



January 29, 2025

**COMMITTEE:** Senate Finance Committee

**BILL:** SB 5 – Maryland Health Benefit Exchange – State-Based Young Adult Health Insurance Subsidies Pilot Program – Sunset Repeal

**POSITION:** Support

The Horizon Foundation is the largest independent health philanthropy in Maryland. We are committed to a Howard County free from systemic inequities, where all people can live abundant and healthy lives.

**The Foundation is pleased to support SB 5 – Maryland Health Benefit Exchange – State-Based Young Adult Health Insurance Subsidies Pilot Program – Sunset Repeal.** In 2021, Maryland enacted a subsidies law which invested up to \$20 million per year for two years to help lower-income young adults ages 18-34 purchase health coverage. Having since been extended, SB 5 would remove the sunset on this important health care program and make it permanent.

This program has been very successful. 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 the Maryland Health Benefit Exchange, enrollments by young adults aged 18-37 has grown by 21% and more than two-thirds of them – over 64,000 individuals – were eligible for a subsidy.

It is critical that this program continue to help young adults, many of whom 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. 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.

The program is also an important strategy to 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. Health equity is core to the mission of the Horizon Foundation, and this program is a great example of how we can work to eliminate health

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disparities in our state.

The Horizon Foundation recognizes the need to offer affordable and reliable healthcare to all Marylanders, especially those who have faced historical barriers to accessing care. For this reason, the Foundation **SUPPORTS SB 5** and urges a **FAVORABLE** report.

Thank you for your consideration.