

Media Release

70,000 MARYLANDERS MAY LOSE HEALTH COVERAGE IF PROPOSED BILL PASSES

BALTIMORE (June 3, 2025) – The federal budget reconciliation bill passed by the House earlier this month will have significant consequences for the Affordable Care Act in Maryland, if it becomes law as is. For the nearly 250,000 Marylanders who buy health insurance through Maryland Health Connection this bill will increase premium costs, and create unnecessary, inefficient barriers to enrollment.

“For many of those enrolled in Maryland Health Connection, this proposed bill will drive up prices and increase the barriers to quality health insurance,” said Michele Eberle, executive director of Maryland Health Benefit Exchange. “Maryland Health Connection has increased enrollment by 40% in the last four years, because people who know how important health insurance is have found it affordable.”

Increases costs for enrollees

The bill does not extend the tax credits from the American Rescue Plan Act of 2021 set to expire in 2025. Insurance companies are requesting an average rate change of 17.1%. The proposed rates reflect the anticipated loss of enhanced federal tax credits that have helped Marylanders pay for health coverage. Such extreme cost increases could result in the loss of coverage for more than 70,000 Marylanders, based on MHBE calculations.

Shortens open enrollment

The bill will shorten the open enrollment period by a month. About 40% of new enrollments during the open enrollment period occurred between Dec. 16 and Jan. 15, according to MHBE data. On average, these individuals are younger than those who enroll in the first month of open enrollment.

Eliminates autoenrollment for those with tax credits

Currently, enrollees who have their eligibility information (like income and immigration status) confirmed by data sources continue to be eligible for coverage and are autorenewed each year. In 2024, 76% of renewals through the marketplace were autorenewed. Annual autorenewal is

standard in employer plans. However, this bill adds administrative burden by forcing enrollees to reapply for coverage each year in order to retain tax credits, even if their continuing eligibility through automatic data checks was confirmed. Research suggests that this could mean 40% (43,000 individuals) may lose coverage by not taking action to renew.¹

Disallows many legally present non-citizens

This bill significantly reduces the categories of legally present non-citizens who are eligible for tax credits to lower their premiums. No longer eligible categories include: asylees, refugees, people with Temporary Protected Status, and all lawfully present immigrants with incomes under 100% of the Federal Poverty Level. This could lead to approximately 24,000 legally present individuals losing health insurance. It also makes Deferred Action for Childhood Arrivals (DACA) recipients ineligible to receive federal tax credits to reduce premiums. They were eligible for the first time in 2025, and 250 Marylanders enrolled and received financial help.

“All of the changes proposed by the federal government will impact how individuals receive coverage, whether through Maryland Medicaid or a commercial insurer,” said Dr. Meena Seshamani, MHBE Board chair and secretary of the Maryland Department of Health.

[Get more facts about this proposed bill at MarylandHBE.com](https://www.marylandhbe.com)

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[Maryland Health Benefit Exchange](https://www.marylandhbe.com) (MHBE), a public corporation and independent unit of state government established in 2011, administers Maryland Health Connection.

[Maryland Health Connection](https://www.marylandhbe.com) (MHC) is the state-based marketplace for Marylanders to shop and enroll in health insurance, as well as determine eligibility for Medicaid and other assistance programs. It is the only place where Marylanders can access financial help such as tax credits to make coverage more affordable.

MEDIA CONTACT:

Betsy Plunkett, Director, Marketing & Web Strategies
betsy.plunkett@maryland.gov

¹ Rebecca Myerson and Andrew Feher, “Email Nudges Increased Eligibility Verification And Subsidy Receipt In California’s ACA Marketplace,” *Health Affairs*, September 2024, <https://www.healthaffairs.org/doi/abs/10.1377/hlthaff.2023.01524?journalCode=hlthaff>.