



MARYLAND CITIZENS' HEALTH INITIATIVE

TESTIMONY IN SUPPORT OF HOUSE BILL 413

Health Insurance – Individual Market Stabilization – Extension of Provider Fee

Before the House Health and Government Operations Committee

By Vincent DeMarco, President, Maryland Citizens' Health Initiative, Inc.

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Chairman Pendergrass and Members of the Health and Government Operations Committee, thank you for this opportunity to testify in support of House Bill 413 which would continue the assessment on insurers that under your leadership has been successfully improving access to quality, affordable health care in Maryland. We commend Governor Larry Hogan and the Maryland General Assembly for first enacting this life saving assessment in 2018 and we thank Governor Hogan for proposing here that it be extended. We also thank the Maryland Health Benefit Exchange for their great work in implementing the programs funded by the assessment.

Using the assessment, Maryland has created a successful reinsurance program, which allowed Maryland to leverage federal funds under a 1332 waiver to successfully stabilize premiums in the individual market. This has been helpful to Marylanders who do not qualify for federal advance premium tax credits due to their income. In addition, thanks to the success of the reinsurance program, a third carrier joined the individual market bringing more choice for consumers.¹

The assessment has also funded the 2-year pilot state subsidy program to help young adults afford health coverage in the individual market that was created this year thanks to your leadership, and which is also expected to help stabilize premiums and reduce disparities by age, race, and ethnicity. The pilot has been a great success with approximately 9,000 new enrollees between the ages of 18-34 using the program so far, and more could still get coverage before open enrollment ends at the end of the month. Continuing the assessment could help to continue the program after the pilot period ends.

Finally, the assessment allocated \$45 million over three years to fund the Health Equity Resource Community Program created under the Health Equity Resource Act you passed in 2021. The program will be implemented by the Community Health Resources Commission and will provide grants to organizations in under-served communities through the state to reduce health disparities by race, ethnicity, disability, location, and other demographics.

Thanks to your leadership, Maryland has one of the top five health care systems in the entire nation, and HB 413 will help us continue to lead. We urge a favorable report for HB 413.

¹ 2021 Report of the Maryland Health Insurance Coverage Protection Commission.

<http://dls.maryland.gov/pubs/prod/NoPblTabMtg/MryHltInsCovCmsn/2021-MD-Health-Ins-Coverage-Protection-Commision.pdf>