

# MedChi

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TO: The Honorable Shane E. Pendergrass, Chair  
Members, House Health and Government Operations Committee  
The Hogan-Rutherford Administration

FROM: Danna L. Kauffman  
Pamela Metz Kasemeyer  
J. Steven Wise  
Christine K. Krone

DATE: February 10, 2022

RE: **SUPPORT WITH AMENDMENT** – House Bill 413 – *Health Insurance – Individual Market Stabilization – Extension of Provider Fee*

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The Maryland State Medical Society (MedChi), the largest physician organization in Maryland, **supports with amendment** House Bill 413. This bill extends the current health insurance provider fee from 2023 to 2028 for the purpose of assisting in the stabilization of the individual health insurance market through the State Reinsurance Program.

To be clear, MedChi supports the State Reinsurance Program and its goal to reduce costs to make insurance more affordable to individuals. However, we remain concerned, as we did in 2019 when the Program was first implemented, on how the provider fee is calculated and distributed among carriers. We also acknowledge that, since its implementation, the health insurance market has changed. As such, we believe it is now essential that the State re-examine not only the assessed fee but the application of this fee among carriers.

Specifically, as noted in the Kaiser Permanente testimony and amendments, the General Assembly must address certain issues prior to granting this extension. These issues include an analysis of how other funding sources or initiatives, such as those in the American Rescue Plan, have contributed to individuals having greater access to low-cost coverage in the individual market; how the tax is currently being used or diverted from the Program; and the impact that this Program may have increasing health care costs in other sectors of the marketplace, such as small employers and the Medicaid Program. The best approach to accomplish this is for the State to convene a workgroup with all affected stakeholders, including carriers, practitioners, businesses, and consumers, to evaluate the State Reinsurance Program and make recommendations for changes.

**For more information call:**

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