

SB 701_YA Subsidy_Support.pdf

Uploaded by: Allison Taylor

Position: FAV



Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc
2101 East Jefferson Street
Rockville, Maryland 20852

February 21, 2024

The Honorable Pamela Beidle
Senate Finance Committee
3 East, Miller Senate Office Building
11 Bladen Street
Annapolis, Maryland 21401

RE: SB 701 – Support

Dear Chair Beidle and Members of the Committee:

Kaiser Permanente is pleased to support SB 701, “Maryland Health Benefit Exchange – State–Based Young Adult Health Insurance Subsidies Pilot Program – Amount of Annual Subsidies.”

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.¹ Kaiser Permanente of the Mid-Atlantic States, which operates in Maryland, provides and coordinates complete health care services for over 825,000 members. In Maryland, we deliver care to approximately 475,000 members.

Kaiser Permanente has been a consistent supporter of the Young Adult Subsidy Program. This bill allows the Maryland Health Benefit Exchange to carry over unspent funds designated for subsidies for young adults in a previous calendar year. Our understanding is that, among other things, it will allow MHBE to award subsidies to young adults this year who were eligible but for whom funding was not available.

Thank you for the opportunity to comment. Please feel free to contact me at Allison.W.Taylor@kp.org or (202) 924-7496 with questions.

Sincerely,

A handwritten signature in dark ink that reads "Allison Taylor". The signature is fluid and cursive, with the first name and last name clearly distinguishable.

Allison Taylor
Director of Government Relations
Kaiser Permanente

¹ 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.

SB701_YoungAdultSubsidyRollover_LOS.pdf

Uploaded by: Jake Whitaker

Position: FAV



Maryland
Hospital Association

February 21, 2024

To: The Honorable Pamela Beidle, Chair, Senate Finance Committee

Re: Letter of Support- Senate Bill 701 - Maryland Health Benefit Exchange – State-Based Young Adult Health Insurance Subsidies Pilot Program – Amount of Annual Subsidies

Dear Chair Beidle:

On behalf of the Maryland Hospital Association's (MHA) member hospitals and health systems, we appreciate the opportunity to comment in support of Senate Bill 701.

Broad-based, affordable, and comprehensive health insurance is integral to hospitals' ability to provide high-quality care. It also is key to the state's success under the Total Cost of Care Model, which pushes accountability for whole-person care, including population health. Maryland hospitals have been strong proponents of the state's efforts to expand health care coverage, supporting Medicaid expansion, offering subsidized individual and small group health plans through the Maryland Health Benefit Exchange (MHBE), the reinsurance subsidy, and the Young Adult Subsidy at issue.

Nearly 400,000 Marylanders remain uninsured, and even more are underinsured—which often prevents access to care and results in worse health outcomes. Moreover, the percentage of uninsured rises dramatically when looking at communities with historical health inequities. Under the Young Adult Subsidy Program, enrollments for young adults through July 2023 surpassed 51,000. As MHBE expanded subsidy eligibility to young adults up to age 37 for plan year 2024, SB 701 is a commonsense solution to boost the program's sustainability.¹

Maryland hospitals support this bill's efforts to continue offering affordable coverage to more Marylanders. We look forward to our continued partnership with the state and the legislature to create sustainable solutions for access to affordable, comprehensive health insurance coverage.

For these reasons we respectfully request a *favorable* report on SB 701.

For more information, please contact:
Jake Whitaker, Director, Government Affairs
Jwhitaker@mhaonline.org

¹ Maryland Health Benefit Exchange. "Annual Report 2023." <https://www.marylandhbe.com/wp-content/uploads/2023/11/MHC2023-AnnualReport.pdf> (accessed February 20, 2024).

13 - SB 701 - FIN - MHBE - LOS.docx (1).pdf

Uploaded by: Jason Caplan

Position: FAV

February 21, 2024

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

Re: Letter of Support – SB 701 – Maryland Health Benefit Exchange – State-Based Young Adult Health Insurance Subsidies Pilot Program – Amount of Annual Subsidies

Dear Chair Beidle and Members of the Senate Finance Committee,

The Maryland Health Benefit Exchange (MHBE) respectfully submits this letter of support on Senate Bill (SB) 701 – Maryland Health Benefit Exchange – State-Based Young Adult Health Insurance Subsidies Pilot Program – Amount of Annual Subsidies. SB 701 makes a technical correction to the program’s authorizing statute, to allow any unspent funds designated for prior years of the Young Adult Subsidy program to be rolled forward and used for subsidies in future calendar years.

In recent years, Maryland has taken significant steps to stabilize the individual market, including implementing the State Reinsurance Program – a partnership with the federal government that has reduced individual market premiums by over 20% since 2019, and enacting Easy Enrollment Programs to allow uninsured individuals to get connected to health coverage by checking a box on their state tax return or unemployment claim. Still, Maryland’s uninsured rate has held steady at about 6%, with young adults remaining most likely to be uninsured. A 2019 analysis showed young adults ages 18-34 accounted for approximately 43% of non-Medicaid-eligible, lawfully present uninsured adults in Maryland,¹ and surveys of young adults have consistently reported costs as the primary barrier to enrolling in coverage. While the State Reinsurance Program has reduced average premiums, it is not an effective way to reduce premiums for individuals below 400% of the federal poverty level (FPL).^{2,3} Premium subsidies are the most effective way to reduce costs for lower-income individuals, including young adults.

MHBE operates a state-funded premium subsidy via the Young Adult Subsidies Pilot Program, which reduces the amount young adults pay for health plans on Maryland Health Connection (MHC). In 2024, young adults are eligible to receive the state subsidy if they are ages 18-37, below 400% FPL, and ineligible for Medicaid. Subsidy parameters are on a sliding scale, with the youngest and lowest income young adults paying the least.

¹ MHBE analysis of 2019 American Community Survey data

² MHBE: [Report on Establishing State-Based Individual Market Health Insurance Subsidies](#) (December 2020). Pursuant to Chapter 104 of the Acts of 2020. See pages 10-11.

³ MHBE: [Draft Maryland 1332 State Innovation Waiver Five-Year Extension Application 2024-2028](#) (February 2023). See Appendix A, page 2.

Current statute authorizes the MHBE Board to use up to \$20M/year from the State Reinsurance Program account of the Maryland Health Benefit Exchange Fund to administer the Young Adult Subsidy Pilot Program. MHBE underspent in the first two calendar years (CY) of the program, 2022 and 2023, by a total of 12.9M (approximately \$6.5M each year). MHBE projects that the program will spend approximately \$22.5M in CY2024 unless the MHBE Board takes action to limit access to the program.

Higher projected costs in 2024 are in part driven by higher-than-expected young adult enrollment in the latter part of 2023 following the resumption of Medicaid redeterminations, as well as unprecedented growth in young adult enrollment during the most recent open enrollment period, which ended January 15, 2024.

- Young adult subsidy enrollment among 18-34-year-olds is **up 41% year-over-year**, outpacing overall 17% enrollment growth.
- Young adult enrollees 18-34 who are <400% FPL (subsidy-eligible) account for **21% of total enrollment**, up from 17% last year.⁴

Increased young adult enrollment provides individual and market-wide benefits by increasing the pool of relatively healthier younger enrollees, who offset higher-cost enrollees. Providing the authority to use unspent program funds from prior years for subsidies in future years will allow MHBE to continue to operate the Young Adult Subsidy Pilot Program in 2024 without the need to take mid-year action to limit access to the program, such as by closing the program to new enrollees or reducing current enrollees' subsidy amounts. As recent data indicates, the program seems to be successfully drawing young adults leaving Medicaid into the individual market. The technical correction in this bill will enable MHBE to maintain access to the program during this crucial period of the Medicaid unwinding process, which continues through the middle of this year.

For further discussions or questions on SB 701, please contact Johanna Fabian-Marks, Director of Policy and Plan Management at johanna.fabian-marks@maryland.gov.

Sincerely,



Michele Eberle
Executive Director

⁴ Analysis of MHBE data as of Jan. 15, 2023 and Jan. 15, 2024.

SB 701 - MIA - FAV FINAL.pdf

Uploaded by: Kathleen Birrane

Position: FAV

WES MOORE
Governor

ARUNA MILLER
Lt. Governor



KATHLEEN A. BIRRANE
Commissioner

TAMMY R. J. LONGAN
Acting Deputy Commissioner

200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202
Direct Dial: 410-468-2471 Fax: 410-468-2020
1-800-492-6116 TTY: 1-800-735-2258
www.insurance.maryland.gov

Date: February 21, 2024

Bill # / Title: SB 701 - Maryland Health Benefit Exchange – State-Based Young Adult Health Insurance Subsidies Pilot Program – Amount of Annual Subsidies

Committee: Senate Finance Committee

Position: Support

The Maryland Insurance Administration (MIA) appreciates the opportunity to share its support of Senate Bill 701.

Senate Bill 701 is an emergency bill that amends § 31-122(e) of the Insurance Article to adjust the amount of funds the Maryland Health Benefit Exchange (“Exchange”) is authorized to designate for annual subsidies under the State-Based Young Adult Health Insurance Subsidies Pilot Program for calendar years 2024 and 2025 to include unspent funds designated for subsidies for young adults in a previous calendar year. Current law caps the amount of authorized funds at \$20,000,000 annually.

As demonstrated by the fiscal note, the passage of Senate Bill 701 would result in no net increase in spending beyond what was initially allocated to the pilot program. The bill is simply allowing the use of unspent funds from previous calendar years to be utilized. And while the cost of the bill is negligible for the State, the benefits are far from. Increasing the amount of subsidy funds available to young adults eligible for the subsidies is likely to lead to higher enrollment on the Exchange. And, with young adults being considered to be generally healthier than the standard population, an influx of young people into the individual market could lower the overall morbidity of the pool, and lower premium rates across the board in the individual ACA marketplace. The MIA believes that this cost benefit analysis of this bill makes it an obvious solution for the State.

For these reasons, the MIA urges a favorable committee report on Senate Bill 701 and thanks the Committee for the opportunity to share its support.

sb701- health insurance subsidies- FIN 2-21-2024.p

Uploaded by: Lee Hudson

Position: FAV



Delaware-Maryland Synod
Evangelical Lutheran Church in America
God's work. Our hands.

Testimony Prepared for the
Finance Committee
on
Senate Bill 701
February 21, 2024
Position: **Favorable**

Madam Chair and members of the Committee, thank you for the opportunity to speak for access to health care in Maryland. I am Lee Hudson, assistant to the bishop for public policy in the Delaware-Maryland Synod, Evangelical Lutheran Church in America, a faith community with congregations in every region of our State.

Our community has advocated for access to appropriate and adequate health care for all people in the United States since 2003.

We supported *Senate Bill 729* of 2021, a pilot that increased subsidies for young adults on the Maryland Health Benefit Exchange. Because federal support for states' Medicaid programs during covid has now lapsed, and because of the success of Maryland's health benefit exchange, the estimated amount of needed subsidy support for young adults is slightly short. **Senate Bill 701** is an emergency bill to close the gap.

Having been supporters of this MHBE project we are happy to support this bill. We ask your favorable report to keep an important and successful health care access program going.

Lee Hudson

SB 701- Maryland Health Benefit Exchange - State-B

Uploaded by: Mukta Bain

Position: FAV

Mukta Bain
2 Rambling Oaks Way,
apt K
Catonsville, MD 21228

**SB 701- Maryland Health Benefit Exchange - State-Based Young Adult Health Insurance
Subsidies Pilot Program - Amount of Annual Subsidies**

Hearing Date: 2/21/24

Committee: Finance

Position: SUPPORT

Thank you, Senator Beidle and the Finance Committee members, for allowing me to testify in support of SB 701. As a young adult, I urge you to support this bill.

A few years ago Medicaid covered my health insurance, and I had no worries about paying for medications, visits to my primary care provider, and my therapy sessions every two weeks. When I got a job as contact tracer II, the Baltimore County Department of Health did not provide me with health insurance. I was worried about how I would pay for my medications and therapy sessions because my coverage through Medicaid was set to expire. I went to the Maryland Health Connection website to see my options. The available subsidies were not enough to make health coverage affordable; either the premium was too high, or the deductible was too high. For many of the health plans, the premium was higher than my rent. I was in a position of having to choose either my health care or my rent.

Thankfully, I was able to find a new position which offered health coverage before my Medicaid coverage ended, but not all Marylanders my age are as fortunate. Young adults aged 18-34 make up the largest uninsured age group in Maryland. That is why I was so glad that Maryland started a state subsidies program to make health coverage affordable for young adults. Thanks to your leadership, an unprecedented number of young adults have enrolled in health coverage through Maryland Health Connection. The program has been so successful that this technical change to the program is needed so that everyone who is eligible and applies for health coverage is able to fully benefit from the program this year. It is critical that ALL young adults who are eligible for the subsidies are able to receive them. I urge the Committee to give a favorable report to SB 701.

SB701_MdPHA_FAV.pdf

Uploaded by: Oluwatosin Olateju

Position: FAV



Mission: *To improve public health in Maryland through education and advocacy* **Vision:** *Healthy Marylanders living in Healthy Communities*

**TESTIMONY IN SUPPORT OF SENATE BILL 701
Maryland Health Benefit Exchange - State-Based Young Adult Health
Insurance Subsidies Pilot Program - Amount of Annual Subsidies
Before the Senate Finance Committee
By: Maryland Public Health Association (MdPHA)
February 21, 2024**

Chair Beidle, Vice-Chair Klausmeier, and Members of the Senate Finance Committee, thank you for this opportunity to testify in favor of SB 701, which would make a technical correction to the Young Adult Health Coverage Subsidy Program to allow any unspent funds designated for prior years of the program to be rolled forward and used for subsidies in future calendar years.

Since this pilot program began, it has had tremendous positive impacts in Maryland. Young adults are the least likely age group to have health coverage. Yet as of July, 2023, according to Maryland Health Benefit Exchange 51,000 young adults were enrolled in coverage through Maryland Health Connection, more than ever before. This program has not only helped young adults newly enroll in health coverage, but also has helped young adults continue to pay their premiums month-to-month to remain covered and has assisted them in purchasing higher-quality coverage with lower cost-sharing. The program has also reduced ethnic and racial disparities with this age group in access to quality, affordable health coverage. At the same time, more young adults enrolled in coverage helps stabilize the marketplace for everyone else. The program has grown in success each year so that now this technical amendment is needed.

We strongly urge you to give a favorable report to SB 701.

The Maryland Public Health Association (MdPHA) is a nonprofit, statewide organization of public health professionals dedicated to improving the lives of all Marylanders through education, advocacy, and collaboration. We support public policies consistent with our vision of healthy Marylanders living in healthy, equitable, communities. MdPHA is the state affiliate of the American Public Health Association, a nearly 145-year-old professional organization dedicated to improving population health and reducing the health disparities that plague our state and our nation.

**Maryland Public Health Association (MdPHA)
PO Box 7045 • 6801 Oak Hall Ln • Columbia, MD 21045-9998
GetInfo@MdPHA.org www.mdpha.org 443.475.0242**

SB701 Testimony.pdf

Uploaded by: Pamela Beidle

Position: FAV

PAMELA G. BEIDLE
Legislative District 32
Anne Arundel County

Chair, Finance Committee

Executive Nominations Committee

Joint Committee on Gaming Oversight

Joint Committee on Management
of Public Funds

Spending Affordability Committee



Miller Senate Office Building
11 Bladen Street, Suite 3 East
Annapolis, Maryland 21401
410-841-3593 • 301-858-3593
800-492-7122 Ext. 3593
Pamela.Beidle@senate.state.md.us

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

February 21, 2024

SB 701

**Maryland Health Benefit Exchange – State–Based Young Adult Health
Insurance Subsidies Pilot Program – Amount of Annual Subsidies**

Good afternoon, Vice Chair Klausmeier and Members of the Finance Committee:

Thank you for the opportunity to present SB701, Maryland Health Benefit Exchange – State–Based Young Adult Health Insurance Subsidies Pilot Program – Amount of Annual Subsidies. SB 701 is a straightforward, budget neutral bill that simply makes a technical correction to the program’s authorizing statute, to allow any unspent funds from prior years of the Young Adult Subsidy program to be rolled forward and used for subsidies in future calendar years.

Current statute authorizes the MHBE Board to use up to \$20M/year from the State Reinsurance Program funds to administer the program, amounting to \$80M in total allocated to the program over the course of the four-year pilot.

MHBE underspent in the first two calendar years of the program, 2022 and 2023, by a total of 12.9M (approximately \$6.5M each year). However, MHBE projects that the program will spend approximately \$22.5M in CY2024 unless the MHBE Board takes action to limit access to the program.

The program has documented success in contributing to significant growth in young adult enrollment in the last few years. Increased young adult enrollment provides individual and market-wide benefits by increasing the pool of relatively healthier younger enrollees, who offset higher-cost enrollees.

The program already has an established dedicated funding from the reinsurance fund, and there is no change in the total original allowed spending of \$80M over the four years. SB 701 will simply provide more flexibility in the program’s year over year spending, and this flexibility will allow MHBE to continue to operate the Young Adult Subsidy Pilot Program in 2024 without the need to take mid-year action to limit access to the program, such as by closing the program to new enrollees or reducing current enrollees’ subsidy amounts.

The technical correction proposed in this bill will enable MHBE to maintain access to the program, especially during this crucial period of the Medicaid unwinding process which continues through the middle of this year. The availability of affordable private health insurance options will be key to keeping young adults enrolled in coverage.

I respectfully request a favorable report on SB701.

2024 MASBHC SB 701 Senate Side.pdf

Uploaded by: Robyn Elliott

Position: FAV



Committee: Senate Finance Committee

Bill Number: Senate Bill 701 – Maryland Health Benefit Exchange Program – State-Based Young Adult Health Insurance Subsidies Pilot Program – Amount of Annual Subsidies

Hearing Date: February 21, 2024

Position: Support

The Maryland Assembly on School-Based Health Centers (MASBHC) supports *Senate Bill 701- Maryland Health Benefit Exchange Program – State-Based Young Adult Health Insurance Subsidies Pilot Program – Amount of Annual Subsidies*. The bill is technical in nature, and it will allow unspent funds to rollover to be spent in subsequent years. We support this bill as it will help sustain a successful program. By attracting more young adults into qualified health plans, Maryland has lowered the number of insured people and increased the number of healthy adults in the pool. As a result, Maryland has been able to ensure premiums remain reasonable.

We ask for a favorable report. If we can provide any further information, please contact Robyn Elliott at relliott@policypartners.net.

2024 MCHS SB 701 Senate Side.pdf

Uploaded by: Robyn Elliott

Position: FAV



Maryland Community Health System

Committee:	Senate Finance Committee
Bill Number:	Senate Bill 701 – Maryland Health Benefit Exchange Program – State-Based Young Adult Health Insurance Subsidies Pilot Program – Amount of Annual Subsidies
Hearing Date:	February 21, 2024
Position:	Support

The Maryland Community Health System (MCHS) supports *Senate Bill 701 - Maryland Health Benefit Exchange Program – State-Based Young Adult Health Insurance Subsidies Pilot Program – Amount of Annual Subsidies*. The bill makes a technical change to allow unspent funds from prior years to be moved to support expenses in future years.

As a network of federally qualified health centers, we provide somatic, behavioral, and oral health service to underserved communities. The Young Adult Subsidy Program has been a success in increasing the number of young adults with insurance. As a result, the overall risk pool for qualified health plans is healthier, resulting in lower premiums for everyone insured under the program.

We ask for a favorable report, as this legislation helps the Young Adult Subsidy Program sustain itself. We ask for a favorable report. If we can provide any further information, please contact Robyn Elliott at relliott@policypartners.net.

SB701_FAV_Klapper_MHCFA_FINAL.pdf

Uploaded by: Stephanie Klapper

Position: FAV



TESTIMONY IN FAVOR OF SENATE BILL 701

Before the Senate Finance Committee

By Stephanie Klapper, Deputy Director, Maryland Health Care for All! Coalition

February 21, 2024

Chair Beidle, Vice-Chair Klausmeier, and Members of the Committee, thank you for this opportunity to testify in support of Senate Bill 701. We especially thank Chair Beidle for sponsoring this legislation which would make a technical correction to the Young Adult Health Coverage Subsidy Program to allow any unspent funds designated for prior years of the program to be rolled forward and used for subsidies in future calendar years.

I am testifying on behalf of the [Maryland Health Care for All! Coalition](#) which is made up of over 400 faith, business, labor, community, and health care organizations across the state, and our mission is quality, affordable health care for all Marylanders. Under your leadership we have made great gains in Maryland. Over 400,000 Marylanders have enrolled in health coverage since the passage of the Affordable Care Act, cutting Maryland's uninsured rate in half. We could not have achieved this without innovative programs that your Committee has passed like the Easy Enrollment program and more recently the Young Adult Health Coverage Subsidy pilot program.

Young adults are the age group most likely to be uninsured, and this program has made great strides in helping them gain coverage. According to Maryland Health Benefit Exchange (MHBE) in 2022 about 45,000 young Marylanders used these subsidies to enroll in insurance coverage, including over 17,000 who were new to the marketplace. MHBE's new enrollees comprised of young adults increased from 4% to more than 24%. Young adults were more likely to pay their premiums and continue coverage. Many young adults who have benefited under this program have been able to access health coverage through Maryland Health Connection for the first time, while others already had coverage and were better able to afford their plans or upgrade to higher metal-level plans with lower cost-sharing.

This program has also been reducing racial and ethnic disparities within this age group. In 2022 young adult subsidy recipients were more likely to be Latino or Black than young adult enrollees ineligible for the subsidy. In 2023 Latino young adult enrollment grew 13%, more than any other population. This program is improving health equity in our state.

The subsidies program also is a good use of state dollars, as plans for young adults compared with other groups tend to cost less, which means that the dollars for the state subsidy program stretch further in covering as many uninsured individuals as possible. Making coverage for young adults more affordable also helps to stabilize premiums within the market as a whole by bringing more healthy people into the market.

In 2023 Medicaid redeterminations resumed with the end of the federal public health emergency, which made this program even more important so that young adults unwinding from Medicaid could purchase affordable health coverage on the Exchange instead of having a gap in coverage. Young adult enrollments in private plans through July 2023 topped 51,000, and Medicaid redeterminations are still continuing. Thanks to your leadership, this program has been very successful in helping young adults obtain quality, affordable health coverage and this technical amendment is now needed. I urge a favorable report for SB 701.

Maryland Health Care for All! Coalition



Bill SB0705 February 20^LLLJ 2024-Dr. M. HALE.pdf

Uploaded by: Martha Hale

Position: UNF

I would like to ask how is this bill, SB0705, going to be funded? We do know the answer to that question because it will be the hard working Maryland Taxpayers. While I am for helping all persons, Maryland citizens will be at an extreme disadvantage by this legislation. Some of my neighbors are working two or three jobs just to make ends meet and they do not have the luxury of free medical care. They have to spend a good portion of their income on medical care. Our seniors are on a fixed income and many find it hard to pay for the medications they need. If you have a money tree and can pay for this service without costing the Maryland Taxpayers anything, then that would be palatable. However, we know who will end up paying for this and it is not by someone finding a pot of gold at the end of a rainbow. This legislation will hurt the taxpaying citizens, which you are supposed to represent and help.

The other serious problem is that there is no accountability. One could rent a post office Box Under an assumed name and then apply for this free medical care. That person would be able to have free medical care as well. The only ones who profit from this type of scam would be health clinics (walk-in clinics or hospitals, which are mostly For-Profit LLC); the patients get substandard care, the taxpayer foots the bill but the "for-profit health facilities get the money.

Thank you for your service and please consider the taxpayers who are your constituents and who pay your salary.