

# All Marylanders Should Have Access to Affordable Health Coverage

## Position Statement Supporting House Bill 728

*Given before the Health and Government Operations Committee*

Everyone needs quality and timely access to healthcare. We can strengthen the health of Marylanders by providing affordable healthcare coverage to all, a barrier that often produces racial and ethnic health disparities and stems from socioeconomic inequality. House Bill 728 would open the Maryland Health Benefit Exchange to residents who meet the regular eligibility requirements, regardless of their immigration status. This opportunity will propel Maryland one step closer to improving health accessibility in the state. **The Maryland Center on Economic Policy supports House Bill 728 because it improves health equity for one of Maryland's most vulnerable communities.**

While the provisions in the Affordable Care Act (ACA) have enabled more Marylanders to get the medical attention they need, hundreds of thousands of residents are still without health insurance. The undocumented immigrant population, in particular, is at much greater risk of being uninsured. An estimated 112,400 undocumented Marylanders are uninsured, making up about 30% of the uninsured population in the state.<sup>i</sup> According to the Census Bureau, 24% of Latine Marylanders were uninsured in 2022, compared to 5% of Black and 3% of white residents.<sup>ii</sup> The disproportionate numbers are likely an indication of the large share of immigrants in the Latine community. When looking at non-citizen immigrants as a whole, we know that they accounted for 45% of the uninsured in Maryland despite accounting for only 8% of the state population.<sup>ii</sup>

Gaining health coverage greatly improves access to health care and decreases the negative effects of being uninsured. Research shows that the expansion of health insurance through the ACA improved access to care, affordability, financial security, and health outcomes.<sup>iii</sup> We are all affected when people in our communities delay seeing a doctor due to financial or documentation status concerns associated with health coverage. Public or communal health is comprised as seen through the COVID-19 pandemic, in addition to possible uncompensated care provided at hospitals.<sup>iv</sup> Although some worry about healthcare expansion costs to the state, the economic benefits on healthcare expansion efforts have shown to save millions of dollars in uncompensated care in the state.<sup>v</sup> However, it's important to note that HB 728 as outlined has no economic costs to the state as the purpose is to open the marketplace for now. Moreover, research has shown that Medicaid expansion through the ACA reduced \$1,140 in medical debt per person, in addition to reducing evictions for lower-income households.<sup>iv</sup>

Multiple states across the country have established comprehensive care programs to extend coverage to undocumented immigrants. Twelve states and the District of Columbia provide some type of state-funded healthcare to income-eligible children regardless of immigration status; other states have passed legislation that

will do so in the next couple of years.<sup>vi</sup> Two states in particular have expanded some form of market coverage to undocumented residents:

- The state of Washington came one step closer to expanding healthcare for all through the federal approval of their 1332 waiver application that will allow undocumented residents to purchase marketplace insurance through their state exchange starting in 2024.<sup>vii</sup> Residents with incomes up to 250% of the federal poverty level would qualify for their state-based subsidy program even if they are not eligible for federal premium tax credits. Notably, the state allocated \$50 million for the subsidy program in their 2023 planning year. For approval, legislation also had to appropriate an additional \$5 million in state funding that would be available upon receipt of the waiver.<sup>viii</sup>
- Colorado provides state-based subsidies to residents earning up to 300% of the federal poverty level for individual market enrollment outside of the ACA marketplace regardless of immigration status.<sup>vii</sup> Residents are able to purchase insurance through Colorado Connect, a secure platform separate from their exchange website.

HB 728 is a step toward ending healthcare disparities for immigrant communities in Maryland. Through this bill, the state would become a safer and healthier place for all its residents. For these reasons, **the Maryland Center on Economic Policy respectfully requests the Health and Government Operations Committee to make a favorable report on House Bill 728.**

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## Equity Impact Analysis: House Bill 728

### *Bill Summary*

HB 728 would require the Maryland Health Benefit Exchange to submit a state innovation waiver application amendment under §1332 of the Affordable Care Act in order to establish a Qualified Resident Enrollment Program that will allow residents to obtain coverage through the exchange regardless of immigration status.

### *Background*

Despite having an uninsured rate of 6%, many Maryland residents are still struggling to access and afford healthcare. Thousands of undocumented Marylanders are ineligible for care through Maryland's Medical Assistance Program, Maryland Children's Health Program, the Maryland Benefit Health Exchange or other government-funded programs except for emergency services, even if they meet all the criteria but for their immigration status. Multiple states across the country have established comprehensive care programs to extend coverage to immigrants regardless of their documentation status. In 2022, the Maryland General Assembly passed the Healthy Babies Equity Act, which expands Medicaid to cover prenatal and postpartum care up to 12 months for pregnant individuals regardless of their documentation status.

### *Equity Implications*

Immigration status can be a social determinant of health for many people, particularly for undocumented immigrants. This community often bears one of the highest uninsured rates nationwide: 50% of undocumented immigrants were uninsured compared to 18% of lawfully present immigrants and 8% of U.S.-born citizens.<sup>vi</sup> Employer-sponsored coverage is also an obstacle for undocumented immigrants as they tend to work in lower-wage occupations that do not offer health coverage.<sup>vi</sup>

Not only does accessibility impact immigrant populations' health, so does affordability. Research shows that immigrants' out-of-pocket healthcare expenses tend to be higher than those of citizens,<sup>vi</sup> especially for undocumented immigrants who are elderly or have recently arrived.<sup>ix</sup>

### *Impact*

House Bill 728 will likely **improve racial, health and economic equity** in Maryland.

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<sup>i</sup> Maryland Department of Health. (2023, December 8). Report on health care and dental coverage for Marylanders ineligible for Medicaid and Qualified Health Plans due to immigration status. *Maryland Health Benefit Exchange*. <https://www.marylandhbe.com/wp-content/uploads/2023/12/Report-on-Health-Care-and-Dental-Coverage-for-Marylanders-Ineligible-for-Medicaid-and-Qualified-Health-Plans-Due-to-Immigration-Status.pdf>

<sup>ii</sup> Source: Census Bureau, American Community Survey 1-year 2022 estimates

<sup>iii</sup> Guth, M., & Ammula, M. (2021, May 6). Building on the evidence base: Studies on the effects of Medicaid expansion, February 2020 to March 2021. *Kaiser Family Foundation*. <https://www.kff.org/medicaid/report/building-on-the-evidence-base-studies-on-the-effects-of-medicaid-expansion-february-2020-to-march-2021/>

<sup>iv</sup> Center on Budget and Policy Priorities. (2020, October 21). *The far-reaching benefits of the Affordable Care Act's Medicaid expansion*. <https://www.cbpp.org/research/health/chart-book-the-far-reaching-benefits-of-the-affordable-care-acts-medicaid-expansion>

<sup>v</sup> Maryland Health Care for All. (2023). *Analysis of hospital uncompensated care, related hospital assessments, and health care expansion*. <https://healthcareforall.com/wp-content/uploads/2023/12/Analysis-of-HC-Expansion-and-Hospital-UC-120523.pdf>

<sup>vi</sup> Kaiser Family Foundation. (2023, September 17). Key facts on health coverage of immigrants. <https://www.kff.org/racial-equity-and-health-policy/fact-sheet/key-facts-on-health-coverage-of-immigrants/>

<sup>vii</sup> "A Decade of State Immigrant Rights Victories: Moving Toward Health Care and Economic Justice for All," National Immigration Law Center, (2022). [https://www.nilc.org/wp-content/uploads/2022/12/NILC\\_StateandLocalPolicy\\_2022\\_122222.pdf](https://www.nilc.org/wp-content/uploads/2022/12/NILC_StateandLocalPolicy_2022_122222.pdf)

<sup>viii</sup> "Washington: State Innovation Waiver," (2022). <https://www.cms.gov/files/document/1332-wa-fact-sheet.pdf>

<sup>ix</sup> Flavin, L., Zallman, L., McCormick, D., & Boyd, J.W. (2018). Medical expenditures on and by immigrant populations in the United States: A systematic review. *International Journal of Health Services*, 48(4), 601-621. <https://doi.org/10.1177/0020731418791963>