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

From: The Office of the Attorney General's Health Education and Advocacy Unit

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

The Office of the Attorney General's Health Education and Advocacy Unit (HEAU) supports Senate Bill 395 which would extend funding for the Maryland Health Benefit Exchange's (MHBE) reinsurance program from 2023 to 2028. Since the reinsurance program began in 2019, premiums for federally qualified individual health plans (QHPs) have been reduced by 31%. According to MHBE, continuing the funding should maintain the stability Maryland's marketplace has gained as a result of the reinsurance program.

The bill would specifically amend Md. Code Ann., Ins. §6–102.1 as follows:

(b) The purpose of this section is to assist in the stabilization of the individual health insurance market by assessing a health insurance provider fee that is attributable to State health risk for calendar years 2019 through [2023] **2028**, both inclusive, as provided for under subsection (c) of this section.

(c) (1) In calendar year 2019, in addition to the amounts otherwise due under this subtitle, an entity subject to this section shall be subject to an assessment of 2.75% on all amounts used to calculate the entity's premium tax liability under § 6–102 of this subtitle or the amount of the entity's premium tax exemption value for calendar year 2018.

(2) In calendar years 2020 through [2023] **2028**, both inclusive, in addition to the amounts otherwise due under this subtitle, an entity subject to this section shall be subject to an assessment of 1% on all amounts used to calculate the entity's premium tax liability

under § 6–102 of this subtitle or the amount of the entity’s premium tax exemption value for the immediately preceding calendar year.

We ask the committee for a favorable report.

cc: Sponsor