



Implementation of the Qualified Resident Enrollment Program

Pursuant to Insurance Article § 31-124(c)
(Senate Bill 705 of the 2024 Legislative Session – Access to Care Act)

Maryland Health Benefit Exchange

June 24, 2025

Background

In 2024 the General Assembly passed Senate Bill (SB) 705, known as the **Access to Care Act**, which required the Maryland Health Benefit Exchange (MHBE) to establish an **Qualified Resident Enrollment Program** for populations who are currently ineligible for coverage through existing programs by applying for a federal 1332 innovation waiver amendment to allow these populations to enroll in Qualified Health Plans (QHPs) or Qualified Dental Plans (QDPs), through the state's health insurance Marketplace, Maryland Health Connection (MHC).

On July 15, 2024 and pursuant to SB 705, MHBE submitted an application to the Centers for Medicare & Medicaid Services (CMS) and the Department of Treasury to amend the state's 1332 State Innovation Waiver by waiving section 1312(f)(3) of the Affordable Care Act (ACA), in order to allow all individuals regardless of immigration status to enroll in QHPs or QDPs through the exchange.^{1,2}

The application was approved on January 15, 2025.³ At the time of the waiver amendment submission and approval, MHBE planned to implement the new eligibility rules under the program for open enrollment beginning November 1, 2026, for plans starting January 1, 2026. However, MHBE has paused implementation as we monitor the development of HR 1, the reconciliation bill, which may impact the state's ability to move forward with the Qualified Resident Enrollment Program. At this time, the implementation date of the Program is uncertain. More detail is provided in the below section "Potential Impacts of Proposed Federal Changes."

MHBE is required to submit this report to the General Assembly within 6 months before a fiscal year in which the Exchange implements the Qualified Resident Enrollment Program, on its plan to implement the program, including the items below. Because MHBE may implement the program during FY 2026, MHBE is submitting this report now.

1. The amount and source of the funding for the program;
2. The parameters of the program;
3. The number of individuals anticipated to participate in the program;
4. The amount of premiums anticipated to be paid by participants under the program; and
5. If the General Assembly authorizes funding to subsidize premiums under the program, the parameters of the subsidies.

Implementation of the Qualified Resident Enrollment Program

1. Amount and source of the funding for the program:

- There are no additional costs to implement this program, and no additional funds have been allocated to MHBE for the program. MHBE will carry out the tasks associated with establishing and operating this new program within MHBE's current operating budget and personnel.

2. Parameters of the program:

- The program extends eligibility for QHP enrollment on the individual exchange,⁴ to also include "qualified residents" defined at Insurance Article § 31-101(u-1) as:

¹ [MHBE July 15, 2024 federal 1332 waiver amendment request](#)

² Section 1312(f)(3) prohibits persons that are not United States citizens, United States nationals, or aliens lawfully present in the United States from enrolling in on-exchange coverage.

³ [CMS January 15, 2025 approval letter](#) for Maryland's 1332 waiver amendment application.

⁴ General eligibility requirements for QHP enrollment on the individual exchange is defined in COMAR 14.35.07.05.

- An individual, including a minor, **regardless of immigration status**, who at the time of enrollment:
 - Is seeking to enroll in a qualified plan offered to individuals through the Exchange;
 - Resides in the state;
 - Is not incarcerated, other than incarceration pending disposition of charges; and
 - Is not eligible for the federal premium tax credit (PTC), Maryland Medicaid, Medicare, the Maryland Children's Health Plan (MCHP), or employer-sponsored minimum essential coverage.
- Newly eligible "qualified residents" under the program are not eligible for any federal or state premium and cost sharing subsidies.

3. Number of individuals anticipated to participate in the program:

- An estimated 244 individuals are anticipated to enroll in the program in 2026, increasing to 356 individuals in 2028.⁵
 - Because this population will still be ineligible for federal PTC and must therefore bear the full premium for their chosen plan, MHBE anticipates that enrollment will be limited.⁶

4. The amount of premiums anticipated to be paid by participants under the program:

- This population is estimated to contribute approximately **\$120,000** in premium payments in plan year 2026.⁷

5. Parameters of the subsidies:

- The General Assembly has not authorized state funding to subsidize premiums under the program, and there are therefore no subsidy parameters to report at this time.

Potential Impacts of Proposed Federal Changes

MHBE would also like to notify the General Assembly of the potential impacts of recently proposed federal changes on the implementation of this program. The federal budget reconciliation bill for fiscal year 2025 that was advanced by the House of Representatives on May 22nd includes a provision that would reduce the federal Medicaid match rate (federal medical assistance percentage or FMAP) for the Affordable Care Act (ACA) Medicaid expansion population from the current 90% rate to 80% for any state that provides health coverage to certain immigrant groups.⁸ This penalty would generally apply to states that provide state-funded coverage for undocumented immigrants under Medicaid programs or through their state exchange.⁹ Currently 14 states and the District of Columbia have expanded eligibility to cover undocumented immigrants under state-funded programs, including Colorado and Washington who have expanded on-exchange enrollment to undocumented residents.

⁵ Estimates from [MHBE July 15, 2024 federal 1332 waiver amendment request](#). Enrollment estimates were also scaled down to exclude the estimated number of Deferred Action for Childhood Arrival (DACA) recipients becoming eligible for on-exchange enrollment and federal premium subsidies beginning in November 2024.

⁶ As of 2021 approximately 112,400 individuals who are ineligible for coverage through Medicaid or the individual market due to immigration status are uninsured, accounting for almost one third of the state's remaining uninsured population.

⁷ Average premium cost for 2025 individual exchange enrollees is \$492 (MHBE data on enrollment and premiums as of January 15, 2025). Average 2025 premium cost was multiplied by the estimated 2026 enrollment under the program to derive this figure.

⁸ Kaiser Family Foundation: [Proposed Medicaid Federal Match Penalty for States that Have Expanded Coverage for Immigrants: State-by-State Estimates](#). Published May 22, 2025.

⁹ In the final version of the bill passed by the House on May 22nd, the penalty would apply to states providing coverage to immigrants who are not a "qualified alien" or a "child or pregnant woman who is lawfully residing in the United States" covered under the Medicaid option for these groups.

Given the considerable loss in federal financing for the state's Medicaid program as a result of a reduction in the ACA expansion FMAP under these circumstances, MHBE would need to collaborate with the Departments of Health and Budget and Management to reconsider implementation of the Qualified Resident Enrollment Program if this federal provision is instated. We will continue to monitor this evolving federal landscape with our state partners and provide updates to the General Assembly as needed.