

**Department of Legislative Services**  
Maryland General Assembly  
2024 Session

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

House Bill 728

(Delegate Cullison, *et al.*)

Health and Government Operations

Finance

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**Health Insurance - Qualified Resident Enrollment Program (Access to Care Act)**

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This bill requires the Maryland Health Benefit Exchange (MHBE), in consultation with the Insurance Commissioner and as approved by the MHBE Board, to submit a federal State Innovation Waiver application by July 1, 2025. The waiver application must seek to establish a Qualified Resident Enrollment Program and, if available, seek federal pass-through funding resulting from the implementation of the program. If the waiver is approved, MHBE, in consultation with the Insurance Commissioner and as approved by the MHBE Board, must establish and implement the program. By January 1, 2026, MHBE must adopt regulations to carry out the program.

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**Fiscal Summary**

**State Effect:** MHBE can apply for the waiver and absorb initial start-up costs for the program using existing budgeted resources. To the extent that State subsidies are approved for the program by the General Assembly at a future time, expenditures increase by an indeterminate amount. This analysis does not assume receipt of federal pass-through funding, as discussed below.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Bill Summary:** “Qualified resident” means an individual, including a minor, regardless of immigration status, who at the time of enrollment (1) is seeking to enroll in a qualified plan offered to individuals through the exchange; (2) resides in the State; (3) is not

incarcerated, other than incarceration pending disposition of charges; and (4) is not eligible for the federal advanced premium tax credit (APTC), Medicaid or the Maryland Children's Health Program, Medicare, or employer-sponsored minimum essential coverage.

Implementation of the program must be contingent on approval of the waiver from the U.S. Secretary of Health and Human Services and the U.S. Secretary of the Treasury.

Within six months before a fiscal year in which MHBE implements the program, MHBE must submit a report to the General Assembly on its plan to implement the program, including (1) the amount and source of the funding; (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.

The program must allow qualified residents to purchase qualified plans on the individual exchange. The program must facilitate the enrollment of qualified residents in qualified plans that, as necessary, meet the requirements of the federal waiver.

By December 31, 2025, the Insurance Commissioner may waive any notification or other requirements that apply to a carrier under the Insurance Article in calendar 2025 due to the implementation of an approved waiver.

**Current Law:** 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 APTCs, cost-sharing reduction plans, and public assistance programs such as Medicaid.

Under federal regulations, only U.S. citizens or lawfully present noncitizens are eligible to enroll in a qualified health plan (QHP) through the exchange and receive APTCs. Individuals ineligible due to immigration status may purchase full-priced QHPs off the exchange with identical premiums. Federal subsidies are not available for this population.

Chapter 384 of 2023 required MHBE and the Maryland Department of Health to develop a report comparing options for offering affordable health and dental coverage to State residents ineligible for existing affordable coverage options due to immigration status. The [report](#), submitted in December 2023, notes that there are approximately 112,400 undocumented and uninsured individuals in Maryland who are ineligible for Medicaid and QHPs due to immigration status.

The report provides estimated take-up rates and costs of various Medicaid and QHP benefit packages over a five-year implementation period. Based on midpoint estimated take-up rates, a QHP benefit package for noncitizens who are income-eligible for Medicaid is estimated to cover 14,213 individuals at an average per member per month (PMPM) cost of \$714, and an annual average cost of \$122.1 million. A QHP benefit package for noncitizens who are not income-eligible for Medicaid is estimated to cover 12,815 individuals at an average PMPM cost of \$651, and an annual average cost of \$100.3 million.

These estimated PMPM costs include State-funded cost-sharing reductions for individuals with household income up to 250% of the federal poverty level (equivalent to the federal cost-sharing reductions available to lawfully present individuals), State-funded premium subsidies for all income groups (equivalent to federal APTCs available to lawfully present individuals), and reinsurance costs for all age groups. In addition, the estimated PMPM cost for those income-eligible for Medicaid assumes that the State fully subsidizes the premium for the lowest-cost stand-alone dental plan. PMPM costs also include administrative costs of approximately \$1.1 million annually.

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. Washington requested a 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.

**State Fiscal Effect:** Assuming a waiver is granted, the program may be operational as early as calendar 2026. Under the bill, within six months before a fiscal year in which MHBE implements the program, it must submit a specified report to the General Assembly on its plan to implement the program. Thus, actual expenditures for the program depend on program parameters, whether MHBE is authorized to provide subsidies, and available funding.

The federal Centers for Medicare and Medicaid Services made a preliminary determination that Washington State will not receive federal pass-through funding as the state's waiver is not projected to alter individual market premiums and, thus, does not yield federal APTC savings. MHBE advises that it is, therefore, unlikely that Maryland would receive such funds under a similar waiver. Accordingly, this analysis does not anticipate receipt of federal pass-through funds under the bill.

**Additional Comments:** The bill is intended to facilitate the enrollment of qualified residents in qualified plans by allowing them to purchase a plan through Maryland Health Connection.

## **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years; however, legislation with similar provisions has been proposed. For example, see SB 365 and HB 588 of 2023 and SB 728 and HB 1035 of 2022.

**Designated Cross File:** SB 705 (Senators Hayes and Lam) - Finance.

**Information Source(s):** Maryland Health Benefit Exchange; Maryland Insurance Administration; Department of Legislative Services

**Fiscal Note History:**     First Reader - February 7, 2024  
km/ljm                         Revised - Clarification - February 7, 2024  
                                      Revised - Correction - February 7, 2024  
                                      Third Reader - March 14, 2024  
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