

SB 729 – Maryland Health Benefit Exchange – State–

Uploaded by: Bain, Mukta

Position: FAV

Mukta Bain
12 South Prospect Ave
Catonsville, MD 21228

**SB 729-Maryland Health Benefit
Exchange-State-Based Young Adult
Health Insurance Subsidies Pilot Program**

Hearing Date: 3/3/21

Committee: Finance

Position: SUPPORT

Thank you, Madam Chair and the Finance Committee members, for allowing me to testify in support of SB 729. As a young adult in need of health coverage, I urge you to support this bill.

Last year Medicaid covered my health insurance, and I had no worries about paying for medications, visits to my primary care provider, and my therapy sessions every two weeks. When I got a job as contact tracer II, the Baltimore County Department of Health did not provide me with health insurance.

I was worried about how I would pay for my medications and therapy sessions because my coverage through Medicaid was set to end in December 2020. I went to the Maryland Health Connection website to see my options. I was no longer eligible for Medicaid, but the available subsidies were not enough to make health coverage affordable; either the premium was too high, or the deductible was too high. For many of the health plans, the premium was higher than my rent. I was in a position of having to choose either my health care or my rent.

Thankfully, because of the COVID-19 pandemic, my coverage for Medicaid has been extended for now. However, I worry about how I will afford health coverage when I am no longer able to get Medicaid

Marylanders continue to have problems with health coverage costs, including rising deductibles and out-of-pocket costs, and limited plan options. Young adults ages 18-34 make up the largest uninsured age group in Maryland. Roughly 40,800 are below 400% of the federal poverty level and are eligible for federal subsidies.¹ However, I worry that, like for me, the federal subsidies are not enough to make coverage affordable for them. Creating a state-based subsidies program for young adults would make health coverage within reach for more Marylanders like me. Bringing young adults into the individual market would also likely improve the risk pool and decrease premiums for all individual market enrollees.

I also encourage you to look at the outcomes for behavioral health in Maryland. 15.8 percent of Marylanders have depression, 11.8 percent go through frequent mental distress, 15.1 percent on excessive drinking, and the list goes on and on.² If young adults don't have health insurance now, then their health problems will increase in the future. If Maryland wants to set an example for other states on how to help residents access affordable health coverage, then I urge the Committee to give a favorable report to SB 729.

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

² Annual Report (2020). *America's Health Rankings*. United Health Foundation. <https://www.americashealthrankings.org/explore/annual/measure/HealthInsurance/state/MD>

3 - SB729 - FIN -MHBE - LoS.pdf

Uploaded by: Bennardi, Maryland Department of Health /Office of Governmen

Position: FAV



March 3, 2021

The Honorable Delores G. Kelley
Senate Finance Committee
3 East Miller Senate Building
Annapolis, MD 21401

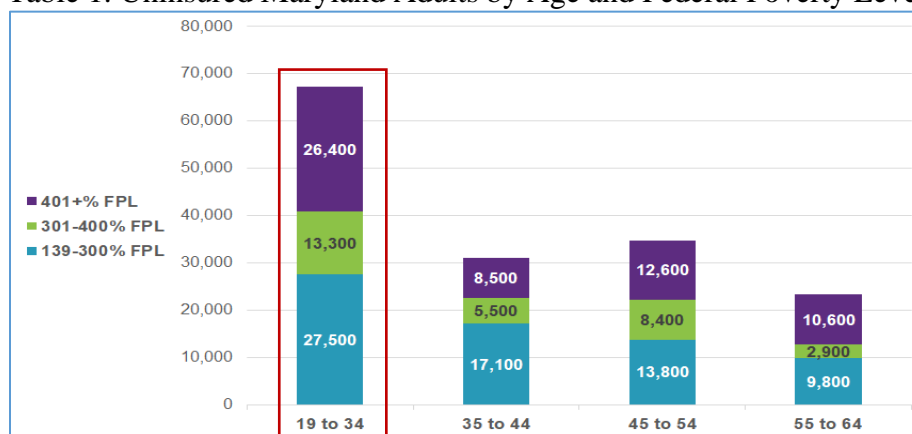
Re: Letter of Support – SB 729 – Maryland Health Benefit Exchange – State-Based Young Adult Health Insurance Subsidies Pilot Program

Dear Chair Kelley,

The Maryland Health Benefit Exchange (MHBE) respectfully submits this letter of support on Senate Bill (SB) 729 – Maryland Health Benefit Exchange – State-Based Young Adult Health Insurance Subsidies Pilot Program. SB 729 would direct the MHBE to create a State-Based Young Adult Health Insurance Subsidies Pilot Program.

Over the last several years, Maryland has taken significant steps to stabilize the individual market, including implementation of the State Reinsurance Program – a partnership with the federal government that has reduced 2021 individual market premiums by 31.5% compared to 2018 – and the Easy Enrollment Program – a first-in-the-nation program that allows uninsured Marylanders to enroll in coverage by checking a box on their taxes, which has led to more than 4,000 enrollments in 2020. Despite these successes, Maryland's uninsured rate has held steady at about 6%, with young adults remaining as the most likely to be uninsured.

Table 1. Uninsured Maryland Adults by Age and Federal Poverty Level¹



¹ Source: Analysis by Families USA National Center for Coverage Innovation of 2018 data from the American Community Survey. IPUMS USA, University of Minnesota, www.ipums.org. Note: ACS data do not include immigration status. These estimates impute immigration status based generally on previous Urban Institute results.



Senate Bill 124 / House Bill 196 of 2020 (SB124/HB196) directed MHBE to submit a report on the potential design, implementation, and effects of establishing state-based individual market health insurance subsidies in Maryland to target the remaining uninsured. MHBE worked with the actuarial firm Lewis & Ellis to model the impact of a subsidy program targeted at specific populations. While projections were based on a fully implemented program, rather than a pilot program, the results of providing subsidies to young adults at the 138-400% FPL demonstrated increases in young adult enrollment, further stabilization of the risk pool, and premium reductions for all enrollees regardless of age.

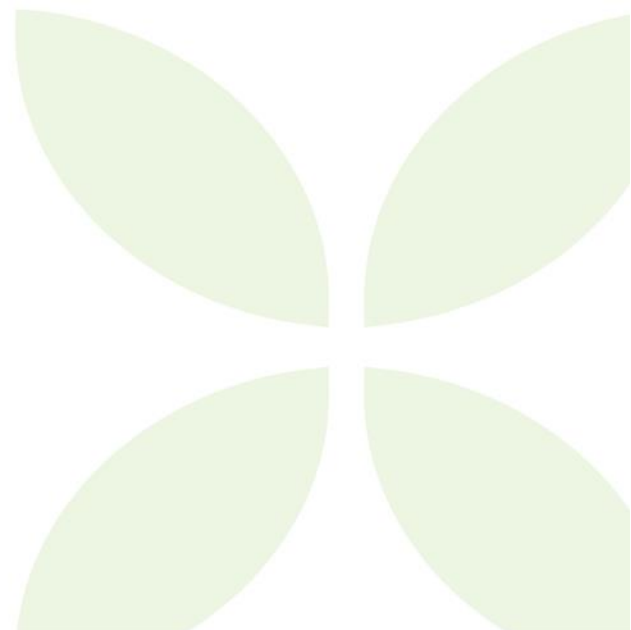
As the coronavirus public health emergency shines a light on the health and healthcare inequities in our country, a young adult subsidy offers an opportunity to increase health coverage among currently uninsured young adults, who are disproportionately likely to be Hispanic and Black.

For further discussions or questions on SB 729, please contact Johanna Fabian-Marks, Director of Policy and Plan Management at johanna.fabian-marks@maryland.gov.

Sincerely,

A handwritten signature in black ink that reads "Michele Eberle".

Michele Eberle
Executive Director



2021 ACNM SB 729 Senate Side.pdf

Uploaded by: Chitalia, Suhani

Position: FAV



Committee: Senate Finance Committee
Bill Number: Senate Bill 729
Title: Maryland Health Benefit Exchange – State- Based Young Adult Health Insurance Subsidies Pilot Program
Hearing Date: March 3, 2021
Position: Support

The Maryland Affiliate of the American College of Nurse Midwives (ACNM) supports *Senate Bill 729 – Maryland Health Benefit Exchange – State- Based Young Adult Health Insurance Subsidies Pilot Program*. This bill would establish a subsidy program, focusing on young adults who have lower rates of coverage than other adults.

ACNM supports initiatives to make coverage more affordable for all individuals. While some young adults may have the option to stay on a parent's policy, this option is not available to everyone. This legislation would support young adults, whether in school or working, in obtaining health insurance coverage. Because young adults tend to be healthier, this bill could also decrease the level of risk in the pool of people insured through the Maryland Health Benefit Exchange, and thereby make the insurance more affordable for everyone.

We ask for a favorable report so that more young adults can access health care. If we can provide any additional information, please contact Suhani Chitalia at schitalia@policypartners.net or (240) 506-9325.

2021 MCHS SB 729 Senate Side.pdf

Uploaded by: Chitalia, Suhani

Position: FAV



Maryland Community Health System

Committee:	Senate Finance Committee
Bill Number:	Senate Bill 729 – Maryland Health Benefit Exchange -- State- Based Young Adult Health Insurance Subsidies
Hearing Date:	March 3, 2021
Position:	Support

Maryland Community Health System (MCHS) supports *Senate Bill 729 – Maryland Health Benefit Exchange – State- Based Young Adult Health Insurance Subsidies Pilot Program*. This bill would establish a subsidy program, focusing on young adults (18-34), the largest cohort of uninsured individuals, to encourage this population to enroll in health insurance and improve the overall uninsured rate in Maryland.

MCHS is a network of federally qualified health centers who focus on serving the uninsured and individuals in the Medicaid and Medicare programs. We participated in the Individual Subsidy Workgroup, established by Senate Bill 124 in the 2020 session. The legislation stems from the efforts of that workgroup to determine how to make insurance more affordable for young adults.

The legislation will support our health centers' young adult patients in obtaining affordable insurance. This will be critical to improving health outcomes and encouraging preventative health measures amongst the young adult populations. Given the circumstances of the COVID-19 pandemic and its impacts on both young and older individuals, the importance of affordable healthcare is relevant now, more than ever.

The legislation will also make insurance more affordable for everyone. By encouraging more young adults to purchase insurance, the Young Adult Subsidy Program will broaden the risk pool and lower premium rates for all participants.

We ask for a favorable report so that more young adults can access health care. If we can provide any additional information, please contact Suhani Chitalia at schitalia@policypartners.net or (240) 506-9325.

2021 MDAC SB 729 Senate Side.pdf

Uploaded by: Chitalia, Suhani

Position: FAV



10015 Old Columbia Road, Suite B-215
Columbia, Maryland 21046
www.mdac.us

Committee: Senate Finance Committee

Bill Number: Senate Bill 729 – Maryland Health Benefit Exchange – State – Based Young Adult Health Insurance Subsidies Pilot Program

Hearing Date: March 3, 2021

Position: Support

The Maryland Dental Action Coalition (MDAC) strongly supports *Senate Bill 729 – Maryland Health Benefit Exchange – State-Based Young Adult Health Insurance Subsidies Pilot Program*. This bill would establish a subsidy program, focusing on young adults (18-34), the largest cohort of uninsured individuals, to encourage this population to enroll in health insurance and improve the overall uninsured rate in Maryland.

MDAC is the state's leading non- governmental oral health policy and organization, working to improve the oral health of all Marylanders through increased oral health promotion, disease prevention, and access to oral health care. MDAC strongly supports SB 729 because it will expand accessibility to dental health care to young adults.

The Individual Subsidy Workgroup published a report in 2020 stating that costs were the greatest barrier for young adults in obtaining medical care. Health insurance subsidies for young adults will encourage those aged between 18 and 34 to receive regular oral health check-ups and take preventative measures to avoid more expensive and serious health conditions later in life.

Thank you for your consideration of our testimony, and we urge a favorable vote. If we can provide any further information, please contact Suhani Chitalia at schitalia@policypartners.net or (240) 506-9325.

Optimal Oral Health for All Marylanders

2021 PPM SB 729 Senate Side.pdf

Uploaded by: Chitalia, Suhani

Position: FAV

Planned Parenthood of Maryland

Committee: Senate Finance Committee

Bill Number: Senate Bill 729 -- Maryland Health Benefit Exchange – State – Based Young Adult Health Insurance Subsidies Pilot Program

Hearing Date: March 3, 2021

Position: Support

Planned Parenthood of Maryland supports *Senate Bill 729 – Maryland Health Benefit Exchange -- State-Based Young Adult Health Insurance Subsidies Pilot Program*. This bill would establish a subsidy program, focusing on young adults (18-34), the largest cohort of uninsured individuals, to encourage this population to enroll in health insurance and improve the overall uninsured rate in Maryland.

As an established and trusted community reproductive health care provider, serving Marylanders for more than 90 years and counting, we believe that cost and access should be no barrier to young adults who require health care. Incentivizing young adults to enroll in health insurance is critical for ongoing care, preventative care, and bettering the overall health of our state's population.

We served on the Individual Subsidy Workgroup, as established by 2020 legislation. The workgroup's final report stated that costs were the greatest barrier for young adults in obtaining medical care. Health insurance subsidies for young adults will encourage those aged between 18 and 34 to receive regular health check-ups and take preventative measures to avoid more expensive and serious health conditions later in life.

For the foregoing reasons, I urge a favorable report. Thank you for the opportunity to submit testimony. If you should have any questions, please contact Robyn Elliott, our public policy and governmental affairs consultant, at (443) 923-3443 or relliott@policypartners.net.

2021 MNA SB 729 Senate Side.pdf

Uploaded by: Chitalia, Suhani

Position: FAV



Committee: Senate Finance Committee

Bill Number: Senate Bill 729

Title: Maryland Health Benefit Exchange – State – Based Young Adult Health Insurance Subsidies Pilot Program

Hearing Date: March 3, 2021

Position: Support

The Maryland Nurses Association (MNA) supports *Senate Bill 729 – Maryland Health Benefit Exchange -- State-Based Young Adult Health Insurance Subsidies Pilot Program*. This bill would establish a subsidy program, focusing on young adults (18-34), the largest cohort of uninsured individuals, to encourage this population to enroll in health insurance and improve the overall uninsured rate in Maryland.

As nurses, we aim to provide the best possible care for our patients. It is important that young adults are able to afford and receive the medical care they need. Incentivizing young adults to enroll in health insurance is critical for ongoing care, preventative care, and bettering the overall health of our state's population. Given the circumstances of the COVID-19 pandemic and its impacts on both young and older individuals, the importance of affordable healthcare is relevant now, more than ever.

The Individual Subsidy Workgroup published a report in 2020 stating that costs were the greatest barrier for young adults in obtaining health care. Health insurance subsidies for young adults will encourage those aged between 18 and 34 to receive regular health check-ups and take preventative measures to avoid more expensive and serious health conditions later in life.

Thank you for your consideration of our testimony, and we urge a favorable vote. If we can provide any further information, please contact Suhani Chitalia at schitalia@polictpartners.net or (240) 506-9325.

2021 MOTA SB 729 Senate Side.pdf

Uploaded by: Elliott, Robyn

Position: FAV



Maryland Occupational Therapy Association

PO Box 36401, Towson, Maryland 21286 ♦ motamembers.org

Committee:	Senate Finance Committee
Bill Number:	Senate Bill 729
Title:	Maryland Health Benefit Exchange -- State- Based Young Adult Health Insurance Subsidies Pilot Program
Hearing Date:	March 3, 2021
Position:	Support

The Maryland Occupational Therapy Association (MOTA) is in support of *SB 729- Maryland Health Benefit Exchange -- State-Based Young Adult Health Insurance Subsidies Pilot Program*. This bill would establish a subsidy program, focusing on young adults (18-34), the largest cohort of uninsured individuals, to encourage this population to enroll in insurance and improve the overall uninsured rate in Maryland.

MOTA supports initiatives that improve access to habilitative for children and young adults. . The legislation supports young adults as they age out of the school system and lose access to services provided through individualized education plans (IEPs). They are more likely to be able to continue with needed habilitative services with insurance coverage; and habilitative services may be critical to allow them to life as independently as possible. .

The Individual Subsidy Workgroup published a report in 2020 stating that costs were the greatest barrier for young adults in obtaining health care. Health insurance subsidies for young adults will encourage those aged between 18 and 34 to receive regular health check-ups and take preventative measures to avoid more expensive and serious health conditions later in life.

Thank you for your consideration of our testimony, and we urge a favorable vote. If we can provide any further information, please contact Robyn Elliott at relliott@policypartners.net or (443) 926-3443..

SB729 - MHBE - LoS.pdf

Uploaded by: Fabian-Marks, Johanna

Position: FAV



March 3, 2021

The Honorable Delores G. Kelley
Senate Finance Committee
3 East Miller Senate Building
Annapolis, MD 21401

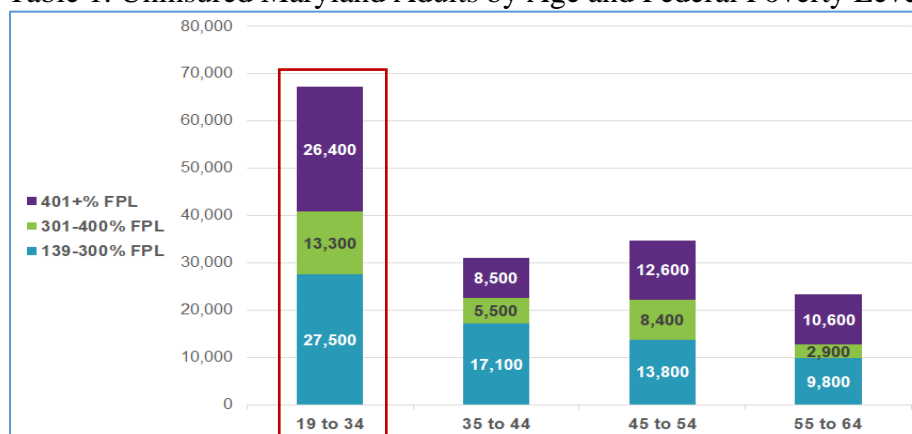
Re: Letter of Support – SB 729 – Maryland Health Benefit Exchange – State-Based Young Adult Health Insurance Subsidies Pilot Program

Dear Chair Kelley,

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Over the last several years, Maryland has taken significant steps to stabilize the individual market, including implementation of the State Reinsurance Program – a partnership with the federal government that has reduced 2021 individual market premiums by 31.5% compared to 2018 – and the Easy Enrollment Program – a first-in-the-nation program that allows uninsured Marylanders to enroll in coverage by checking a box on their taxes, which has led to more than 4,000 enrollments in 2020. Despite these successes, Maryland's uninsured rate has held steady at about 6%, with young adults remaining as the most likely to be uninsured.

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Senate Bill 124 / House Bill 196 of 2020 (SB124/HB196) directed MHBE to submit a report on the potential design, implementation, and effects of establishing state-based individual market health insurance subsidies in Maryland to target the remaining uninsured. MHBE worked with the actuarial firm Lewis & Ellis to model the impact of a subsidy program targeted at specific populations. While projections were based on a fully implemented program, rather than a pilot program, the results of providing subsidies to young adults at the 138-400% FPL demonstrated increases in young adult enrollment, further stabilization of the risk pool, and premium reductions for all enrollees regardless of age.

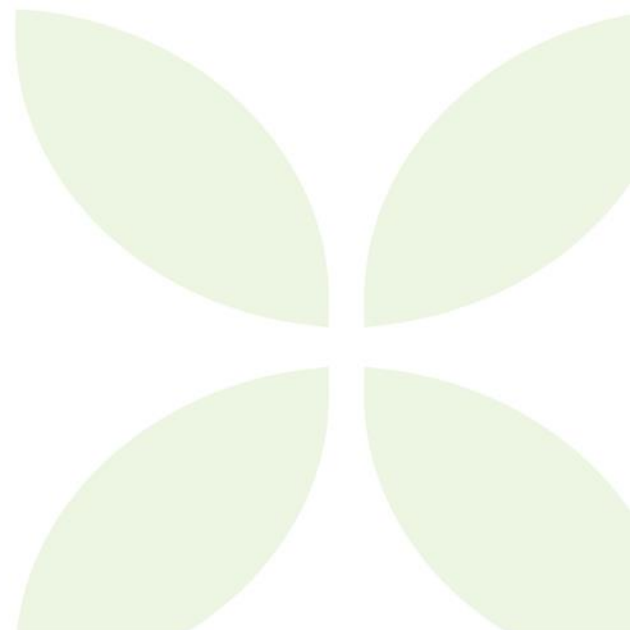
As the coronavirus public health emergency shines a light on the health and healthcare inequities in our country, a young adult subsidy offers an opportunity to increase health coverage among currently uninsured young adults, who are disproportionately likely to be Hispanic and Black.

For further discussions or questions on SB 729, please contact Johanna Fabian-Marks, Director of Policy and Plan Management at johanna.fabian-marks@maryland.gov.

Sincerely,

A handwritten signature in black ink that reads "Michele Eberle".

Michele Eberle
Executive Director



2021 LCPCM SB 729 Senate Side.pdf

Uploaded by: Faulkner, Rachael

Position: FAV



Committee: Senate Finance Committee

Bill Number: Senate Bill 729

Title: Maryland Health Benefit Exchange – State-Based Young Adult Health Insurance
Subsidies Pilot Program

Hearing Date: March 3, 2021

Position: Support

The Licensed Clinical Professional Counselors of Maryland (LCPCM) supports *Senate Bill 729 – Maryland Health Benefit Exchange – State-Based Young Adult Health Insurance Subsidies Pilot Program*. This bill requires the Maryland Health Benefit Exchange to establish and implement a pilot program to provide subsidies to young adults to purchase health plans in the individual market.

Marylanders across the state continue to experience too many barriers in accessing behavioral health services. In addition to there not being enough behavioral health providers overall, many individuals experience difficulties paying premiums, which prevents them from seeking needed treatment.

LCPCM is very supportive of establishing this new program to assist young adults in covering the cost of behavioral health services. If we can provide any further information, please contact our legislative representative, Rachael Faulkner, at (410) 693-4000 or rfaulkner@policypartners.net.

Amendment_SB0729-663627-01.pdf

Uploaded by: Feldman, Brian

Position: FAV



SB0729/663627/1

AMENDMENTS
PREPARED
BY THE
DEPT. OF LEGISLATIVE
SERVICES

19 FEB 21
11:49:13

BY: Senator Feldman
(To be offered in the Finance Committee)

AMENDMENT TO SENATE BILL 729
(First Reading File Bill)

On page 5, in line 29, strike “**140%**” and substitute “**400%**”.

sb729, health insurance subsidies, 3-3-'21.pdf

Uploaded by: Hudson, Lee

Position: FAV



Delaware-Maryland Synod
Evangelical Lutheran Church in America
God's work. Our hands.

Testimony Prepared for the
Health and Government Operations Committee
on
Senate Bill 729
March 3, 2021
Position: **Favorable**

Madam Chair and members of the Committee, thank you for the opportunity to speak in favor of expanding access to health care in Maryland. I am Lee Hudson, assistant to the bishop for public policy in the Delaware-Maryland Synod, Evangelical Lutheran Church in America, a faith community with congregations in three synods in every part of our State.

Our community has advocated for access to appropriate and adequate health care for all people in the United States and its territories since 2003.

Senate Bill 729 represents work by the Maryland Health Benefit Exchange to assess health insurance market weakness and lingering uninsured populations subsequent to Maryland's implementation of the Affordable Care Act.

The weakness concentrates in the individual market. This is not new. Pre-ACA individual markets generally were known for under-insurance: high cost, meager coverage, and wasted care dollars as a result. Our community's commitment to appropriate and adequate care, affordable for clients, will not be met if un- and under-insured populations persist.

Because of the leadership of this Committee, Maryland has made important progress insuring the uninsured by implementing ACA effectively and generously. However, some Marylanders still struggle to afford health coverage. Ineffective care dollars, un- and under-insured populations, and resulting cost from uncompensated care reproduce the year-on-year of pre-ACA among that population.

The testimony of my community remains that denying access to care and treatment does not save money. It does not even save health care dollars because it ignores the cost of poor health outcomes. **Senate Bill 729** would rebalance Maryland's subsidies in the individual market under ACA to achieve a larger insured population, lower consumer cost, stabilize markets, expand access, and reduce uncompensated care. Those improvements benefit consumers, carriers, providers, and the State.

In general, we favor stronger subsidy support to improve the State health. We note with special gratitude that the Bill's subsidies would support disadvantaged citizens. More than forty percent of medically uninsured young people are African-American, a population that may be forced to the individual market because of employment circumstances. We would be happy to see the State address this cause of health inequity.

Because more people likely will receive appropriate medical care, my community supports **Senate Bill 729** to establish a pilot program for expanded state subsidy in the individual market, and we ask your favorable report.

Lee Hudson

SB729_Support_MCHI.pdf

Uploaded by: Klapper, Stephanie

Position: FAV



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.

SB0729_Support_Attorney General.pdf

Uploaded by: O'Connor, Patricia

Position: FAV

BRIAN E. FROSH
Attorney General



ELIZABETH F. HARRIS
Chief Deputy Attorney General

CAROLYN QUATTROCKI
Deputy Attorney General

STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL

FACSIMILE NO.
(410) 576-6571

WRITER'S DIRECT DIAL NO.
(410) 576-6515

March 3, 2021

To: The Honorable Delores G. Kelley
Chair, Finance Committee

From: The Office of the Attorney General, Health Education and Advocacy

Re: Senate Bill 729 (Maryland Health Benefit Exchange – State-Based Young Adult Health Insurance Subsidies Pilot Program): Support

The Office of the Attorney General's Health Education and Advocacy Unit (HEAU) supports Senate Bill 729 directing the Maryland Health Benefit Exchange (MHBE) to create a State-Based Young Adult Health Insurance Subsidies Pilot Program. Maryland has made great strides in lowering the uninsured rate and stabilizing premiums in the individual market, but MHBE data shows that young adults remain uninsured at a higher level than other populations. And Black and Hispanic adults remain uninsured at a higher rate than white adults¹, fostering longstanding barriers to healthcare, making them more vulnerable to COVID-19 and the collateral consequences of COVID-19.

Offering additional financial assistance to young adults will build health equity and increase access to healthcare services for young adults, including the young historically underserved populations that are being disproportionately affected by COVID-19, and should result in premium reductions for all enrollees regardless of age.²

Increased health equity and improved access to affordable and appropriate healthcare is one of the priority actions recommended by the Attorney General's COVID-19 Access to Justice Task Force, and we urge the Committee to give Senate Bill 729 a favorable report.

cc: Sponsor

¹ <https://www.kff.org/uninsured/state-indicator/nonelderly-uninsured-rate-by-raceethnicity/?currentTimeframe=0&selectedRows=%7B%22states%22:%7B%22maryland%22:%7B%7D%7D%7D&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>

² <https://www.marylandhbe.com/wp-content/uploads/2020/10/MHBE-Fall-2020-Subsidy-Report.pdf>

MRHA SB729 - Maryland Health Benefit Exchange – St

Uploaded by: Orosz, Samantha

Position: FAV



Statement of Maryland Rural Health Association

To the Finance Committee

March 3, 2021

Senate Bill 729 Maryland Health Benefit Exchange – State-Based Young Adult Health Insurance Subsidies Pilot Program

POSITION: SUPPORT

Chair Kelley, Vice Chair Feldman, and members of the Finance Committee, the Maryland Rural Health Association (MRHA) is in SUPPORT of Senate Bill 729 Maryland Health Benefit Exchange – State-Based Young Adult Health Insurance Subsidies Pilot Program.

MRHA supports this legislation that would establish and implement a State-Based Young Adult Health Insurance Subsidies Pilot Program to provide a means for young adults to reduce the amount they pay for health benefit plans in the Maryland Health Benefit Exchange.

In economically disadvantaged rural communities across Maryland, this legislation would relieve financial stress on many young adults, allowing them to participate in the state's economy at higher rates.

MRHA's mission is to educate and advocate for the optimal health and wellness of rural communities and their residents. Membership is comprised of health departments, hospitals, community health centers, health professionals, and community members in rural Maryland.

Rural Maryland represents almost 80 percent of Maryland's land area and 25% of its population. Of Maryland's 24 counties, 18 are considered rural by the state, and with a population of over 1.6 million they differ greatly from the urban areas in the state.

And while Maryland is one of the richest states, there is great disparity in how wealth is distributed. The greatest portion of wealth resides around the Baltimore/Washington Region; while further away from the I-95 corridor, differences in the social and economic environment are very apparent.

MRHA believes this legislation is important to support our rural communities and we thank you for your consideration.

Lara Wilson, Executive Director, larawilson@mdruralhealth.org, 410-693-6988

SB 729- Maryland Health Benefit Exchange – State-

Uploaded by: Raswant, Maansi

Position: FAV



Maryland
Hospital Association

March 3, 2021

To: The Honorable Delores G. Kelley, Chair, Senate Finance Committee

Re: Letter of Support- Senate Bill 729 – Maryland Health Benefit Exchange – State-Based
Young Adult Health Insurance Subsidies Pilot Program

Dear Chair Kelley:

On behalf of the Maryland Hospital Association's (MHA) 60 member hospitals and health systems, we appreciate the opportunity to comment on Senate Bill 729. Broad-based, affordable and comprehensive health insurance is integral to hospitals' ability to provide high-quality care. It also is key to the state's success under the Total Cost of Care Model, which pushes accountability for whole-person care, including population health. Maryland hospitals have been strong proponents of the state's efforts to expand health care coverage, supporting Medicaid expansion, offering subsidized individual and small group health plans through the Maryland Health Benefit Exchange (MHBE), and most recently the creation of the individual market reinsurance program.

Yet we know that nearly 400,000 Marylanders are uninsured, and even more are underinsured—which often prevents access to care and results in worse health outcomes. The reinsurance program lowered premiums and contributed to individual insurance market stability. Similarly, a state subsidy program will increase access to more affordable coverage for consumers. MHA supported the creation of a state subsidy for young adults as a participant in the MHBE's Affordability Work Group in 2019.

Still, we urge the state and legislature to be thoughtful about using significant funding to subsidize the cost of insurance coverage for small subsets of Marylanders, most of whom already have insurance. The state should correspondingly analyze how available funding may be best used to maximize the number of insured individuals under the most robust health benefit plans available.

In addition, we caution against continuous reliance on the reinsurance program and additional coverage subsidies as the solution to address long-term market stability. Rather, to ensure sustained viability of these markets, we must address high service utilization and improve the overall health of individuals covered through better insurer care management of the enrollees they serve.

Finally, while a state subsidies program will lower premiums, we urge policymakers to address the increasing consumer out-of-pocket costs included in commercial health insurance plans and focusing on consumer health insurance literacy. High deductibles, increased cost-sharing requirements, and lack of transparency regarding coverage from health insurers has resulted in

unexpected financial obligations for patients who thought they were covered for much-needed services. From 2014 to 2018, the number of Marylanders in employer-sponsored plans who face high deductibles doubled, to 43%.¹ These high out-of-pocket costs create significant underinsurance for covered individuals, and most importantly, deter them from seeking appropriate health care. As Maryland legislators look at solutions to better the health of Marylanders in general, the importance of continued investment in consumer health insurance literacy and awareness cannot be understated.

Maryland hospitals support this bill's efforts to expand affordable coverage to more Marylanders. We look forward to our continued partnership with the state and the legislature to create sustainable solutions for access to affordable, comprehensive health insurance coverage.

For more information, please contact:
Maansi Raswant, Vice President, Policy
Mraswant@mhaonline.org

¹ State Health Access Assistance Center (SHADAC) analysis of the Medical Expenditure Panel Survey - Insurance Component. State-Level trends in employer-sponsored health insurance (ESI), 2014-2018.

SB729_Young Adult Subsidies_Support.pdf

Uploaded by: Taylor, Allison

Position: FAV



Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc
2101 East Jefferson Street
Rockville, Maryland 20852

March 3, 2021

The Honorable Delores G. Kelley
Senate Finance Committee
3 East, Miller Senate Office Building
11 Bladen Street
Annapolis, Maryland 21401

RE: SB 729 – Support

Dear Chair Kelley and Members of the Committee:

Kaiser Permanente is pleased to support SB 729, “Maryland Health Benefit Exchange – State–Based Young Adult Health Insurance Subsidies Pilot Program.”

Kaiser Permanente is the largest private integrated health care delivery system in the United States, delivering health care to over 12 million members in eight states and the District of Columbia.¹ Kaiser Permanente of the Mid-Atlantic States, which operates in Maryland, provides and coordinates complete health care services for approximately 775,000 members. In Maryland, we deliver care to over 450,000 members.

This bill requires the Maryland Health Benefit Exchange to establish and implement a pilot program to provide subsidies to young adults for the purchase of health benefit plans in the individual market, for calendar years 2022 and 2023 only. In determining the subsidy eligibility and payment parameters the Exchange is required to consider (1) young adults between 18 and 41 years old; and (2) income groups between 133% and 140% FPL. The Governor must designate \$10 million from the Maryland Health Benefit Exchange Fund in each of FY 22 through FY 24 to be provided to young adults who meet the eligibility requirements and payment parameters in calendar years 2022 and 2023.

Kaiser Permanente supports state-funded subsidy enhancements, like those proposed SB 729, because they provide an immediate and direct benefit to consumers. Subsidy enhancements are relatively simple for states to administer through existing tax methodologies and they can be implemented relatively quickly. We appreciate that younger adults have not historically purchased health insurance at the same rate as other age groups and support policies that encourage this group to enter the market. KP agrees with the [Lewis and Ellis analysis](#) published on September 21, 2020 that projects that young adult subsidies will significantly increase enrollment/coverage in Maryland, moving the state towards universal coverage.

¹ Kaiser Permanente comprises Kaiser Foundation Health Plan, Inc., the nation’s largest not-for-profit health plan, and its health plan subsidiaries outside California and Hawaii; the not-for-profit Kaiser Foundation Hospitals, which operates 39 hospitals and over 650 other clinical facilities; and the Permanente Medical Groups, self-governed physician group practices that exclusively contract with Kaiser Foundation Health Plan and its health plan subsidiaries to meet the health needs of Kaiser Permanente’s members.

Kaiser Permanente
Comments on SB 729
March 3, 2021

Thank you for the opportunity to comment. Please feel free to contact Allison Taylor at Allison.W.Taylor@kp.org or (202) 924-7496 with questions.

Sincerely,

A handwritten signature in brown ink that reads "Allison Taylor". The signature is written in a cursive, flowing style.

Allison Taylor
Director of Government Relations
Kaiser Foundation Health Plan of Mid-Atlantic States, Inc.

SB 729 - FWA - CareFirst Testimony.pdf

Uploaded by: Rivkin, Deborah

Position: FWA



Senate Bill 729 - Maryland Health Benefit Exchange – State-Based Young Adult Health Insurance Subsidies Pilot Program

Position: Favorable with Amendments

Thank you for the opportunity to provide written comments on Senate Bill 729. This bill establishes the State-Based-Young Adult Health Insurance Subsidies Pilot Program (“the Subsidy Program”). The Maryland Health Benefit Exchange (“MHBE”), in consultation with the Insurance Commissioner (“Commissioner”) and as approved by the MHBE Board (“the Board”), shall establish, and implement the Subsidy Program to provide subsidies to young adults who are not directly impacted by the State Reinsurance Program (“the Reinsurance Program”) for the purchase of health benefit plans in the individual market for calendar years 2022 and 2023. In determining the subsidy eligibility and payment parameters the MHBE shall consider: (1) young adults at least 18-years old and under 41 years; and (2) income groups between 133% and 140% of the Federal Poverty Level (“FPL”). It is our understanding that an amendment will be proposed to modify the income eligibility for the Subsidy Program in this bill to between 138% and 400% FPL.

CareFirst is committed to driving the transformation of the healthcare experience with and for our members and communities, with a focus on quality, equity, affordability, and access to care. While CareFirst supports additional efforts to stabilize Maryland’s individual market and increase access to comprehensive, affordable healthcare, including through targeted, cost effective subsidies, we want to emphasize that the Reinsurance Program is the primary stabilizing force in the individual market, restoring market rates to below 2018 levels, and growing enrollment each year the program has been in effect. The Reinsurance Program is also extraordinarily cost effective for the state due the leveraging of significant federal funding to support the program. The state must take care to ensure that the Subsidy Program is complementary to the Reinsurance Program and does not negatively impact the effect of reinsurance on individual market stability.

As the committee considers Senate Bill 729, we urge careful consideration of the following questions to ensure that the Subsidy Program is complementary to the Reinsurance Program:

- Will there be any Federal changes to existing Affordable Care Act (ACA) subsidies? We anticipate that Congress will take action in the next month to significantly increase premium subsidies. Any federal changes should be analyzed against the Subsidy Program as proposed, as prior analysis of the Subsidy Program did not consider the prospect of enhanced federal subsidies.
- Are there state dollars available to fund subsidies in light of the FY 2022 Budget? The Budget Reconciliation and Financing Act of 2021 (HB 589/ SB 493) would require the transfer of \$100 million in each fiscal year, 2021 through 2026, from the assessment created for the Reinsurance Program, to Medicaid. Such a transfer would substantially reduce or eliminate the funds available for the Subsidy Program.
- Will the Federal government alter its pass-through funding methodology moving forward for Maryland? CareFirst expects the 2022 state-based reinsurance funding estimate to be provided by CMS in the next six weeks. It will be the first estimate CMS has provided with a full understanding of the state commitments to the Reinsurance Program. If CMS alters its funding methodology for Maryland, this could reduce the funds available for the Subsidy Program.

- *Will Maryland dedicate additional funds for a second state-based reinsurance waiver term?* Without a second waiver term for the Reinsurance Program, individual rates will spike, and the market will revert to its state in 2018. A second waiver term is necessary to ensure the long-term stability of the individual market. If additional state funds are not appropriated to a second waiver term, the existing state surplus funds will need to be used to fund a second term of the waiver for the Reinsurance Program.

While CareFirst supports the Subsidy Program for young adults age 18 to 40 as an appropriate, measured step to further stabilize the individual market, we strongly recommend a delayed effective date to 2023 to enable due consideration and impact of the questions above, including potential federal changes to subsidies and the federal reinsurance pass-through calculation, as well as state budget considerations. Moreover, a delayed effective date will allow for consideration of an appropriate implementation timeline for the Subsidy Program. Distinct from the federal subsidy program, implementation of the state subsidy program will require technical changes to ensure appropriate segregation of federal and state funds.

We urge the adoption of an amendment to the implementation date of this bill to the 2023 benefit year to enable consideration of the Subsidy Program in light of the variables outlined in this letter.

CareFirst looks forward to partnering with legislators, the MHBE, the Commissioner, and other stakeholders to enhance and refine the Subsidy Program to ensure maximum impact on premium affordability for targeted populations in 2023.

About CareFirst BlueCross BlueShield

In its 83rd year of service, CareFirst, an independent licensee of the Blue Cross and Blue Shield Association, is a not-for-profit healthcare company which, through its affiliates and subsidiaries, offers a comprehensive portfolio of health insurance products and administrative services to 3.4 million individuals and employers in Maryland, the District of Columbia and Northern Virginia. In 2019, CareFirst invested \$43 million to improve overall health, and increase the accessibility, affordability, safety, and quality of healthcare throughout its market areas. To learn more about CareFirst BlueCross BlueShield, visit our website at www.carefirst.com and our transforming healthcare page at www.carefirst.com/transformation, or follow us on [Facebook](#), [Twitter](#), [LinkedIn](#) or [Instagram](#).