

SB14 SHOP LOS Final.pdf

Uploaded by: Irnise Williams

Position: FAV

CAROLYN A. QUATTROCKI
Chief Deputy Attorney General

LEONARD J. HOWIE III
Deputy Attorney General

CARRIE J. WILLIAMS
Deputy Attorney General

SHARON S. MERRIWEATHER
Deputy Attorney General

ZENITA WICKHAM HURLEY
Deputy Attorney General



STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL
CONSUMER PROTECTION DIVISION
HEALTH EDUCATION AND ADVOCACY UNIT

ANTHONY G. BROWN
Attorney General

WILLIAM D. GRUHN
Division Chief

PETER V. BERNS
General Counsel

CHRISTIAN E. BARRERA
Chief of Staff

IRNISE WILLIAMS
Deputy Unit Director

January 26, 2026

To: The Honorable Pamela Beidle, Chair
Finance Committee

From: Irnise F. Williams, Deputy Director, Health Education and Advocacy Unit

Re: Senate Bill 0014 - Health Insurance - Small Business Health Options Program
(SHOP) Enrollment - Effective Dates - **SUPPORT**

The Office of the Attorney General's Health Education and Advocacy Unit (HEAU) supports SB14, which will conform Maryland law to federal requirements related to special enrollment periods in the small employer market (i.e., SHOP Exchange Plans). This alignment will ensure that employees of small businesses can access coverage without unnecessary delays or gaps.

Under current Maryland law, employees of small employers may enroll in a SHOP plan, but the effective date depends on whether enrollment occurs before or after the 15th of the month. Employees enrolled in the first two weeks of the month receive coverage beginning the first day of the following month. However, employees who enroll after the 15th of the month must wait until the first day of the second month after enrollment, which can create gaps in coverage.

SB14 eliminates this potential gap by allowing employees to enroll in plans that are effective the first day of the month following enrollment, regardless of when during the month they enroll. This change will help employees avoid gaps in health insurance coverage and reduce confusion for small employers and their workers.

We urge this committee to join us in support of SB14 and issue a favorable report.

SB 14 - MIA - Support.pdf

Uploaded by: Marie Grant

Position: FAV

WES MOORE
Governor

ARUNA MILLER
Lt. Governor



MARIE GRANT
Commissioner

JOY Y. HATCHETTE
Deputy Commissioner

DAVID COONEY
Associate Commissioner
Life and Health

200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202
Direct Dial: 410-468-2113
1-800-492-6116 TTY: 1-800-735-2258
www.insurance.maryland.gov

Date: January 28, 2026

Bill # / Title: Senate Bill 14 - Health Insurance - Small Business Health Options Program (SHOP) Enrollment - Effective Dates

Committee: Senate Finance Committee

Position: Support

The Maryland Insurance Administration (MIA) appreciates the opportunity to share its support for Senate Bill 14, which is a Departmental bill.

The Small Business Health Options Program (SHOP) is a government-run health insurance exchange designed for small employers (typically 1-50 employees) to provide health and dental insurance for their workers. It offers a flexible and affordable way for small businesses to offer benefits, and it may provide tax credits to eligible businesses that purchase insurance through the exchange.

Under current Maryland law, when employees of small employers enroll in a SHOP plan following certain special enrollment periods, the effective date depends on whether they enroll before or after the 15th of the month. Employees who enroll in the first two weeks of the month may receive an effective date for their new plan of the first date of the month following enrollment. Employees who enroll after the 2nd week of the month, however, will not receive an effective date for the new plan until the month after the following month. So, for example, an employee who enrolls after January 15 would not receive coverage until March 1 under current Maryland law.

This arrangement conflicts with recent amendments to federal regulatory requirements which specify an earlier enrollment date for Exchange plans – such as SHOP.¹

Senate Bill 14 will benefit employees of small employers (businesses that have 50 employees or less) who enroll in SHOP plans by providing an earlier effective date for certain special enrollment periods. The legislation will also help small employers and their employees to avoid any confusion

¹ Specified in 45 CFR 156.286(b), 45 CFR 155.726(c)(5), and 45 CFR 155.420(b) (the relevant subsections under 45 CFR 155.420 are (b)(1), (b)(2)(i), and (b)(2)(v)).

over effective dates by eliminating the discrepancy between state and federal law. It also clarifies when coverage starts after special enrollment events like pregnancy, divorce, death, or court-ordered coverage, including for plans offered through the SHOP Exchange. The proposed changes are necessary to conform existing Maryland law to certain provisions in the corresponding federal rules mentioned above that are more consumer-friendly than current Maryland law.

By simplifying the effective dates, this bill aims to reduce confusion and ensure that employees maintain continuous health coverage in the face of dramatic life changes which could alter their eligibility for coverage. Ultimately, these adjustments will create a more streamlined enrollment process that benefits both small businesses in Maryland, and their employees.

For the reasons set forth above, the MIA urges a favorable committee report on Senate Bill 14 and thanks the committee for the opportunity to share its support.

Testimony in support of SB0014 - Small Business He

Uploaded by: Richard KAP Kaplowitz

Position: FAV

01/28/2026

Richard Keith Kaplowitz
Frederick, MD 21703

TESTIMONY ON SB#/0014- POSITION: FAVORABLE

Maryland Commission on Women's Health Advancement – Health Insurance - Small Business Health Options Program (SHOP) Enrollment - Effective Dates

TO: Chair Beidle, Vice Chair Hayes, and members of the Finance Committee
FROM: Richard Keith Kaplowitz

My name is Richard Keith Kaplowitz. I am a resident of District 3, Frederick County. I am submitting this testimony in support of SB#/0014, **Health Insurance - Small Business Health Options Program (SHOP) Enrollment - Effective Dates**

This bill will alter the effective dates of enrollment in a Small Business Health Options (SHOP) Exchange plan for individuals who enroll during certain special enrollment periods; etc. It is a correction in the language of the law to provide more timely coverage to individuals electing a SHOP program.

The Maryland Health Benefit Exchange lists the five top benefits of the SHOP program: ¹

1. Less rate fluctuation in the SHOP than the Individual market
2. Premium stability guaranteed for an entire plan year
3. Availability of the Small Business Health Care Tax credit
4. Tax liability for employees is lessened when there is an incorrect Advanced Premium Tax Credit received.
5. Additional insurance carriers and benefit designs are available in comparison to the individual market.

This bill will help a small business employee having greater access to the insurance coverages provided by this plan.

I respectfully urge this committee to return a favorable report on SB#/0014.

¹ <https://www.marylandhbe.com/wp-content/uploads/2018/09/SHOP-Direct-Enrollment-Broker-Final.pdf>

SB 14_FAV_Klapper.pdf

Uploaded by: Stephanie Klapper

Position: FAV



Testimony In Support of SB 14 Insurance - Small Business Health Options Program (SHOP)

Enrollment - Effective Dates

Before the Senate Finance Committee

By: Stephanie Klapper, Deputy Director, Maryland Citizens' Health Initiative

January 28, 2026

Chair Beidle, Vice-Chair Hayes, and Members of the Finance Committee, thank you for the opportunity to submit supportive testimony for this SB 14, which would help employees of small employers to get enrolled in health coverage more quickly. Our mission is quality, affordable health care for all Marylanders. I am submitting this testimony on behalf of our individual organization, Maryland Citizens' Health Initiative, Inc. This legislation would support Maryland's small employers by ensuring that their employees can quickly get the health coverage they need to remain healthy and productive. Currently employees may have to wait as long as one and a half months after enrolling in a SHOP plan for their coverage to start. Allowing employees of small businesses to enroll in plans on the first day of the month following their enrollment, regardless of whether they enroll before the 15th of the month, would help shorten or eliminate coverage gaps and help small employers attract talent. This is a matter of health equity, as Maryland is the leader in the nation for businesses owned by people color¹, and disparities in access in health coverage continue to persist by race and ethnicity. Thank you for your leadership. We urge a favorable report for SB 14.

¹ <https://www.lendingtree.com/business/minority-owned-businesses-study/>