

February 15, 2023

The Honorable Melony G. Griffith
Chair, Senate Finance Committee
Senate Office Building, 3 East
11 Bladen St.
Annapolis, MD 21401

Re: Letter of Support – SB 365 - Health Insurance – Qualified Resident Enrollment Program (Access to Care Act)

Dear Chair Griffith and Members of the Senate Finance Committee:

The Maryland Health Benefit Exchange (MHBE) respectfully submits this letter of support on Senate Bill (SB) 365 – Health Insurance – Qualified Resident Enrollment Program (Access to Care Act). SB 365 will establish an enrollment program for populations who are currently ineligible for coverage through existing programs. MHBE will apply for a federal 1332 innovation waiver amendment to allow these populations to enroll in Qualified Health Plans (QHP) through Maryland Health Connection (MHC).

In the last ten years, Maryland’s uninsured rate has fallen in half and stands at about six (6) percent. Maryland has been a national leader in working to reduce the uninsured rate, including by implementing a state-based health insurance marketplace, launching the State Reinsurance Program which has reduced individual market premiums by more than 25 percent since 2019, enacting the Easy Enrollment Program to allow uninsured individuals to get connected to health coverage by checking a box on their state tax return or unemployment claim, and instituting state premium assistance for young adults. However, as of 2019 approximately **357,000 individuals** remain uninsured in Maryland, almost **one third** of whom are ineligible for coverage through Medicaid or the individual market due to immigration status.¹

Because undocumented residents make up a significant portion of the state’s remaining uninsured population, it’s possible that the program would reduce premiums across the individual market due to the increased pool of individuals eligible to enroll in qualified health plans, and subsequent increased enrollment. Increased enrollment and lower uninsured rates can have a cascade of other net positive impacts, including improving the overall health of the State’s population, and decreasing costs of uncompensated care. In fiscal year 2021 Maryland hospitals provided over **\$780 million** in uncompensated care, with some hospitals paying upward of **10 percent** of their total allocated budget towards uncompensated care.² Additionally this bill will allow mixed-status families to enroll in the same plan through the Exchange, providing continuity of coverage and care coordination, and reducing the burden of managing multiple plans.

¹ Source: MHBE analysis of American Community Survey data

² Health Services Cost Review Commission (HSCRC): [Rate Year 2023 Uncompensated Care Report](#) (June 2022).

It is worth noting, however, that the magnitude of the enrollment and premium impact of the proposed waiver amendment would be affected by the amount of state subsidy available to this population.

In November 2021, MHBE submitted a Joint Chairmen's Report that contains detailed actuarial analysis for a waiver and subsidy model that would provide coverage in private plans through MHC for those ineligible for coverage through Medicaid or the individual market due to immigration status. The report also includes information on existing resources for discounted healthcare services for these ineligible individuals in Maryland and describes actions other states are taking or exploring to provide coverage to similarly situated individuals in their states.³

As of December 2022, **eight states** have already expanded state-funded coverage to undocumented populations, including Washington and Colorado through similar programs as proposed in SB 365.⁴ MHBE supports continued initiatives that aim to further reduce the uninsured rate, and that promote health equity and access to care in Maryland.

For further discussions or questions on SB 365, please contact Johanna Fabian-Marks, Director of Policy and Plan Management at johanna.fabian-marks@maryland.gov.

Sincerely,



Michele Eberle
Executive Director

³ Joint Chairmen's Report: [Report on Costs, Feasibility, and a Review of Activity in Other States to Serve Individuals Ineligible for Medicaid or Qualified Health Plans with Advance Premium Tax Credits](#) (2021).

⁴ Kaiser Family Foundation: [Health Coverage and Care for Immigrants](#) (December 2022).