

SENATE BILL 5

J5

5lr1634

(PRE-FILED)

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

Requested: November 1, 2024

Introduced and read first time: January 8, 2025

Assigned to: Finance

A BILL ENTITLED

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,
22 Chapter 778 of the Acts of the General Assembly of 2021, as amended by Chapters
23 256 and 257 of the Acts of the General Assembly of 2023
24 Section 2

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **Article – Insurance**

2 31–107.

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

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

5 (i) provide funding for the operation and administration of the
6 Exchange in carrying out the purposes of the Exchange under this subtitle;7 (ii) provide funding for the establishment and operation of the State
8 Reinsurance Program authorized under this subtitle;9 (iii) provide funding for the Medical Assistance Program and the
10 Senior Prescription Drug Assistance Program;11 (iv) provide funding for the establishment and operation of Health
12 Equity Resource Communities under Title 20, Subtitle 14 of the Health – General Article;
13 and14 (v) provide funding for the establishment and operation of the
15 State–Based Young Adult Health Insurance Subsidies [Pilot] Program authorized under
16 this subtitle.17 (2) The operation and administration of the Exchange, the State
18 Reinsurance Program, the State–Based Young Adult Health Insurance Subsidies [Pilot]
19 Program, and the Qualified Resident Enrollment Program may include functions delegated
20 by the Exchange to a third party under law or by contract.

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

22 (iv) for the establishment and operation of the State–Based Young
23 Adult Health Insurance Subsidies [Pilot] Program.24 (g) (1) The Board shall maintain separate accounts within the Fund for
25 Exchange operations, for the State Reinsurance Program, and for the State–Based Young
26 Adult Health Insurance Subsidies [Pilot] Program.

27 31–122.

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

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

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

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

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

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

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

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

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

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

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

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

31 (II) **FOR CALENDAR YEAR 2026 AND EACH CALENDAR YEAR**
32 **THEREAFTER, THE EXCHANGE, IN CONSULTATION WITH THE COMMISSIONER, MAY**
33 **DESIGNATE FUNDS FROM THE FUND TO PROVIDE ANNUAL SUBSIDIES TO YOUNG**

1 **ADULTS WHO MEET THE SUBSIDY ELIGIBILITY AND PAYMENT PARAMETERS**
2 **ESTABLISHED UNDER SUBSECTION (D) OF THIS SECTION.**

3 (f) The Exchange shall adopt regulations implementing the provisions of this
4 section.

5 (g) The Exchange shall adopt regulations to provide a subsidy to cover 100% of
6 the cost of the premium for young adults who have a 0% expected contribution under the
7 subsidy eligibility parameters established under subsection (d) of this section.

8 (h) (1) The Exchange shall track on a monthly basis expenditures on subsidies
9 provided under the [Pilot] Program, including:

10 (i) the average number of young adults receiving subsidies under
11 the [Pilot] Program; and

12 (ii) the average subsidy amount received by young adults under the
13 [Pilot] Program.

14 (2) The Exchange shall track:

15 (i) the impact the [Pilot] Program has on rates in the individual
16 insurance market; and

17 (ii) the impact of covering 100% of the cost of premiums for qualified
18 participants on effectuation rates and termination for nonpayment rates.

19 (3) The information tracked by the Exchange under paragraphs (1) and (2)
20 of this subsection shall be:

21 (i) posted on the website of the Exchange; and

22 (ii) included in the annual report required under § 31–119(d) of this
23 subtitle.

24 **Chapter 778 of the Acts of 2021, as amended by Chapters 256 and 257 of the Acts**
25 **of 2023**

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
27 1, 2021. [It shall remain effective for a period of 5 years and, at the end of June 30, 2026,
28 this Act, with no further action required by the General Assembly, shall be abrogated and
29 of no further force and effect.]

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
31 1, 2025.

