptions to allow managed care organizations to sell in

the individual market without meeting full insurer capital requirements; (3) explore merging the individual and small group markets; (4) explore pooling purchasing power across states; (5) consider ways to control prescription drug costs; (6) identify ways to sustain federally qualified health centers; (7) consider whether to establish a multiyear reinsurance stability fund; (8) consider whether to reinstate the Maryland Health Insurance Plan (MHIP); and (9) consider specified recommendations of the Commission to Study Health Insurance Pooling, as specified.

Current Law:

Maryland Health Insurance Coverage Protection Commission

Chapter 17 of 2017 established the Maryland Health Insurance Coverage Protection Commission. Section 2 of Chapters 37 and 38 of 2018 required the commission to study and make recommendations regarding individual and group health insurance market stability. Chapters 417 and 418 of 2019 extended the termination date of the commission to June 30, 2023, and required the commission to establish a workgroup to monitor actions relating to the federal Patient Protection and Affordable Care Act (ACA) and determine the most effective manner of ensuring that Maryland consumers can obtain and retain quality health insurance, independent of any action or inaction on the part of the federal government or any changes to federal law or its interpretation. Chapters 597 and 598 of 2019 required the commission to study and recommend whether the State Reinsurance Program should be extended after calendar 2023 and, if so, how it will be funded. The commission met throughout the 2017 through 2022 interims and issued six annual reports. The commission terminated June 30, 2023.

Chapter 696 of 2025 reestablished the commission to (1) monitor potential and actual federal changes to the ACA, the federal Mental Health Parity and Addiction Equity Act, Medicaid, the Maryland Children's Health Program, Medicare, and the Maryland All-Payer Model; (2) assess the impact of such changes; and (3) provide recommendations for State and local action to protect access to affordable health coverage. By December 31 each year, the commission must submit an annual report. DLS, the Maryland Department of Health, and the Maryland Insurance Administration jointly staff the commission. The commission terminates June 30, 2029.

Commission to Study Health Insurance Pooling

Chapter 741 of 2025 established the Commission to Study Health Insurance Pooling to study pooling public employee health insurance purchasing among the State, counties, municipal corporations, and local boards of education. The commission must study pooling of public employee health insurance purchasing using data collected by the Department of Budget and Management, including information provided by the Maryland Association of

Counties, the Maryland Municipal League, and the Maryland Association of Boards of Education. Based on the data collected, the commission must analyze the impacts of pooling public employee health insurance purchasing, including the fiscal impacts, and identify any barriers to successful implementation. The commission must make legislative or regulatory recommendations regarding pooling of public employee health insurance purchasing to maximize value and efficiency while maintaining a broad package of benefits and reasonable premiums for public employees.

Maryland Health Insurance Plan

MHIP served as the State's insurer of last resort for medically uninsurable individuals beginning in 2003. Under the ACA, this population can buy private health insurance due to elimination of preexisting condition limitations. Therefore, MHIP ceased coverage. MHIP received premium support through the MHIP Fund, which was supported by an assessment of 0.3% of hospital revenue and paid by all payers.

State Expenditures: Among other things, the bill requires the commission to have an actuarial analysis conducted that compares Medicaid and commercial rates to estimate premium savings under a public option. Based on past similar analyses, the actuarial analysis likely increases DLS general fund expenditures by at least \$250,000 as early as fiscal 2027.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Department of Budget and Management, Office of the Attorney General; Maryland Department of Health; Maryland Insurance Administration; Legislative Services; Department of Legislative Services

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jg/ljm

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