



HOUSE APPROPRIATIONS COMMITTEE

House Bill 1210

Public Institutions of Higher Education - Student Health Insurance Plan Enrollment

March 16, 2023

Unfavorable

Chair Barnes, Vice Chair Chang, and members of the committee, thank you for the opportunity to share our position on House Bill 1210. The bill prohibits “automatic” enrollment in student health insurance plans offered by public institutions of higher education.

The University System of Maryland (USM) does not enroll students in health plans. The president of each constituent institution has the duty to “*[s]et tuition and fees*” for students enrolled in their institution, subject to the authority of the Board of Regents and the Board’s applicable regulations and policies granted in Section 12-109(e)(7) of the Education Article. Functionally, each institution manages their own student health insurance rules and requirements.

Student health plans have long been available as a way for college students to obtain health insurance coverage. But prior to the enactment of the Affordable Care Act (ACA), student health plans were very loosely regulated, and the coverage was often inadequate if an enrollee experienced a significant medical event. Young adults are allowed to remain on a parent's health insurance plan until they turn 26 (this applies regardless of whether they're in school). Depending on how much the parent pays in premiums after any employer contributions, it may be more cost-effective for the family to have the student purchase individual health insurance or enroll in the student health plan. There's no one-size-fits-all answer.

Medicaid eligibility has been expanded under the ACA, and 37 states plus DC have implemented the new eligibility guidelines. In those states, coverage is available with household income up to 138% of the poverty level, which amounts to \$18,754 in 2022 for a single individual in the continental U.S. Students are eligible to receive subsidies (assuming they're eligible based on income) regardless of whether their school offers student health insurance (in contrast, premium subsidies are usually not available when a person has access to an employer-sponsored plan).

Prior to the ACA, student health plans tended to have low lifetime benefit caps and often had gaps in the coverage. But the ACA created new consumer protections for student health plans, ensuring that these plans meet the same standards that the ACA also implemented for individual and small group plans. As a result, nearly all student health plans cover the essential health benefits with no dollar limit on how much the plan will pay.

The USM believes that each student should have access to a quality health insurance plan that provides adequate coverage in preventative and unexpected circumstances. Now that the ACA makes that a possibility for more Americans, the USM can assist students in accessing such a vital service.

Thank you for allowing the USM to share these thoughts on House Bill 1210.



About the University System of Maryland

The University System of Maryland (USM)—one system made up of twelve institutions, three regional centers, and a central office—awards eight out of every ten bachelor’s degrees in the State of Maryland. The USM is governed by a Board of Regents, comprised of twenty-one members from diverse professional and personal backgrounds. The chancellor, Dr. Jay Perman, oversees and manages the operations of USM. However, each constituent institution is run by its own president who has authority over that university. Each of USM’s 12 institutions has a distinct and unique approach to the mission of educating students and promoting the economic, intellectual, and cultural growth of its surrounding community. These institutions are located throughout the state, from western Maryland to the Eastern Shore, with the flagship campus in the Washington suburbs. The USM includes Historically Black Colleges and Universities, comprehensive institutions, research universities, and the country’s largest public online institution.

USM Office of Government Relations - Patrick Hogan: phogan@usmd.edu