MARYLAND Health Care FOR All

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December 15, 2023

Commissioner Kathleen A. Birrane
Maryland Insurance Administration
200 St. Paul Place, Suite 2700
Baltimore, MD 21202

Dear Commissioner Birrane,

Thank you for the opportunity to provide comments to the State Reinsurance Workgroup, and for your leadership in pursing access to quality, affordable health care for all Marylanders. Thank you especially for the opportunity to attend and participate in the discussions during the Workgroup's meetings over the past seven months, and to provide written comments throughout the process. Since the passage of the Affordable Care Act, Maryland has made great progress by cutting the number of uninsured in half. Now we must make further progress to go from 6% of Marylanders being uninsured to 0% uninsured.

We recognize the positive effects of the reinsurance program helping Maryland capture pass-through dollars, and that the program has been very successful in stabilizing premiums. At the same time, we recognize that the reinsurance program helps Marylanders over 400% of FPL, who are the most likely to be insured, while other interventions can help Marylanders under 400% FPL who are more likely to be uninsured. At the bottom of page 25 the report states "The uninsured rates [are]...the highest among non-US citizens, Hispanic people, and young adults in the 26 – 34 age range. It will be important to keep this data in mind in considering which populations to target for subsidies in order to encourage them to obtain health insurance."

With this in mind, we strongly urge that the report explicitly state that the Young Adult Subsidy Program and the Health Equity Resource Communities program, along with the reinsurance program, should continue to be funded through the assessment on insurers as long as that funding source continues.

The Young Adult Subsidy Program is a critical program that is stabilizing the marketplace, improving health equity, and directly impacting young adults below 400% FPL. In 2022 according to MHBE about 45,000 young Marylanders used the Young Adult Subsidy Program to enroll in insurance coverage, including over 17,000 who were new to the marketplace, which is helping to stabilize the market for everyone. 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. This program has also been reducing racial and ethnic coverage 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. These successes should be highlighted in the report. We strongly urge the workgroup to recommend that the Young Adult Subsidy Program continue to be funded through the insurer assessment. We do agree with the recommendation in the report to switch to a flat per member per month subsidy to improve equity.

The Health Equity Resource Communities Program (HERC) is also a critical program funded by the insurer assessment and which needs to continue. Although Maryland has the fifth best health care system in the nation, health inequities by race, ethnicity, ability, and place of residence. The Pathways Program and HERC are modeled after the successful 2012-2016 Health Enterprise Zones Program which successfully increased access to health resources, improved residents' health, reduced hospital admissions, and created cost savings. Although we do not have data yet on savings in the health care system thanks to the current program, the original Health Enterprise Program saved the health care system approximately $93.4 million after accounting for the cost of the program. Continuing the HERC Program will help reduce preventable hospital admissions, which will result in lower overall health care costs, including lower insurance premiums for everyone. It is critical that Maryland continue to invest in Health Equity Resource Communities after the initial five years of funding.

In the draft of the report at the bottom of page 4 we hope the report can change the first sentence of the last paragraph to state that **"modeling supports the conclusion that the SRP will likely have sufficient funding to continue to contribute an amount such as $35 million annually to continue the Young Adult Subsidy Program and Health Equity Resource Communities Program."** It is critical that the Young Adult Subsidy Program and Health Equity Resource Communities remain in place and continue to be funded through the assessment on insurers.

We also urge that the report explicitly say that the assessment on insurers continue past its 2027 expiration date at no lower than its current level, and that there should also be an evaluation as to whether the assessment should be made higher. Maryland has one of the lowest assessments compared with other states that have assessments, and that there are very important additional market reforms outlined in this report that need funding in order to make coverage affordable for lower income Marylanders. It would be helpful if the report could outline how much additional funding there could be to improve health coverage access in the individual market if Maryland had an assessment more in line with states like Oregon (2%), New Jersey (2.5%), and Delaware (2.75%).

We urge that the report explicitly make a recommendation to provide subsidies to undocumented Marylanders up to 400% FPL so they can attain the same level of health plan affordability and limit on out of pocket costs experienced by all other health plan

purchasers on the exchange. Over 112,000 uninsured Marylanders are ineligible for Medicaid and private insurance from Maryland Health Connection because of immigration status, accounting for roughly 30% of the state's total uninsured despite contributing millions of dollars in taxes every year. This has had the highest impact on Black and Latino residents, who have become sicker, hospitalized at higher rates, and die younger due to their exclusion from access to quality, affordable health care. For these subsidies it is critically important that undocumented Marylanders receive financial help at the same level as received by all other health plan purchasers on the Exchange so that they are able to afford to purchase the coverage. The state will need to invest funds in order to expand access to coverage to undocumented Marylanders.

To this end, the report could reference new evidence that Maryland's Medicaid expansion followed by health coverage expansion under the Affordable Care Act has led to at least $460 million savings in uncompensated care since 2007. Under these programs Maryland went from 13% of Marylanders being uninsured to 6% uninsured. Expanding access to all Marylanders would further lead to savings by reducing uncompensated care.

In the section of the report around the state CSR subsidy option, we appreciate that even if a Marylander has health coverage, it is critical that cost-sharing be affordable enough that Marylanders can successfully use their coverage to access the health care that they need. We encourage the workgroup to add more information to the report about the positive impact on Marylanders that such programs would have, for example by illustrating some scenarios of a sample family trying to access the care they need. It may also be helpful to include some ideas about how such a program could be evaluated, such as looking at how much enrollees spend out of pocket before and after the reform, and how that impacts their utilization of services, and collecting stories about what difference that has made to their health.

We also appreciate the modeling on the potential impact of a state subsidy program for all age groups.

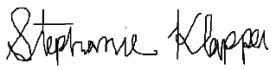
As Ms. Eberle noted at the first meeting of the workgroup, prescription drug costs are a significant driver of health insurance premiums. In order to make coverage affordable it is critical that we address the root causes for why costs are rising quickly in the first place. Maryland is fortunate to have the first-in-the-nation Prescription Drug Affordability Board which is nearly ready to release its plan to set upper payment limits for high-cost drugs for state and local governments. **We urge the workgroup to express in its report support for the Prescription Drug Affordability Board going beyond this to gain the authority to set upper payment limits for high-cost drugs for ALL Marylanders.** This will reduce pressure on premiums by directly addressing health care costs, which in turn will benefit consumers and reduce pressure on the reinsurance program.

We appreciate that the report recommends continuing with a claims-cost based program rather than switching to conditions-based. We also support continuing to use a dampening factor in order to maintain pass-throughs and prevent carriers from getting an excess profit from high risk members. For the future, we do not believe that the reinsurance program should be made any larger than it already is at the expense of other programs that could help Marylanders below 400% FPL and improve health equity.

Thank you for your leadership and consideration of these recommendations to ensure access to quality, affordable health care for all Marylanders.

Sincerely,

Vincent DeMarco
President, Maryland Citizens' Health Initiative



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