



Maryland
Hospital Association

March 2, 2022

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

Re: Letter of Support – Senate Bill 632 – Maryland Health Benefit Exchange – Small Business and Nonprofit Health Insurance Subsidies 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 in support of Senate Bill 632. 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 pushes accountability for whole-person care, including population health. Yet, we know many Marylanders remain uninsured, and even more are underinsured. The reinsurance program lowered premiums and contributed to individual insurance market stability. Similarly, a state subsidy program will expand access to more affordable coverage for consumers. 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. We suggest the state consider how available funding may maximize the number of insured individuals under the most robust health benefit plans available.

We caution against continuous reliance on the reinsurance program and additional coverage subsidies 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. We urge policymakers to address the increasing consumer out-of-pocket costs included in commercial health insurance plans and focus on consumer health insurance literacy. High deductibles, increased cost-sharing requirements, and lack of transparency regarding coverage from health insurers 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, regardless of any premium discounts received.

For these reasons, we urge a *favorable* report on SB 632.

For more information, please contact:
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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.