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March 1, 2023

Bill: SB 601 – Maryland Health Benefit Exchange – State–Based Young Adult Health Insurance Subsidies Pilot Program – Sunset Repeal
Committee: Senate – Finance
Position: FAVORABLE

Chair Giffith, Vice-Chair Klausmeier, and Members of the Senate Finance Committee:

On behalf of the Charles County Board of Commissioners, it is my sincere pleasure to support passage of SB 601. Thanks to your leadership 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. SB 601 would remove the sunset on this important health care program.

Young adults who reside in our locality have greatly benefited from this successful pilot program. Here Charles County we were thrilled to publicize the program in order to ensure that young adults were able to get the health coverage that they need, and they took our call in great numbers. 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 as a whole by bringing more healthy people into the market.

Finally, the timing of continuing this program is more important than ever because the federal health emergency 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.

We encourage a favorable committee report on SB 601. Thank you for the opportunity to provide our full support.

Sincerely,

A handwritten signature in blue ink, appearing to read 'RBC', with a long horizontal flourish extending to the right.

Reuben B. Collins, II, Esq., President
County Commissioners of Charles County

cc: Charles County Delegation