

WES MOORE
Governor

ARUNA MILLER
Lt. Governor



KATHLEEN A. BIRRANE
Commissioner

TAMMY R. J. LONGAN
Acting Deputy Commissioner

200 Saint Paul Street, Suite 2700, Baltimore, Maryland 21202
Direct Dial: 410-468-2471 Fax: 410-468-2020
1-800-492-6116 TTY: 1-800-735-2258
www.insurance.maryland.gov

December 1, 2023

The Honorable Bill Ferguson
President, Senate of Maryland
State House, H-107
Annapolis, Maryland 21401

The Honorable Adrienne A. Jones
Speaker, Maryland House of Delegates
State House, H-101
Annapolis, Maryland 21401

Re: Report required by Insurance Article § 15-133 (Acts 2009, Ch. 89 (SB 636), as amended by Acts 2019, Ch. 8) (MSAR # 7797) – Number of Insured and Self-Insured Lives

Dear President Ferguson and Speaker Jones:

Pursuant to Insurance Article (Ins. Art.) § 15-133 (Acts 2009, Ch. 89 (SB 636), as amended by Acts 2019, Ch. 8) (MSAR # 7797), and in accordance with § 2–1257 of the State Government Article, attached you will find the report on the estimated number of insured and self-insured contracts for health benefit plans in the state and the number of insured and self-insured lives under the age of 65 enrolled in benefit plans in the state.

Five printed copies of this report have been mailed to the DLS library for its records.

Should you have any questions regarding this report, please do not hesitate to contact me or my Director of Legislative and Regulatory Policy, Jamie Sexton, at Jamie.Sexton@Maryland.gov.

Sincerely,

A handwritten signature in blue ink that reads "Kathleen A. Birrane".

Kathleen A. Birrane
Insurance Commissioner

cc: Sarah T. Albert, Department of Legislative Services (5 copies)



2023 Maryland Covered Lives Report

Insurance Article § 15-133

(MSAR # 7797)

Kathleen A. Birrane
Commissioner

December 1, 2023

For further information concerning this document, please contact:

David Cooney
Associate Commissioner, Life & Health Division
Maryland Insurance Administration
200 St. Paul Place, Suite 2700
Baltimore, Maryland 21202
410.468.2215

This document is available in alternative format upon request
from a qualified individual with a disability.
TTY 1.800.735.2258

The Administration's website address: insurance.maryland.gov

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Background Information

Insurance Article Section 15-133 requires that, “[o]n or before December 1 of each year, the Commissioner shall report to the General Assembly, in accordance with § 2-1257 of the State Government Article, on the estimated number of insured and self-insured contracts for health benefit plans in the State and the number of insured and self-insured lives under the age of 65 enrolled in benefit plans in the State.” This information is summarized in the attached Tables 1 through 4.

The Maryland Insurance Administration (MIA) requires insurers, nonprofit health service plans, health maintenance organizations, managed care organizations, and third-party administrators to report the number of lives and contracts for health benefit plans (HBPs) for those under the age of 65 as of a specified date.¹ “HBPs” include policies for hospital or medical benefits. They do not include such coverage as accident-only insurance, credit health insurance, disability income insurance, coverage issued as a supplement to liability insurance, workers’ compensation, automobile medical payment insurance, dental insurance, vision insurance, long-term care insurance, disease-specific insurance, hospital indemnity or other fixed indemnity insurance, or a Medicare supplement policy as defined in § 15-901 of the Insurance Article of the Annotated Code of Maryland.

There are two types of HBPs comprising the commercial market: “insured HBPs” and “other employment-based HBPs.” Insured HBPs include group insured HBPs and individual insured HBPs. Insured HBPs are regulated by the MIA and subject to Maryland law. Other employment-based HBPs include group self-insured HBPs and the Federal Employees Health Benefit Plan (FEHBP). These HBPs are not regulated by the MIA and, for the most part, are not subject to Maryland law.

In the health insurance industry, the covered life (member) is the fundamental unit of measurement. Trends regarding number of contracts generally track those regarding numbers of covered lives.

Observations

Table 1: Covered Lives by Type of HBP under Age 65

In 2023, approximately 2.54 million Maryland residents under the age of 65 had health insurance through a commercial HBP, representing a decrease of approximately 3.6% in total covered lives as compared with 2022. The number of covered lives is composed of 857,127 lives in fully insured HBPs, and 1,684,839 lives in all other employment-based, self-insured HBPs.

¹ The survey instrument used is available on the MIA’s website at <https://insurance.maryland.gov/Insurer/Pages/MarylandCoveredLivesReportHealth.aspx> The data are self-reported and unaudited.

The number of covered lives in the group insured market decreased from 653,365 to 619,121. This is a decrease of 34,244 covered lives, or approximately 5.2%. The individual non-Medigap insured market decreased from 242,163 to 238,006. This is a decrease of 4,157 covered lives, or approximately 1.7%. The overall number of covered lives in insured HBPs decreased from 895,528 covered lives in 2022 to 857,127 covered lives in 2023, or approximately 4.3%.

The number of covered lives in the group self-insured market decreased from 1,301,295 to 1,230,965. This is a decrease of 70,330 covered lives, or approximately 5.4%. The number of covered lives in the FEHBP market increased from 440,876 covered lives in 2022 to 453,874 covered lives in 2023, or approximately 2.9%. The overall number of covered lives in other employment-based HBPs decreased from 1,742,171 lives in 2022 to 1,684,839 covered lives in 2023, or approximately 3.3%.

Table 1B: Number of Contracts by Type of HBP

In 2023, there were approximately 1.41 million Maryland contracts covering Maryland residents under the age of 65 through a commercial HBP, representing a decrease of approximately 4.7% in total number of Maryland contracts as compared with 2022. The number of contracts for fully insured HBPs was 571,002 contracts and for all other employment-based, self-insured HBPs the number of contracts was 840,525.

The number of contracts in the group insured market decreased from 393,111 to 364,678. This is a decrease of 28,433 contracts, or approximately 7.2%. The individual non-Medigap insured market decreased from 208,766 to 206,324. This is a decrease of 2,442 contracts, or approximately 1.2%. The overall number of contracts in insured HBPs decreased from 601,877 in 2022 to 571,002 contracts in 2023, or approximately 5.1%.

The number of contracts in the group self-insured market decreased from 592,223 to 545,842. This is a decrease of 46,381 contracts, or approximately 7.8%. The number of contracts in the FEHBP market increased from 287,423 contracts in 2022 to 294,683 contracts in 2023, or approximately 2.5%. The overall number of contracts for other employment-based HBPs decreased from 879,646 in 2022 to 840,525 contracts in 2023, or approximately 4.4%.

Table 2: Covered Lives by Type of HBP as a Percent of Population under Age 65

Overall, the percentage of the population under the age of 65 covered by an insured HBP or other employment-based HBP decreased from 51.1% to 49.6% between 2022 and 2023. The percentage of the population under the age of 65 with fully insured HBPs decreased from 17.3% in 2022 to 16.7% in 2023.

Table 3: Covered Lives by Type of HBP as a Percent of Total Commercial HBPs

The percentage of all those with health insurance through a commercial HBP covered by a fully insured HBP decreased from 34% in 2022 to 33.7% in 2023. The percentage of all those with health insurance through a commercial HBP in other employment-based HBPs

increased from 66.0% in 2022 to 66.3% in 2023.

Table 4: Contracts and Covered Lives by Type of HBP, 6/30/2023

Group fully insured HBPs, with an average of 1.7 covered lives per contract, had less covered lives per contract than Group self-insured plans. The overall covered lives per contract for all fully insured HBPs was 1.5, compared to an average of 2.0 for all other employment-based, self-insured HBPs.

Table 5: Medicaid/MCOs – HISTORICAL COVERED LIVES (Members)

The number of covered lives for Health Choice increased by 2.7% from 2022 to 2023. Health Choice increased from 1,307,283 covered lives in 2022 to 1,342,132 covered lives in 2023, an increase of 34,849 covered lives. The number of covered lives for Other Medicaid increased by 11.9% from 2022 to 2023. Other Medicaid increased from 176,330 covered lives in 2022 to 197,293 covered lives in 2023, an increase of 20,963 covered lives.

Conclusion

As of 2023, the MIA regulates, and Maryland state law applies to, commercial HBPs for approximately 16.7% of the population under the age of 65, and for approximately 33.7% of all covered lives.

TABLE 1: Covered Lives by Type of HBP Under Age 65							
	2019	2020	2021	2022	2023	% Change 2019-2023	% Change 2022-2023
Group Fully Insured	696,081	604,517	671,040	653,365	619,121	-11.1%	-5.2%
Individual Non-Medigap	210,125	222,148	230,391	242,163	238,006	13.3%	-1.7%
All Fully Insured HBPs	906,206	826,665	901,431	895,528	857,127	-5.4%	-4.3%
Group Self-Insured	1,354,031	1,499,670	1,389,887	1,301,295	1,230,965	-9.1%	-5.4%
FEHBP	432,952	443,696	442,605	440,876	453,874	4.8%	2.9%
All Self-Insured HBPs	1,786,983	1,943,366	1,832,492	1,742,171	1,684,839	-5.7%	-3.3%
Total All Commercial HBPs	2,693,189	2,770,031	2,733,923	2,637,699	2,541,966	-5.6%	-3.6%

TABLE 1B: Number of Contracts by Type of HBP							
	2019	2020	2021	2022	2023	% Change 2019-2023	% Change 2022-2023
Group Fully Insured	356,879	351,722	406,824	393,111	364,678	2.2%	-7.2%
Individual Non-Medigap	180,624	189,262	200,228	208,766	206,324	14.2%	-1.2%
All Fully Insured HBPs	537,503	540,984	607,052	601,877	571,002	6.2%	-5.1%
Group Self-Insured	880,065	710,974	637,679	592,223	545,842	-38.0%	-7.8%
FEHBP	279,071	284,632	286,442	287,423	294,683	5.6%	2.5%
All Self-Insured HBPs	1,159,136	995,606	924,121	879,646	840,525	-27.5%	-4.4%
Total All Commercial HBPs	1,696,639	1,536,590	1,531,173	1,481,523	1,411,527	-16.8%	-4.7%

TABLE 2: Covered Lives by Type of HBP as a Percent of Population Under Age 65					
	2019	2020	2021	2022	2023
Group Fully Insured	13.6%	11.9%	13.2%	12.6%	12.1%
Individual Non-Medigap	4.1%	4.4%	4.5%	4.7%	4.6%
All Fully Insured HBPs	17.7%	16.3%	17.7%	17.3%	16.7%
Group Self-Insured	26.5%	29.5%	27.4%	25.2%	24.0%
FEHBP	8.5%	8.7%	8.7%	8.6%	8.9%
All Self-Insured HBPs	35.0%	38.2%	36.2%	33.8%	32.9%
Total All Commercial HBPs	52.7%	54.5%	53.9%	51.1%	49.6%
Maryland Population Under Age 65	5,111,582	5,086,284	5,068,450	5,161,972	5,120,451
Maryland Population Age 65+	931,136	959,396	987,352	1,003,157	1,044,209
Total Maryland Population	6,042,718	6,045,680	6,055,802	6,165,129	6,164,660

TABLE 3: Covered Lives by Type of HBP as a Percent of Total Commercial HBPs					
	2019	2020	2021	2022	2023
Group Fully Insured	25.8%	21.8%	24.6%	24.8%	24.3%
Individual Non-Medigap	7.8%	8.0%	8.4%	9.2%	9.4%
All Fully Insured HBPs	33.6%	29.8%	33.0%	34.0%	33.7%
Group Self-Insured	50.3%	54.1%	50.8%	49.3%	48.4%
FEHBP	16.1%	16.0%	16.2%	16.7%	17.9%
All Self-Insured HBPs	66.4%	70.2%	67.0%	66.0%	66.3%

TABLE 4: Contracts and Covered Lives (Members) by Type of HBP – 06/30/23			
	Contracts	Covered Lives	Covered Lives Per Contract
Group Insured	364,678	619,121	1.7
Individual	206,324	238,006	1.2
All Fully Insured HBPs	571,002	857,127	1.5
Group Self-Insured	545,842	1,230,965	2.3
FEHBP	294,683	453,874	1.5
All Self-Insured HBPs	840,525	1,684,839	2.0
Total All Commercial HBPs	1,411,527	2,541,966	1.8

Table 5: Medicaid/MCO Covered Lives for past two years						
	2022 MCO Health Choice	2022 MCO Other Medicaid	2023 MCO Health Choice	2023 MCO Other Medicaid	% Change Health Choice	% Change Other Medicaid
Aetna Health, Inc.		52,450		58,174		
CareFirst Community Partners, Inc. Healthcare LLC		77,524		91,703		
JAI Medical Systems MCO, Inc.	29,965		30,165			
Kaiser Foundation Health Plan	116,216		124,913			
Maryland Care, Inc.	248,342		253,765			
Medstar Family Choice, Inc.	109,200		110,727			
Priority Partners MCO, Inc.	351,413		359,722			
UnitedHealthcare of Mid-Atlantic	124,979	46,356	127,961	47,416		
Wellpoint Maryland (fka Amerigroup MD Inc)	327,168		334,879			
Total	1,307,283	176,330	1,342,132	197,293	2.7%	11.9%