

Chapter 722

(Senate Bill 5)

AN ACT concerning

Maryland Health Benefit Exchange – State–Based Young Adult Health Insurance Subsidies Pilot Program – Sunset Repeal

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

BY repealing and reenacting, without amendments,

Article – Insurance

Section 31–107(a)

Annotated Code of Maryland

(2017 Replacement Volume and 2024 Supplement)

BY repealing and reenacting, with amendments,

Article – Insurance

Section 31–107(b), (f)(1)(iv), and (g)(1) and 31–122

Annotated Code of Maryland

(2017 Replacement Volume and 2024 Supplement)

BY repealing and reenacting, with amendments,

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.

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

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

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

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

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

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

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

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

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

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

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

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

(II) FOR CALENDAR YEAR 2026 AND EACH CALENDAR YEAR THEREAFTER, THE EXCHANGE, IN CONSULTATION WITH THE COMMISSIONER, MAY DESIGNATE FUNDS FROM THE FUND TO PROVIDE ANNUAL SUBSIDIES TO YOUNG ADULTS WHO MEET THE SUBSIDY ELIGIBILITY AND PAYMENT PARAMETERS ESTABLISHED UNDER SUBSECTION (D) OF THIS SECTION.

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

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

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

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

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

(2) The Exchange shall track:

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

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

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

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

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

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

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

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

Approved by the Governor, May 20, 2025.