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February 23, 2023

COMMITTEE: House Health and Government Operations Committee
BILL: HB 814 – Maryland Health Benefit Exchange – State-Based Adult Health Insurance Subsidies Pilot Program – Sunset Repeal
POSITION: Support

The Horizon Foundation is Howard County's community health foundation and the largest independent health philanthropy in the state of Maryland. We lead community change so everyone in Howard County can live a longer, better life.

The Foundation is pleased to support HB 814 – Maryland Health Benefit Exchange – State-Based Adult Health Insurance Subsidies Pilot Program – Sunset Repeal.

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. HB 814 would remove the sunset on this important health care program.

The two-year pilot program has been very successful. Young adults are the age group most likely to be uninsured, and this program has made great strides in helping them gain coverage. According to Maryland Health Benefit Exchange (MHBE), in 2022, about 45,000 young Marylanders used these subsidies to enroll in insurance coverage, including over 17,000 who were new to the marketplace. MHBE's new enrollees comprised of young adults increased from 4% to more than 24%. Young adults were also more likely to pay their premiums and continue coverage. It is critical that this program continue to help young adults, many of whom have been able to access health coverage through Maryland Health Connection for the first time, while others already had coverage and were better able to afford their plans or upgrade to higher metal-level plans with lower cost-sharing. The federal health emergency coming to an end this year makes this program even more important so that young adults unwinding from Medicaid can afford coverage in the individual market and not experience a gap in coverage.

Horizon Foundation Testimony
HB 814 – Maryland Health Benefit Exchange – State-Based Adult Health
Insurance Subsidies Pilot Program – Sunset Repeal
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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. Health equity is a priority for the Horizon Foundation, and this program is a great example of how we can work to eliminate health disparities 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. 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.

The Horizon Foundation recognizes the need to offer affordable and reliable healthcare to all Marylanders, especially those who have faced historical barriers to accessing care. For this reason, the Horizon Foundation **SUPPORTS HB 814** and urges a **FAVORABLE** report.

Thank you for your consideration.