



# THE PRINCE GEORGE'S COUNTY GOVERNMENT

OFFICE OF THE COUNTY EXECUTIVE

**BILL:** House Bill 709 - Maryland Health Benefit Exchange – Small Business and Nonprofit Health Insurance Subsidies Program

**SPONSOR:** Delegates R. Lewis, Lierman, and K. Young

**HEARING DATE:** February 17, 2022

**COMMITTEE:** Health and Government Operations

**CONTACT:** Intergovernmental Affairs Office, 301-780-8411

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**POSITION:** SUPPORT

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The Office of the Prince George's County Executive **SUPPORTS HB 709**, which establishes a Small Business and Nonprofit Health Insurance Subsidies Program in the State to provide subsidies to small business and nonprofit employers and their employees for the purchase of qualified health benefit plans on the Maryland Health Benefit Exchange (MHBE); and generally relating to MHBE and subsidies for small businesses and nonprofits.

The Small Business Health Options Program (SHOP), known as Maryland Health Connection (MHC) for Small Business in Maryland, was implemented by the Affordable Care Act in 2010 for employers who want to provide health insurance to their employees. Employers who meet certain qualifications can qualify for a federal tax credit to help lower the cost of employee coverage purchased through MHC for Small Business. However, the tax credit is only available for two years, limiting its benefit and its appeal to small businesses. Consequently, MHC for Small Business enrollment in Prince George's County, the state and SHOP enrollment nationally has remained low.

While the Congressional Budget Office originally estimated that 4 million people would enroll in SHOP nationwide by 2017, only 232,698 individuals had enrolled by the end of the projected year. In Maryland, only 949 individuals received coverage through a plan certified by MHC for Small Business as of January 2022.

Despite low enrollment rates in MHC for Small Business, the small group market overall in Maryland is a significant source of insurance for Marylanders, covering about 250,000 individuals. Enrollees in small group plans do not benefit from

affordability programs that have reduced rates in the individual market, including federal premium assistance and the State Reinsurance Program.

The public health emergency significantly impacted Prince George's County more than other jurisdictions in the state. Many small businesses and nonprofit organizations were forced to close and others are barely able to tread water. HB 709 provides a more sustainable program for small businesses to offer insurance at an affordable rate to eligible employees; and is an improvement over the current offering.

Over 20,000 residents are currently enrolled in the ACA's subsidized private health insurance programs, Qualified Health Plans (QHPs).<sup>i</sup> Enrollment in Medicaid and the Maryland Children's Health Program (MCHP) has grown to over 244,000 County residents, an increase of 106,000 people since the 2014 expansion of Medicaid.<sup>ii</sup>

These efforts have reduced the uninsured rate by over one third. Between 40,000 to 50,000 fewer Prince George's County residents are uninsured, while the County's population has grown significantly. Of the remaining uninsured, about half are ineligible for coverage due to their immigration status and the other half are eligible for subsidized coverage or Medicaid.<sup>iii</sup>

An estimated 90% of Prince George's County residents have health insurance, with the majority covered through Employer-Based Coverage, about 10% covered by Medicare, and the remaining third covered through the Maryland Health Benefits Exchange (MHBE).

The passing of HB 709 would significantly improve the uninsured rate in the County by providing subsidies to small businesses for employee coverage and provide huge incentives for small businesses and nonprofits to access coverage.

For the reasons stated above, the Office of the Prince George's County Executive **SUPPORTS House Bill 709** and asks for a **FAVORABLE** report.

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<sup>i</sup> Maryland Health Benefits Exchange, Summary Dashboard, July 30 2021.

<sup>ii</sup> Maryland Medicaid eHealth Statistics, The Hilltop Institute. <https://md-medicaid.org/mco/index.cfm>

<sup>iii</sup> Migration Policy Institute, 2018. "Profile of the Unauthorized Population: Prince George's County, MD."

[www.migrationpolicy.org/data/unauthorized-immigrant-population/county/24033](http://www.migrationpolicy.org/data/unauthorized-immigrant-population/county/24033)

<sup>iv</sup> Prince George's County Economic Development Corporation <https://www.pgcedc.com/>