

TESTIMONY IN FAVOR OF SENATE BILL 5

Maryland Health Benefit Exchange - State-Based Young Adult Health Insurance Subsidies Pilot
Program - Sunset Repeal
Before the Senate Finance Committee

By: Jana Varwig
January 29, 2025

Chair Beidle and Members of the Senate Finance Committee, thank you for this opportunity to testify in favor of Senate Bill 5 which would remove the sunset on the State-Based Young Adult Health Insurance Subsidies Program. I especially thank Sen. Lam, Sen. Feldman, and Sen. Hayes for sponsoring this legislation. Finally, thank you to the Committee for your leadership in creating this program which helps so many people.

In my career as an administrator in higher education in Maryland, prior to this program I saw many young adults, particularly young alumni who did not have health insurance - either they could not be on a parent's plan or they had aged out of their parent's plan and they were working for an employer who did not provide health insurance. Young adults, working for small non-profits, or for smaller businesses in the food industry, retail or doing gig work generally do not have access to affordable health insurance through their employers.

For this reason, after Maryland created the Young Adult Health Insurance Subsidy Program I volunteered with the Maryland Health Care for All! Coalition to help get the message out to young adults and their families about affordable health insurance for lower income young adults. And as you know this program has been very successful, with over 64,000 young adults taking advantage of this subsidy for 2025 health plans.

This is an issue that hits me at home. My son who could not get health insurance through his employer needed health insurance when he turned 26. Thanks to the Affordable Care Act, he was able to find a policy. It provided some very basic medical care coverage including office visits; however, it had a very high deductible. Essentially, he would be responsible for paying most of his medical costs up to \$6000. If he had become seriously ill, injured or ended up in the hospital he would have incurred \$6000 of medical debt - unaffordable for him and for most young adults in entry level jobs. The cost of this policy discouraged young people from both getting health insurance and from getting medical care when they need it.

With the Young Adult Health Insurance Subsidy Program he was able to change to a policy which provided basic medical care along with an overall deductible that was substantially lower - \$2000. He also paid lower monthly premiums for this policy. This allowed him to seek medical care when he needed without putting him in debt.

I have talked with many parents of young adults without health insurance and I can tell you this is an issue which really makes parents worry. A young person without health insurance in a pandemic or needing surgery or requiring hospitalization is a disaster for the entire family. Making health insurance affordable for young people by continuing this subsidy is really smart health policy. I urge the Committee to continue the health insurance subsidy program for young adults with lower incomes and give a favorable report for SB 5.