

TESTIMONY IN SUPPORT OF HOUSE BILL 297

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

Before the House Health and Government Operations Committee

By Delegate Ken Kerr

January 30, 2025

Chair Peña-Melnyk, Vice-chair Cullison, and Members of the House Health and Government Operations Committee, thank you for this opportunity to testify in support of House Bill 827. 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. In 2023, the pilot was extended for two more years to gather additional information about the efficacy of the program. House Bill 297 would remove this year's sunset on this important health care program.

The four-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 have 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 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.

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. 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.

I thank Chair Pena-Melnyk, Vice Chair Cullison, and the members of this committee for sponsoring the legislation to start this program four years ago and for their leadership sponsoring HB814 to remove the sunset. I urge a favorable report for HB297.