



**JESSICA FITZWATER**  
**COUNTY EXECUTIVE**  
**FREDERICK COUNTY, MARYLAND**

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**Senate Bill 601**

**Maryland Health Benefit Exchange – State-Based Young Adult Health Insurance  
Subsidies Pilot Program – Sunset Repeal**

**DATE:** March 1, 2023  
**COMMITTEE:** Senate Finance Committee  
**POSITION:** Favorable  
**FROM:** Frederick County Executive Jessica Fitzwater

As the County Executive of Frederick County, I urge the committee to give Senate Bill 601 a favorable report with amendments.

Thanks to leadership within this body, in 2021 Maryland enacted a subsidies law which invested up to \$20 million per year for two years to help lower-income young adults ages 18-34 purchase health coverage. House Bill 814 would remove the sunset on this important health care program.

Young adults in Frederick County have greatly benefited from this successful pilot program. According to Maryland Health Benefit Exchange (MHBE) in 2022 about 45,000 young Marylanders have used these subsidies to enroll in insurance coverage, including over 17,000 who were new to the marketplace. Young adults comprised more than 24% of the MHBE's total new enrollees, compared to 4% the year before. Young adults were more likely to pay their premiums and continue coverage.

It is important that Maryland continue this successful public health program. Many of our youth have been able to access health coverage through Maryland Health Connection for the first time. Others were able to upgrade to plans with lower deductibles and other cost-sharing, or were better able to afford their premiums.

This program has also been reducing racial and ethnic disparities within this age group. In 2022 young adult subsidy recipients were more likely to be Latino or Black than young adult enrollees ineligible for the subsidy. In 2023, Latino young adult enrollment grew 13% more than any other population. This program is improving health equity in our state.

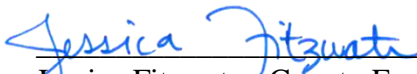
The subsidies program also is a good use of state dollars, as plans for young adults compared with other groups tend to cost less, which means that the dollars for the state subsidy program stretch further in covering as many uninsured individuals as possible. The average subsidy per household was \$35 per month, reducing average household premiums by 34%. Making coverage for young adults more affordable also helps to stabilize premiums within the market by bringing more healthy people into the market.

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Finally, it is crucial that we pass legislation this year to continue the program because the federal health emergency enacted in response to the COVID pandemic is coming to an end this year, and many of our residents may experience a gap in insurance when they unwind from Medicaid. This program would help young adults be able to afford private insurance and maintain having coverage instead of falling through the cracks.

Thank you to this body for your leadership passing the two-year pilot. I urge you to build on its success and give a favorable report for SB 601.

Respectfully,

  
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Jessica Fitzwater, County Executive  
Frederick County, MD