



Maryland  
Hospital Association

**Senate Bill 5- Maryland Health Benefit Exchange – State-Based Young Adult Health Insurance Subsidies Pilot Program – Sunset Repeal**

**Position: *Support***  
January 29, 2025  
Senate Finance Committee

**MHA Position**

On behalf of the Maryland Hospital Association's (MHA) member hospitals and health systems, we appreciate the opportunity to comment in support of Senate Bill 5 which would make the current State-Based Young Adult Health Insurance Subsidies Pilot a permanent program.

Broad-based, affordable, and comprehensive health insurance is integral to hospitals' ability to provide high-quality care. It also is key to the state's success under the Total Cost of Care Model, which pushes accountability for whole-person care, including population health. Maryland hospitals are strong proponents of the state's efforts to expand health care coverage, supporting Medicaid expansion, offering subsidized individual and small group health plans through the Maryland Health Benefit Exchange (MHBE), and most recently the creation of the individual market reinsurance program.

While the state has made great strides in increasing access to health coverage, nearly 400,000 Marylanders remain uninsured, and even more are underinsured, which often prevents access to care and results in worse health outcomes. The Young Adult Health Insurance Subsidies Pilot Program reduced the number of uninsured and underinsured Marylanders by significantly increasing enrollment by young adults aged 18-37 (previously 18-34), which has historically made up more than 40% of Maryland's uninsured population.

This program provides, on average, \$450 in premium subsidies to qualifying young adults. As a result, enrollment by young adults rose by 21% in the most recent plan year compared to the previous year (89,642 in plan year 2025 compared to 73,858 the year before). As a result, the number of young adults enrolled in health plans rises each year, improves the risk pool, lowers health insurance costs, and increases access to care.

Finally, while a state-subsidies program will lower premiums, we urge policymakers to address the increasing consumer out-of-pocket costs included in commercial health insurance plans and focus on consumer health insurance literacy. High deductibles, increased cost-sharing requirements, and lack of transparency regarding coverage from health insurers resulted in unexpected financial obligations for patients who thought they were covered for much-needed services. These high out-of-pocket costs create significant underinsurance for covered individuals, and most importantly, deter them from seeking appropriate health care.

For these reasons, we request a favorable report on SB 5.

For more information, please contact:

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