

# Policy Updates

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# Agenda

1. Legislative Update
2. Young Adult Subsidy Update

# Legislative Update

# Legislative Update (1/2)

Bill	Summary	Status
<b>HB 413</b>	<p><b>Extends 1% provider fee</b> to fund state reinsurance program in the second 1332 waiver period (2024-2028).</p> <ul style="list-style-type: none"> <li>- MIA and MHBE committed to via a letter to the Senate Finance Committee to <b>provide by 12/1/22 recommendations on capping</b> the amount that may be maintained in the reinsurance fund, including evaluation of the model Delaware is using.</li> <li>- Legislation requires MIA, in consultation with MHBE and MHCC, to <b>report to legislature by 12/1/23</b> on the appropriate level of funding, parameters, and assessment for the program, as well as reforms needed to provide affordable coverage in the individual market and options for sustainable funding.</li> </ul>	Enacted
<b>SB 632</b>	Requires MHBE to form a <b>Small Business and Nonprofit Health Insurance Subsidies Program Workgroup</b> . Report to legislature due 10/1/22.	To Governor
<b>HB 1082</b>	Allocates \$300-400k to UMD Horowitz Center for Health Literacy to establish a <b>Consumer Health Information Hub</b>	To Governor

# Legislative Update (2/2)

Bill	Summary	Status
<b>HB 937</b>	<ul style="list-style-type: none"> <li>- Establishes an abortion clinical care training program and requires Medicaid and other payers to cover abortion.</li> <li>- MHBE required to <b>expand Young Adult Subsidy to result in \$0 premiums</b> for those eligible for 0% expected contribution and report on the effect on effectuation and termination for nonpayment.</li> <li>- MHBE require to <b>study extending last dollar coverage</b> to other enrollees. Report to the legislature due 1/1/24.</li> <li>- MHBE, in consultation with MIA, required to convene <b>stakeholder workgroup to make recommendations to improve the transparency and accessibility of consumer information about abortion care coverage</b>. Report to legislature due 1/1/23.</li> </ul>	Enacted
<b>SB 728 / HB 1035</b>	Directed MHBE to submit a <b>1332 waiver application</b> to allow individuals ineligible for federal subsidies to enroll in QHPs and created a state subsidy program.	Did not move forward

# Young Adult Subsidy Update

# 2022 Young Adult Subsidy Program Parameters

## Eligibility

- Age: 18-34 (18 or older; younger than 35)
- Income: 138% to 400% FPL
- Eligible to enroll through MHC
- Enrolled through MHC
- Enrollment cap if projections indicate that budget may be exceeded

## Subsidy Design

- Reduce the maximum expected contribution by 2.5% between ages 18 and 30
- For ages 31 to 35, reduce the 2.5% reduction by 0.5% each year
- Originally projected 2022 cost: \$17M

## Expected Contribution (EC) for Benchmark Plan

% FPL	Federal EC	MD Young Adult EC					
		18-30	31	32	33	34	35
		-2.5%	-2.0%	-1.5%	-1.0%	-0.5%	-0.0%
≤150	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
200	2.00%	0.00%	0.00%	0.50%	1.00%	1.50%	2.00%
250	4.00%	1.50%	2.00%	2.50%	3.00%	3.50%	4.00%
300	6.00%	3.50%	4.00%	4.50%	5.00%	5.50%	6.00%
400	8.50%	6.00%	6.50%	7.00%	7.50%	8.00%	8.50%

# Program Status

- Young adult enrollment grew about 7% year-over-year, from about 46,700 to about 50,400 individuals\*
  - 18-26: 3% growth
  - 27-34: 10% growth
- Young adult enrollment growth among 27-34-year-olds was on par with total enrollment growth, which was about 10%

Total Auto Renewed Enrollees	Total New Enrollment	Average Subsidy PMPM	Estimated Subsidy Cost	Remaining Enrollment Available
21,446	10,946	\$41.00	\$13,705,262	18,155

\*Comparing open enrollment for 2021 and 2022.



# National Comparison - Did MD's additional subsidy propel young adults to enroll?

- Maryland growth of **7%** ranked **38th** nationally.
- TX grew 30%. AR, GA, AZ, NV all grew 25% or more. FFM states (on Healthcare.gov) overall averaged 25% growth among 18-34s.
- It's likely that the pandemic fueled desire for private insurance especially in states where expanded MA eligibility was not an option. Also, the Public Health Emergency meant no one was rolling off Medicaid as before.
- But even in the **SBM states** (all Medicaid expansion), growth among young adults **averaged +12%**.

## On a closer inspection, perhaps it did ...

- Maryland's 26-34-year-old population as a share of total enrollment, at 19%, was the **third best** in the country in both 2021 and 2022.
- Only DC at 34% (unique population - skews young) and MA at 22% (extensive state subsidies) ranked higher.
- DC's 26-34s as share of total enrollment fell from 2021 to 2022 (30% to 28%), while MA's held steady at 22%
- DC's total 26-34 enrollment fell by 14% and MA's fell by 16% from '21 to '22, so **MD's +10% growth compares favorably.**

## Next Steps

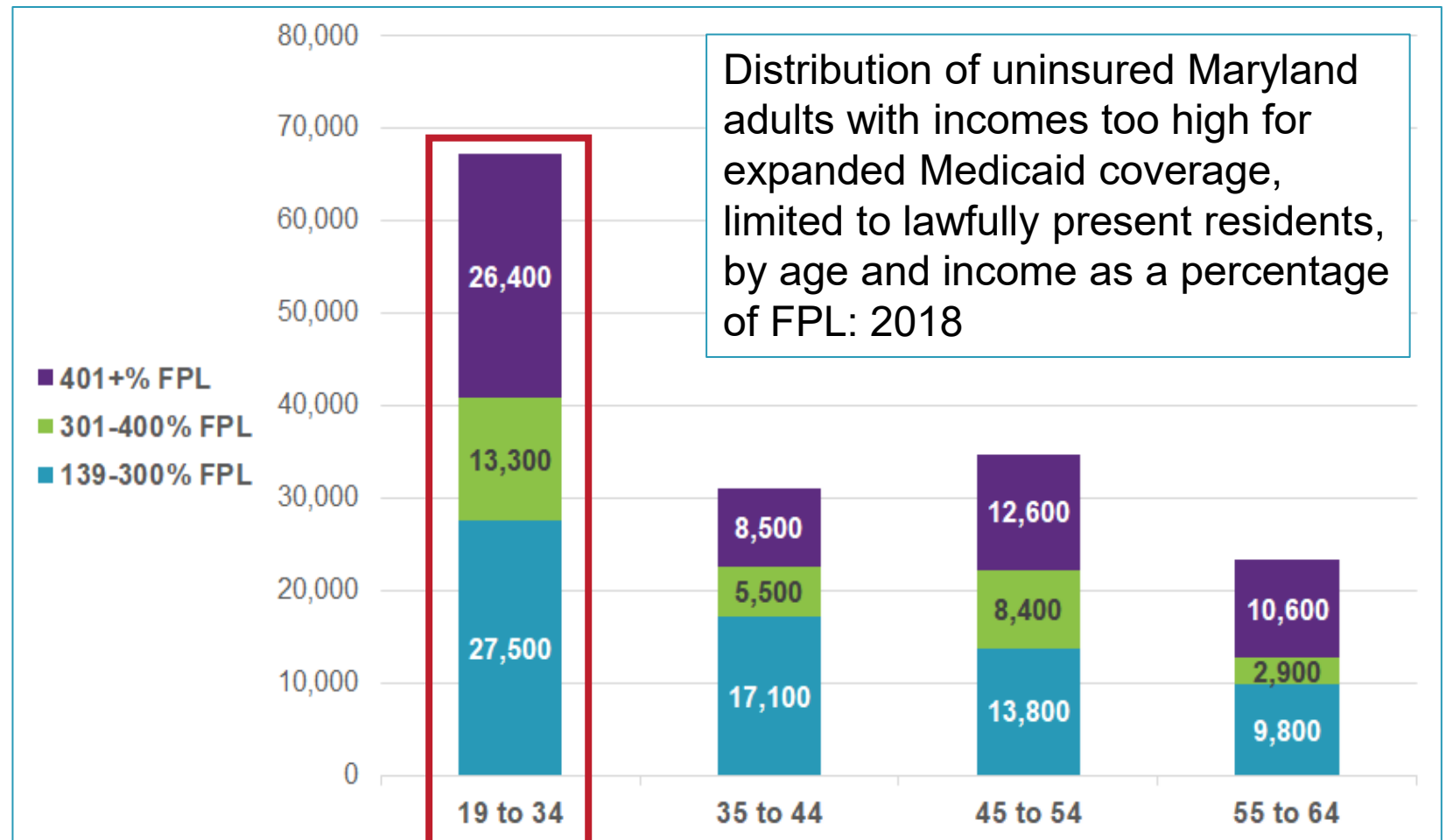
- In depth analysis of young adult enrollment and national comparison
- Proposal to update 2023 young adult premium assistance parameters in May
  - Extension of American Rescue Plan Act subsidies will have major impact
- Not planning to propose an increase to 2022 young adult subsidy payments
  - Unspent funds will remain available for reinsurance

# Appendix

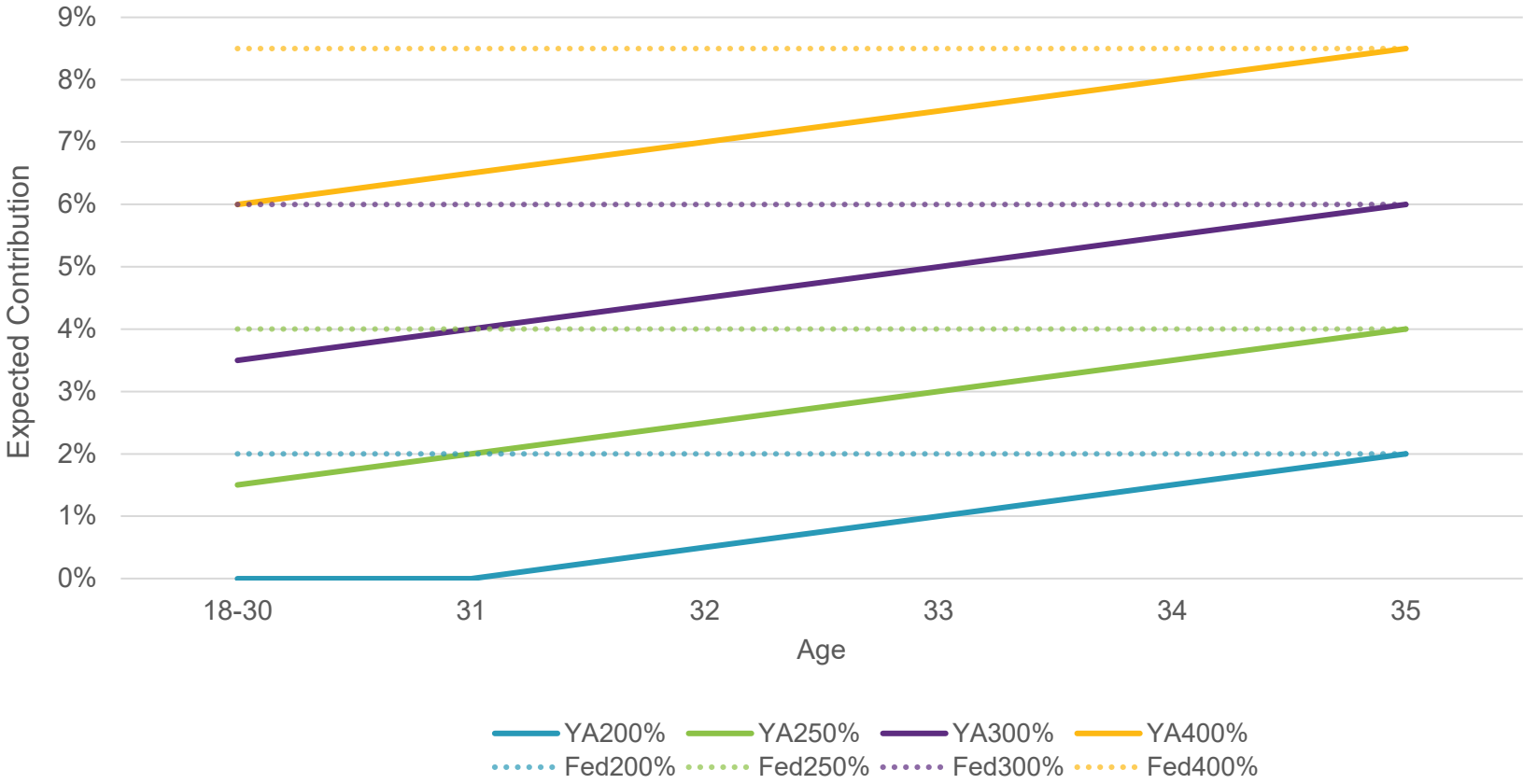
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# Uninsured Maryland Adults by Age and Federal Poverty Level

Young adults are the largest group of uninsured (67,200; 43% of adult uninsured). A majority are below 400% FPL.



# MD Young Adult Subsidy Expected Contribution Levels by FPL, Compared to Federal Levels



# Young Adult Subsidy Example: 28-year-old in Baltimore City

<b>Benchmark Plan Monthly Premium After APTC</b>		<b>Benchmark Plan Monthly Premium After APTC + State Subsidy</b>	
Income	\$31,900	Income	\$31,900
FPL	250%	FPL	250%
Federal EC	4.00%	State EC	1.50%
SLCSP cost	\$293	SLCSP cost	\$293
APTC	\$187	APTC	\$187
State Subsidy	n/a	State Subsidy	\$66
<b>Net Premium</b>	<b>\$106</b>	<b>Net Premium</b>	<b>\$40</b>

# Projected Impact of Subsidy\*

2021 % enrolled of eligible	2023 % enrolled of eligible	2023 Increase in Enrollment	2023 Gross Premium PCPY	2023 Net Premium PCPY	2023 State Subsidy PCPY
41%	64%	21,800	\$4,587	\$713	\$537

2022 YA Subsidy Cost	2023 YA Subsidy Cost	2022 Change in Morbidity – Impact to Premiums (all)	% Subsidy Recipients who are New Enrollees by 2023	2023 Cost per New Member
\$17.0M	\$19.4M	-4.6%	49%	\$888

\*As of summer 2021; assumes ARPA APTC levels are continued in 2023