

Department of Legislative Services
Maryland General Assembly
2014 Session

FISCAL AND POLICY NOTE

House Bill 1336 (Delegate Krebs, *et al.*)
Health and Government Operations

Maryland Health Benefit Exchange - Enrollment of Individuals - Information

This emergency bill requires the Maryland Health Benefit Exchange (MHBE) to ask certain questions regarding prior health insurance coverage when facilitating an individual's enrollment into a qualified health plan, Medicaid, or the Maryland Children's Health Program.

Fiscal Summary

State Effect: Any additional workload on MHBE can likely be absorbed within existing budgeted resources. To the extent that the bill leads to increased third-party liability recoveries by Medicaid, Medicaid could achieve savings under the bill.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: MHBE must ask (1) whether the individual being enrolled currently has health insurance coverage or previously has had coverage; (2) if the individual currently does not have health insurance coverage but has had coverage in the past, the date on which the individual's most recent coverage was terminated and the reason for the termination of coverage; and (3) if the individual being enrolled currently has coverage or previously has had coverage, whether the coverage was purchased by the individual from a carrier, obtained through an employer, or obtained through some other source.

Current Law/Background: On October 1, 2013, MHBE launched Maryland Health Connection, an online insurance marketplace to compare and enroll in health insurance and determine eligibility for Medicaid and other assistance programs, federal tax credits, and cost-sharing reductions. According to MHBE, from October 1 through February 22, 2014, there have been more than 1 million unique visitors to the Maryland Health Connection website and 170,390 Marylanders have created identity-verified accounts. Through February 22, 2014, 35,636 Marylanders had enrolled in private health plans, and 95,889 previously enrolled in the Primary Adult Care (PAC) program were automatically enrolled in Medicaid coverage on January 1, 2014, and now have full Medicaid coverage. As of February 25, 2014, an additional 71,449 individuals were newly enrolled in Medicaid effective January 1.

State Fiscal Effect: MHBE advises that, to implement the bill, it would contract with a consultant for the collection and storage of the required information. Based on past contracts, MHBE estimates a cost of approximately \$400,000. The Department of Legislative Services disagrees. As the first open enrollment period ends on March 31, 2014, and MHBE will be substantially redesigning its information technology (IT) system, the bill's requirements can likely be added to any IT contracts and completed before the next open enrollment period, which begins October 1, 2014.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Health and Mental Hygiene, Maryland Insurance Administration, Department of Legislative Services

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mc/ljm

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