

MARYLAND CITIZENS' HEALTH INITIATIVE

September 17, 2018

Commissioner Alfred W. Redmer, Jr.
Maryland Insurance Administration
200 St. Paul Place, Suite 2700
Baltimore, MD 21202

Dear Commissioner Redmer,

Thank you for this opportunity to comment on proposed Affordable Care Act (ACA) health insurance premium rates for 2019. It is very important that all Marylanders have access to quality, affordable health care. We commend the Maryland General Assembly and Governor Hogan for creating a reinsurance program during the 2018 legislative session that will help keep insurance premiums from skyrocketing, and congratulate Maryland on federal approval of its 1332 waiver. We also commend the two carriers in the individual market, CareFirst and Kaiser Permanente, for responding to the reinsurance program by substantially reducing the premium rates for which they are asking for approval in the individual market. In considering the proposed rates, we encourage the Maryland Insurance Administration to ensure that reducing the high cost of premiums remains its top priority.

Reinsurance is an important part of the short-term solution to stabilize premiums in the individual market in Maryland, but long-term solutions are still needed. Starting in 2020, the federal government will stop enforcing the individual mandate. Maryland should respond by creating a state-level Health Insurance Down Payment Plan, which would replace the federal individual mandate by giving consumers the ability to choose between paying a penalty for lacking quality health coverage or instead using that money to purchase health coverage. We estimate that at least 60,000 Marylanders could buy health coverage for no more than the penalty fee plus federal subsidies combined, bringing many more Marylanders into the individual market which will result in more Marylanders having coverage and a more stable market.

Maryland must also respond to the large role that high drug costs play in increasing health coverage premiums. Chet Burrell, former CEO of CareFirst BlueCross BlueShield, said that in 2017 drug cost "was the single largest contributor to overall spending at CareFirst at approximately 33%." Maryland should create a Prescription Drug Affordability Board to tackle this issue of high drug costs, which should result in more stabilized premiums overall.

Thank you once again for this opportunity to comment, and for using the reinsurance program to bring down premiums for Marylanders across the state, moving the state closer to having quality, affordable health coverage for all.

Sincerely,



Stephanie Klapper, Deputy Director
Maryland Citizens' Health Initiative