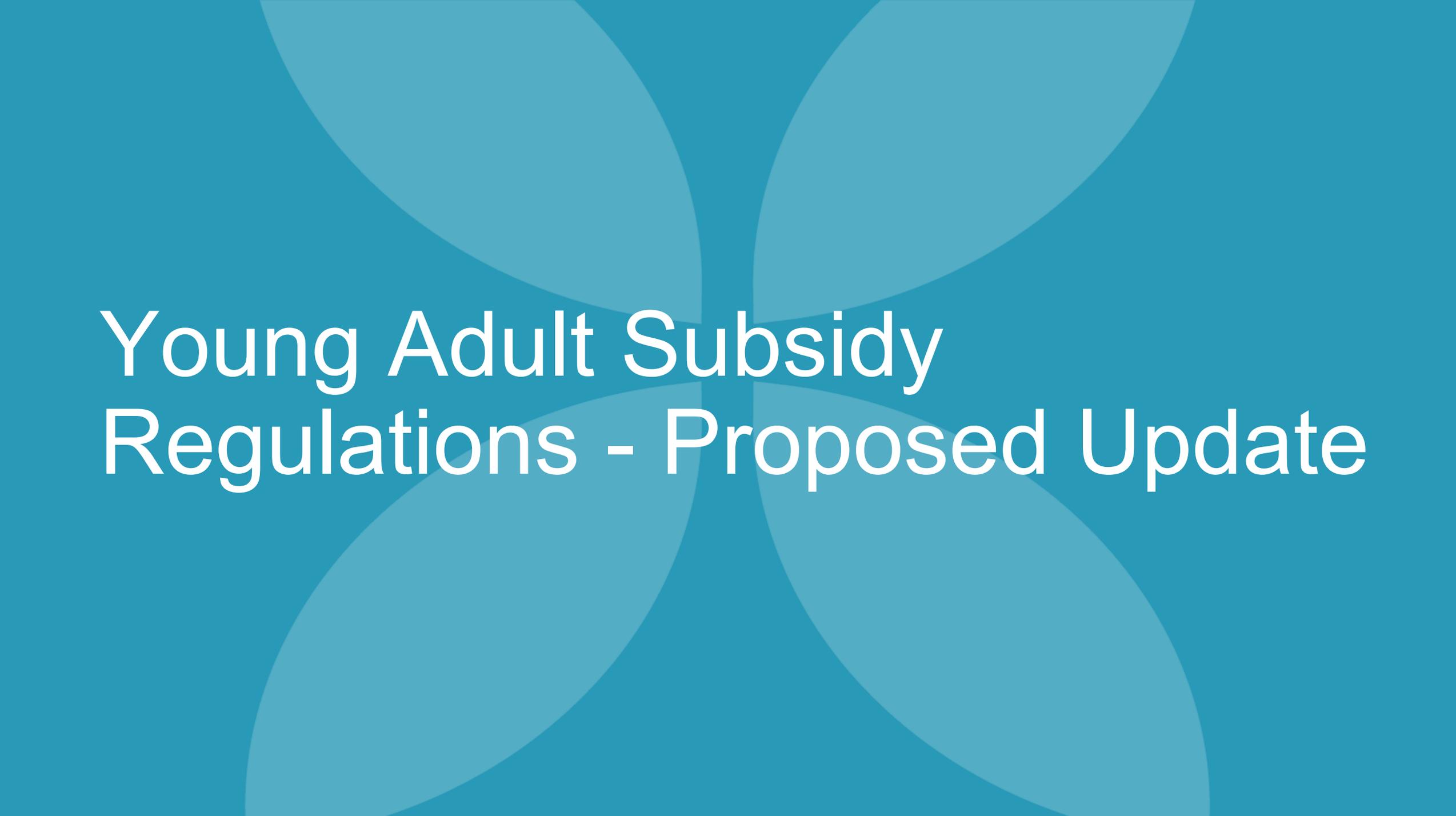


# Young Adult Subsidy Update

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June 21, 2022

Johanna Fabian-Marks, Director of Policy & Plan Management

The background is a solid teal color. In the center, there is a stylized graphic of a flower or a starburst shape, composed of several overlapping, semi-transparent teal circles of varying shades, creating a layered, petal-like effect.

# Young Adult Subsidy Regulations - Proposed Update

# HB 937 - Abortion Care Access Act

Md. Code Ann., Insurance Article, Section 31-122(G):

On or before January 1, 2023, the Exchange shall adopt regulations to provide a subsidy to cover 100% of the cost of the premium for young adults who have a 0% expected contribution under the subsidy eligibility parameters established under subsection (D) of this section in calendar year 2023.

Md. Code Ann., Ins. Art., Section 31-122(H)(2)

The Exchange shall track...

(II) THE IMPACT OF COVERING 100% OF THE COST OF PREMIUMS FOR QUALIFIED PARTICIPANTS ON EFFECTUATION RATES AND TERMINATION FOR NONPAYMENT RATES.

# 14.35.19.04 State-Based Young Adult Health Insurance Subsidies Program

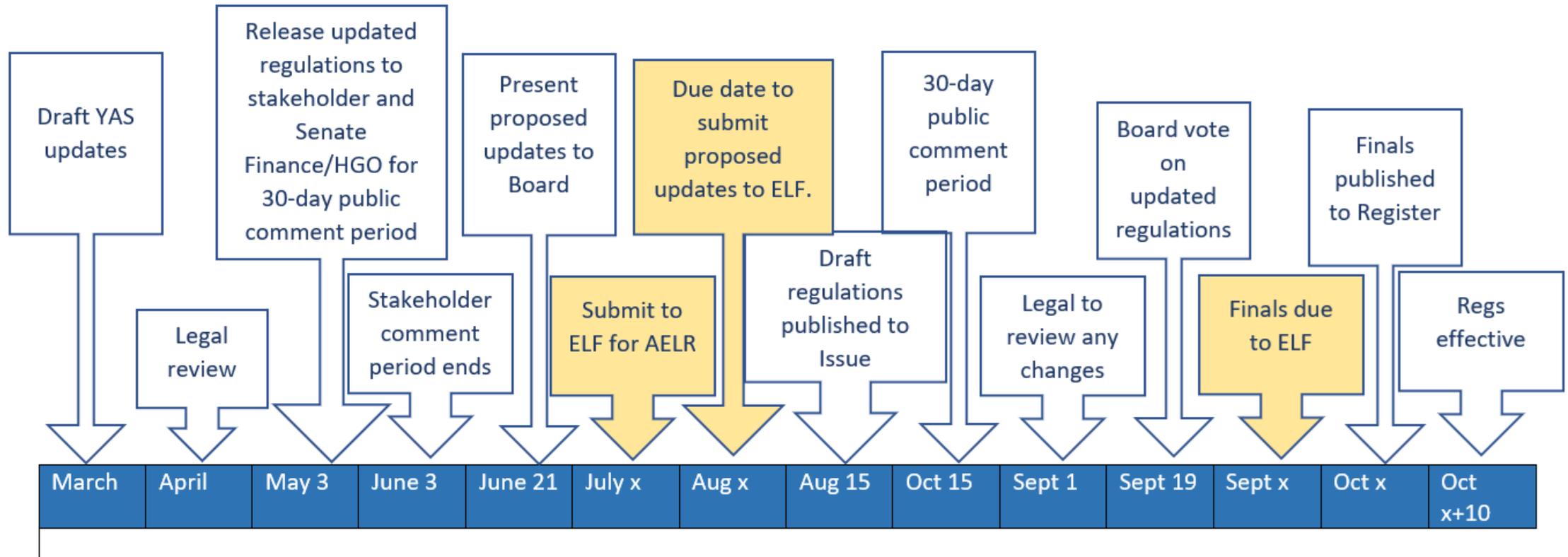
14.35.19.04

D. [The] *Basis of calculation.*

1. *For enrollees with a greater than 0% premium contribution based on the payment parameters set by the Board, the subsidy shall be calculated based on, and applied only to, the portion of premium allocated to essential health benefits.*

2. *For enrollees with a 0% premium contribution based on the payment parameters set by the Board, the subsidy shall also be applied to non-essential health benefits so that the enrollee's total premium responsibility is equal to \$0.*

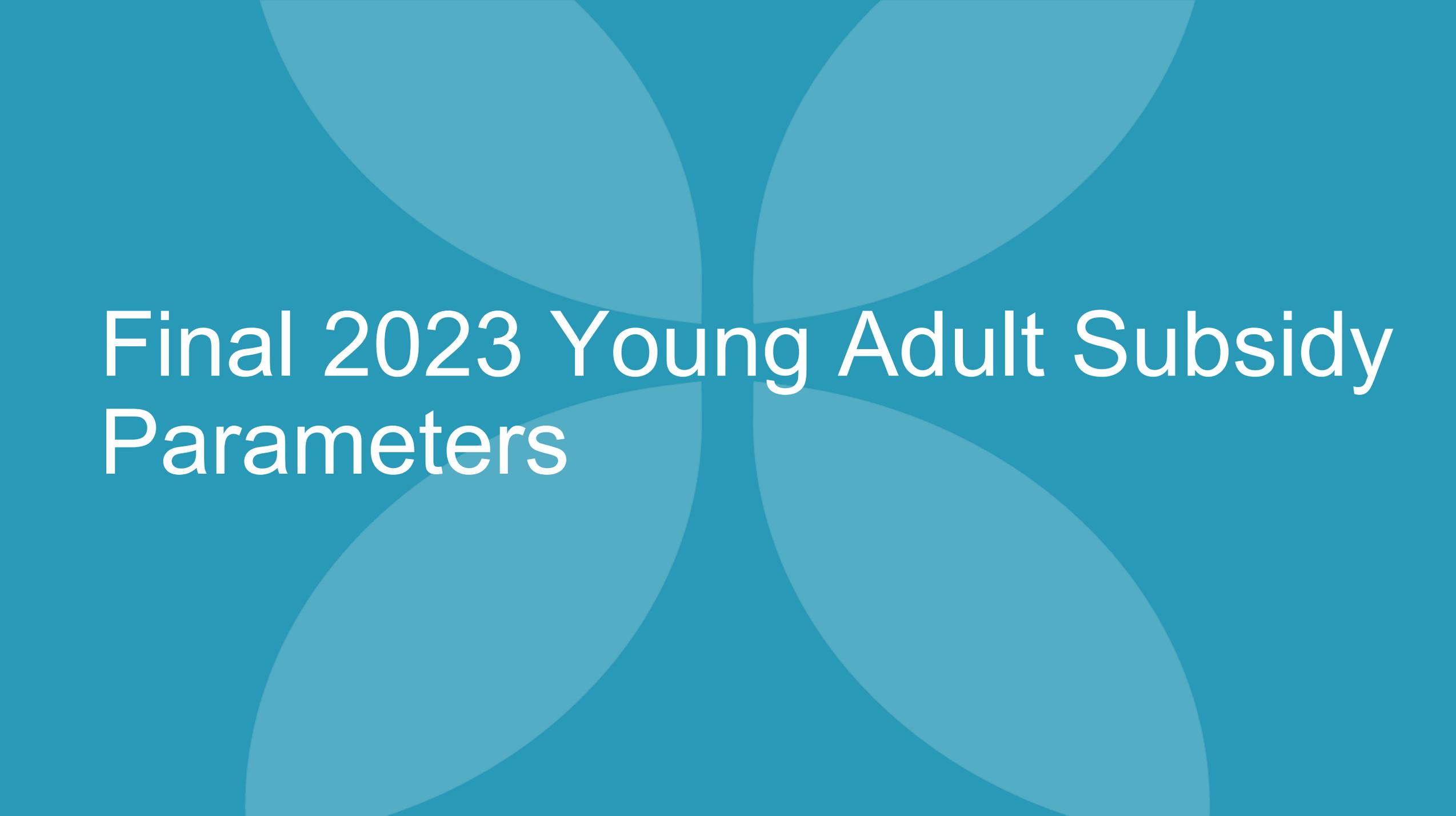
# Timeline



\*AELR: Joint Committee On Administrative, Executive & Legislative Review

# Request to Approve Proposed 2023 Young Adult Subsidy Regulation Update

**MOTION:** I move to [approve/defer/reject] the proposed young adult premium subsidy regulation update for publication in the Maryland Register [as presented] *or* [as amended].

The background is a solid teal color. In the center, there is a stylized graphic of a flower or a four-petaled star. Each petal is a lighter shade of teal and overlaps the center and the other petals. The text is centered over this graphic.

# Final 2023 Young Adult Subsidy Parameters

# 2022 Young Adult Subsidy Program Parameters

## Eligibility

- Age: 18-34 (18 or older; younger than 35)
- Income: ≤400% FPL, ineligible for Medicaid
- 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	Proposed 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%

# 2023 Proposed Young Adult Subsidy Program Parameters

MHBE staff recommend maintaining the 2022 parameters for 2023 as shown on the previous slide, with one modification pursuant to HB 937:

- The young adult subsidy will be expanded to cover the non-EHB portion of premium for recipients who have a 0% expected contribution. MHBE received no comments on this proposal.

**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%

# 2023 Proposed Young Adult Subsidy Program Parameters - Impact

- MHBE worked with Lewis & Ellis and MIA to model expected enrollment and program cost for 2023
- Enrollment increase expected because of family glitch change, program phase-in, and Medicaid unwinding

<b>Scenario</b>	<b>Projected YA Enrollment Receiving Subsidies</b>	<b>Projected YA Subsidy Program Cost</b>	<b>Projected Subsidy PMPM</b>
2022 YTD	31,231	\$13,169,030	\$41.13
2023 - ARPA	48,095	\$17,945,995	\$43.04
2023 - No ARPA	43,662	\$17,692,356	\$52.22

# Request to Approve Proposed 2023 Young Adult Subsidy Program Parameters

**MOTION:** I move to [approve/defer/reject] the final young adult premium subsidy parameters for plan year 2023 [as presented] *or* [as amended].

