



Maryland
Hospital Association

February 9, 2022

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

Re: Letter of Support – Senate Bill 395 – Health Insurance – Individual Market Stabilization – Extension of Provider Fee

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 395. Broad based, affordable, and comprehensive health insurance is integral to hospitals' ability to deliver high-quality care. It also is key to the state's success under the Total Cost of Care Model, which holds hospitals accountable for whole-person care, including population health.

Maryland hospitals are strong proponents of the state's efforts to expand health care coverage, including Medicaid expansion, subsidized individual and small group health plans through the Maryland Health Benefit Exchange, and, most recently, the individual market reinsurance program that is the subject of this proposed bill.

Individual premiums consistently declined since the reinsurance program was established in 2018. Premiums fell by an average of 11.9% for 2021 and more than 30% compared to 2018.¹ Additionally, participating carriers are required to invest in efforts to manage care—and thus contain costs—for enrollees whose claims were reimbursed by the reinsurance program. This includes aligning population health goals with Maryland's Statewide Integrated Health Improvement Strategy.

MHA supports the successful individual market reinsurance program to bolster coverage for high-cost enrollees. The reinsurance program allowed high-cost enrollees to maintain coverage for much-needed care while stabilizing the insurance market so premiums remain affordable. This allows hospitals to continue to deliver lower-cost, higher-quality care for all Marylanders.

For these reasons, we urge a favorable report on SB 395.

For more information, please contact:
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¹ www.marylandhbe.com/wp-content/uploads/2021/07/Reinsurance-Annual-Public-Forum-2021_Presentation.pdf