

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1210
Appropriations

(Delegate Howard, *et al.*)

Public Institutions of Higher Education - Student Health Insurance Plan
Enrollment

This bill authorizes a public institution of higher education to offer full-time and part-time students access to a student health insurance plan (SHIP). However, enrollment must be *voluntary*. A public institution of higher education *may not* automatically enroll a student in the institution's SHIP. **The bill takes effect July 1, 2023.**

Fiscal Summary

State Effect: Public four-year institutions of higher education and Baltimore City Community College may offer a voluntary, opt-in SHIP using existing resources; however, there may be an operational impact on institutions, as discussed below. Revenues may be affected.

Local Effect: Local community colleges may offer a voluntary, opt-in SHIP using existing resources. Revenues may be affected.

Small Business Effect: None.

Analysis

Current Law: A SHIP offered by an institution of higher education generally counts as qualifying health coverage under the federal Patient Protection and Affordable Care Act. According to federal regulations, student health insurance coverage is a type of individual health insurance coverage provided, pursuant to a written agreement between an institution of higher education and a health insurance issuer, to students enrolled in that institution of higher education and their dependents, which meets the following conditions:

- does not make health insurance coverage available other than in connection with enrollment as a student (or as a dependent of a student) in the institution of higher education;
- does not condition eligibility for the health insurance coverage on any health status-related factor relating to a student (or a dependent of a student); and
- meets any additional requirement that may be imposed under State law.

State/Local Fiscal Effect: Under federal law, institutions of higher education are authorized to offer a SHIP. Several institutions (*i.e.*, University of Maryland, College Park Campus (UMCP), University of Maryland, Baltimore Campus (UMB), and University of Maryland Baltimore County) advise that they currently offer a SHIP. The bill requires institutions, should they offer such plans, to make enrollment voluntary and prohibits automatic enrollment. Most community colleges do not offer a SHIP; however, some currently require that enrolled students have some form of health insurance. Public institutions of higher education can decide to offer a voluntary, opt-in SHIP using existing resources.

This estimate assumes that institutions may continue to require a student to provide proof of health insurance coverage as a condition of enrollment. To the extent that the bill's requirement that enrollment in a SHIP be voluntary limits this power, institutions that currently offer a SHIP may face operational impacts. For example, UMCP advises that requiring enrollment in a SHIP to be voluntary may limit the ability of an institution to offer a SHIP through a traditional insurance carrier due to a potentially smaller and more risky insurance pool. Should this occur, student premiums for the SHIP may increase, potentially significantly. The Department of Legislative Services (DLS) cannot independently verify these claims.

UMB advises that it currently requires full-time students to enroll in the SHIP or opt-out with evidence of existing health insurance coverage. If students do not have proof of health insurance coverage (either through the SHIP or elsewhere), UMB will not be in compliance with agreements with agencies and organizations that accept UMB students for experiential education experiences. Accordingly, students without health insurance will not be able to complete the experiential education requirements for their program. Thus, UMB advises that additional staff are required to monitor student health insurance coverage under the bill. DLS advises that this can likely be achieved using existing resources.

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Baltimore City Community College; University System of Maryland; Morgan State University; Maryland Health Benefit Exchange; Maryland Insurance Administration; Department of Legislative Services

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km/jc

Analysis by: Caroline L. Boice

Direct Inquiries to:
(410) 946-5510
(301) 970-5510