



March 3, 2021

The Honorable Delores G. Kelley  
 Senate Finance Committee  
 3 East Miller Senate Building  
 Annapolis, MD 21401

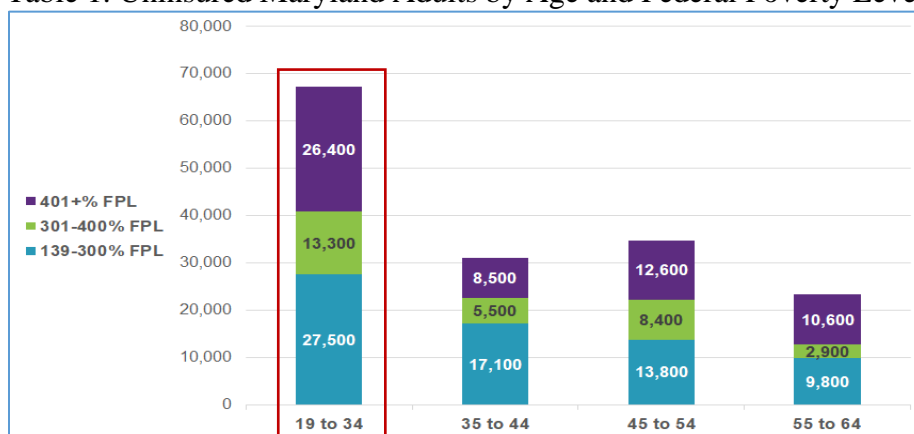
**Re: Letter of Support – SB 729 – Maryland Health Benefit Exchange – State-Based Young Adult Health Insurance Subsidies Pilot Program**

Dear Chair Kelley,

The Maryland Health Benefit Exchange (MHBE) respectfully submits this letter of support on Senate Bill (SB) 729 – Maryland Health Benefit Exchange – State-Based Young Adult Health Insurance Subsidies Pilot Program. SB 729 would direct the MHBE to create a State-Based Young Adult Health Insurance Subsidies Pilot Program.

Over the last several years, Maryland has taken significant steps to stabilize the individual market, including implementation of the State Reinsurance Program – a partnership with the federal government that has reduced 2021 individual market premiums by 31.5% compared to 2018 – and the Easy Enrollment Program – a first-in-the-nation program that allows uninsured Marylanders to enroll in coverage by checking a box on their taxes, which has led to more than 4,000 enrollments in 2020. Despite these successes, Maryland’s uninsured rate has held steady at about 6%, with young adults remaining as the most likely to be uninsured.

Table 1. Uninsured Maryland Adults by Age and Federal Poverty Level<sup>1</sup>



<sup>1</sup> Source: Analysis by Families USA National Center for Coverage Innovation of 2018 data from the American Community Survey. IPUMS USA, University of Minnesota, www.ipums.org. Note: ACS data do not include immigration status. These estimates impute immigration status based generally on previous Urban Institute results.



Senate Bill 124 / House Bill 196 of 2020 (SB124/HB196) directed MHBE to submit a report on the potential design, implementation, and effects of establishing state-based individual market health insurance subsidies in Maryland to target the remaining uninsured. MHBE worked with the actuarial firm Lewis & Ellis to model the impact of a subsidy program targeted at specific populations. While projections were based on a fully implemented program, rather than a pilot program, the results of providing subsidies to young adults at the 138-400% FPL demonstrated increases in young adult enrollment, further stabilization of the risk pool, and premium reductions for all enrollees regardless of age.

As the coronavirus public health emergency shines a light on the health and healthcare inequities in our country, a young adult subsidy offers an opportunity to increase health coverage among currently uninsured young adults, who are disproportionately likely to be Hispanic and Black.

For further discussions or questions on SB 729, please contact Johanna Fabian-Marks, Director of Policy and Plan Management at [johanna.fabian-marks@maryland.gov](mailto:johanna.fabian-marks@maryland.gov).

Sincerely,

A handwritten signature in black ink that reads "Michele Eberle".

Michele Eberle  
Executive Director

