



# 2019 Legislative Session Overview

John-Pierre Cardenas  
Director of Policy and Plan Management

A service of Maryland Health Benefit Exchange

## Legislation with MHBE impact

- ✘ HB127/SB36 Special Enrollment for Pregnancy
- ✘ HB1098 Small Business Tax Credit
- ✘ HB814/SB802 Maryland Easy Enrollment Health Insurance Program
- ✘ HB258/SB239 Individual Market Stabilization- Provider Fee
- ✘ HB1421 (Sponsored) Maryland Health Benefit Exchange- Functions and Outreach

## Summary

- ✦ Establishes a Special Enrollment Period (SEP) for pregnancy for employees, individuals, and dependents with pregnancies that are certified by health care practitioners
  - 90 Day SEP
- ✦ The SEP is available for the duration of the pregnancy, with coverage effective dates retroactive to the first of the month when the pregnancy was certified
- ✦ SEP would be available in the individual and small group off/on-Exchange marketplaces
- ✦ Applicable to all health benefit plans issued, delivered, or renewed in the State on or after January 1, 2020.

## Policy Implications

- ✘ Adverse impact on premium affordability in the individual and small group markets
  - SEP-eligible will most likely incur above-average claims over the course of enrollment
- ✘ Beneficial impact of reducing the uninsured rate of new mothers
  - Potentially resulting in downstream savings to the health system via early detection/prevention of pregnancy-related complications and improved maternal/infant health outcomes

## Operational Impact

- ✘ MHBE estimates \$40,000 to implement the SEP in IT development costs
- ✘ Modifications to training and marketing/collateral on SEPs

## Summary

- ✦ Authorizes MHBE to submit a State Innovation Waiver to allow the State to administer the federal small business health care tax credit to small businesses in monthly subsidies.
- ✦ Requires the Exchange to determine whether the State needs a waiver to distribute certain tax credit assistance on a monthly basis to certain eligible employers
- ✦ Bill takes effect July 1, 2019

## Policy Implications

- ✘ Waiver seeks to expand access to coverage in the small group market
- ✘ Waiver would help alleviate the liquidity pressures that prevent small employers from offering coverage to their employees

## Operational Impact

- ✘ MHBE estimates a cost of \$75,000 to apply for the waiver
  - Actuarial and economic analysis
- ✘ Extensive small employer/stakeholder outreach

## Summary

- ✘ Establishes the Maryland Easy Enrollment Health Insurance Program to improve data collection on uninsured individuals and to maximize enrollment of eligible uninsured individuals in affordable insurance programs
- ✘ Requires the Comptroller to include a checkoff to indicate whether an individual is interested in obtaining minimum essential health coverage, on State income tax forms
- ✘ Requires the Exchange to establish a Advisory Workgroup to report to the General Assembly on:
  1. the effectiveness of the Program;
  2. recommendations as to whether implementing an individual responsibility amount or implementing automatic enrollment of individuals in a qualified health plan (QHP) in the individual market is feasible in the best interest of the State; and
  3. if so, the dollar amount of the individual responsibility amount and whether the State should provide an individual the option of obtaining health insurance instead of paying the individual responsibility amount.
- ✘ Bill takes effect June 1, 2019

## Policy Implications

- ✘ The Hilltop Institute estimates that 49,142 individuals eligible for zero-premium qualified health plans could be enrolled under the MEEHP.
- ✘ Families USA estimates that approximately 50,000 individuals eligible for Medicaid could be enrolled under the MEEHP.

## Background

- ✘ As estimated by the American Community Survey (ACS) in 2017, 385,272 Maryland residents lacked health insurance coverage
- ✘ 154,517 were adults aged 18 to 64 years with family incomes corresponding to 138 to 400 percent of the federal poverty level (FPL). (representing 6.1% of the population)
  - Based on their family incomes, these individuals may have qualified for advanced premium tax credits (APTCs) to offset the amount of health insurance purchased through the Maryland Health Connection (MHC).

## Operational Effects

- ✘ SB 802 relies on MHBE for implementation of the facilitated enrollment pathway into insurance affordability programs, and outreach to tax households seeking enrollment in insurance affordability programs. MHBE estimates these expenditures in the table below.<sup>[1]</sup>

**Table 2. Estimated expenditures.**

|                     | FY 2020     | FY 2021     | FY 2022     | FY 2023     | FY 2024     |
|---------------------|-------------|-------------|-------------|-------------|-------------|
| <b>Expenditures</b> |             |             |             |             |             |
| <b>Operational</b>  | \$1,072,663 | \$1,073,150 | \$1,073,150 | \$1,073,150 | \$1,073,150 |
| <b>IT</b>           | \$511,971   | \$599,780   | \$599,780   | \$599,780   | \$599,780   |
| <b>Total</b>        | \$1,584,634 | \$1,672,930 | \$1,672,930 | \$1,672,930 | \$1,672,930 |

<sup>[1]</sup> Estimates do not consider implementation expenditures for the Comptroller.

<sup>[2]</sup> Outreach to uninsured filers, postage for notices, and reporting requirements.

## Summary

- ✘ In calendar 2020 through 2023, the amount of the health insurance provider fee assessment must be 1% on all amounts used to calculate the premium tax amount for the immediately preceding calendar year.
- ✘ Medicaid managed care organizations (MCOs) are subject to the assessment and must pay the assessment on a quarterly basis.
- ✘ The Maryland Health Insurance Coverage Protection Commission must study and recommend whether the State reinsurance program should be extended after calendar 2023, and if so, how it will be funded.

## Policy Implications

- ✘ Extends funding for the State Reinsurance Program to ensure continued premium relief through 2023

**Table 3. Estimated revenues from state-based premium assessment**

|                         | FY 2020       | FY 2021       | FY 2022       | FY 2023       | FY 2024       |
|-------------------------|---------------|---------------|---------------|---------------|---------------|
| <b>State Assessment</b> | \$140,000,000 | \$147,000,000 | \$154,350,000 | \$161,000,000 | \$168,000,000 |

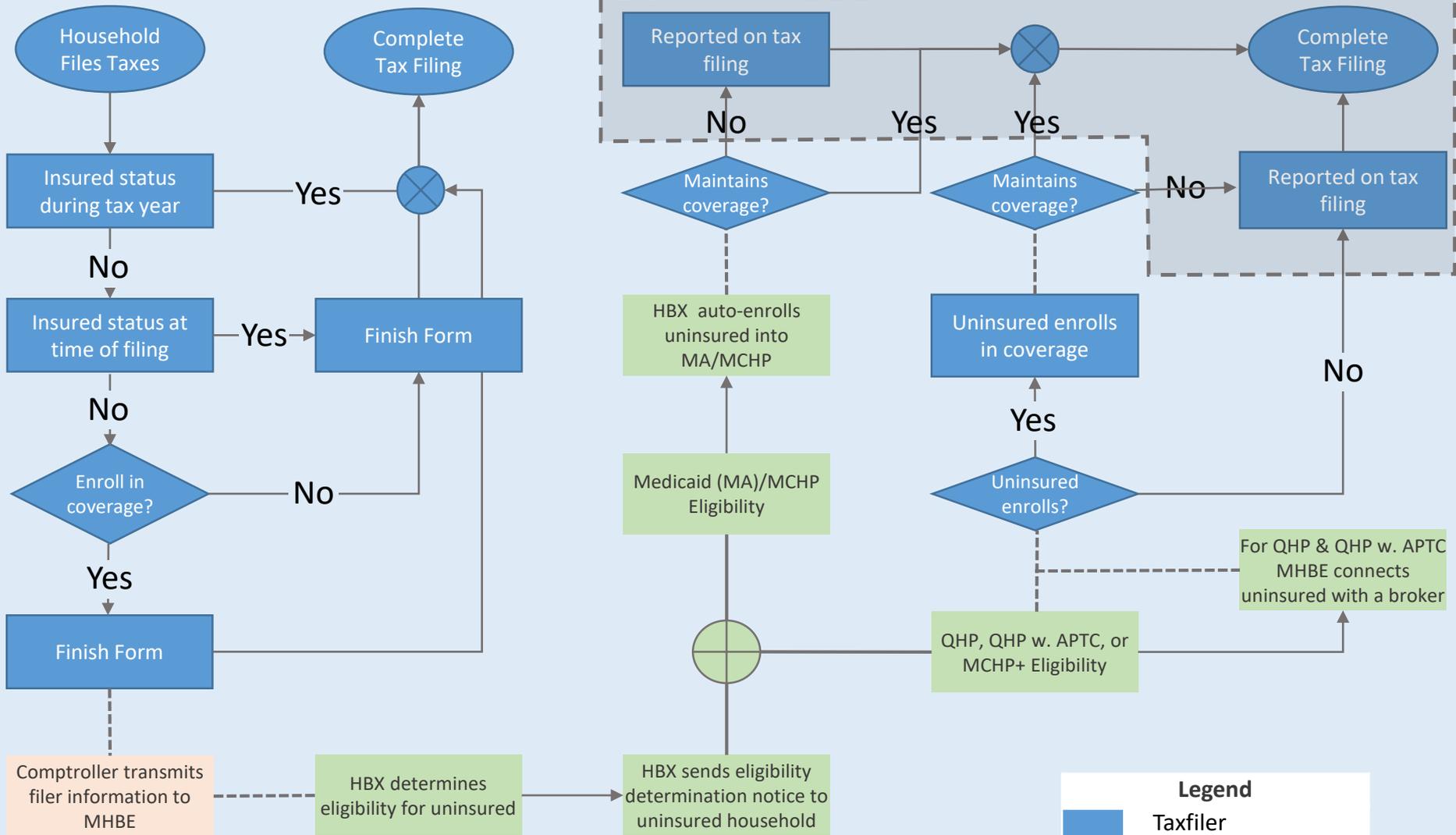
## Summary

- ✦ Incorporates into statute existing administrative, technical, and operational support provided to the Maryland Department of Health to administer certain Medical Assistance Programs, not originally in the scope of marketplace functions
  - Ex. Transitional Medical Assistance
- ✦ Allows MHBE to conduct outreach and education activities to increase health literacy and educate consumers about the marketplace, as well as insurance affordability programs to increase participation in the individual market

# APPENDIX



# Maryland Easy Enrollment Program



**Legend**

- Taxfiler
- MHBE
- Comptroller
- Subsequent tax year