

# SENATE BILL 5

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(PRE-FILED)

5lr1634  
CF HB 297

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By: **Senators Lam, Feldman, and Hayes**

Requested: November 1, 2024

Introduced and read first time: January 8, 2025

Assigned to: Finance

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Committee Report: Favorable

Senate action: Adopted

Read second time: February 7, 2025

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Maryland Health Benefit Exchange – State-Based Young Adult Health**  
3 **Insurance Subsidies Pilot Program – Sunset Repeal**

4 FOR the purpose of renaming the State-Based Young Adult Health Insurance Subsidies  
5 Pilot Program to be the State-Based Young Adult Health Insurance Subsidies  
6 Program; repealing the termination date of certain provisions of law that establish  
7 and govern the funding for the Program; authorizing rather than requiring the  
8 Maryland Health Benefit Exchange to establish and implement the Program;  
9 prohibiting the Exchange from implementing the Program if certain funds are not  
10 available; and generally relating to health insurance subsidies for young adults.

11 BY repealing and reenacting, without amendments,  
12 Article – Insurance  
13 Section 31–107(a)  
14 Annotated Code of Maryland  
15 (2017 Replacement Volume and 2024 Supplement)

16 BY repealing and reenacting, with amendments,  
17 Article – Insurance  
18 Section 31–107(b), (f)(1)(iv), and (g)(1) and 31–122  
19 Annotated Code of Maryland  
20 (2017 Replacement Volume and 2024 Supplement)

21 BY repealing and reenacting, with amendments,

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### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



Chapter 778 of the Acts of the General Assembly of 2021, as amended by Chapters  
256 and 257 of the Acts of the General Assembly of 2023  
Section 2

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
That the Laws of Maryland read as follows:

**Article – Insurance**

31–107.

(a) There is a Maryland Health Benefit Exchange Fund.

(b) (1) The purpose of the Fund is to:

(i) provide funding for the operation and administration of the  
Exchange in carrying out the purposes of the Exchange under this subtitle;

(ii) provide funding for the establishment and operation of the State  
Reinsurance Program authorized under this subtitle;

(iii) provide funding for the Medical Assistance Program and the  
Senior Prescription Drug Assistance Program;

(iv) provide funding for the establishment and operation of Health  
Equity Resource Communities under Title 20, Subtitle 14 of the Health – General Article;  
and

(v) provide funding for the establishment and operation of the  
State–Based Young Adult Health Insurance Subsidies [Pilot] Program authorized under  
this subtitle.

(2) The operation and administration of the Exchange, the State  
Reinsurance Program, the State–Based Young Adult Health Insurance Subsidies [Pilot]  
Program, and the Qualified Resident Enrollment Program may include functions delegated  
by the Exchange to a third party under law or by contract.

(f) (1) The Fund may be used only:

(iv) for the establishment and operation of the State–Based Young  
Adult Health Insurance Subsidies [Pilot] Program.

(g) (1) The Board shall maintain separate accounts within the Fund for  
Exchange operations, for the State Reinsurance Program, and for the State–Based Young  
Adult Health Insurance Subsidies [Pilot] Program.

31–122.

1 (a) In this section, [“Pilot Program”] **“PROGRAM”** means the State–Based Young  
2 Adult Health Insurance Subsidies [Pilot] Program.

3 (b) **(1)** [The] **SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE**  
4 Exchange, in consultation with the Commissioner and as approved by the Board, [shall]  
5 **MAY** establish and implement a State–Based Young Adult Health Insurance Subsidies  
6 [Pilot] Program to provide subsidies to young adults for the purchase of health benefit plans  
7 in the individual health insurance market.

8 **(2) THE EXCHANGE MAY NOT IMPLEMENT THE PROGRAM FOR**  
9 **CALENDAR YEARS IN WHICH FUNDS FROM THE DISTRIBUTION OF THE ASSESSMENT**  
10 **UNDER § 6–102.1 OF THIS ARTICLE ARE NOT AVAILABLE.**

11 (c) The [Pilot] Program required under this section shall be designed to:

12 (1) reduce the amount that young adults pay for health benefit plans in the  
13 individual health insurance market; and

14 (2) target young adults who are not directly impacted by the State  
15 Reinsurance Program.

16 (d) (1) [For calendar years 2022 through 2025] **FOR EACH CALENDAR YEAR,**  
17 the Exchange, in consultation with the Commissioner and as approved by the Board, shall  
18 establish subsidy eligibility and payment parameters for the [Pilot] Program.

19 (2) In determining the subsidy eligibility and payment parameters  
20 required under paragraph (1) of this subsection, the Exchange shall consider:

21 (i) young adults at least 18 years old and under the age of 41 years;  
22 and

23 (ii) income groups between 133% and 400% of the federal poverty  
24 level.

25 (e) (1) Subject to available funds and paragraph (2) of this subsection, in each  
26 [of] fiscal [years 2022 through 2026] **YEAR,** the Exchange may designate funds from the  
27 Fund to be used for the [Pilot] Program so that annual subsidies may be provided to young  
28 adults who meet the subsidy eligibility and payment parameters established under  
29 subsection (d) of this section.

30 (2) **(I)** For each of calendar years 2024 and 2025, the funds designated  
31 under paragraph (1) of this subsection may not exceed \$20,000,000 plus any unspent funds  
32 designated for subsidies for young adults in a previous calendar year.



1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
2 1, 2025.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.