



Mid-Atlantic Permanente Medical Group, P.C.  
Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc  
2101 East Jefferson Street  
Rockville, Maryland 20852

February 5, 2020

The Honorable Delores G. Kelley  
Senate Finance Committee  
3 East, Miller Senate Office Building  
11 Bladen Street  
Annapolis, Maryland 21401

RE: SB 124 – Support

Dear Chair Kelley and Members of the Committee:

Kaiser Permanente is pleased to support SB 124 and make improvements in health care affordability through the establishment of the State-Based Health Insurance Subsidies Program.

Kaiser Permanente is the largest private integrated health care delivery system in the United States, delivering health care to over 12 million members in eight states and the District of Columbia.<sup>1</sup> Kaiser Permanente of the Mid-Atlantic States, which operates in Maryland, provides and coordinates complete health care services for approximately 755,000 members. In Maryland, we deliver care to over 430,000 members.

Health insurance works best when all eligible individuals are enrolled, balancing the risk pool and keeping premiums manageable for all. As the Maryland General Assembly knows well, cost continues to be a barrier for many, particularly young adults and those above 400 percent of the federal poverty level who are currently ineligible for subsidies. Too many people are choosing to forgo insurance as a result. SB 124 creates the necessary structure to deliver additional financial assistance to individuals purchasing coverage in the individual market, and with that additional assistance, will directly reduce the amount that individuals pay for coverage.

Along with the individual mandate, federal subsidies have been a critical leg in the stool of the Affordable Care Act (ACA) and led to a dramatic expansion of coverage in the ten years since the ACA passed. More than 400,000 people have gained coverage through Maryland Health Connection – about 290,000 through the expansion of Medicaid and more than 121,000 through private plans. However, the federal elimination of the individual mandate and other policies impacting market stability threaten to erode Maryland's gains. To protect the ACA and keep premiums down for the individual market, Kaiser Permanente believes Maryland should restore the coverage requirement and provide state level subsidies to supplement federal assistance.

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<sup>1</sup> Kaiser Permanente comprises Kaiser Foundation Health Plan, Inc., the nation's largest not-for-profit health plan, and its health plan subsidiaries outside California and Hawaii; the not-for-profit Kaiser Foundation Hospitals, which operates 39 hospitals and over 650 other clinical facilities; and the Permanente Medical Groups, self-governed physician group practices that exclusively contract with Kaiser Foundation Health Plan and its health plan subsidiaries to meet the health needs of Kaiser Permanente's members.

SB 124, along with bills to enact a state-level coverage requirement and enhance subsidies to improve affordability, will place Maryland's health care market back on stable footing, improve choice in health coverage, and keep premiums down.

As the State-Based Health Insurance Subsidies Program is developing, we urge the Legislature and the Exchange to work with individual market health plans closely to ensure the mechanics are right and the program is structured in the best possible way. We look forward to working with you so this critical program can be in place for the 2021 plan year.

Thank you for the opportunity to comment. Please feel free to contact Wayne Wilson at [Wayne.D.Wilson@kp.org](mailto:Wayne.D.Wilson@kp.org) or (301) 816-5991 with questions.

Sincerely,

Wayne D. Wilson  
Vice President, Government Programs and External Relations  
Kaiser Foundation Health Plan of Mid-Atlantic States, Inc.