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Date: February 22, 2024

Bill # / Title: HB 953 - Maryland Health Benefit Exchange – State-Based Young Adult Health Insurance Subsidies Pilot Program – Amount of Annual Subsidies

Committee: House Health and Government Operations Committee

Position: Support

The Maryland Insurance Administration (MIA) appreciates the opportunity to share its support of House Bill 953.

House Bill 953 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 House Bill 953 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 House Bill 953 and thanks the Committee for the opportunity to share its support.