

February 16, 2021

Honorable Shane Pendergrass
Chair, Health and Government Operations Committee
Via electronic submission

RE: HB 780 – Maryland Health Benefit Exchange – State-Based Young Adult Health Insurance Subsidies Pilot Program, Favorable

Dear Chair Pendergrass,

Last year the General Assembly enacted Senate Bill 124, Maryland Health Benefit Exchange – Assessment Applicability and State–Based Individual Market Health Insurance Subsidies, which directed the Maryland Health Benefits Exchange (MHBE) to, in effect, explore the feasibility and desirability of establishing a state subsidy program for Maryland’s individual market. As a part of that effort, the MHBE formed the Individual Subsidy Workgroup comprised of individuals representing a wide range of interests (e.g., consumers, carriers, providers) to garner additional feedback on the subsidy designs suggested by the consultant Lewis & Ellis. We were pleased to serve as co-chairs of this workgroup. Based on what we learned through this workgroup, we urge a favorable report on HB 780.

We call your attention to three inequities in the individual market that the workgroup identified:

1. Young adults subsidize older adults in the individual market more than in other health insurance markets making health insurance less affordable for young adults 18-34 years of age. This group has the highest number of uninsured.
2. African American young adults are more likely to be uninsured than white young adults.
3. The state reinsurance program has lowered premiums primarily for those who do not qualify for federal subsidies.

The workgroup recommended the General Assembly and the MHBE consider moving forward with a state subsidy program to mitigate the aforementioned inequities by targeting young adults who qualify for federal subsidies (individuals and families up to 400% of the federal poverty level). The pilot state subsidy program authorized by the bill before you would do this.

We are confident the MHBE will design a pilot state subsidy program that builds on our state reinsurance program to make health insurance affordable for all Marylanders relying on the individual market. For these reasons, we urge a favorable report.

Warm regards,

Kenneth Brannan
Kenneth Brannan
3204 Blackwalnut Dr.
Annapolis, MD 21403
Kbrannan222@gmail.com

Beth Sammis
Beth Sammis
709 Warren Dr.
Annapolis, MD 21403
bethsammis@gmail.com

Cc: Members of the Health and Government Operations Committee

Staff of the Health and Government Operations Committee