



Lunch with *MIA*: Navigating Health Insurance for Small Businesses in Maryland



Maryland Health Connection for Small Business

Theresa Battaglia
Deputy Director, Marketing

maryland  health
connectionSM
for small business

MHC for Small Business Website and Application



 Sign In



Maryland Health Connection for Small Business



Get Covered

Welcome to MHC for Small Business!

A one-stop shop where small businesses and nonprofit organizations can get health insurance for their employees. Employers and brokers can start with a quote.

[Get Quote](#)

Employer Benefits

Here's what's new:

- **One-Stop Shop** - Streamlined enrollment and consolidated billing for all employees and carriers in one platform.
- **User-friendly** tools & navigation tailored for employers and employees
- **Helpful video guides** and FAQs to walk users through every step
- **Flexible plan options:** Employee Choice & Employer Choice
- **New URL:** MarylandHealthConnection.gov/smallbusiness

Set Up An Account

The screenshot displays the user interface of the Maryland Health Connection for small business. On the left is a sidebar menu with options: Dashboard (highlighted), Employees, Inbox, Quotes, and My Profile. The main content area features a top navigation bar with the logo and a welcome message for 'Emily Town'. Below this is a green banner with a checkmark icon and a 'Congratulations!' message about the Small Business Healthcare Tax Credit, with a link to a calculator. The central section shows a profile for 'Rambo' with contact details and an 'Edit Details' link, and a 'Switch Business' button. To the right, a 'Broker Information' box lists 'Broker Testmust' and 'Mnbe'. The bottom section is titled 'Welcome' and contains a reminder for employees to enroll. A large image of a family is positioned on the right side of the page.

maryland health connection
for small business

Welcome Emily Town

Congratulations!
You might qualify for the Small Business Healthcare Tax Credit.
Discover your potential savings with the [Small Business Health Care Tax Credit Estimator Tool](#)

Rambo
EIN: 875555341
T: (564) 635-4554
E: makeda.hallegeberel@maryland.gov
P: Jones Bridge Road, Chevy Chase, Montgomery, MD - 20904
[Edit Details](#)

Switch Business

Broker Information
Broker Testmust
Mnbe

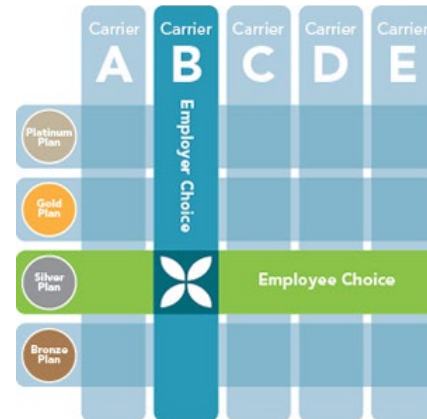
Welcome
Remind your employees to create an account and enroll during open enrollment. They have received an email from MHC for Small Business with a link to start the process.

Enrollment options for employees

Employer Choice: Employer selects one insurance company that offers coverage, and employees may choose any plan from any metal level that insurance company offers.

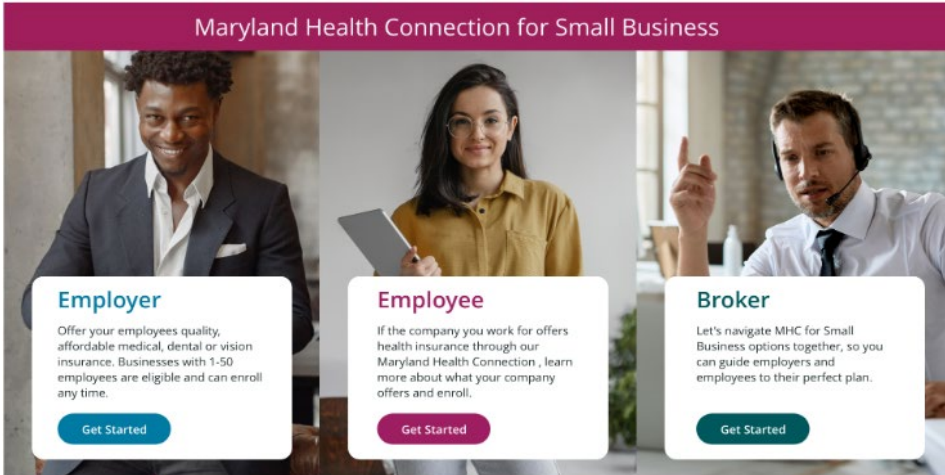
Employee Choice: Employer selects up to two consecutive metal levels of coverage, and employees may choose any plan across all the insurance companies that offer plans at those metal levels.

Single Plan: Employer selects one plan.



Advantages of MHC for Small Business

- Health insurance for employees is the single most expensive benefit offered by employers.
- It a powerful benefit in recruiting and retaining the best workers.
- Small businesses are not required to purchase health insurance for their employees, but if they choose to do so they may qualify for a tax credit.
- Insurance brokers authorized by the Maryland Health Benefit Exchange can assist all businesses with direct enrollment in private health plan through the MHC for Small Business.



The banner features a purple header with the text "Maryland Health Connection for Small Business". Below the header are three panels, each with a background image of a person and a white text box. The first panel shows a man in a suit, the second shows a woman in a yellow shirt holding a tablet, and the third shows a man in a white shirt wearing a headset. Each panel has a title, a description, and a "Get Started" button.

Employer	Employee	Broker
Offer your employees quality, affordable medical, dental or vision insurance. Businesses with 1-50 employees are eligible and can enroll any time.	If the company you work for offers health insurance through our Maryland Health Connection, learn more about what your company offers and enroll.	Let's navigate MHC for Small Business options together, so you can guide employers and employees to their perfect plan.
Get Started	Get Started	Get Started

MHC for Small Business

Advantages:

- ✓ Small businesses can claim deductions on taxes paid on plan premiums for health insurance and may be eligible for a health care tax credit.
- ✓ Employees pay for health insurance premiums pre-tax, lowering their income tax bill.
- ✓ Retain good employees who see the value of their employer-provided insurance in compensation statements.



The Small Business Health Care Tax Credit

Small businesses may qualify for a health care tax credit:

- Buy group health insurance coverage through MHC's Small Business marketplace
- Have fewer than 25 full time-equivalent (FTE) employees – businesses could qualify if some are part-time
- Total FTEs don't include the owner, owner's spouse or family members
- Pay an average annual salary of less than \$65,000 (does not include owner and amount changes a little due to inflation every year)
- Contribute at least 50 percent toward employee-only health insurance premium

Private Health Plans

- Licensed and approved by the state
- CareFirst, UnitedHealthcare and Kaiser Permanente

CareFirst[®]



KAISER
PERMANENTE[®]



UnitedHealthcare[®]

What's Covered?

- ✓ Preventive care
- ✓ Doctor visits
- ✓ Hospitalization
- ✓ Emergency care
- ✓ Maternity and newborn care
- ✓ Pediatric care, including dental and vision benefits
- ✓ Prescription drugs
- ✓ Laboratory tests
- ✓ Mental health care
- ✓ Substance use disorder treatment
- ✓ And more!

Resources, Fact Sheets and Merchandise

- **What is MHC for Small Business?** English and Spanish
- **Small Business tax credits - fact sheet**
- **How to get help** (Free MHC-authorized broker support)
- **Brochure: Need Health Insurance for Your Employees?**

Health Coverage and Savings for Small Businesses

Maryland Health Connection for Small Business helps small businesses and nonprofit organizations provide health and dental insurance coverage to their employees. Businesses can sign up at any time of the year. MHC for Small Business also is the only place where small businesses may qualify for a federal tax credit to lower the cost of coverage for their employees.

Why enroll?

- As a small business owner, you can claim the deduction on taxes paid on plan premiums for health insurance, vision and dental, and you may be eligible for a health care tax credit.
- Employees get a break because their portion of their health insurance premium is paid pre-tax, lowering their income tax bill.
- Providing insurance helps retain good employees who see the value of their employer-provided insurance in compensation statements.
- Rates fluctuate less in the small group market than in the individual market. You can better predict long-term costs.

To be eligible to participate you must:

- Have a principal business address within Maryland.
- Have at least one employee on payroll (not including a business owner, owner's spouse or family members).
- Employ 50 or fewer full-time-equivalent employees (FTEs).
- Offer coverage to all FTEs.

GET STARTED TODAY

1. Complete the eligibility application online at: mhcsmallbiz.MarylandHealthConnection.gov. You can expect a response from Maryland Health Connection regarding your business' eligibility within 10 business days.
2. Select a MHC-authorized broker to assist you. These licensed professionals provide free help choosing a plan that works for your business.
3. Work with your authorized broker to browse health plans and insurance companies, and complete enrollment in a plan.

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The Small Business Health Care Tax Credit

Helping small businesses cover the cost of employee health benefits

Maryland small businesses and nonprofit organizations that provide health insurance coverage to their employees through Maryland Health Connection may qualify for a health care tax credit from the IRS to help lower the cost of employee coverage.

Businesses can sign up at any time of the year through the Maryland Health Connection for Small Business, which is part of Maryland Health Connection, the state's health insurance marketplace.

Your business may still be eligible to enroll in this program and enjoy its many benefits even if you don't qualify for the federal tax credit.

How MHC for Small Business helps your business

- Tax credits to pay a share of employee premium costs for small businesses that qualify
- Flexibility in contributing to employee premiums
- Simplicity in paying for employee premiums
- More coverage options

Who is eligible for the health care tax credit?

Maryland small businesses and tax-exempt organizations may qualify for the Small Business Health Care Tax Credit if they:

- Buy group health insurance coverage through Maryland Health Connection for Small Business
- Have fewer than 25 full-time-equivalent (FTE) employees
 - You could still qualify with 25 or more employees, if some are part-time.
 - Total FTEs don't include the owner or owner's spouse or family members.
- Pay an average annual salary of less than \$62,000 (adjusted for inflation)
- This average excludes wages for owner and owner's spouse or family members.
- Contribute at least 50 percent toward employee-only health insurance premiums
 - Amounts paid toward dependent coverage, if offered, also may be included in the total.

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How do I get savings?

The Small Business Health Care Tax Credit is available for plans purchased through Maryland Health Connection for Small Business and may be claimed for any two consecutive years.

Up to 50 percent of your contribution to employee premiums for 35 percent for a tax-exempt small employer may be covered by the tax credit. Tax credit eligibility is determined by the IRS.

Maryland small businesses and tax-exempt organizations may qualify for the Small Business Health Care Tax Credit if they:

- ✓ Buy group health insurance coverage through Maryland Health Connection for Small Business
- ✓ Have fewer than 25 full-time-equivalent (FTE) employees
 - You could still qualify with 25 or more employees, if some are part-time
 - Total FTEs don't include the owner or owner's spouse or family members
- ✓ Pay an average annual salary of \$62,000 or less in 2022 (Adjusted for inflation annually)
- ✓ This average excludes wages for owner and owner's spouse or family members
- ✓ Contribute at least 50 percent toward employee-only health insurance premiums
 - Amounts paid toward dependent coverage, if offered, also may be included in the total

We're here to help

mhcsmallbiz.MarylandHealthConnection.gov

mhcsmallbiz.MarylandHealthConnection.gov

marylandhealthconnection.gov for small business

Need health insurance for your employees?

A step-by-step guide on enrolling your employees in an affordable health plan. Businesses and nonprofit organizations can sign up at any time of the year.

Maryland Health Connection for Small Business is the only place where small businesses may qualify for a federal tax credit to lower the cost.

[MHCsmallbiz.MarylandHealthConnection.gov](https://mhcsmallbiz.MarylandHealthConnection.gov)



Enrollment Help



 SIGN IN

Maryland Health Connection for Small Business

Call Center for Brokers, Employers, and Employees

Toll-free [1-877-637-6249](tel:1-877-637-6249) (877-MD-SM-BIZ)

Monday to Friday: 8 a.m.–6 p.m.

Help for Brokers

E-mail broker support at mhc.smallbiz@maryland.gov (*do not include any confidential information in email*).

Broker Issue Escalation:

Phone: [410-412-2411](tel:410-412-2411)

Email: mhc.smallbiz.escalations@maryland.gov (*do not include any confidential information in email*).

Help for Employers

Contact your broker for help. If you do not have a broker, you can [find one here](#).

Help for Employees

Your employer's broker information can be found in your MHC for Small Business account.



We're Here to Help


- **Small Business - Find MHC Authorized Broker Assistance**
[Find Broker Assistance](#)

maryland health connection for small business Log In

Find Assistance

Search Name, Zip Code 🔍 🔧

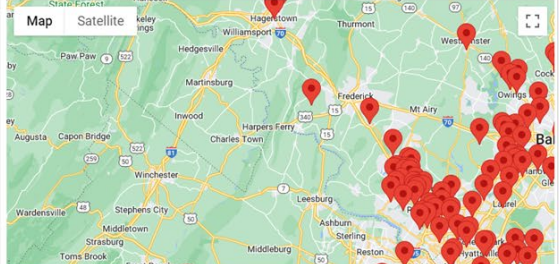
Name <input type="text"/>	Location <input type="text"/>	Search By Distance x
Assistance Offered All x	Languages Spoken Languages Spoken	Range All x
Business Type All x	NPN number <input type="text"/>	




Yogesh Adhia
Individual and Small Biz
(234)-421-1162
VEMA AGENCY [DBA]
108 Milhollan Drive Elkton, MD 21921
[Get Directions](#)

46.09 miles

SELECT





Abimbola Afolabi

SELECT

Thank you!
Questions?

Theresa Battaglia
theresa.battaglia@maryland.gov

@MarylandConnect





Understanding Level-Funded Plans

Marie Grant, Commissioner



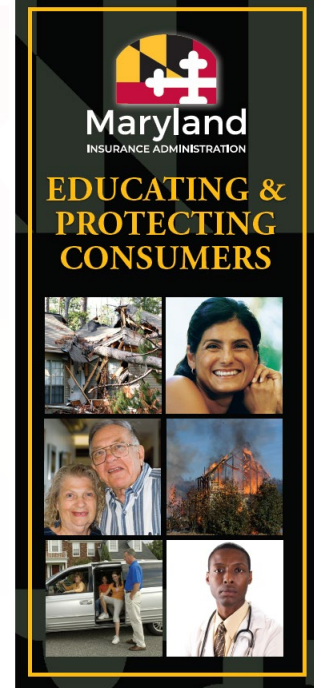
This presentation does not provide legal advice.
You should discuss specific questions with your
trusted financial advisor or insurance producer.



What is the Maryland Insurance Administration

The Maryland Insurance Administration (MIA) is the state agency that regulates insurance in Maryland. The MIA:

- Licenses insurers and insurance producers (agents or brokers).
- Examines the business practices of licensees to ensure compliance.
- Monitors solvency of insurers.
- Reviews/approves insurance policy forms. Reviews insurance rates to ensure rates are not inadequate, excessive or unfairly discriminatory.
- Investigates consumer and provider complaints and allegations of fraud.



Small Business - Employee Health Insurance Options

1 **Buying a fully-insured health plan.**

- The employer pays a monthly premium to an insurance company, which then pays a portion of health care expenses for the employees as long as the contract is in place
- The premium amount is set, so the employer's costs are predictable

2 **Self-funding or being self-insured.**

- The employer pays employees' health care claims directly, often working with an Administrative Services Organization to help manage the process
- The employer's actual cost depends on employees' medical needs: the cost is variable

“Stoploss” Protection for Self-Insured Employers

- If employees’ medical needs become extremely expensive, a self-insured employer may not be able to afford to pay the claims
- To limit the total amount the employer may have to pay for employees’ medical costs, many self-insured employers buy “stoploss” insurance
- Stoploss plans in MD of section 15-129 of the Insurance Article
- Stoploss insurance begins to pay for the employer’s claims costs after medical costs reach a certain dollar amount for:
 - A single individual covered by the plan (specific), and
 - All people covered by the plan (aggregate)

What is a Level-Funded Plan?

A level-funded plan is a health benefit product that is self-funded with stoploss insurance and other mitigation to limit the employer's financial risk

Because a level-funded plan is self-insured, it is exempt from:

- State required benefit mandates and regulations (preempted by ERISA), including the state premium tax and reinsurance assessment
- Certain Affordable Care Act mandates (e.g., can underwrite based on employees' health, no loss-ratio rule to limit administrative cost)

Level-funded plans still must comply with certain federal laws, including Mental Health Parity and ACA reporting

How a Level-Funded Plan Works

The employer pays a monthly amount that typically includes three parts:

1. Contribution to a “reserve fund” to pay for employees’ claim costs
2. Fee for an Administrative Services Organization (ASO) to manage the medical and pharmacy claims
3. Premiums for stop-loss insurance that limit the employer’s liability for specific costs and for aggregate costs

How a Level-Funded Plan Works

- The reserve fund is used to pay for employee's claims during the contract year. At year end, if there is money left in that fund, the employer gets a refund or applies it to the next year's premium (<20% of employers)
- If claims costs are higher than expected in any month or at year end, the stoploss coverage kicks in at the specific and/or aggregate levels
- If the stop-loss insurance contract has ended before a claim is received, the employer may be responsible for the claim in full

How a Level-Funded Plan Works, cont.



How a Level-Funded Plan Works, cont.

Examples of what employers who buy a level-funded plan must do:

- Meet document and reporting requirements of the Department of Labor, IRS, and CMS
- Understand what is covered, as state-mandated benefits don't apply (e.g., coverage for fertility treatments, autism services, mental health services)
- Collect data and file gag clause attestations and other reports, and pay the PCORI fee
- Satisfy ERISA fiduciary duty requirements, such as managing vendors, proper handling of employee contributions, timely payment of all LFP bills, reporting, and plan performance
- Ensure compliance with HIPAA rules for the use, storage, transmission and disclosure of Protected Health Information (PHI), plus complete training, adopt policies and procedures, and conduct risk assessments

How a Level-Funded Plan Works, cont.

How employees may be affected if the employer buys a level-funded plan:

- If the employer has fewer than 20 COBRA FTEs, any employee terminated from the LFP may not be eligible for continuation coverage
- If the employer has fewer than 20 FT and PT employees, any Medicare-eligible employees could have significant out-of-pocket costs if they are not enrolled in Medicare, because Medicare is primary and the LFP is secondary
- If the employer has fewer than 50 ACA FTEs, employees must rely on the employer to provide the necessary paperwork and send that information to the IRS
- Non-owner officers or the highest paid employees may not receive any preferential approach to LFP eligibility, contributions, or benefits

Level-Funded Plans Observations


Small employers may be rejected from buying a level-funded plan due to their employees' health status

With a level-funded plan, the small employer:

- Takes on more risk with a higher probability of large rate increases if employee medical costs end up being high
- Must deal with more administratively complex requirements in the stoploss and the ASO agreements, compared to fully-insured coverage
- For every health care dollar, it pays a higher percent for administrative fees vs. claims for health services

Contact Information

Maryland Insurance Administration

 **800-492-6116 | 410-468-2000 | 800-735-2258 (TTY)**

 **insurance.maryland.gov**



MDInsuranceAdmin



[marylandinsuranceadmin](#)



en Español: MDInsuranceAdminES



[MD_Insurance](#)



[Maryland Insurance Administration](#)



<https://bit.ly/mdmiayoutube>



[Maryland Insurance Administration](#)



[Maryland Insurance Administration](#)





FRAUD ALERT

THE IMPACT OF HEALTH CARE FRAUD ON SMALL BUSINESSES

Shaun O'Neill, Insurance Fraud Division

Agenda

Health care fraud is a silent epidemic costing the United States up to \$300 billion annually. Small businesses, already operating with tight margins, bear a disproportionate financial burden of this widespread problem. As fraud rates increase, insurance premiums and healthcare expenses climb, creating significant challenges for small business owners trying to provide quality benefits.

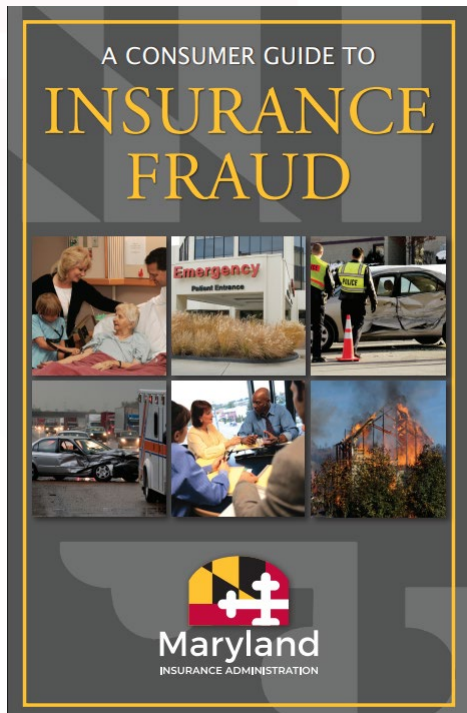
- Unauthorized Health Plans
- Schemes
- Mitigation Strategies



Health Care Spending

U.S. health care spending grew 4.1% to reach \$4.5 trillion in 2022, faster than the increase of 3.2% in 2021, but much slower than the rate of 10.6% in 2020. The growth in 2022 reflected strong growth in Medicaid and private health insurance spending that was somewhat offset by continued declines in supplemental funding by the federal government associated with the COVID-19 pandemic.

The National Health Care Anti-Fraud Association (NHCAA) estimates that the financial losses due to health care fraud are in the tens of billions of dollars each year. A conservative estimate is 3% of total health care expenditures, which would amount to approximately \$135 billion in 2022.



Life and Health Insurance Fraud

Life and health insurance fraud represents the largest segment of insurance fraud, with combined annual losses exceeding \$111 billion.

1 Life Insurance Schemes

Includes faked deaths, fraudulent beneficiary claims, and policy stacking across multiple insurers without disclosure.

2 Health Care Fraud

Encompasses billing for services never rendered, upcoding to more expensive procedures, and prescription medication schemes.

3 Medicare/Medicaid Fraud

Government programs particularly vulnerable to systemic fraud schemes by organized groups and dishonest providers.

CONSUMER ADVISORY

BEWARE OF UNAUTHORIZED HEALTH INSURANCE PLANS IN MARYLAND

**CONTACT THE MARYLAND INSURANCE ADMINISTRATION IF
YOU BELIEVE YOU WERE MISLED BY A BROKER OR AGENT**

The Maryland Insurance Administration has become aware of several entities offering unauthorized health insurance plans in Maryland.

The latest complaints involve people posing as insurance agents or brokers and offering Marylanders health coverage that makes them "limited partners" or "part owners" in the company selling the plan. In many cases, people buying the plans thought that they had contacted the official Maryland Health Connection, but reached a different site instead.

In most cases, it is illegal to sell an unauthorized insurance policy in the State of Maryland. Unlicensed companies may offer policies with low premiums that appear to provide extensive healthcare coverage, but in reality offer you limited or no coverage. The groups may not pay your claims, and the Maryland Insurance Administration may have limited authority to force them to do so.



What Is Minimum Essential Coverage (MEC)?

Minimum Essential Coverage is the type of health insurance that satisfies the Affordable Care Act's individual mandate requirements. It represents the baseline level of coverage individuals need to avoid penalties in states that still enforce them.

While the federal tax penalty was reduced to \$0 in 2019, several states maintain their own penalties for non-compliance, making MEC understanding crucial for both employers and individuals.

Qualifying MEC Plans

- Employer-sponsored group health plans
- ACA-compliant individual market plans
- Medicare, Medicaid, TRICARE
- "Preventive-only" or "skinny" plans

Non-Qualifying Plans

- Standalone dental or vision plans
- Short-term health plans
- Discount programs
- Health sharing ministries



What Are Unauthorized Health Plans?

Definition

Health insurance plans sold without proper state or federal regulatory approval, operating outside legal frameworks that protect consumers and businesses.

Deceptive Practices

Often misrepresented as traditional comprehensive health coverage, these plans may claim to be ACA-compliant when they are not.

Regulatory Gaps

Some claim to be self-funded ERISA plans, exploiting the fact that ERISA plans aren't regulated by states, creating dangerous oversight gaps.



The Growing Threat of Unauthorized Health Plans

1

Fraudulent Agents Posing as Legitimate Brokers

Scammers are impersonating insurance professionals and targeting Maryland residents seeking health coverage.

2

Deceptive "Limited Partnership" Schemes

Unauthorized plans claim to make buyers "limited partners" or "part owners" in the company selling the coverage, attempting to skirt state regulations.

3

Website Spoofing

Many victims believed they contacted the official Maryland Health Connection but reached fraudulent websites designed to mimic legitimate state resources.

These fraudulent activities have been increasingly reported across the state.

Red Flags: How to Spot Potential Scams

Suspiciously Low Premiums

If the rates seem too good to be true compared to other legitimate plans, they probably are.

ERISA Exemption Claims

Claims that a plan is exempt from state regulation due to ERISA should raise immediate concerns, as legitimate ERISA plans are typically only offered by employers to their employees.

Limited Partnership Language

Any mention of becoming a "limited partner" or "part owner" when purchasing health insurance is highly unusual and a major warning sign.

Pressure Tactics

High-pressure sales techniques urging immediate decisions without time to review documents thoroughly.



The Serious Risks of Unauthorized Plans

- ⊗ **WARNING:** Unauthorized insurance plans may leave you with:
- Limited or no actual healthcare coverage despite promises
 - Denied claims with no recourse
 - Financial liability for medical expenses you thought were covered
 - Difficulty getting assistance from state regulators due to limited authority



The Maryland Insurance Administration has received multiple reports of residents facing unforeseen medical bills after their unauthorized insurance plans refused to pay legitimate claims. In most cases, selling unauthorized insurance in Maryland is illegal, but recovery of funds can be difficult or impossible.



Health Plan sound too good to be true or have questions? We're here to help!

Official Maryland Resources:



Phone: 410-468-2442

Email : hcat.mia@maryland.gov



Phone: 855-642-8572

Email :
marylandhealthconnection.gov



Healthcare Insurance Fraud Schemes

Medical providers who systematically defraud insurance companies through various schemes:

- Billing for services never provided
- Inflating bills for services that were provided
- Performing unnecessary procedures
- "Upcoding" - billing for more expensive procedures
- Using patient information to file false claims

These operations often work in conjunction with staged auto accidents or disability claims, creating a network of fraud.

Encourage employees to carefully review EOB for accuracy.



Preventing Health Care Fraud: Strategies for Small Businesses



Employee Education

Implement regular training sessions to help employees identify suspicious bills, protect their medical identity, and report potential fraud. Create clear reporting channels for employees who spot potential issues.



Secure Systems

Invest in secure HR and benefits administration systems with strong authentication protocols. Regularly audit access to sensitive health information and maintain strict data governance policies.



Strategic Partnerships

When selecting insurance providers, evaluate their fraud prevention measures. Partner with insurers who demonstrate robust anti-fraud controls and transparent billing practices.

Small businesses can protect themselves by taking a proactive, multi-layered approach to fraud prevention that combines education, technology, and strategic partnerships.



Fighting Insurance Fraud: Steps for Action

1

Report Suspected Fraud

Contact the Maryland Insurance Administration's Fraud Division at 1-800-846-4069 or submit a report online at insurance.maryland.gov

2

Protect Your Information

Safeguard your insurance policy numbers, health information, and personal details to prevent identity theft and fraudulent claims in your name

3

Document Everything

Maintain detailed records of accidents, medical treatments, and property damage to support legitimate claims and identify discrepancies

4

Support Public Awareness

Participate in community education initiatives that highlight the costs of insurance fraud and promote honest reporting practices



Contact Information

Maryland Insurance Administration

Phone: 800-492-6116 or 410-468-2000

Website: www.insurance.maryland.gov

Fraud Division Hotline

Phone: 1-800-846-4069

Email: fraud@maryland.gov

Consumer Education and Advocacy Unit

Patricia Dorn

Email: patricia.dorn@maryland.gov



Questions?

