



MARYLAND CITIZENS' HEALTH INITIATIVE

2600 ST. PAUL STREET BALTIMORE, MD 21218

P: (410) 235-9000

F: (410) 235-8963

WWW.HEALTHCAREFORALL.COM

TESTIMONY IN SUPPORT OF SENATE BILL 729

Before the Senate Finance Committee

By Stephanie Klapper, Deputy Director, Maryland Citizens' Health Initiative, Inc.

March 3, 2021

Madam Chair and Members of the Finance Committee, thank you for this opportunity to testify in support of Senate Bill 729, which would create a two-year pilot state subsidy program to help young adults in Maryland afford health coverage. Thank you especially to Vice Chair Feldman for sponsoring this very important legislation.

Thanks to the work of this Committee, Maryland has been a leader in the nation in connecting residents with quality, affordable health coverage through innovative programs like the Maryland Easy Enrollment Health Insurance Program. Since the passage of the Patient Protection and Affordable Care Act, Maryland has cut the rate of uninsured in half.

Unfortunately, hundreds of thousands of Marylanders remain uninsured. Part of the reason is cost. Although many Marylanders between 138% and 400% of the federal poverty level (FPL) are eligible for federal subsidies to help them purchase health coverage from the Maryland Health Connection, the federal subsidies are not always enough to make coverage affordable.

SB 729 builds on years of thoughtful analysis and discussion by stakeholders about how to solve this problem. In 2019 the Affordability Workgroup convened by the Maryland Health Benefit Exchange (MHBE) wrote a report which recommended a state-based individual subsidies program. I thank this Committee and the House for then passing legislation last year to direct MHBE to submit a report to you last December with more specific recommendations. I served on the workgroup convened to assist with that report, which ultimately recommended establishing a state-based individual subsidies program focused on young adults.¹ The Health Insurance Coverage Protection Commission then recommended setting up such a program as a pilot.² Meanwhile five other states have already created or passed legislation to create their own state subsidies programs: Massachusetts, Vermont, California, New Jersey, and Colorado.

¹ Maryland Health Benefit Exchange (2020). Report on Establishing State-Based Individual Market Health Insurance Subsidies. https://www.marylandhbe.com/wp-content/uploads/2020/12/SB124HB196_Chpt-104_2020_MHBE_State-Based-Subsidy-Report.pdf

² Maryland Health Insurance Coverage Protection Commission (2020). 2020 Report of the Maryland Health Insurance Coverage Protection Commission. <http://dls.maryland.gov/policy-areas/md-health-insurance-coverage-protection-commission#>



MARYLAND CITIZENS' HEALTH INITIATIVE

There are several benefits to SB 729 focusing the pilot state-subsidies program on young adults. This approach will improve health equity because this age group is the most likely to be uninsured, and despite making up a smaller percentage of the population there are thousands more Black young adults who are uninsured than white young adults. Plans for young adults compared with other groups tend to cost less, which means that the dollars for the state subsidy program would stretch further in covering as many uninsured individuals as possible. Making coverage for young adults more affordable should also help stabilize premiums within the market as a whole by bringing more healthy people into the market. Given the urgent need for Marylanders to have health coverage and for Maryland to make improvements in health equity during the COVID-19 pandemic, it is important to start this program as soon as possible.

Thank you again to the Committee for your recognized efforts toward improving access to quality, affordable health care for all Marylanders. We urge a favorable report on Senate Bill 729.