



**MARYLAND CITIZENS' HEALTH INITIATIVE**

**TESTIMONY IN FAVOR OF HOUSE BILL 196**

BEFORE THE HOUSE HEALTH AND GOVERNMENT OPERATIONS COMMITTEE  
By Vincent DeMarco, President of the Maryland Citizens' Health Initiative, Inc.  
FEBRUARY 20, 2020

Chairman Pendergrass, Vice-Chairman Peña-Melnyk and Members of the House Health and Government Operations Committee, thank you for this opportunity to testify in support of House Bill 196, a measure that would help build on the successes of Maryland's reinsurance program by establishing a state-based health insurance subsidies program. We urge the Committee to give House Bill 196 a favorable report.

Thanks to the leadership of this Committee, Maryland has made great strides in expanding health care coverage and improving public health past two decades. See summary on back. Even before the Affordable Care Act, we substantially expanded Medicaid for lower income parents and small business owners. By fully implementing the ACA, we have expanded health care coverage to about 400,000 previously uninsured Marylanders, cutting our uninsured rate in half. And, thanks to the 2018 reinsurance program, we are making health care more affordable for many thousands of Marylanders with health coverage. Now we must build on that success with this proposed subsidy program.

The reinsurance program which Maryland established in 2018 greatly helped to stabilize the individual market, resulting in a two year cumulative 22% percent decrease in the sticker-price of premiums. The strength of the reinsurance program is in preventing people from leaving the individual market and in enticing people who have left the individual market to return. Now Maryland has the opportunity to build on this success by bringing new consumers into the market Maryland through a state subsidies program, which could significantly increase the number of Marylanders who are enrolled in quality, affordable health coverage.

As the Health Insurance Coverage Protection Commission heard in the fall, a state subsidy program works very well in Massachusetts, where they increased financial assistance for low-wage, working families who were disproportionately likely to remain uninsured, despite qualifying for federal subsidies. This approach helped achieve near-universal coverage, while at the same time substantially lowering sticker-price premiums paid by people over who do not qualify for federal subsidies. Maryland could take a similar approach, or, as was recommended for consideration by the Affordability Work Group convened last year by the Maryland Health Benefit Exchange, could consider targeting state subsidies to younger adults, which could create a healthier risk pool and stabilize premiums for everyone in the individual market. Either way, new Marylanders would enter the market and benefit from having health coverage.

Maryland's reinsurance program has reduced attrition, and now a state subsidy could bring new Marylanders into the market, bringing us all closer toward achieving quality, affordable health care for all Marylanders. For this reason, we urge your favorable report of House Bill 196.