



## DEPARTMENT OF HEALTH

Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Dennis R. Schrader, Secretary

February 9, 2022

The Honorable Delores Kelly  
Chair, Senate Finance Committee  
3 East Miller Senate Office Building  
Annapolis, Maryland 21401- 1991

**RE: SB 395 – Health Insurance – Individual Market Stabilization – Extension of Provider Fee**

Dear Chair Kelley and Committee Members:

The Maryland Department of Health (MDH) respectfully submits this letter of support on Senate Bill (SB) 395 – Health Insurance – Individual Market Stabilization – Extension of Provider Fee. SB 395 will determine the future of the State Reinsurance Program (SRP) Continuing the stabilization of the individual health insurance market by extending to calendar year 2028 the assessment of a health insurance provider fee.

In 2018, the General Assembly and Governor Hogan worked together on a bi-partisan basis to pass two critical pieces of legislation – HB 1795 and SB 387 – to create and fund the claims-based State Reinsurance Program. Through the State Reinsurance Program and the hard work of our colleagues at the Maryland Insurance Administration and MHBE, Maryland delivered a net reduction in health insurance premiums for 2020 by an average of 10.3% and in 2019 by an average of 13.2 percent. Enrollment in private plans on Maryland Health Connection increased to 181,000 for 2022, up by 9 percent from 2021. Total individual market enrollment, both on and off-exchange, has also grown substantially in recent years, increasing 22% between December 2019 and July 2021 (from 179,000 to 219,000). Maryland is now a national leader in health insurance market innovation, and according to analysis by the Kaiser Family Foundation, has on average, the lowest individual market premiums in the nation.

Without the extension of the provider fee, the SRP would end, and premiums would increase to the high and rising rates seen before the SRP. Now more than ever, access to affordable health insurance is critical, as such MDH respectfully requests the Committee return a favorable report for SB 395.

If you have any questions, please contact Heather Shek, Director of Governmental Affairs, at [heather.shek@maryland.gov](mailto:heather.shek@maryland.gov) or (443) 695-4218.

Sincerely,

Dennis R. Schrader  
Secretary