

HB 413 PUBLIC STAKEHOLDERS Meeting #2: Market Reforms beyond Reinsurance

May 25, 2023

Maryland Insurance Administration

Brad Boban, Chief Actuary



MARYLAND UNINSURED DATA

Source: SHADAC (US Census American Community Survey)

	2019	2021	Change (2021-2019)
Uninsured			
Maryland Total	6.0%	6.1%	0.1%
Age			
0–18	3.2%	4.5%	1.3%
19–64	8.2%	8.1%	-0.1%
19–25	9.2%	9.2%	0.0%
26–34	12.0%	10.4%	-1.6%
35–54	7.8%	8.0%	0.3%
55–64	5.0%	5.3%	0.3%
65+	0.9%	0.8%	0.0%
Race/Ethnicity			
Hispanic	20.2%	20.5%	0.3%
Asian, NH	5.8%	5.8%	-0.1%
Black, NH	5.6%	5.7%	0.1%
Other race / multiple race	5.2%	5.6%	0.5%
White, NH	3.0%	3.0%	0.0%
Poverty Level			
0–138% FPG	11.4%	12.2%	0.8%
139–250% FPG	9.6%	9.9%	0.4%
251–400% FPG	6.5%	6.2%	-0.4%
401%+ FPG	2.0%	2.2%	0.2%
Citizenship			
Not a U.S. Citizen	32.0%	31.9%	-0.1%
U.S. Citizen	3.8%	4.1%	0.3%



POTENTIAL ADDITIONAL MARKET REFORMS

- State Premium Subsidies
 - Additional subsidies for those already receiving federal APTC
 - State subsidy for undocumented who are ineligible for federal APTC
- Cost-Sharing Reduction Subsidies
- Extended enrollment opportunities (new SEPs)
- Individual state mandate/tax penalty
- Merge Individual/Small Group market
- Create Basic Health Plan for 138% - 200%
- Expand Maryland Medicaid to 200%+

COMPARISON OF POTENTIAL REFORMS

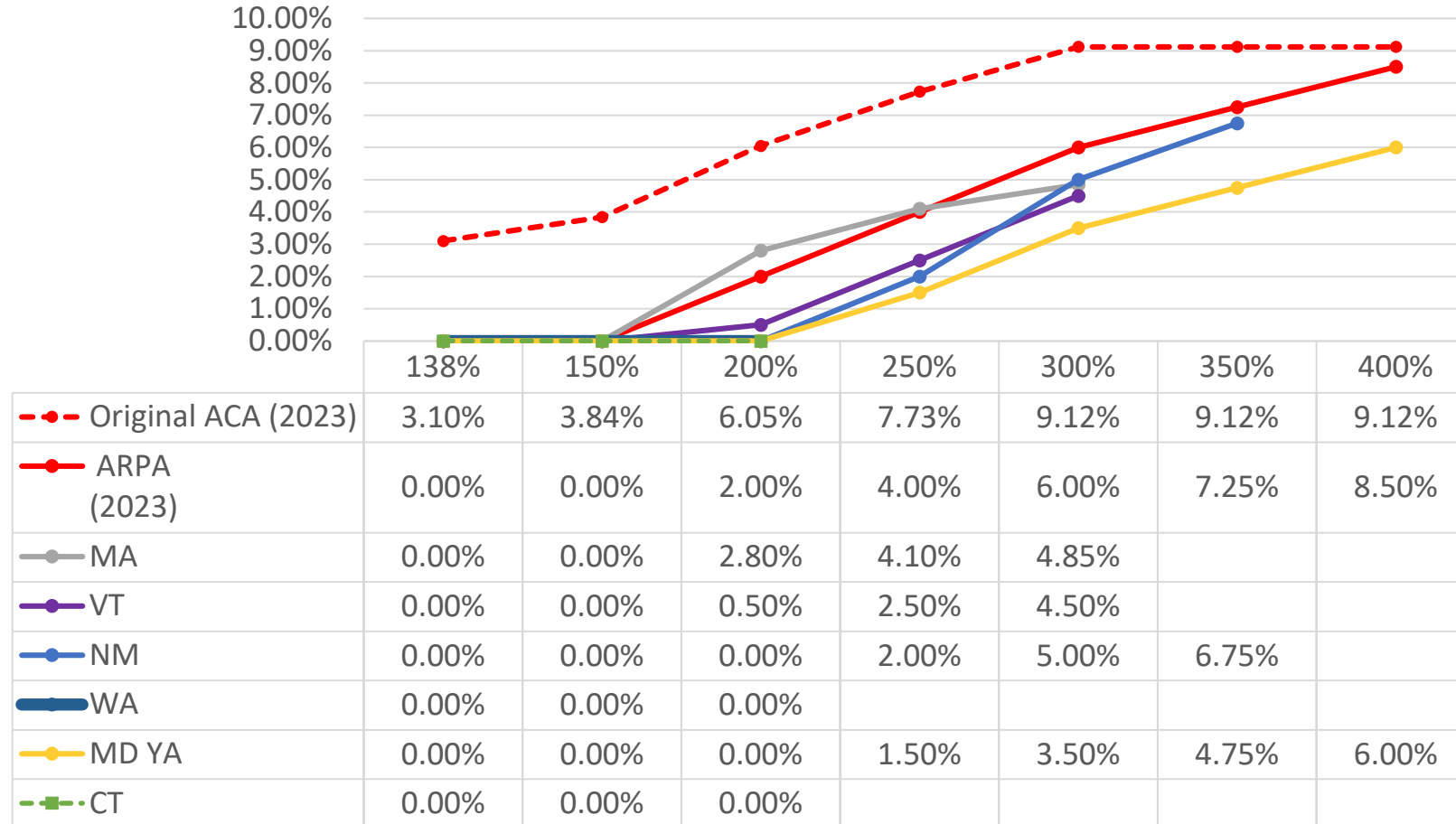
	Premium	Cost-Sharing	New	Individual	Merge	Create	Expand
	Subsidies	Subsidies	SEPs	Mandate	Ind/SG	BHP	Medicaid
Require a 1332	No	No	No	No	No	No	No
Other CMS authority required?	No	No	No	No	Yes	Yes	Yes
Impact on Pass-throughs	Slight Increase	Slight Increase	Slight Increase	Slight Increase	None	Large Decrease	Large Decrease
Impact on Reinsurance Costs	Slight Increase	Slight Increase	Slight Increase	Slight Increase	Large Increase	Large Decrease	Large Decrease
Administrative Complexity	Low	Medium	Low	Medium	Medium	High	High
Ease to reverse	High	High	High	High	Low	Low	Low
Impact on APTC	Minimal	Minimal	Minimal	Minimal	Minimal	Large Decrease	Large Decrease
Impact on average morbidity	Small	Small	Small	Small	Large	Large	Large
Impact on size of risk pool	Slight Increase	Slight Increase	Slight Increase	Slight Increase	Large Increase	Large Decrease	Large Decrease
Cost to the State	Low to High	Low to High	Low to Moderate	Low to Moderate	Moderate to High	Low to High	Low to High

STATE PREMIUM TAX CREDIT – SUPPLEMENTAL

- 7 states currently have some sort of state premium tax credit to supplement the federal one
 - 1 State (WA) has state subsidy as a flat PMPM \$ amount
 - 6 states have an “APTC-like” structure of targeting a certain % of income for a subscriber to pay
 - MD is only state that restricts to a certain age range
 - All states start subsidies at 138% FPL. The top income for subsidies ranges from 200% to 400%.

EXPECTED CONTRIBUTION TO PREMIUM

(% of Household Income by Federal Poverty Level)



FPL	Federal Reference Amounts			APTC-esque Subsidies				
	Original ACA (2021)	Original ACA (2023)	ARPA (2023)	CA (2021; suspended)*	MA	VT	NM	CT
138%	3.10%	3.10%	0.00%	0.00%	0.00%	CSRs only	CSRs only (99% AV)	CSRs only
150%	4.14%	3.84%	0.00%	no state subsidy	0.00%	0%	0.00%	0%
200%	6.52%	6.05%	2.00%	6.24%	2.8% (\$48)	0.50%	0.00%	0% up to 175% FPL
250%	8.33%	7.73%	4.00%	7.80%	4.1% (\$94)	2.50%	2.00%	
300%	8.33%	9.12%	6.00%	8.90%	4.85% (\$137)	4.50%	5.00%	
350%	9.08%	9.12%	7.25%	9.29%			6.75%	
400%	9.83%	9.12%	8.50%	9.68%				
450%	No limit	No limit	8.50%	14.00%				
500%	No limit	No limit	8.50%	16.00%				
600%	No limit	No limit	8.50%	18.00%				
Cost sharing subsidy?					<u>No deductible.</u> <u><100% FPL: \$250 MOOP</u> <u>100-200% FPL: \$1,250 MOOP</u> <u>200-300% FPL: \$2,250 MOOP</u> <u>(AVs from 99.6-92%)</u>	<u>200-250% FPL:</u> <u>77% AV</u> <u>250-300% FPL:</u> <u>73% AV</u>	<u>150% FPL: 99% AV</u> <u>200% FPL: 95% AV</u> <u>250% FPL: 90% AV</u> <u>300% FPL: 85% AV</u>	100% AV up to 175% FPL
Funding				General funds	<u>1115 waiver + misc dedicated revenue sources</u>	<u>1115 waiver + 1% health insurance claims assessment</u>	3.75% premium assessment	1115 waiver + general funds + (?) state assessment

STATE PREMIUM SUBSIDY STRUCTURE

Age 30 Baltimore metro premiums for benchmark plan (SLSCP)										
		PMPM Premium								
					Current	Post Current			Flat \$	Post Flat \$
Annual		Unsubsidized	Federal	Post-APTC	State	State Subsidy			State	State Subsidy
Income	FPL	Premium	APTC (ARPA)	Premium	Subsidy	Premium			Subsidy	Premium
\$ 20,370	150%	\$296	\$296	\$0	\$0	\$0			\$0	\$0
\$ 27,160	200%	\$296	\$251	\$45	\$45	\$0			\$45	\$0
\$ 33,950	250%	\$296	\$183	\$113	\$71	\$42			\$45	\$68
\$ 40,740	300%	\$296	\$92	\$204	\$85	\$119			\$45	\$159
\$ 47,530	350%	\$296	\$9	\$287	\$99	\$188			\$45	\$242
\$ 54,320	400%	\$296	\$0	\$296	\$23	\$273			\$0	\$296

		Premium as a % of Income			
				Fed Plus	Fed Plus
Annual		Federal		Current	Flat Dollar
Income	FPL	Unsubsidized	Only	State	State
\$ 20,370	150%	17.4%	0.0%	0.0%	0.0%
\$ 27,160	200%	13.1%	2.0%	0.0%	0.0%
\$ 33,950	250%	10.5%	4.0%	1.5%	2.4%
\$ 40,740	300%	8.7%	6.0%	3.5%	4.7%
\$ 47,530	350%	7.5%	7.3%	4.8%	6.1%
\$ 54,320	400%	6.5%	6.5%	6.0%	6.5%



STATE PREMIUM SUBSIDY STRUCTURE

Age 60 Baltimore metro premiums for benchmark plan (SLSCP)

		PMPM Premium							
					Current	Post Current		Flat \$	Post Flat \$
Annual		Unsubsidized	Federal	Post-APTC	State	State Subsidy		State	State Subsidy
Income	FPL	Premium	APTC (ARPA)	Premium	Subsidy	Premium		Subsidy	Premium
\$ 20,370	150%	\$708	\$708	\$0	\$0	\$0		\$0	\$0
\$ 27,160	200%	\$708	\$662	\$45	\$45	\$0		\$45	\$0
\$ 33,950	250%	\$708	\$594	\$113	\$71	\$42		\$45	\$68
\$ 40,740	300%	\$708	\$504	\$204	\$85	\$119		\$45	\$159
\$ 47,530	350%	\$708	\$420	\$287	\$99	\$188		\$45	\$242
\$ 54,320	400%	\$708	\$323	\$385	\$113	\$272		\$45	\$340

		Premium as a % of Income			
				Fed Plus	Fed Plus
Annual			Federal	Current	Flat Dollar
Income	FPL	Unsubsidized	Only	State	State
\$ 20,370	150%	41.7%	0.0%	0.0%	0.0%
\$ 27,160	200%	31.3%	2.0%	0.0%	0.0%
\$ 33,950	250%	25.0%	4.0%	1.5%	2.4%
\$ 40,740	300%	20.8%	6.0%	3.5%	4.7%
\$ 47,530	350%	17.9%	7.3%	4.8%	6.1%
\$ 54,320	400%	15.6%	8.5%	6.0%	7.5%

2024 STANDARD PLANS

Appendix 1: 2024 Value Plan Designs

	Subject to Deductible	Gold	CSR 94%	CSR 87%	CSR 73%	Base Silver	Bronze - Expanded
Actuarial Value		81.20%	94.77%	87.48%	73.82%	71.49%	64.81%
Medical Deductible*		\$1,000	\$0	\$1,000	\$4,500	\$4,500	\$9,450
Drug Deductible*		\$150	\$0	\$150	\$750	\$750	n/a
Medical MOOP*		\$6,750	\$1,750	\$2,500	\$6,050	\$7,600	\$9,450
Rx MOOP*		\$600	\$250	\$500	\$1,500	\$1,500	n/a
Emergency Room Services	Yes - No	\$350	\$75	\$150	\$500	\$500	n/a
All Inpatient Hospital Services (inc. MH/SUD)	Yes - No	\$450	\$150	\$350	\$550	\$550	n/a
Primary Care Visit to Treat an Injury or Illness (exc. Preventive, and X-rays)	Yes - No	\$10	\$2	\$10	\$35	\$35	\$35
Specialist Visit	Yes - No	\$30	\$15	\$30	\$90	\$90	\$90
Mental/Behavioral Health and Substance Use Disorder Office Visits	Yes - No	\$10	\$2	\$10	\$35	\$35	\$35
Mental/Behavioral Health and Substance Use Disorder All Other Outpatient Services	Yes - No	\$10	\$2	\$10	\$35	\$35	\$0
Imaging (CT/PET Scans, MRIs)	Yes - No	\$400	\$125	\$350	\$600	\$600	n/a
Speech Therapy	Yes - No	\$10	\$2	\$10	\$35	\$35	\$35
Occupational and Physical Therapy	Yes - No	\$10	\$2	\$10	\$35	\$35	\$35
Preventive Care/Screening/Immunization	Yes - No	\$0	\$0	\$0	\$0	\$0	\$0
Laboratory Outpatient and Professional Services	Yes - No	\$25	\$5	\$25	\$80	\$80	\$80
X-rays and Diagnostic Imaging	Yes - No	\$50	\$20	\$50	\$150	\$150	\$150
Skilled Nursing Facility	Yes - No	\$75	\$30	\$75	\$150	\$150	n/a
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	Yes - No	\$250	\$50	\$75	\$150	\$150	n/a
Outpatient Surgery Physician/Surgical Services	Yes - No	\$125	\$60	\$125	\$150	\$150	n/a
Generic Drugs	Yes - No	\$10	\$0	\$5	\$25	\$25	\$25
Preferred Brand Drugs	Yes - No	\$30	\$5	\$25	\$75	\$75	n/a
Non-Preferred Brand Drugs	Yes - No	\$60	\$15	\$50	\$80	\$80	n/a
Specialty Drugs (i.e. high-cost)	Yes - No	\$75	\$25	\$60	\$100	\$100	n/a

COST-SHARING AS % OF INCOME

			Current Cost-Sharing for 2024				Cost-Sharing with MA-level CSRs				
Cost-Sharing as a % of Income			Standard Plan		Standard Plan		Standard Plan		Standard Plan		
Annual Income	FPL	Federal AV	Deductible	% of Income	MOOP	MOOP as % of Income	MA AV	Deductible	% of Income	MOOP	MOOP as % of Income
\$ 20,370	150%	94%	\$0	0.0%	\$2,000	9.8%	97%	\$0	0.0%	\$1,250	6.1%
\$ 27,160	200%	87%	\$1,150	4.2%	\$3,000	11.0%	97%	\$0	0.0%	\$1,250	4.6%
\$ 33,950	250%	73%	\$5,250	15.5%	\$7,550	22.2%	92%	\$0	0.0%	\$2,250	6.6%
\$ 40,740	300%	70%	\$5,250	12.9%	\$9,100	22.3%	92%	\$0	0.0%	\$2,250	5.5%
\$ 47,530	350%	70%	\$5,250	11.0%	\$9,100	19.1%	70%	\$5,250	11.0%	\$9,100	19.1%
\$ 54,320	400%	70%	\$5,250	9.7%	\$9,100	16.8%	70%	\$5,250	9.7%	\$9,100	16.8%

FAMILY SUBSIDY EXAMPLE

Family of 4 (Ages 37, 35, 10, 7) Baltimore metro premiums for benchmark plan (SLSCP)

		PMPM Premium			Current State Subsidy	Post Current State Subsidy	Flat \$ State Subsidy	Post Flat \$ State Subsidy
Annual Income	FPL	Unsubsidized Premium	Federal APTC (ARPA)	Post-APTC Premium				
\$ 41,625	150%	\$1,040	\$1,040	\$0	\$0	\$0	\$0	\$0
\$ 55,500	200%	\$1,040	\$948	\$93	\$93	\$0	\$93	\$0
\$ 69,375	250%	\$1,040	\$809	\$231	\$145	\$87	\$150	\$81
\$ 83,250	300%	\$1,040	\$624	\$417	\$173	\$243	\$150	\$267
\$ 97,125	350%	\$1,040	\$453	\$587	\$202	\$384	\$150	\$437
\$ 111,000	400%	\$1,040	\$254	\$786	\$231	\$555	\$150	\$636

		Premium as a % of Income			
Annual Income	FPL	Unsubsidized Only	Federal Only	Fed Plus Current State	Fed Plus Flat Dollar State
\$ 41,625	150%	30.0%	0.0%	0.0%	0.0%
\$ 55,500	200%	22.5%	2.0%	0.0%	0.0%
\$ 69,375	250%	18.0%	4.0%	1.5%	1.4%
\$ 83,250	300%	15.0%	6.0%	3.5%	3.8%
\$ 97,125	350%	12.9%	7.3%	4.8%	5.4%
\$ 111,000	400%	11.2%	8.5%	6.0%	6.9%



FAMILY COST-SHARING

		Current Cost-Sharing for 2024						Cost-Sharing with MA-level CSRs				
Cost-Sharing as a % of Income			Standard		Standard				Standard		Standard	
			Standard	Plan	Standard	Plan			Standard	Plan	Standard	Plan
Annual		Federal	Plan	Deductible	Plan	MOOP as		MA	Plan	Deductible	Plan	MOOP as
Income	FPL	AV	Deductible	% of Income	MOOP	% of Income		AV	Deductible	% of Income	MOOP	% of Income
\$ 41,625	150%	94%	\$0	0.0%	\$4,000	9.6%		97%	\$0	0.0%	\$2,500	6.0%
\$ 55,500	200%	87%	\$2,300	4.1%	\$6,000	10.8%		97%	\$0	0.0%	\$2,500	4.5%
\$ 69,375	250%	73%	\$10,500	15.1%	\$15,100	21.8%		92%	\$0	0.0%	\$4,500	6.5%
\$ 83,250	300%	70%	\$10,500	12.6%	\$18,200	21.9%		92%	\$0	0.0%	\$4,500	5.4%
\$ 97,125	350%	70%	\$10,500	10.8%	\$18,200	18.7%		70%	\$10,500	10.8%	\$18,200	18.7%
\$ 111,000	400%	70%	\$10,500	9.5%	\$18,200	16.4%		70%	\$10,500	9.5%	\$18,200	16.4%

DISCUSSION TOPICS

- Supplemental state premium subsidies for those already eligible for federal subsidy
 - Is the current threshold of 400% for young adult subsidies appropriate, or should it be lowered?
 - Should the subsidy be expanded to additional ages?
 - Should the structure of the subsidy be changed to a flat PMPM?
 - What level of flat PMPM is appropriate?
 - How high of an FPL should be able to get a \$0 premium plan?
 - What % of income should those at top end of subsidized range pay?
 - Should MD consider suspending any state subsidy program for this population until ARPA expires like CA?

DISCUSSION TOPICS

- Premium subsidies for those ineligible due to immigration status
 - Structured to equal federal subsidies?
 - At the ARPA level or the normal ACA level?
 - PMPM structure?
 - Limited to specific ages?
 - All incomes 138-400%? Target a more limited portion?
 - Study the cost for including 0 – 138% FPL?
 - Will these members be eligible for whatever supplemental state subsidy is in effect?

DISCUSSION TOPICS

- Supplemental State Cost-Sharing Subsidies and Limits
 - What incomes should receive cost-sharing subsidies? <300%? <250%?
 - What AV should lowest income (138%-150%) have? 97%? 99%? 100%?
 - What AVs should the 200%+ range be targeting? 85%? 90%? 92%?
 - Should a state OOP maximum lower than the federal maximum be set for these CSR plans?
 - For non-CSR plans, should state consider setting limitation on OOP maximums or silver/gold/platinum that are lower than the federal maximum?

DISCUSSION TOPICS

- Expanded Enrollment Opportunities
- Additional Year-round SEPs like for 138-150%? Expanded up to 200%? 250%?
- Additional qualifying event SEPs?
 - Midyear employer open enrollment?
- Retroactive enrollment like Medicaid?

DISCUSSION TOPICS

- Other Market Reforms?
 - Individual Mandate?
 - SG/Ind merger?
 - BHP?
 - Medicaid Expansion?
 - Other?

THANK YOU!

Written comments on items discussed
today may be submitted to:
jamie.sexton@maryland.gov
by Friday, June 9, 2023