



Maryland Health Benefit Exchange Board of Trustees

July 21, 2025

3:00 p.m. – 4:30 p.m.

Meeting Held via Video Conference

Members Present:

Meena Seshamani, M.D., Ph.D., Chair

Aika Aluc, Vice Chair

Marie Grant

Yvette Oquendo-Berruz, M.D.

Katherine Rodgers

Ken Brannan

JoAnn Volk, M.A.

Maria Pilar Rodriguez

Members Absent:

David Sharpe

Also in Attendance:

Michele Eberle, Executive Director, MHBE

Venkat Koshanam, Ph.D., Chief Information Officer, MHBE

Johanna Fabian-Marks, Deputy Executive Director, MHBE

Tracey Gamble, Procurement Manager, MHBE

Tamara Gunter, Director, Consumer Assistance & Eligibility, MHBE

Brad Boban, Chief Actuary, Maryland Insurance Administration

Andy Ratner, Chief of Staff, MHBE

Tony Armiger, Chief Financial Officer, MHBE

Scott Brennan, Director, Compliance & Privacy, MHBE

Betsy Plunkett, Director, Marketing & Web Strategies, MHBE

Tisha Payne, Director, Human Resources & Organizational Effectiveness, MHBE

Christopher Randolph, Attorney General, MHBE

Maggie Church, Deputy Director of Marketing, MHBE

Meeting Call to Order and Approval of Minutes

Meena Seshamani, M.D., Ph.D., Chair

Sec. Seshamani opened the meeting and asked for a motion to approve the minutes of the May 19 Board meeting. Ms. Rodgers advanced the motion. Ms. Grant seconded. The Board voted unanimously to approve the minutes.

Approval of 2026 Board Meeting Dates

Meena Seshamani, M.D., Ph.D., Chair

Sec. Seshamani then reviewed the proposed 2026 meeting dates for the Board, shown on a slide in the presentation for this meeting, before asking for a motion to approve the dates. Ms. Grant moved to approve the proposed dates. Ms. Aluc seconded. The Board voted unanimously to approve the proposed dates.

Public Comment

Stephanie Klapper, Deputy Director of Maryland Citizen's Health Initiative, offered public comment on behalf of her organization, a consumer advocacy nonprofit focused on advocating policies furthering access to quality, affordable health care for all Marylanders. The organization's Health Care for All coalition is made up of hundreds of Maryland faith, business, labor, community, and health care groups across the state. She thanked MHBE staff and the MHBE Board for their leadership and collaboration with other state agencies working to ensure coverage for Marylanders during this challenging time for health care coverage and affordability, thanked the MHBE and the Maryland Insurance Administration (MIA) for their consideration of state subsidy plans to protect access to essential health coverage for young adults and low-income Marylanders, and thanked MHBE staff for their recommendations for maintaining the state's *de minimis* ranges for plans' actuarial value (AV).

SailPoint Identity IQ Procurement

Venkat Koshanam, Chief Information Officer, MHBE

Tracey Gamble, Procurement Manager, MHBE

Next on the agenda was a procurement for SailPoint Identity IQ (IIQ). Detailed slides are available in the presentation for this meeting. Mr. Koshanam described the software's utility as a widely used security provisioning software used to manage access for staff and consultants. He noted that other software options filling a similar niche are less cost-effective and that the vendor for SailPoint IIQ was insistent on a contract period of three years.

Ms. Gamble stated that an invitation for bid was submitted for a three-year license renewal for the period of July 24, 2025, to July 23, 2028. Eleven vendors submitted responses and of those seven vendors were responsive to the MHBE's requests.

Ms. Volk asked for clarification on the services the vendor provides. Mr. Koshanam replied that Coquina Labs, Inc., is a reseller, not the software's creator. He described the software's functionality for managing access to MHBE systems, creation of an audit log, and running audit campaigns to check how the systems have been provisioned using the software, noting that these features are useful for compliance tracking.

Ms. Rodgers moved to approve the contract award to Coquina Labs, Inc. to procure SailPoint IIQ Term Licenses for the period from July 24, 2025, to July 23, 2028, in the amount of \$228,960, with a

Federal Funding Participation amount of \$151,113.60 and a State Participation amount of \$77,846.40. Ms. Volk seconded. The Board voted unanimously to approve the contact award.

Board Gift Policy

Johanna Fabian-Marks, Deputy Executive Director, MHBE

Ms. Fabian-Marks then presented on the MHBE Board's gift policy, which was unanimously adopted by the Board in January 2024 but was not signed by the Board Chair at that point. Therefore, MHBE staff are requesting the Board's approval for Sec. Seshamani to sign the policy now.

Ms. Fabian-Marks provided a brief overview of the policy. Detailed slides are available in the presentation for this meeting. She described the Board's statutory authority to apply for and receive private gifts and grants, along with soliciting them under state ethics laws; general guidelines related to conflict of interest avoidance and other considerations; and situations in which Board approval is needed, including when a donor exceeds \$50,000 given in a year, when a gift will cost the MHBE at least \$5,000 to accept, when a gift is in a form other than currency, or when it was given by an MHBE vendor or partner.

Ms. Aluc asked if the total value of gifts the MHBE may receive in a given timeframe is capped at a certain amount. Ms. Fabian-Marks answered in the negative.

Mr. Brannan moved to approve Sec. Seshamani signing the policy. Ms. Aluc seconded. The Board voted unanimously to approve the motion.

Final 2026 State Subsidy and Reinsurance Parameters

Johanna Fabian-Marks, Deputy Executive Director, MHBE

Brad Boban, Brad Boban, Chief Actuary, Maryland Insurance Administration

Ms. Fabian-Marks then presented on the proposed program parameters for Maryland's state-based health insurance subsidy in 2026, and on the parameters for the state reinsurance program (SRP). Detailed slides are available in the presentation for this meeting. Ms. Fabian-Marks explained that, rather than having the Board vote on the subsidy program and SRP parameters during this meeting as initially planned, this presentation will instead be solely for the purposes of education and discussion, and an ad hoc Board meeting will be scheduled sometime in the near future to have the Board vote on these parameters.

Ms. Fabian-Marks began with an overview of relevant background information. She noted the likely expiration of enhanced premium tax credits (ePTCs) in 2026 and the resulting projected enrollment declines due to reduced affordability. As a result, unless Congress acts to renew ePTCs, Maryland's House Bill (HB) 1082 requires the MHBE to establish a state-based subsidy program to mitigate these impacts using funds from the agency's reserve funding for its affordability programs. Under the program as planned, the Young Adult Subsidy would cease to be its own named program and would instead be a part of the larger individual subsidy program.

Ms. Fabian-Marks explained that the MHBE modeled several options for partially replacing the lost ePTCs, as state funds are insufficient to fully replace them. She stated that the MHBE has considered

shrinking the SRP by adjusting its attachment point to free up funds for this endeavor and that the modeling did not include fully replacing the advance premium tax credits (APTCs) for which lawfully present immigrants who are making under 100% FPL but are ineligible for Medicaid will be newly ineligible.

Ms. Fabian-Marks explained the priorities set forth for the subsidy design in HB 1082: mitigate tax credit reductions, maximize enrollment, consider how to continue to fund the SRP through 2028, and account for market uncertainties resulting from federal action and funding challenges. She gave a snapshot of the composition of enrollees currently eligible for ePTCs.

Ms. Rodgers asked how many consumers with incomes above 400% of the federal poverty level (FPL) were enrolled prior to the implementation of ePTCs. Ms. Fabian-Marks stated that MHBE staff can share those numbers with the Board after the meeting but noted that the tax credit-eligible group has grown by 50% since 2021.

Ms. Fabian-Marks continued her presentation by reviewing considerations that the MHBE has weighed regarding the options modeled. She reviewed the functioning of each parameter for the SRP. She noted that federal pass-through funding fully funded the SRP in its early years such that, while federal pass-through funding no longer covers the SRP's full cost, \$420 million is estimated to remain in the reserve fund at the end of calendar year 2025.

Just before departing the meeting due to other obligations, Sec. Seshamani emphasized the importance of considering market stability given the level of uncertainty resulting from federal actions and determining how the SRP should operate in the long-term given its possible discontinuation or diminishment in 2028.

Next, Ms. Fabian-Marks showed a graph demonstrating that Maryland's attachment point, and therefore its SRP overall, are among the most generous of any state, adding that states with the most generous reinsurance programs tend to get the most federal pass-through funding.

Ms. Fabian-Marks then presented the details of the options modeled. Detailed slides are available in the presentation for this meeting. In the two scenarios to which the MHBE narrowed its modeling, called A1 and A3, consumers with the lowest incomes would retain the greatest percentage of their ePTCs. Option A1 maintains the SRP's attachment point at \$22,000, while Option A3 raises it to \$30,000 to cover ePTCs for consumers with incomes above 400% FPL. She compared each model to scenarios where no replacement was made for the expired ePTCs and where they were fully replaced but the Young Adult Subsidy program was discontinued. She noted that both A1 and A3 mitigate enrollment losses from the expected 25% projected in the unmitigated ePTC expiration scenario to 7%. Option A1 would result in \$40 million left for the program at the end of 2027, while Option A3 would leave \$68 million.

Ms. Fabian-Marks noted that the MHBE is in the process of modeling for the scenario where the legislature allows the SRP to continue beyond 2028 and commented that, at some point, the state will need to discuss whether to shrink the program to contain costs or determine additional funding sources for it at its current size.

Mr. Boban then presented each scenario's projected impact on rates. Option A1 would result in an overall average rate increase of 10%, while Option A3 would result in an average rate increase of 18%, compared with projected rate increases of 17.1% as filed assuming no ePTC replacement or 7.9% were ePTCs to be fully replaced.

Ms. Grant commented that the expiration of ePTCs will saddle consumers with both increased cost sharing and increased overall price, explaining that choosing Option A3, and therefore increasing the SRP attachment point, only addresses one of these issues.

Mr. Boban stated that these projections were done using carrier rate filings but that they will change when carriers are asked to update their filings.

Ms. Rodgers asked for confirmation that carriers would raise their rates under Option A3 to offset the claims for which they would no longer be reimbursed since the SRP attachment point would have increased. Ms. Grant replied in the affirmative.

Ms. Rodgers and Ms. Volk asked for clarification on what the number 104,667 under Unsubsidized Enrollment represents. Ms. Grant replied that the value represents the number of individuals enrolled both on- and off-exchange as of April 30, 2025, who are not receiving any subsidies, even with ePTCs in place, and are instead paying their full premium cost.

Ms. Rodgers inquired about the average number of consumers who have used the SRP at its current attachment point of \$22,000. Ms. Fabian-Marks replied that either around 16,000 or around 18,000 individuals qualify for the SRP, although she did not immediately recall which number was correct.

Ms. Rodgers asked why \$30,000 was chosen as the increased value for the SRP attachment point. Ms. Fabian-Marks responded that it was chosen in conversation with Mr. Boban as a value to which the attachment point could be raised without catastrophic impacts on rates for the unsubsidized population and one which would offset the cost of replacing the value of ePTCs for individuals with incomes over 400% FPL. She noted that \$40,000 was also examined as an option.

Ms. Volk commented that the SRP pays more to cover the gap created by lowering consumers' exposure.

Ms. Fabian-Marks showed charts summarizing the premium increases consumers in various income and age ranges are projected to experience in each scenario.

Ms. Volk inquired about individuals who are over 65 but are ineligible for Medicare. Ms. Fabian-Marks replied that this is a small population, some of whom may be ineligible due to their immigration status or may not have worked for enough years to reach Medicare eligibility.

Ms. Fabian-Marks ended her presentation early due to time constraints.

Ms. Volk reflected on the long-term plan for the SRP, noting one carrier's statement that raising the attachment point makes sense given that Maryland's is among the lowest nationwide. She wondered whether it is even possible to winnow down a reinsurance program given its direct relationship with premiums, noting that no state with a reinsurance program has done so. Ms. Fabian-Marks agreed that a scenario without a reinsurance program is difficult to imagine since it is the most effective tool thus far devised for reducing costs to the unsubsidized population, but she acknowledged such programs carry a significant cost. She explained that the MHBE had assumed the SRP attachment point would be raised by \$1,000 in each subsequent year, or perhaps by a higher amount for the first few years, to keep its scope relatively consistent.

Addition to 2026 Plan Certification Standards

Johanna Fabian-Marks, Deputy Executive Director, MHBE

Ms. Fabian-Marks then presented on an additional 2026 plan certification standard for plans sold on Maryland Health Connection (MHC). She explained that contrary to the typical timeline for plan certification standards, this standard is being proposed as a reaction to the federal change to the *de minimis* ranges defining acceptable levels of plan generosity at each metal level. The MHBE proposes requiring MHC plans to adhere to the 2025 *de minimis* ranges rather than use ranges only newly allowable under the recent federal policies. The reasons for this proposal include reducing market instability wherever possible; facilitating Maryland's plan year (PY) 2026 plan review process, which is already underway and for which most plans assumed the 2025 ranges would remain required; and mitigating impacts on premium tax credit levels and federal pass-through funding.

Ms. Fabian-Marks explained how *de minimis* ranges govern the acceptable AV range for a plan in each metal level. She compared the 2026 ranges for each metal level under the new federal standards with the MHC standards the MHBE is proposing, highlighting the four-percentage-point reduction in the AV floor for Silver plans as the most significant change. She noted that this change would apply only to individual market MHC health plans.

She continued by noting that the MHBE released these proposals for public comment early given the late-breaking timeline of the federal changes. The two comments received were from Maryland Citizens' Health Initiative, expressing support for the proposal, and from United Healthcare, who requested permission to maintain the 2026 plans they already filed, some of whose AVs are only allowable under the new federal standards. Ms. Fabian-Marks noted that, under the proposal, United Healthcare would have to re-file.

Ms. Fabian-Marks stated that, if the Board votes to approve the proposed standard, it will be considered final and in effect for PY 2026. The MIA has indicated it is prepared to accept the carrier re-filings from the carrier whose previously filed 2026 plans will be non-compliant as a result.

Ms. Volk expressed support for the proposal and commented that Maryland may be the only state that puts this type of measure in place.

Ms. Aluc moved to approve the *AV de minimis* ranges for individual market on-exchange health plans for PY 2026 as presented. Ms. Grant seconded. The Board members present voted unanimously to approve the ranges as presented. Sec. Seshamani was absent for the vote.

Final Consumer Assistance Regulatory Updates

Johanna Fabian-Marks, Deputy Executive Director, MHBE

Tamara Gunter, Director, Consumer Assistance & Eligibility, MHBE

The final item on the agenda was a set of final regulations related to producer authorization and consumer assistance workers to relieve burden on MHBE staff, improve the consumer experience, and codify existing consumer assistance policy. New measures include a requirement that producers pass an exam to be eligible for authorization, as all other types of consumer assistance workers are, the ability for the MHBE to refuse reauthorization to producers with a record of misconduct. The MHBE consulted with the MIA and with the MHBE's Broker Advisory Committee in drafting these regulations. No comments were received during the informal public comment period prior to the release of regulations, nor during the official public comment period afterward.

Ms. Gunter explained that recent instances of producer misconduct led to these regulations. She noted sanctions that are levied against producers with misconduct and gave enrollment of individuals into the incorrect plan and use of incorrect special enrollment periods (SEPs) as examples of misconduct that have been seen.

Ms. Fabian-Marks added that these regulations would also codify the termination of the MHBE's captive producer program, which allowed carriers to engage brokers to sell only their plans and had already been terminated via a sunset date built into the statute allowing it. She noted that, if the Board approves the regulations, they will be published in the Maryland Register and will be effective August 18.

Ms. Eberle stated that these regulations demonstrate the MHBE's commitment to program integrity.

Ms. Volk inquired about the types of misconduct that occurred to spur on the creation of these regulations. Ms. Gunter replied that incorrect SEP use and enrolling consumers in plans besides the ones they chose were the main issues.

Ms. Volk asked whether consumers could appeal if they were placed in the wrong plan. Ms. Gunter responded that the MHBE will enroll them in the correct plan, but the consumer cannot formally appeal.

Ms. Aluc moved to approve the final regulations as presented and authorize the MHBE to submit them to the Division of State Documents for publication in the Maryland Register. Ms. Rodgers

seconded. The Board members present voted unanimously to approve the final regulations as presented. Sec. Seshamani was absent for the vote.

Adjournment

Ms. Eberle closed the meeting.