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Date: **March 20, 2025**

Bill # / Title: **Senate Bill 5 - Maryland Health Benefit Exchange – State–Based Young Adult Health Insurance Subsidies Pilot Program – Sunset Repeal**

Committee: **House Health and Government Operations Committee**

Position: **Support**

The Maryland Insurance Administration (MIA) appreciates the opportunity to share its support for Senate Bill 5. Senate Bill 5 is in an identical posture as its cross-file, HB 297, which was moved favorably with amendments by this committee.

Senate Bill 5 renames the “State–Based Young Adult Health Insurance Subsidies Pilot Program” to be the “State–Based Young Adult Health Insurance Subsidies Program” (the Program) and repeals the sunset provisions of law that established and governed the funding for the Program, thus making the program permanent. In addition, the bill lays out specified conditions under which the Maryland Health Benefit Exchange (MHBE), in consultation with the Maryland Insurance Commissioner, may designate amounts from the state’s Reinsurance Fund to be used for the subsidies in the Program. Under the proposed language, the Program remains under administration of the MHBE.

Should this legislation be enacted, it will facilitate increased financial accessibility for young adults seeking enrollment in the Exchange during any operational year of the Program. As part of the Program, young adults would receive an additional state subsidy to help pay for their medical insurance premiums, which would reduce their monthly costs. This should incentivize younger, healthier adults to enroll in or keep coverage, which increases the size of the individual risk pool. That, in turn, would have an expected positive impact on insurance premiums in the individual health insurance market, as young adults are generally healthier and have less claims than average, driving costs down across the entire pool.

In light of the net positive impact this bill would have on Maryland's individual market, the MIA urges a favorable committee report on Senate Bill 5.