

Standing Advisory Committee Meeting

June 9, 2022

MHBE Policy Department

Agenda

2:00PM-2:10 PM

Welcome

Ken Brannan, SAC Chair, and Dana Weckesser, SAC Board Liaison

2:10-2:25 PM

Executive Update

Michele Eberle, MHBE Executive Director

2:25PM-2:45 PM

Monthly Data Report Refresh, Part II

Andy Ratner, MHBE Chief of Staff

2:45-3:00 PM

Young Adult Subsidy Update

Johanna Fabian-Marks, Director of Policy and Plan Management

3:00-3:20 PM

Prescription Drug Affordability Board Update

Andrew York, PDAB Executive Director

3:20-3:50

ARPA Expanded Tax Credits

Michele Eberle, MHBE Executive Director

3:50-4:00

Public Comment

4:00

Adjournment



Welcome

The background features a solid teal color with four large, overlapping circles of a lighter shade of teal. These circles are arranged in a cross-like pattern, with each circle overlapping the others at their centers. The text "Executive Update" is centered horizontally and vertically over the intersection of these circles.

Executive Update

Data Reporting

MHBE Standing Advisory Committee / June 9, 2022



How Maryland compares in 2022

Sources: CMS 2022 Public Use Files, ACASignups.net



5th highest growth among 18 State-Based Marketplaces

Maryland's 2022 growth of **10%** year over year was **5th** best among the **18 State-Based Marketplaces**, behind:

1. Nevada 24
2. New Jersey 20
3. Pennsylvania 11
4. Colorado 11

(Other non-SBM states that did not expand Medicaid typically had larger growth rates in 2022 because MA was not an option for many there during pandemic.)

Tied for **2nd lowest** average premium in nation: \$447 a month

Maryland's average premium in 2022 was tied for 2nd lowest in the nation:

- Utah \$408
- New Hampshire \$447

But Maryland was tied for 24th in nation **after** APTC per month

1. Utah	\$62	14. Virginia	\$126
2. Mississippi	72	15. Tennessee	128
3. Florida	80	16. Arkansas	134
4. Texas	86	17. Iowa	135
5. Wyoming	88	18. Rhode Island	135
6. South Dakota	91	19. Missouri	137
7. Oklahoma	93	20. Montana	142
8. Alabama	96	21. Kansas	149
9. North Carolina	96	22. California	150
10. North Dakota	100	23. Louisiana	157
11. Georgia	105	24. Alaska	158
12. South Carolina	107	24. Maryland	158*
13. <u>Nebraska</u>	121		

*Income-related

5th in nation in proportion of **Gold** plans: 46% of total enrollment

Maryland was behind only:

1. Wyoming 64%
2. New Mexico 58
3. Alaska 47
4. Delaware 47

All State-Based Marketplaces averaged 14% Gold.

All states averaged 10% Gold

Why is that important? Gold policies have lower deductibles than silver and bronze and cover roughly 80% of the average enrollee's in-network health care expenses in a year. This metric reveals **affordability**.

Did MD's additional subsidy propel 26-34 year olds to enroll?

- Maryland grew **9% in the 26-34** year-old bracket. But that % ranked **34th** nationally.
- In that age range, TX grew 46%. AL, AR, AZ, FL, GA, MS, NV, SC, and TN all grew +30%. FFM states (on Healthcare.gov) overall averaged 26% growth among 26-34s.
- 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 MA as before.
- But even in the **SBM states** (all MA Expansion), growth among 26-34s **averaged +13%**.

On a closer inspection, perhaps it did ...

- Maryland's 26-34 as a share of total enrollment was the **third best** in the country in both 2021 and 2022 at 19%.
- 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.**

Maryland's Hispanic enrollment growth was impressive, but ...

- Maryland grew **14%, best ever**. But that % was **41st** of the 51 marketplaces (including DC). PA grew +200%. MN grew +500%. States on the federal platform grew 26%.
- One probable factor for the boost: Reduction of fear over ACA enrollment / repercussions for citizenship.
- Maryland's **total** Hispanic enrollment – 20,396 – ranked **10th** in the country.
- Maryland's total Hispanic enrollment is also **larger** than in more than a **half-dozen states with larger** Hispanic populations: New York, Colorado, New Mexico, Pennsylvania, Nevada, Washington state, Massachusetts and Nevada.
- From [Kaiser Foundation](#): **Hispanic uninsured rate in MD in 2019 was 21.4%**, compared to 6.9% uninsured overall in MD. In 2009, gap was larger: 33.9% Hispanic uninsured vs. 13% overall.

Maryland's Black enrollment was also unclear viewed nationally

- Maryland grew **11%, best ever**. But that % was **37th** in nation. SD grew 60%. TX grew 50%. MN, GA, DE, MS, OH and VT all grew +40%.
- Maryland's **total** Black enrollment – 30,776 – was **8th** in the country.
- Maryland for 2022 had larger Black enrollment (double) than some states with larger Black populations such as New York and Illinois.
- From [Kaiser Foundation](#): in 2019, Black **uninsured rate in MD estimated at 6.2%**, compared to 6.9% uninsured overall.
- In 2009, gap was: 13.9% Black vs. 13% overall

The background is a solid light green color. On the left side, there is a decorative graphic consisting of a central vertical stem with four large, rounded, leaf-like shapes extending outwards, resembling a stylized plant or flower. The leaves are a slightly darker shade of green than the background.

Young Adult Subsidy Update

HB 937 - Abortion Care Access Act

Md. Code Ann., Insurance Article, Section 31-122(G):

On or before January 1, 2023, the Exchange shall adopt regulations to provide a subsidy to cover 100% of the cost of the premium for young adults who have a 0% expected contribution under the subsidy eligibility parameters established under subsection (D) of this section in calendar year 2023.

Md. Code Ann., Ins. Art., Section 31-122(H)(2)

The Exchange shall track...

(II) THE IMPACT OF COVERING 100% OF THE COST OF PREMIUMS FOR QUALIFIED PARTICIPANTS ON EFFECTUATION RATES AND TERMINATION FOR NONPAYMENT RATES.

14.35.19.04 State-Based Young Adult Health Insurance Subsidies Program

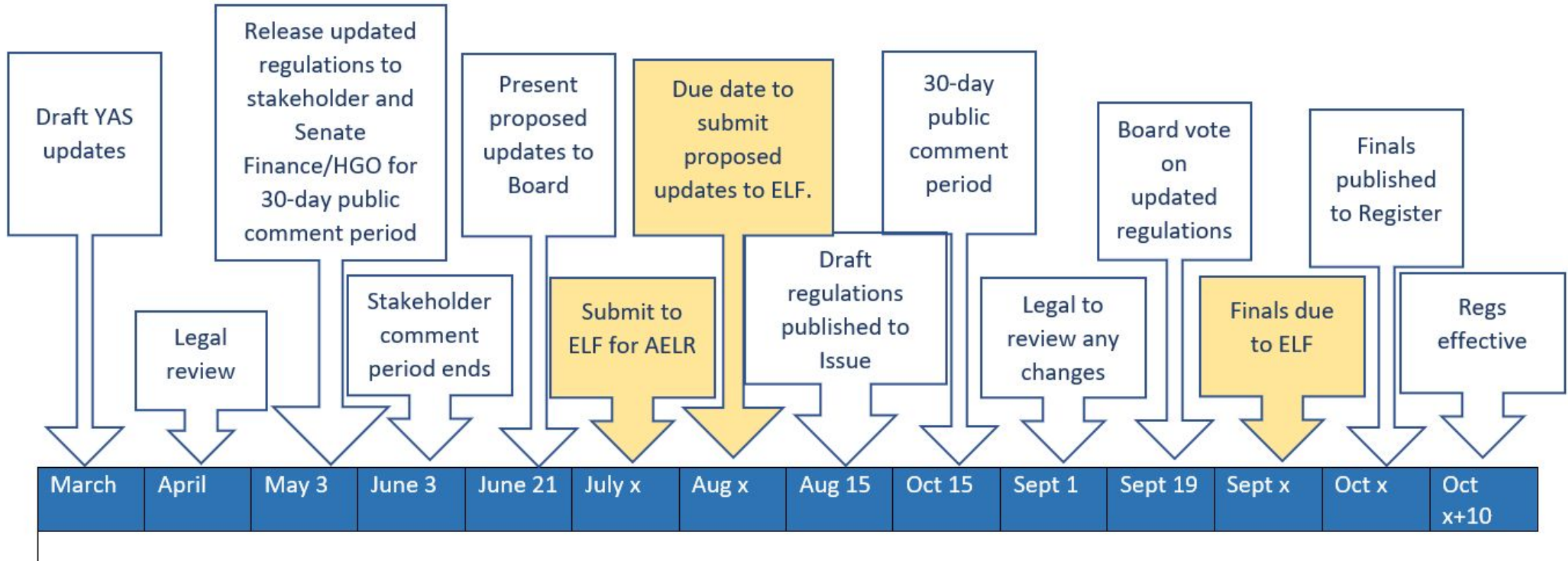
14.35.19.04

D. [The] *Basis of calculation.*

1. *For enrollees with a greater than 0% premium contribution based on the payment parameters set by the Board, the subsidy shall be calculated based on, and applied only to, the portion of premium allocated to essential health benefits.*

2. *For enrollees with a 0% premium contribution based on the payment parameters set by the Board, the subsidy shall also be applied to non-essential health benefits so that the enrollee's total premium responsibility is equal to \$0.*

Timeline



Program Status

Total Auto Renewed Enrollees	Total New Enrollment	Average Subsidy PMPM	Estimated Subsidy Cost	Remaining Enrollment Available
20,303	10,663	\$41.13	\$13,169,030	19,772

Data as of May 3, 2022

2022 Young Adult Subsidy Program Parameters

Eligibility

- Age: 18-34 (18 or older; younger than 35)
- Income: ≤400% FPL, ineligible for Medicaid
- 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

Expected Contribution (EC) for Benchmark Plan

% FPL	Federal EC	Proposed 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%

2023 Proposed Young Adult Subsidy Program Parameters

MHBE staff recommend maintaining the 2022 parameters for 2023 as shown on the previous slide, with one modification pursuant to HB 937:

- The young adult subsidy will be expanded to cover the non-EHB portion of premium for recipients who have a 0% expected contribution

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%

2023 Proposed Young Adult Subsidy Program Parameters - Impact

- MHBE worked with Lewis & Ellis and MIA to model expected enrollment and program cost for 2023
- Enrollment increase expected because of family glitch change, program phase-in, and Medicaid unwinding

Scenario	Projected YA Enrollment Receiving Subsidies	Projected YA Subsidy Program Cost	Projected Subsidy PMPM
2022 YTD	31,231	\$13,169,030	\$41.13
2023 - ARPA	48,095	\$17,945,995	\$43.04
2023 - No ARPA	43,662	\$17,692,356	\$52.22

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Prescription Drug Affordability Board Update

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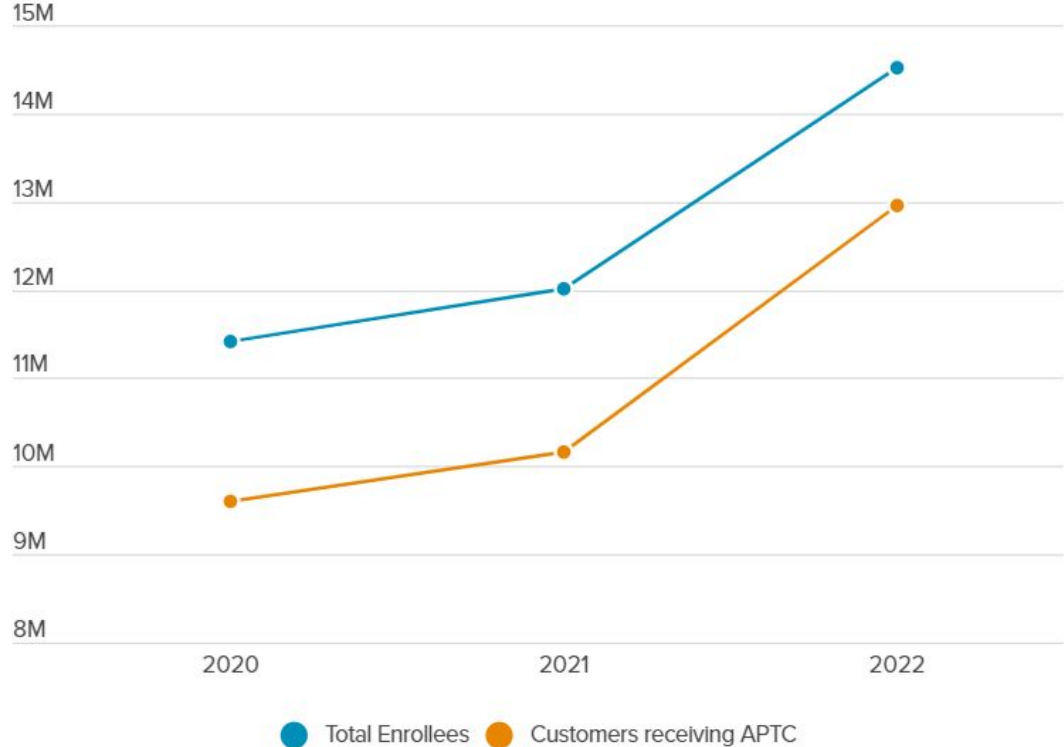
ARPA Expanded Tax Credits Discussion

AMERICAN RESCUE PLAN TAX CREDITS

The American Rescue Plan Act (ARPA) has had a significant impact on the health insurance marketplaces, making coverage more affordable and accessible to millions of Americans — but with ARPA’s enhanced tax credits set to expire at the end of 2022, timing is critical for Congress to act.

The Health Insurance Marketplaces saw record enrollment in 2022, driven largely by the increased affordability of plans thanks to the ARPA tax credits.

Total Marketplace Enrollees 2020-22



ARPA PREMIUM AFFORDABILITY CHART

Table 1: Percent of Income Paid for Marketplace Benchmark Silver Premium, by Income		
Income (% of poverty)	Affordable Care Act (before legislative change)	COVID-19 Relief (current law 2021-2022)
Under 100%	Not eligible for subsidies*	Not eligible for subsidies**
100% – 138%	2.07%	0.0%
138% – 150%	3.10% – 4.14%	0.0%
150% – 200%	4.14% – 6.52%	0.0% – 2.0%
200% – 250%	6.52% – 8.33%	2.0% – 4.0%
250% – 300%	8.33% – 9.83%	4.0% – 6.0%
300% – 400%	9.83%	6.0% – 8.5%
Over 400%	Not eligible for subsidies	8.5%

NOTES: *Lawfully present immigrants whose household incomes are below 100% FPL and are not otherwise eligible for Medicaid are eligible for tax subsidies through the Marketplace if they meet all other eligibility requirements.

**In the COVID-19 relief law, lawfully present immigrants in states that have not expanded Medicaid would continue to be eligible for marketplace subsidies. In addition, people receiving Unemployment Insurance (UI) are treated as though their income is no more than 133% of poverty for the purposes of the premium tax credit. This could extend premium tax credits to some individuals with incomes below poverty.

SOURCE: KFF

ARPA PREMIUM AFFORDABILITY IMPACT

How ARPA's Premium Affordability Measures Impacted Consumers¹

Changes made under APRA both enhanced the amount of tax credits available to help individuals and families purchase coverage and imposed a first-time cap on the proportion of income families are required to pay for coverage. In practice, these changes meant that:

- A family of four making \$41,625 per year went from paying \$1,723 to qualifying for free coverage for the year.
- Annual costs for a family of four earning \$69,375 decreased from \$5,779 to \$2,775.
- An individual making \$55,000 per year went from paying an average of \$5,256, to having costs capped at \$4,675.

¹Based on 2022 federal poverty levels and assumes purchase of benchmark a benchmark plan. Average payment based on 2022 benchmark premium data [as reported by the Kaiser Family Foundation](#).

MARYLAND IMPACT

Historic enrollment growth

- 10% increase in all enrollments
- 60% increase in middle-income individuals who for the first time qualified for financial support

Substantial affordability support

- Premium spending fell by an average of 47%, more than \$80 per enrollee per month
- 28,501 enrollees paid less than \$10 per month for coverage

Increase purchasing power

- 83,000 individuals upgraded to a gold plan, a 26% increase from 2021
- Dental enrollment grew by 29%

Major impact on communities of color

- Enrollment among Black individuals grew 11%
- Hispanic enrollees totaled 20,241, a 14% increase from 2021

WHAT'S AT RISK

WHAT YOU CAN DO

Increased cost to consumers

- ▢ Estimates show more than 142,000 enrollees will see reduced or eliminated financial support
- ▢ Consumer spending is estimated to increase by an average of 46%

Significant coverage losses

- ▢ We anticipate a large portion of the 45,000 newly enrolled will lose coverage

Spread the word far and wide

- ▢ Share this information with your contacts and circles of influence
- ▢ Reach out to family/friends/colleagues in West Virginia and encourage them to contact their Congressmen (Manchin)

Let your voice be heard

- ▢ Write your congressmen
- ▢ Share impact stories – Maryland's federal delegation is very supportive but need impact stories to share!

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Public Comment