

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Consumer Information and Insurance Oversight
200 Independence Avenue SW
Washington, DC 20201



December 29, 2025

VIA ELECTRONIC MAIL: michele.eberle@maryland.gov

Michele Eberle
Executive Director
Maryland Health Benefit Exchange
750 E. Pratt St., 6th Floor
Baltimore, MD 21202

Dear Director Eberle:

Thank you for your October 20, 2025, and updated November 6, 2025, letter requesting to delay implementation of Maryland's Qualified Resident Enrollment Program (also referred to as the "waiver amendment") under its amended State Innovation Waiver (also referred to as a "section 1332 waiver") under section 1332 of the Patient Protection and Affordable Care Act (ACA) until plan year (PY) 2028.¹ I am responding on behalf of the Department of Health and Human Services (HHS) and the Department of the Treasury (collectively, "the Departments").

Per Maryland's request, the State is seeking to postpone implementation of the Qualified Resident Enrollment Program due to changes in federal law and regulations that the State could not have anticipated when it applied for the waiver amendment and that it must address through substantial system changes. Instead of an effective date of January 1, 2026, the State seeks a new effective date of January 1, 2028, for the Qualified Resident Enrollment Program. The State notes that if time and resources allow, it may be able to implement the waiver amendment earlier than January 1, 2028, in which case the State would notify the Departments at least six (6) months before the implementation date of the waiver amendment.

The Departments have reviewed the request as a request to temporarily suspend a portion of the State's amended waiver plan pursuant to Maryland's specific terms and conditions (STCs), specifically STC 8. The State has submitted its request to the Departments in writing specifying the reasons for the requested suspension and the proposed effective date of the requested suspension. While the State has submitted its request less than six months before the proposed effective date of the waiver amendment's suspension, the Departments accept the request

¹ Maryland's currently approved section 1332 waiver plan waives the individual market single risk pool requirement contained in ACA section 1312(c)(1) to the extent it would otherwise require excluding total expected state reinsurance payments when establishing the market-wide index rate, thereby allowing for implementation of the Maryland State Reinsurance Program for PYs 2024 through 2028. The waiver plan also waives section 1312(f)(3) of the ACA to the extent it would otherwise prohibit enrollment of certain residents in Qualified Health Plans (QHPs) and Qualified Dental Plans (QDPs) through the State-based Exchange, thereby allowing for implementation of the Qualified Resident Enrollment Program for PYs 2026 through 2028. See: <https://www.cms.gov/files/document/1332-md-waiver-amendment-approval-letter-stcs-signed.pdf>

because the State notified the Departments as soon as it became aware of expected operational challenges that would impact implementation of its waiver amendment and that it was considering delaying implementation as a result.

Prior to submitting the October 20, 2025 request, the State published on its website a notice of its intent to postpone implementation of the waiver amendment, along with a revised implementation plan. The State provided thirty (30) days for public comment on the notice. The State received three letters co-signed by multiple organizations, which, generally, expressed opposition to the delay and urged the State to reconsider the delay or implement the waiver amendment as soon as possible. In response to comments, Maryland noted that it would implement the Qualified Resident Enrollment Program earlier than PY 2028 if state resources allow but also noted that the projected impacts of the Program on enrollment had been very small. The Departments have similarly considered the comments received by Maryland and would similarly note the very small impact that the Program was expected to have on enrollment. A full summary of comments received and the State's responses can be found in the State's suspension request letter.²

The Departments have reviewed the State's request and are approving the suspension of the Qualified Resident Enrollment Program until January 1, 2028, pending approval from the Departments to move forward with implementation. The Departments have determined that Maryland's waiver plan will continue to comply with the section 1332 statutory guardrails (as set forth in sections 1332(b)(1)(A)-(D) of the ACA) during the suspension period, when only the Reinsurance Program is in place. The Reinsurance Program alone is projected to increase enrollment and to continue reducing individual market premiums, which is expected to reduce federal spending on the premium tax credit (PTC). In addition, the Reinsurance Program does not alter the essential health benefits provided in individual health insurance coverage offered on the Exchange.³

The January 15, 2025, STCs governing Maryland's amended waiver plan shall remain in force, except those references to the Qualified Resident Enrollment Program, to the waiver of section 1312(f)(3) of the ACA, and to the waiver amendment which shall be without effect during the period of the suspension. Given the suspension of the waiver amendment, the State should submit a revised Operational Report no later than March 31, 2027, and must receive approval from the Departments before implementing the waiver amendment. If Maryland intends to implement the waiver amendment sooner than January 1, 2028, the State must submit a revised Operational Report when it provides the Departments with at least six (6) months' notice of the new implementation date, or earlier unless a different timeline is agreed upon between the Departments and the State. The Operational Report should reconfirm the steps the State will take to comply with STC 17.

² <https://www.marylandhbe.com/wp-content/uploads/2025/12/Revised-MD-1332-Amendment-Delay-Package-11062025.pdf>

³ As described in Maryland's waiver amendment application and as determined by the Departments, the waiver amendment's impact on the statutory guardrails was projected to be immaterial; it was projected to increase unsubsidized enrollment by less than 1%, to have a negligible impact on lowering premiums (and thus federal spending on PTC), and to not alter the provision of essential health benefits in individual health insurance coverage offered through the Exchange. See: <https://www.marylandhbe.com/wp-content/uploads/2024/08/MD-1332-Waiver-Amendment-Request-FINAL-w-updated-exhibits.pdf>. Also see: <https://www.cms.gov/files/document/1332-md-waiver-amendment-approval-letter-stcs-signed.pdf>.

Next Steps

Please send your written confirmation and any communications and questions regarding program matters or official correspondence concerning the waiver to Meril.Pothen@cms.hhs.gov or stateinnovationwaivers@cms.hhs.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter Nelson".

Peter Nelson

Deputy Administrator and Director, Center for Consumer Information and Insurance Oversight
Centers for Medicare & Medicaid Services

CC: Kenneth Kies, Assistant Secretary, Tax Policy, U.S. Department of the Treasury
The Honorable Wes Moore, Governor, State of Maryland
Marie Grant, Commissioner, Maryland Insurance Administration
Johanna Fabian-Marks, Deputy Executive Director & Director of Policy and Plan
Management and Eligibility, Maryland Health Benefit Exchange
Tony Armiger, Chief Financial Officer, Maryland Health Benefit Exchange