

Approved 2026 Rates, Parameters for Subsidies for the State Reinsurance Program, and the Impact of Federal Legislation on Maryland

Maryland Health Benefit Exchange and Maryland Insurance Administration

Briefing to the Finance, and Health and Government Operations Committees
October 16, 2025

2026 ACA Individual Non-Medigap & Small Group Markets Health Insurance Premium Filings and Potential Impacts of Federal Legislation

Update for Senate Finance Committee and Health and Government Operations Committee
Members
October 16, 2025

Presenters:
Marie Grant, Commissioner
Brad Boban, Chief Actuary



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 2024 experience period claims and comparing to past years claims and to what carrier’s had previously projected when setting 2024 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.

3. Key assumptions for 2026 include
 - 1) claims trend (both cost and utilization),
 - 2) morbidity (relative health status of the pool),
 - 3) operating expenses,
 - 4) profit margin/contribution to reserve,
 - 5) risk adjustment transfers
 - 6) reinsurance recoveries under 1332 waiver, and
 - 7) impact of proposed federal legislation and regulations.



Timeline for Review – Key Dates

May 19 –
Rates Filed
with MIA

July 30 –
MIA Public
Hearing

August 18 –
MHBE Board
Vote on
State
Subsidy

August 30 –
MIA
Deadline for
Public
Comments

September 19
Final Rates
Approved

***Enhanced Advanced Premium Tax Credits (eAPTC)
have not been renewed for 2026 as of 10.13.25.***



Key Market Trends

1. **Affordable Rates** - Marylanders will continue to enjoy some of the most affordable rates in the country – largely because of the continued effectiveness of Maryland’s 1332 State Innovation Waiver in stabilizing the market.
1. **Comparatively Lower Rates** - Approved 2026 rates are 6% lower than the pre-waiver 2018 rates, and the waiver continues to keep rates 30-35% lower than they would be without it. The 13.4% increase was driven by expiring federal tax credits, as well as increased pharmaceutical costs.
1. **Marylanders Use APTC to help afford coverage**- About 78% of people who purchase their individual market policy on the Maryland Health Connection, the state’s health insurance exchange, currently receive some reduction in premium through federal Advance Premium Tax Credits (APTC). Enhanced APTCs (eAPTC) through the end of 2025, but these are set to expire unless Congress takes action to extend them.



Key Market Trends (Continued)

4. **State Subsidy Program** - The State created a new subsidy program for all ages for those who are under 400% of the federal poverty level *for 2026 only* to help offset the expiration of the enhanced federal subsidies.

The subsidy program will:

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



What's Been Approved - 2026 Individual ACA

1. Carriers were approved for an average premium increase of 13.4%. Ranges from 9.8% to 15.2% by carrier.
2. Average rate increase is estimated to be 10-11% if ARPA subsidies were extended. This is higher than initial filing due to change in reinsurance attachment point for 2026.
3. Aetna is exiting the market nationwide in 2026, which will impact just under 5,000 members.
4. Carriers are seeing an overall pricing trend of 6.4%. This comprises 4.8 % on hospital, 6.1% on professional, and 10.4% on prescription drug.
5. Morbidity is main driver of 13.4% increase in approved rates, with enrollment expected to fall 16 % from the 2025 record level. The healthier members are more likely to lapse when premiums rise, leaving behind a risk pool approximately 12% sicker according to carrier projections.



Enhanced Tax Credit Expiration

Currently Scheduled for the End of 2025

- Advanced Premium Tax Credits (APTCs) were enhanced, originally under the American Rescue Plan Act (ARPA) in 2021, then extended by the Inflation Reduction Act (IRA) through 12/31/25.
- The ARPA both
 - a) increased the tax credit amount for those already eligible for tax credits and
 - b) increased the number of those eligible for tax credit by removing the 400% cliff and allowing tax credits at any income where the benchmark plan would be more than 8.5% of income.



Enhanced Tax Credit Expiration Currently Scheduled for the End of 2025

- Since May 2021 when tax credits were enhanced, Maryland has seen a 50% increase in the number of those receiving tax credits from 126,000 to 190,000, a +64,000 increase, per the MHBE's monthly data report. (Source: <https://www.marylandhbe.com/news-resources/reports-data/>)
- As of 10/13/2025 – the status of enhanced APTC is uncertain and is the subject of negotiations over the end of a shutdown to the federal government.



If eAPTC Subsidies are Extended

- Rates expected to decrease further from what was approved (average increase of 13.4%).
- Carriers were initially asked to file **two** sets of rates – one assuming the credits expire and the other one assuming that they are extended.
- If the eAPTC subsidies are extended – then the **State Subsidy Program will sunset.**
 - *Note: some conversations at federal level are about potential redesign of eAPTC.*
- The increase in 2026 is partly driven by the assumed lapse in healthier enrollment leaving the pool due to Marylanders losing some or all of their enhanced tax credit.
- If the eAPTC are not extended imminently, **it is likely too late to have carriers refile rates.**
 - *However, extending federal enhanced tax credits this fall will still have a significant benefit for affordability for Marylanders.*



Monthly Premium Impact of ARPA-Tax Credit Expiration

Exhibit 2a							
2026 ACA: INDIVIDUAL MARKET							
ILLUSTRATIVE PREMIUM IMPACTS							
100% fpl							
Individual Age 40: Premiums after Federal AND State subsidies							
	Federal					No State Subsidy	
	Expected	2025 Premium	2026 Premium		2026 Premium		
% FPL	Contr 2026	PMPM	PMPM	% Increase	PMPM	% Increase	
138%	3.14%	\$ 1	\$ 1	0%	\$ 57	7385%	
150%	4.19%	\$ 1	\$ 1	0%	\$ 83	10709%	
200%	6.60%	\$ 53	\$ 53	0%	\$ 173	227%	
250%	8.44%	\$ 131	\$ 204	55%	\$ 276	110%	
300%	9.96%	\$ 236	\$ 313	33%	\$ 390	66%	
350%	9.96%	\$ 332	\$ 394	19%	\$ 414	25%	
400%	9.96%	\$ 365	\$ 414	13%	\$ 414	13%	
401%	9.96%	\$ 365	\$ 414	13%	\$ 414	13%	
Family of Four (Ages 45, 43, 15, 13): Premiums after Federal AND State subsidies							
	Federal					No State Subsidy	
	Expected	2025 Premium	2026 Premium		2026 Premium		
% FPL	Contr 2026	PMPM	PMPM	% Increase	PMPM	% Increase	
138%	3.14%	\$ 3	\$ 3	0%	\$ 119	4408%	
150%	4.19%	\$ 3	\$ 3	0%	\$ 171	6393%	
200%	6.60%	\$ 110	\$ 110	0%	\$ 356	225%	
250%	8.44%	\$ 271	\$ 419	55%	\$ 568	110%	
300%	9.96%	\$ 485	\$ 644	33%	\$ 803	66%	
350%	9.96%	\$ 682	\$ 810	19%	\$ 937	37%	
400%	9.96%	\$ 914	\$ 992	9%	\$ 1,070	17%	
401%	9.96%	\$ 916	\$ 1,427	56%	\$ 1,427	56%	



Examples of Increases with State Subsidy + No eAPTC Extension

- How the rate increases and loss of enhanced APTC will impact Marylanders differently based on age, income, family size, and plan enrollment.
- **Example 1:** A 40 year old single person in Maryland earning \$31,300 per year (200% FPL) can anticipate paying a premium of \$53 per month in 2026, a **0% change from 2025, thanks to the Maryland premium subsidy.**
 - If the state had not implemented a state subsidy, the same individual would pay on average a \$173 premium per month - **a 227% percent increase.**



Examples of Increases with State Subsidy + No eAPTC Extension

- **Example 2:** A family of 4 in Maryland, with adults age 45 and 43, that makes \$80,375 combined per year, can anticipate paying \$419 per month in 2026 v. \$271 per month in 2025 - **a 55% increase**.
 - This family's income is at 250% of the Federal Poverty level. If Maryland did not have a state subsidy, they would pay \$568 per month - **a 110% increase**.
- **Example 3:** A family of 4 in Maryland, with adults age 45 and 43, that makes \$128,922 combined per year, can anticipate paying \$1,427 per month for coverage in 2026 v. \$916 per month in 2025 - **a 56% increase**.
 - Because this family's income is over 400% of the Federal Poverty Level, they do not qualify for the Maryland subsidy.



2026 Individual Average Rate Approvals

		Members	Members	% Change		Approved	Approved	Approved	Initially Filed	Final Approved
		On & Off	On & Off	In Members	7/31/2025	2023	2024	2025	2026	2026
Legal	Network	Exchange	Exchange	vs	Market	Average	Average	Average	Average	Average
Entity	Type	7/31/2024	7/31/2025	7/31/2024	Share	Rate	Rate	Rate	Rate	Rate
						Change	Change	Change	Change	Change
CareFirst BlueChoice	HMO	128,862	122,623	-4.8%	41.7%	6.0%	4.9%	5.1%	18.7%	13.6%
CareFirst GHMSI	PPO	8,026	8,906	11.0%	3.0%	13.3%	-2.5%	8.6%	14.2%	13.1%
CareFirst CFMI	PPO	11,701	13,412	14.6%	4.6%	13.3%	-2.5%	8.6%	14.2%	13.1%
Kaiser	HMO	56,317	49,427	-12.2%	16.8%	6.6%	8.3%	8.5%	12.0%	9.8%
Optimum Choice (UHC)	HMO	63,355	93,465	47.5%	31.8%	4.4%	-1.2%	5.5%	18.6%	15.2%
Aetna Health Inc.	HMO	2,636	4,939	87.4%	1.7%	N/A	New	8.8%	N/A	N/A
Wellpoint Maryland, Inc.	HMO	0	1,417	N/A	0.5%	N/A	N/A	New	8.1%	10.0%
TOTAL		270,897	294,189	8.6%	100.0%	6.6%	4.7%	6.2%	17.1%	13.4%
<u>SUBTOTAL (By Insurer)</u>										
CareFirst		148,589	144,941	-2.5%	49.3%	6.7%	4.1%	5.6%	18.0%	13.5%
Kaiser		56,317	49,427	-12.2%	16.8%	6.6%	8.3%	8.5%	12.0%	9.8%
Optimum Choice (UHC)		63,355	93,465	47.5%	31.8%	4.4%	-1.2%	5.5%	18.6%	15.2%
Aetna Health Inc.		2,636	4,939	87.4%	1.7%	N/A	N/A	8.8%	N/A	N/A
Wellpoint Maryland, Inc.		0	1,417	0.0%	0.5%	N/A	N/A	New	8.1%	10.0%
TOTAL		270,897	294,189	8.6%	100.0%	6.6%	4.7%	6.2%	17.1%	13.4%



What's Been Filed – Individual ACA Dental

1. Dental carriers had rate decreases approved at an average of -1.4%.
2. Approximately 51% of policyholders receiving rate decreases.
3. Claims trends in dental remain very low compared to medical.



Individual ACA Dental Requests (2026 Filings)

1	3	4	5	6	9	10				14	
										Filed 05/01/25	Approved
			Actual Members On & Off	Actual Members On & Off	vs.	03/31/25	Approved 2024 Average Rate Increase	Approved 2025 Average Rate Increase	Approved 2026 Average Rate Increase	Approved 2026 Average Rate Increase	
Market	Legal Entity	Network Type	Exchange 03/31/24	Exchange 03/31/25	Δ	Market Share					
Individual	Alpha Dental	DPPO	4,407	6,393	45.1%	6%	4.2%	4.2%	-1.6%	-1.6%	
Non-Medigap (INM)	CareFirst GHMSI/CFMI	DPPO	15,678	16,138	2.9%	16%	-3.2%	-5.0%	-2.6%	-2.6%	
	CareFirst CFMI	DPPO	36,581	37,655	2.9%	38%	-3.2%	-5.0%	-2.6%	-2.6%	
	Delta Dental of PA	DPPO	25,103	28,672	14.2%	29%	2.0%	9.7%	0.0%	0.0%	
	Dominion Dental Services	DHMO+DPPO	12,990	11,250	-13.4%	11%	-1.0%	2.3%	2.2%	1.0%	
	TOTAL		94,759	100,108	5.6%	100%	-1.3%	0.3%	-1.3%	-1.4%	



What's Been Approved – Small Group ACA

1. Small group carriers originally requested an average increase of 5.5%, but were approved at a final rate of 4.9%
2. Variation by carrier, but all carriers were approved for increases, from +2.9 to +11.8%.
3. Major driver of rate increase is the claims trend (the increase in costs that would occur for a static population). Average small group trend of 6.9%. 12% prescription drug is main service driver.
4. Below trend increase because of favorable experience in 2024.
5. 10% enrollment loss is the largest in recent years. However, morbidity is stable, implying that the groups that are leaving the market are not healthier than average.



Small Group ACA Filed Rates (2026 Approved)

			Members On & Off	Members On & Off	% Change in Members	03/31/25 Market Share	Approved 2024 Average Rate Increase*	Approved 2025 Average Rate Increase	Initially Filed 2026 Average Rate Increase	Final Approved 2026 Average Rate Increase	
	Legal Entity	Network Type	Exchange 03/31/24	Exchange 03/31/25	vs 03/31/24						
1	CareFirst BlueChoice, Inc.	HMO	154,599	143,549	-7.1%	71%	4.9%	3.7%	3.3%	2.9%	
2	CF GHMSI	PPO	12,644	12,449	-1.5%	6%	7.5%	6.0%	11.2%	11.8%	
3	CF CFMI	PPO	9,157	9,875	7.8%	5%	7.5%	6.0%	11.2%	11.8%	
4	United Healthcare of the Mid-Atlantic	HMO	2,298	1,554	-32.4%	1%	13.0%	8.2%	10.4%	7.9%	
5	United Healthcare (Optimum Choice)	HMO	5,249	4,367	-16.8%	2%	6.4%	3.6%	10.9%	8.4%	
6	United Healthcare (MAMSI)	EPO	8,637	8,376	-3.0%	4%	5.2%	1.5%	12.2%	10.4%	
7	United Healthcare Insurance Co.	PPO	14,517	13,889	-4.3%	7%	6.0%	1.9%	11.8%	9.3%	
4	Kaiser	HMO	9,377	9,188	-2.0%	5%	8.0%	8.1%	6.6%	6.6%	
	Aetna Health, Inc.	HMO	7,095	0	-100.0%	0%	15.4%	18.5%	N/A	N/A	
	Aetna Life Insurance Co.	PPO	3,653	0	-100.0%	0%	1.4%	23.0%	N/A	N/A	
	TOTAL		227,226	203,247	-10.6%	100%	6.9%	4.5%	5.5%	4.9%	
	<u>SUBTOTAL (By Insurer)</u>										
11	CareFirst		176,400	165,873	-6.0%	82%	6.8%	4.0%	4.4%	4.1%	
14	United Healthcare		30,701	28,186	-8.2%	14%	6.4%	2.4%	11.7%	9.4%	
13	Kaiser		9,377	9,188	-2.0%	5%	8.0%	8.1%	6.6%	6.6%	
	TOTAL		216,478	203,247	-6.1%	100%	6.9%	4.5%	5.5%	4.9%	
	<u>SUBTOTAL (By Coverage Type)</u>										
15	HMO		171,523	158,658	-7.5%	78%	7.6%	4.0%	3.8%	3.3%	
16	EPO		8,637	8,376	-3.0%	4%	5.2%	1.5%	12.2%	10.4%	
14	PPO		36,318	36,213	-0.3%	18%	4.1%	4.4%	11.4%	10.8%	
	TOTAL		216,478	203,247	-6.1%	100%	6.9%	4.5%	5.5%	4.9%	




Questions?



Contact Information

Maryland Insurance Administration

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

 **insurance.maryland.gov**



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Federal Updates, State-Based Subsidy, and Reinsurance

Maryland Health Benefit Exchange

Michele Eberle, MHBE Executive Director

Briefing to the Finance, and Health and Government Operations Committees

October 16, 2025

MHBE Impact



Link to [full video](#)

- ★ Maryland's designated State Marketplace
- ★ Vision: High-quality, affordable health coverage for all Marylanders
- ★ State Reinsurance Program introduced, average premium rates down more than 17% in 2025 compared to 2018
- ★ American Rescue Plan Act introduced, 52% increase in enrollments compared to OE 2021.
- ★ Effect on small business startups



Federal Changes Affecting Maryland

Overview of federal changes

New federal rules will make **enrollment more difficult, restrict eligibility, reduce affordability**, and ultimately discourage healthier people from enrolling resulting in a more expensive risk pool.

CMS Marketplace Program Integrity Final Rule
Published June 20, 2025

2025 Budget Reconciliation Bill - H.R.1
Signed into law July 4, 2025

Expiration of Enhanced Premium Tax Credits
Scheduled for December 31, 2025

Changing this year

Eligibility Changes

1. End of DACA Eligibility

- Eliminates DACA recipients' eligibility to enroll on-exchange. Effective Sept. 30, 2025.
- **Impact:** ~300 Marylanders

2. End of Eligibility for Financial Assistance for Low-Income Lawfully Present Immigrants

- Immigrants who earn under 100% of the federal poverty level will no longer be eligible for Advanced Premium Tax Credits (APTC; a type of financial assistance). Effective Jan. 1, 2026.
- **Impact:** ~20,000 Marylanders



Changing this year

Application Changes

1. End of Income Verification Extension

All documentation and verifications must be submitted within 90 days. Effective Aug. 26, 2025.

2. End of a Special Enrollment Period

- The lowest income households (under 150% of Federal Poverty Level) will no longer be able to enroll at any point in the year. Effective Aug. 31, 2025.
- **Impact:** ~1,000 Marylanders per month enrolled through this special enrollment period.

Eligibility changes we are monitoring

Held Up in Court

Loss of Financial Assistance for Failing to File Taxes and Reconcile APTC

- Changes Failure to File and Reconcile Process effective Jan. 1, 2026.
- Consumers who have failed to filed federal income taxes and reconcile Advanced Premium Tax Credits (APTC, type of financial assistance) for one year prior must be denied APTC beginning with the 2026 plan year.
- **Impact:** Estimated 4,000 Marylanders could lose financial assistance.

Increased Costs This Year

- **Financial Assistance Not Extended:** Congress has not extended enhanced premium tax credits (ePTC) which are scheduled to expire on Dec. 31, 2025.
 - The tax credits make health plans significantly more affordable for Marylanders.
 - Without these tax credits health plan premiums will increase dramatically and the marketplace will see enrollment losses.
- **Impact:** Maryland has seen a 50% increase in the number of those receiving tax credits since 2021*
- **Of Note:** *ePTC could still get extended this year through separate action by Congress.*

Changes in the future

Eligibility & Application Changes

- **Open Enrollment Dates Will Change** – Effective Nov. 1, 2026 for coverage in 2027
- **Many Lawfully Present Immigrants will No Longer be Eligible to get Financial Assistance**
 - Limits eligibility for Advanced Premium Tax Credits (APTC) to lawfully present immigrants who are green card holders, COFA migrants, and certain immigrants from Cuba.
 - Eliminates eligibility for many lawfully present immigrants including refugees, asylees, and people with Temporary Protected Status.
 - Effective **Jan. 1, 2027 (implementation Fall 2026)**.
 - Similar limits for Medicaid effective October 1, 2026
- Many changes that will impact **Medicaid** recipients coming in the future.



Next Steps

1. Obtain guidance / approval from CMS on areas where state flexibility may be allowable.
2. Prepare for impact to consumers, systems, staff, budget.
3. Implement and look for ways to keep Marylanders covered.
4. Continue to educate on the importance of continuation of the expanded tax credits for self-pay consumers.
5. Communicate, communicate, communicate!

Key Messages

Changes Are Coming—But We're Here to Help

- The federal government has made changes that affect how you get health insurance.
- Maryland Health Connection is committed to helping you navigate these changes.
- *Targeted to DACA recipients and select partners:* DACA recipients are no longer able to get health coverage through Maryland Health Connection.

Use Your Coverage Now

- If you're currently enrolled, make the most of your benefits before the end of the year.
- Now is the time to schedule your free annual wellness visit or take care of health needs you've been putting off.

Prepare for Higher Costs in 2026

- Enhanced subsidies from the federal government are ending, and premiums may increase.
- You have options and we can help you figure out the best plan for your life, and your wallet.

We're Still Your Trusted Local Resource

- Maryland Health Connection remains committed to helping Marylanders get covered.
- Free help is available from trained brokers, navigators and our call center.

Example: Postcard to Current Enrollees



Big changes are coming to health insurance in 2026.
We are here to help.

New federal rules will impact your health insurance next year.

Get the latest updates at
MarylandHealthConnection.gov/Whats-New



Stay informed. Stay covered.



What's Changing?

Changes made by the federal government mean that your premium may increase next year. Maryland Health Connection is here to help you find a plan that fits your budget.

What You Can Do Now.

- **File your taxes.** If you received premium tax credits in 2024, file your 2024 return and IRS Form 8962 to stay eligible for savings in 2026.
- **Check your MHC account.** We'll let you know when you can explore 2026 plans or if we need documents for your application.
- **Use your coverage.** Your 2025 plan hasn't changed—don't put off getting the checkups and care you need.

Need Help?

Free expert assistance is available.



LEARN MORE



State Subsidy Update

Maryland's Response to Federal Changes

Background

- Enhanced federal tax credits (ePTCs), which have boosted enrollment since 2021, will expire at the end of 2025 unless Congressional acts
- In Response, Maryland passed [HB 1082](#) which requires MHBE to establish a State-Based Individual Subsidy Program to mitigate enrollment losses and stabilize market in PYs 2026-2027
 - Contingency language: if Congress extends enhanced subsidies, no state-based subsidy
- All three of the state's affordability programs (Reinsurance, Young Adult Subsidy, Individual Subsidy) use the same funding source, the state premium assessment.
- State funds are insufficient to fully replace lost enhanced tax credits (would cost \$209 million/year gross), so MHBE's actuarial consultants modeled partial replacement options.

Impact on Maryland if ePTC Ends

Premium Increases

- **95% net premium increase** on average for 190,000 enrollees who receive premium tax credits
 - With state premium subsidy, average increase is 35%
- **13.4% premium increase** on average for 110,000 full-pay enrollees (based on requested rate filings)

Coverage Declines

- **Approx. 110,000 enrollees (34% of individual market)** would no longer be able to afford coverage and go uninsured, absent state or federal action
 - 90,000 projected to drop coverage due to ePTC expiration + 20,000 lawfully present non-citizens with income under 100% FPL projected to drop coverage because they are no longer eligible for APTC
 - Thanks to MD's state premium subsidy, we expect to be able to retain about 60,000 enrollees in 2026, limiting coverage losses to about 50,000 individuals

Funding at Risk

- A projected loss of at least \$430 million annually in federal funds that currently support Maryland's individual market

Priorities for Subsidy Design

(As set forth in HB 1082 / Md. Ins. Art., §31-125(D))

- Mitigate reduction in federal tax credits
- Maximize enrollment in the individual market
- Consider state funds necessary to ensure the State Reinsurance Program continues to provide market stability through CY2028
- Account for uncertainties in enrollment in Medicaid, the individual market, and small group market due to changes in state and federal regulation and funding

2026 State Subsidy Design

- The new **State Subsidy Program** will replace the lost federal assistance (ePTC) to provide financial support to Marylanders who earn under 400% of the federal poverty level (FPL).
 - Marylanders who earn **less than 200% FPL** will receive the most help - the new program will fully replace lost ePTC.
 - Marylanders who earn **up to 400% FPL**, the new program will replace 50% of lost ePTC

Income Thresholds:

Household Size	200% FPL	400% FPL
1 person	\$31,300	\$62,600
4 people	\$64,300	\$128,600

- Young adults age 18-37 will continue to receive additional savings under the 2026 State Subsidy design
 - In 2025 over 66,000 young adults benefited from the Young Adult Subsidy

*Increased 2026 Reinsurance attachment point from 21k to 24k



Reinsurance Program Updates

Final 2026 SRP Parameters

- Reinsurance reimburses insurers for a portion of their claims costs. Lower costs allow carriers to charge lower premiums.
- The MHBE Board sets the parameters for the reinsurance program.
 - In 2026, the **attachment point will increase to \$24,000**, and the coinsurance rate of 80% and cap of \$250,000 will continue.
- Feds approve the waiver governing reinsurance in 5-year increments; current waiver period end Dec 31, 2028.

Parameters	Final 2019-2022	Final 2023	Final 2024	Final 2025	Estimated 2026 (as of Feb 2025)	Final 2026
Attachment Point	\$20,000	\$18,500	\$20,000	\$21,000	\$22,000	\$24,000
Coinsurance Rate	80%	80%	80%	80%	80%	80%
Cap	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Dampening Factor	0.760-0.805	0.840	0.850	0.850	TBD	TBD

How Do We Fund It?

State Funds

- **Assessment** through 2028 on most state-regulated health insurance premiums. 2.75% in 2019, 1% for 2020-2028
- **Reserve:** The higher 2019 assessment + higher than expected federal funding in the early years of the program allowed MHBE to build up a reserve of state funds

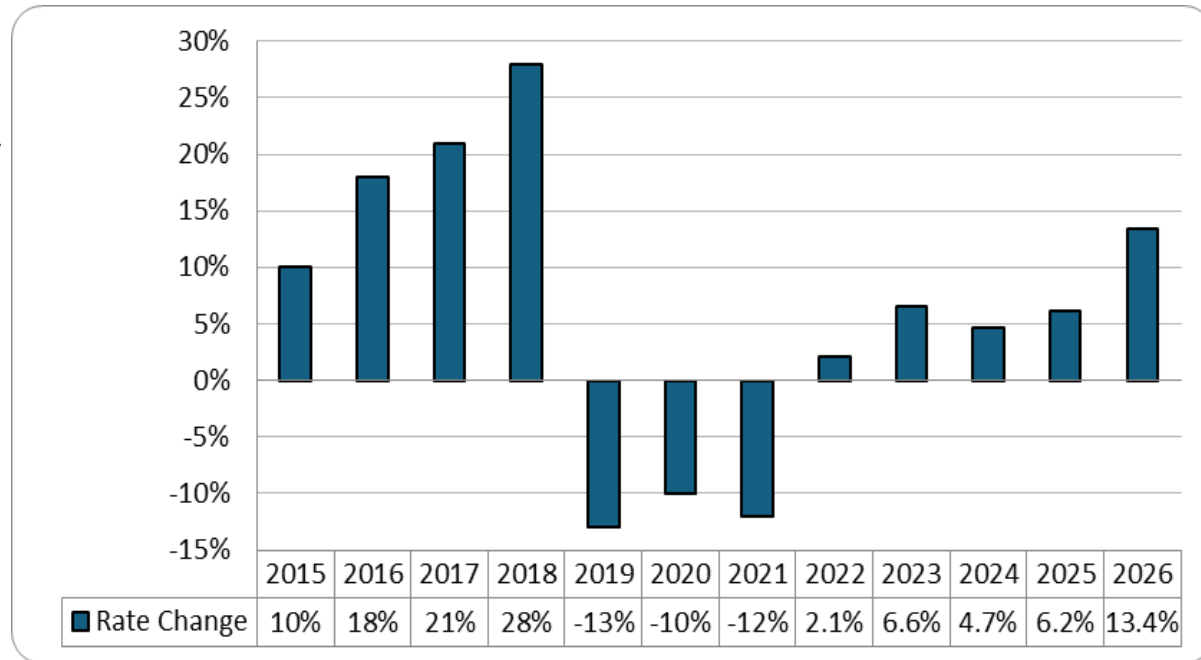
Federal Funds: ACA Section 1332 State Innovation Waiver

- Under Section 1332 of the ACA, states can waive certain ACA rules
- If the waiver lowers premiums, federal premium subsidy costs decrease, saving the feds money
- Under the waiver, the federal government then redirects those savings back to the state - called **pass-through funding** - to help run the waiver program

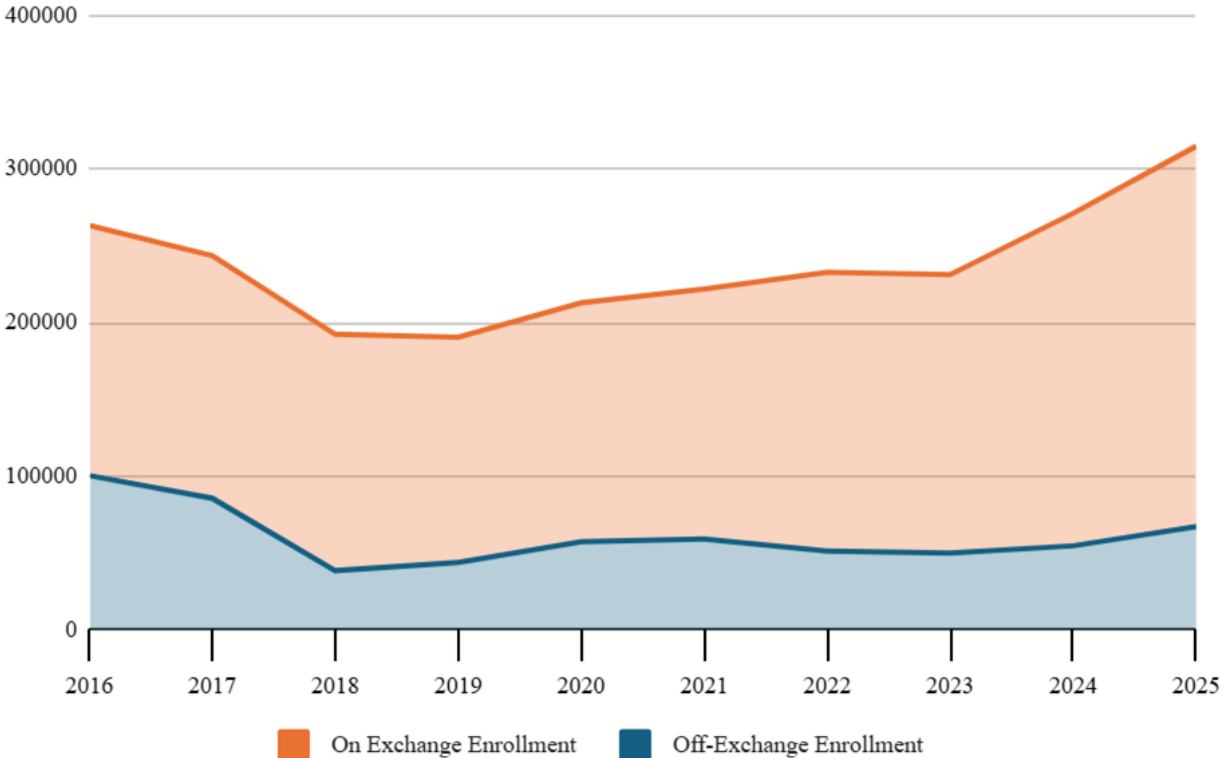
History

- **2014:** ACA market reforms went into effect
- **2014-2018:** Individual market rates increased by double digits
- **2019:** Reinsurance program implemented
- **2025:** Rates down more than 17% compared to 2018, enrollment rebounded

Individual Market Rate Changes, 2015 - 2026



Total Individual Market Enrollment 2014-2025



Reinsurance Funding Experience, 2019-2025

Projected SRP Fund Spending and Funding Considering Final 2026 State Based Subsidy Parameters and Enhanced Federal Premium Subsidies Expiring at the End of 2025, 2019-2026 (in millions)*





Other Updates

Access to Care Act - Implementation Update

- In 2024, the General Assembly passed the Access to Care Act (SB705/HB728), directing MHBE to apply for waiver amendment to allow all residents to enroll on-Exchange, regardless of immigration status
 - MHBE's waiver amendment request was approved with an implementation plan of Nov 1, 2025 for enrollment in 2026 plans
- Due to recent federal developments, MHBE has proposed submitting an updated implementation plan to CMS, delaying implementation of the new eligibility rules until open enrollment for 2028 plans.
 - Opened a 30-day comment period - ended on Oct 5, 2025
- MHBE would implement earlier than January 1, 2028 if resources allow; in that case, MHBE will notify the Departments at least six months in advance

Open Enrollment is around the corner

November 1, 2025 – January 15, 2026

Goals this year are to maintain retention as much as possible in the face of federal changes. Our target audiences include:

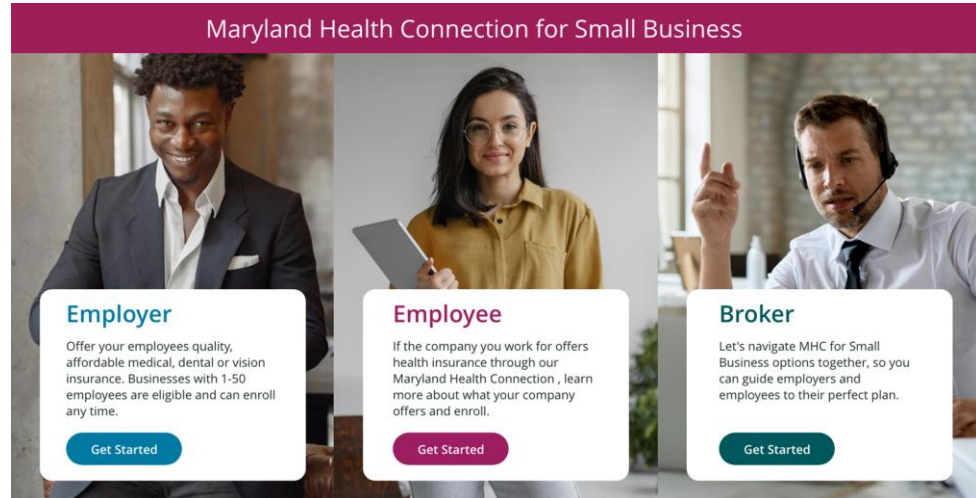
- Existing Maryland Health Connection (MHC) enrollees
- Young adults (19-37 years old)
- Small businesses
- Child care providers



[Link](#) to MHC social media toolkit

New & Improved MHC for Small Business!

- New MHC for Small Business website launched September 2nd, 2025.
- One-stop shop for users to create accounts, manage employees, and enroll in one of three benefit models:
 1. single plan,
 2. all plans from one insurer, or
 3. all plans from all insurers across up to 2 metal levels.



Maryland Health Connection for Small Business

Employer
Offer your employees quality, affordable medical, dental or vision insurance. Businesses with 1-50 employees are eligible and can enroll any time.
[Get Started](#)

Employee
If the company you work for offers health insurance through our Maryland Health Connection, learn more about what your company offers and enroll.
[Get Started](#)

Broker
Let's navigate MHC for Small Business options together, so you can guide employers and employees to their perfect plan.
[Get Started](#)

New URL:

www.marylandhealthconnection.gov/smallbusiness



Questions?

Appendix

Sample 2026 Rates



Sample Individual Premiums

Lowest Bronze

Lowest Cost Bronze Plan - Age 40 Baltimore Metro Region						
	Network	2025	%	2026		
	Carrier	Monthly	Rate	Monthly	Monthly	
	Type	Approved	Change	Approved	Change	
	CareFirst BlueChoice	HMO	\$295	14.9%	\$339	\$44
	CareFirst GHMSI/CFMI	PPO	\$456	11.7%	\$510	\$54
	Kaiser	HMO	\$287	14.2%	\$328	\$41
	Optimum Choice (UHC)	HMO	\$261	8.7%	\$283	\$23
	Wellpoint Maryland, Inc.	HMO	\$304	9.2%	\$332	\$28



Sample Individual Premiums

Lowest Silver

Lowest Cost Silver Plan - Age 40 Baltimore Metro Region						
<u>Carrier</u>	<u>Network Type</u>	2025 <u>Monthly Approved</u>	% <u>Rate Change</u>	2026 <u>Monthly Approved</u>	<u>Monthly Change</u>	
CareFirst BlueChoice	HMO	\$355	4.7%	\$371	\$17	
CareFirst GHMSI/CFMI	PPO	\$510	14.7%	\$585	\$75	
Kaiser	HMO	\$319	8.0%	\$344	\$25	
Optimum Choice (UHC)	HMO	\$302	13.1%	\$342	\$40	
Wellpoint Maryland, Inc.	HMO	\$397	10.0%	\$437	\$40	



Sample Individual Premiums

Lowest Gold

Lowest Cost Gold Plan - Age 40 Baltimore Metro Region					
<u>Carrier</u>	<u>Network Type</u>	2025 Monthly <u>Approved</u>	% Rate <u>Change</u>	2026 Monthly <u>Approved</u>	Monthly <u>Change</u>
CareFirst BlueChoice	HMO	\$398	13.6%	\$452	\$54
CareFirst GHMSI/CFMI	PPO	\$574	13.0%	\$649	\$75
Kaiser	HMO	\$390	6.1%	\$414	\$24
Optimum Choice (UHC)	HMO	\$340	14.9%	\$391	\$51
Wellpoint Maryland, Inc,	HMO	\$368	9.8%	\$404	\$36



Sample Small Group Premiums

Lowest Bronze

Lowest Cost Bronze Plan		2025	%	2026	
Carrier	Network Type	Monthly Approved	Rate Change	Monthly Requested	Monthly Change
CareFirst BlueChoice	HMO	\$375	1.7%	\$381	\$6
CareFirst GHMSI/CFMI	PPO	\$466	12.8%	\$526	\$60
Kaiser	HMO	\$333	10.7%	\$368	\$35
United Healthcare (MAMSI)	EPO	\$436	10.8%	\$483	\$47
United Healthcare (Optimum Choice)	HMO	\$421	7.3%	\$452	\$31
United Healthcare of the Mid-Atlantic	HMO	\$437	7.0%	\$468	\$30
United Healthcare Insurance Co.	PPO	\$463	10.9%	\$514	\$51



Sample Small Group Premiums

Lowest Silver

Lowest Cost Silver Plan - Age 40 Baltimore Metro Region					
Carrier	Network Type	2025 Monthly Approved	% Rate Change	2026 Monthly Requested	Monthly Change
CareFirst BlueChoice	HMO	\$451	2.9%	\$464	\$13
CareFirst GHMSI/CFMI	PPO	\$520	12.0%	\$582	\$62
Kaiser	HMO	\$380	7.4%	\$409	\$28
United Healthcare (MAMSI)	EPO	\$450	13.4%	\$511	\$60
United Healthcare (Optimum Choice)	HMO	\$445	7.9%	\$480	\$35
United Healthcare of the Mid-Atlantic	HMO	\$462	7.5%	\$496	\$35
United Healthcare Insurance Co.	PPO	\$478	13.9%	\$545	\$67



Sample Small Group Premiums

Lowest Gold

Lowest Cost Gold Plan - Age 40 Baltimore Metro Region					
Carrier	Network Type	2025 Monthly Approved	% Rate Change	2026 Monthly Requested	Monthly Change
CareFirst BlueChoice	HMO	\$551	3.5%	\$570	\$19
CareFirst GHMSI/CFMI	PPO	\$610	11.4%	\$679	\$69
Kaiser	HMO	\$433	10.5%	\$479	\$45
United Healthcare (MAMSI)	EPO	\$500	10.8%	\$554	\$54
United Healthcare (Optimum Choice)	HMO	\$483	7.6%	\$519	\$37
United Healthcare of the Mid-Atlantic	HMO	\$499	7.3%	\$535	\$36
United Healthcare Insurance Co.	PPO	\$530	10.9%	\$588	\$58





Appendix: State Subsidy Parameters

2026 State Subsidy Design and Parameters

Income (% Federal Poverty Level)	How much is a consumer expected to pay towards their premium? (as % of household income)			Maryland is replacing ePTC: fully for some groups and partially for others.
	2025 ePTC	2026 ePTC expires	2026 MD State Subsidy	
< 133%	0.0%	2.10%	0.00%	Full replacement of ePTC
133% - 150%	0.0%	3.14% to 4.19%	0.00%	Full replacement of ePTC
150% - 200%	0.0% to 2.0%	4.19% to 6.60%	0.00% to 1.00%	Full replacement of ePTC up to 200% FPL
200% - 250%	2.0% to 4.0%	6.60% to 8.44%	1.00% to 6.22%	Phase down from full replacement at 200% FPL, to 50% replacement at 250% FPL
250% - 300%	4.0% to 6.0%	8.44% to 9.96%	6.22% to 7.98%	50% replacement of eAPTC for 250-400% FPL
300% - 400%	6.0% to 8.5%	9.96%	7.98% to 9.23%	50% replacement of eAPTC for 250-400% FPL
> 400%	8.5%	N/A	N/A	No state subsidy for >400% FPL

How much help will Marylanders get from the state subsidy?

- For state subsidy eligible enrollees, net premium increase on average without the subsidy would have been 95% 2026. **With the subsidy the increase is only 35%.**

Plan Year	Average Net Premium Per member per year
2025	\$864
2026 <u>w/o</u> Subsidy	\$1,685
2026 <u>with</u> Subsidy	\$1,185

Income (% Federal Poverty Level)	Estimated annual savings Per member per year (PMPY)
Less than 133%	\$218
133% - 150%	\$811
150% - 200%	\$1,203
200% - 250%	\$1,193
250% - 300%	\$895
300% - 400%	\$669
Greater than 400%	\$0 directly But may see a reduction in rates because the program should retain enrollment, which keeps rates lower (\$94 to \$363 in possible annual savings)

*These figures are based on actuarial projections. Actual savings will depend on age, income, location, number of months enrolled, and final 2026 premium rates

Examples of Savings

Household Type	Income	2026 Monthly Silver Plan Premium WITHOUT State Subsidy	2026 Monthly Silver Plan Premium <u>WITH</u> State Subsidy	Monthly Savings
One individual, age 30	\$39,125 (250% FPL)	\$275	\$121	\$154
Two individuals, ages 61 and 60	\$52,875 (250% FPL)	\$372	\$274	\$98

Operational Timeline

- May 2025: Rates for 2026 plans filed
- September 2025: Rates for 2026 plans finalized
- First week of October 2025:
 - 2026 plans and rates live on Maryland Health Connection
 - Mailing of renewal notices showing increased rates started
- November 1, 2025: Open enrollment starts
- December 31, 2025: enhanced PTC expires
- January 1, 2026: State Subsidy

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