

**Department of Legislative Services**  
Maryland General Assembly  
2023 Session

**FISCAL AND POLICY NOTE**  
**Third Reader - Revised**

Senate Bill 806

(Senators Kelly and Hettleman)

Finance

Health and Government Operations

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**Maryland Health Benefit Exchange and Maryland Department of Health -  
Health Care and Dental Care Coverage for Undocumented Immigrants - Report**

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This bill requires the Maryland Health Benefit Exchange (MHBE) and the Maryland Department of Health (MDH) to develop a report comparing options for offering affordable health care and dental care coverage to State residents who are ineligible for Medicaid, the Maryland Children's Health Program (MCHP), or qualified health plans (QHPs) or stand-alone dental plans through MHBE due to immigration status. MHBE and MDH must report their findings and recommendations to specified committees of the General Assembly by October 31, 2023. **The bill takes effect July 1, 2023.**

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**Fiscal Summary**

**State Effect:** MHBE and MDH can develop the report and submit their findings and recommendations with existing budgeted resources. Revenues are not affected.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Bill Summary:** The report must include a comparison of the cost to the State, the impact on the uninsured, potential benefits designs, and implementation considerations for:

- offering health care and dental care coverage through (1) Medicaid and MCHP for individuals who are technically and financially eligible for those programs but for their immigration status and (2) QHPs and stand-alone dental plans to individuals

technically and financially eligible to purchase coverage through MHBE but for their immigration status; and

- offering health care and dental care coverage to (1) all eligible individuals; (2) only individuals age 21 and younger; (3) only individuals who are at least age 65; and (4) only low-income individuals.

**Current Law:** In most cases, a noncitizen must be a qualified alien to receive Medicaid coverage. Medicaid covers emergency services only for lawfully present immigrants who remain ineligible for Medicaid, as well as undocumented immigrants. Chapter 28 of 2022 requires Medicaid to provide comprehensive medical care and other health care services to noncitizen pregnant women who would be eligible for Medicaid but for their immigration status and to their children up to the age of one. MDH currently provides Medicaid coverage to any newborn from birth to age one if the child's mother was covered by Medicaid for the child's date of birth. When the newborn is added to the mother's Medicaid case, the newborn receives coverage for a full year regardless of changes in family income.

MHBE was created during the 2011 session to provide a marketplace for individuals and small businesses to purchase affordable health coverage. Through the Maryland Health Connection, Maryland residents can shop for health insurance plans, compare rates, and determine their eligibility for federal advance premium tax credits (APTCs), cost-sharing reduction plans, and public assistance programs such as Medicaid. MHBE is funded in part from a mandated \$32.0 million diversion of premium tax revenues that would otherwise go to the general fund. However, any of these special funds that remain unspent at fiscal year closeout revert to the general fund.

MHBE submitted a [report](#) in response to the 2021 *Joint Chairmen's Report*, on costs, feasibility, and a review of activity in other states to serve individuals ineligible for Medicaid or QHPs without APTCs. The report noted that the largest population of non-incarcerated individuals ineligible for Medicaid or QHP coverage are undocumented immigrants.

**Additional Comments:** On December 9, 2022, the U.S. Department of Health and Human Services and the U.S. Department of the Treasury approved Washington's application for a State Innovation Waiver to expand access to QHPs, stand-alone qualified dental plans, and a state affordability program (Cascade Care Savings) to Washington residents regardless of immigration status. The [waiver](#) is effective January 1, 2024, through December 31, 2028. California previously submitted a waiver application that would have permitted undocumented immigrants to purchase coverage through the state exchange without subsidies, but the application was withdrawn. California's Medicaid program now covers income-eligible individuals of all ages, regardless of immigration status.

## **Additional Information**

**Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** HB 363 (Delegate Cullison) - Health and Government Operations.

**Information Source(s):** Centers for Medicare and Medicaid Services; Maryland Department of Health; Maryland Health Benefit Exchange; Department of Legislative Services

**Fiscal Note History:** First Reader - February 14, 2023  
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