

# Federal Proposals and Health Insurance Market Impacts

Briefing to the Maryland Health Care Commission

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# Final Federal Marketplace Integrity Rule - June 25, 2025

# Making it harder to enroll (effective date)

- Shortens Open Enrollment period (1/1/27)
- “Pausing” the Low-Income Special Enrollment Period (10/25/25 through 12/31/26)
- Canceling Advance Premium Tax Credits for Failure to Reconcile (1/1/26 - 12/31/26)
- Eliminates 60-day extension to resolve income inconsistencies (8/25/25, permanent)
- Requires income verification when data sources indicate income less than 100% Federal poverty level (FPL) (8/25/25 through 12/31/26)
- Requires income verification when tax data is unavailable (8/25/25 through 12/31/26)

# Limiting Eligibility (effective date)

- Termination of coverage for DACA recipients (8/25/25, permanent)
- Removes Fixed Dollar and Gross Premium Payment Thresholds (8/25/25 - 12/31/25)
- End of Guaranteed Issue for Past-Due Premiums (8/25/25, allows state flexibility)

# Changes to Affordability and Benefits (effective date)

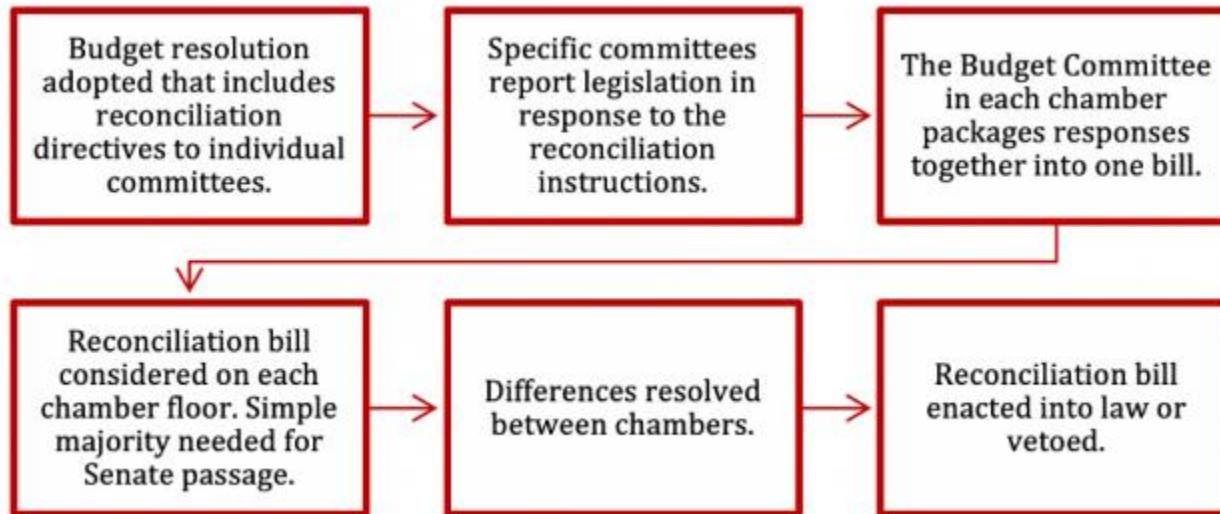
- Changes methodology for calculating the premium adjustment percentage index that will raise cost-sharing for the entire private insurance market, including those with employer sponsored coverage (1/1/26, permanent)
- Ban on gender affirming care as part of Essential Health Benefits (EHB) (1/1/26, permanent)

The background is a solid teal color. In the center, there is a stylized graphic of a flower or a four-petaled star. Each petal is a lighter shade of teal and overlaps the center and the other petals. The text is centered over this graphic.

# Final Provisions in House Reconciliation Bill H.R.1

# Budget Reconciliation Process

- Budget reconciliation is a legislative procedure resulting from the 1974 [Congressional Budget and Impoundment Control Act](#).
- Allows expedited consideration of certain changes in law to align spending, revenue, and the debt limit with agreed-upon budget targets.



# Makes it harder to get and stay enrolled

- **Increases administrative burden to enroll and re-enroll**
  - Current process:
    - Marketplaces verify eligibility at enrollment and renewal using real-time, trusted federal and state databases.
  - Changes:
    - Moves Marketplaces away from this best-practice process that has supported seamless enrollment for over a decade.
    - Consumers will be delayed by requirements to produce paperwork or jump through administrative hoops.
    - Prohibits automatic renewals for people eligible for premium tax credits.  
*(75% of renewing enrollees - 146,000 people - auto-renew)*
    - Eliminates state authority to set state specific Special Enrollment Periods

# Makes coverage unaffordable for certain individuals

- **Eliminates APTC eligibility and/or enrollment for many lawfully present immigrants**
  - Still eligible to enroll with APTC, if >100% FLP: Green card holders, Compact of Free Association (COFA) migrants residing in the U.S., and certain immigrants from Cuba and Haiti.
  - No longer eligible for APTC: All lawfully present immigrants with incomes under 100% FPL. All asylees, refugees, and people with Temporary Protected Status. (1/1/27) (>24,000 people)
  - Disallows APTC due to periods of Medicaid ineligibility due to alien status (1/1/26)

# Enhanced Premium Tax Credits NOT Renewed

- 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.
- 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/>)
- Could still get extended this year through separate action by Congress.

# Impact on Individual Market Rate Filing for 2026

- Carriers have filed for an average increase of 17.1%. Ranges from 8.1% to 18.7% by carrier.
- Average rate increase would be 7.9% if ARPA subsidies were extended, with most rate filings between 5 and 7%.
- Aetna is exiting the market nationwide in 2026, which will impact just under 5,000 members.
- Carriers are seeing an overall pricing trend of 6.4%. This comprises 4.9% on medical, and 11.9% on prescription drug.
- Morbidity is main driver of 17.1% increase, with enrollment expected to fall 19% from 2025 record level. The healthier members are more likely to lapse when premiums rise, leaving behind a risk pool approximately 10% sicker according to carrier projections.

# Next Steps

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



Questions?