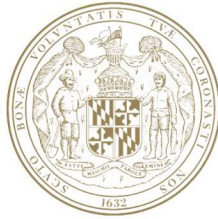MELONY G. GRIFFITH
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JUSTIN READY

THE SENATE OF MARYLAND
FINANCE COMMITTEE

June 8, 2023

The Honorable Kathleen A. Birrane
Commissioner
Maryland Insurance Administration
200 St. Paul Street
Baltimore, Maryland 21202

Dear Commissioner Birrane:

Thank you for convening the recent meeting relating to House Bill 413 of 2022 and the consideration of market reforms beyond the State Reinsurance Program. I appreciated the opportunity to participate and would like to offer the feedback below in light of the discussion that took place.

With the implementation of the Patient Protection and Affordable Care Act (ACA) and the supportive measures that we have adopted in Maryland, like the State Reinsurance Program, the State has made great progress in lowering the uninsured rate. As noted in the presentation given by the Maryland Insurance Administration, the uninsured rate in Maryland in 2021 was 6.1%, about half of what it was before the implementation of the ACA. Nonetheless, it is clear that we have more work to do in expanding coverage and access to health care services in the State. The uninsured rate is higher for individuals in certain demographic categories, such as for young adult, Hispanic, and lower–income residents of the State. And as noted during the meeting, the uninsured rate for residents of the State who are not U.S. citizens was 31.9% in 2021.

The second meeting of the public stakeholder meeting featured a wide–ranging and beneficial review of insurance market reforms that have been proposed to increase the affordability of and enrollment in health coverage. And yet, it is my view that an informed and productive policy discussion of additional market reforms and coverage expansion initiatives will require us having a better understanding of the unmet needs of residents of our State.

Proposals have been offered to reduce the uninsured rate in demographic categories referenced above, such as by expanding the Young Adult Subsidy Program or allowing undocumented immigrants who reside in the State to enroll in qualified health plans offered through Maryland Health Connection and receive State subsidized coverage. And on this second

proposal, more specifically, it was suggested that subsidized coverage be provided at levels available under the American Rescue Plan Act (ARPA). The Maryland Health Benefit Exchange (MHBE) has estimated that such a program would have an estimated gross cost to the State (excluding any offset of federal pass–through funding) of $125.5 million in 2025 to offer subsidized coverage to all age and income categories, with this cost increasing each year to $174.9 million in 2028.

With the State entering into a period of greater budgetary uncertainty due to our current inflationary environment and potential economic recession and the expectation of increased funding requirements for education and other State priorities, any insurance market reforms or other coverage proposals need to account for potential funding limitations and prioritize the coverage needs of our most vulnerable residents of the State. This may require us to pursue more targeted reforms or coverage initiatives. Some states, for example, provide state–funded comprehensive coverage to all children, regardless of immigration status. Other states have extended state–funded Medicaid coverage to young adults or low–income seniors who otherwise are not eligible for Medicaid due to their immigration status.

As referenced above, the uninsured rate for residents of the State who are not U.S. citizens was 31.9% in 2021. As the workgroup (and MHBE in its parallel inquiry) considers options for expanding coverage, it would be beneficial to consider, in more detail, the characteristics of this population, such as the number of lawfully present immigrants compared with the number of undocumented immigrants, and how individuals in each category are able and unable to access health care coverage and services. MHBE estimates in the 2021 Joint Chairmen's Report that in 2018, there were 244,700 undocumented immigrants residing in Maryland and approximately 115,900 (47%) of these residents were estimated to be uninsured. It may be useful to understand how the 53% of undocumented immigrants who are insured have obtained coverage. A clearer understanding of how similarly–situated residents have obtained health coverage may aid in an effort to identify and implement targeted initiatives to extend health coverage to residents who are currently living without health coverage. And as the Senate President Ferguson and I expressed in our letter to you earlier this year, information on existing private health insurance options for undocumented residents would aid in efforts to share information with our constituents about available opportunities to obtain health coverage. Ensuring access to information is a crucial first step, and as more Maryland residents become familiar with and take advantage of the private insurance market options available to them, this would reduce the number of individuals living without health coverage.

In addition, in any effort to target health care coverage and access initiatives to address the needs of our most vulnerable State residents, it would be beneficial to better understand the segments of the uninsured population who are going without needed care and experiencing worse health outcomes as a result. There may be segments of the uninsured population who have more limited access to safety net health care services, such as those provided by Federally Qualified Health Centers. We may need to consider initiatives targeted to reach such uninsured residents who are acutely burdened due to a lack of access to health care services.

Thank you for your leadership of the workgroup and the opportunity to provide the comments above.

Sincerely,

Senator Melony G. Griffith
Chair, Senate Finance Committee

cc: Senator Katherine Klausmeier, Vice Chair, Senate Finance Committee