

Process for Young Adult Subsidy Program Closure

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Background

- Board is required to establish eligibility and payment parameters
- The Board has the authority to limit the availability of subsidies
- MHBE may provide not more than \$20M/year in subsidies
- Enrollment and projected annual cost will be monitored daily during open enrollment

Proposed Process for Program Closure

1. MHBE staff will coordinate tracking of enrollment and projected plan year 2022 cost, in consultation with the MIA
2. The Executive Director will provide a regular update to the Board
3. When the projected cost reaches \$19.5M, the program will be closed to new enrollees

Board Action Requested

MHBE staff ask that the Board approve the proposed process for Young Adult Subsidy program closure.

Appendix

2022 Young Adult Subsidy Program Parameters

Eligibility

- Age: 18-34 (18 or older; younger than 35)
- Income: 138% to 400% FPL
- 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	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%