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**SB0227**

January 24, 2024

**TO:** Members of the Senate Finance Committee

**FROM:** Nina Themelis, Director of Mayor's Office of Government Relations

**RE:** Senate Bill 227 - Health Insurance – Cancellation of Individual Health Benefit Plans - Restrictions

**POSITION: FAVORABLE**

Chair Beidle, Vice Chair Klausmeier, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** Senate Bill (SB) 227.

SB 227 would prohibit an insurance carrier from canceling an individual health benefit plan under certain circumstances. Specifically, insurers would not be able to cancel a plan if the policyholder has made a premium payment before the end of a given grace period, the amount of the premium payment made is less than the total amount of the net monthly premium due, the amount of the deficiency is \$10 or less, and the policyholder pays the remainder of their monthly premium within 30 days after the carrier sends a written notification.

If Marylanders do not pay their health insurance premiums, their insurance provider can cancel their coverage, provided they give 90 days' notice. SB 227 would give Marylanders who meet the criteria described above more time to make their outstanding payments, thus keeping them from losing their health insurance. Insurance plan cancellations puts individuals and families at significant risk for poor health outcomes due to delays in seeking and obtaining necessary health care.<sup>i</sup> When someone loses their health insurance, it can mean losing access to essential medications, skipping preventative health services (such as cancer screenings), and needing to navigate time-consuming and confusing process of getting insurance coverage again.<sup>i</sup>

Not only do health insurance cancellations hurt people and their families – they can cause additional strain on our health care and public health systems. People who are uninsured are more likely to use emergency departments and safety net providers.<sup>i,ii</sup> In turn, this puts additional burden on health care staff and systems still struggling under the continued impact of COVID-19.

SB 227 would help keep Marylanders insured and connected to the care they need from their preferred providers. For these reasons, the BCA respectfully request a **favorable** report on SB 227.

<sup>i</sup> Yabroff, K. R., Reeder-Hayes, K., Zhao, J., Halpern, M. T., Lopez, A. M., Bernal-Mizrachi, L., ... & Patel, M. (2020). Health insurance coverage disruptions and cancer care and outcomes: systematic review of published research. *JNCI: Journal of the National Cancer Institute*, 112(7), 671-687.

<sup>ii</sup> Institute of Medicine (US) Committee on the Changing Market, Managed Care, and the Future Viability of Safety Net Providers; Ein Lewin M, Altman S, editors. *America's Health Care Safety Net: Intact but Endangered*. Washington (DC): National Academies Press (US); 2000. 1, Background and Overview. Available from: <https://www.ncbi.nlm.nih.gov/books/NBK224519/>