

FY 2021 BUDGET HEARING

*HEALTH AND SOCIAL SERVICES SUBCOMMITTEE
OF THE HOUSE APPROPRIATIONS COMMITTEE*

FEBRUARY 19, 2020

Plan Year 2020 highlights

Progress on accessibility

- 158,934 private plan enrollments, **1% gain** year over year
- 2nd straight year, **Md. growth outperforms 3/4ths** of all states
- Growth in renewals and +13% in enrollments **without financial help** but **1-2% slippage in key target groups**: young adults, African-Americans, Latinos

Progress on affordability

- **23% decline in avg. premiums** since Reinsurance began in 2019; **Growth both on and off exchange to 215,000+ enrollments**
- That led consumers to higher “metal levels” to **cut deductibles: +27% in gold and platinum plans**
- 1 of every 4 enrollments were “value plans” -- new for 2020: **less consumer out of pocket cost**

Progress on Innovation

- “Easy Enrollment” on state tax forms. Launched 1st of its kind program with Comptroller’s office.
- For 1st time, we’ll know exactly who lacks insurance and wants to know more. IRS data used to have 2-year lag. This will propel a response to consumers within days
- **Will report results to DLS by July 15, 2020**

Continued improvements in customer service, IT

Accomplished biggest HBX rebuild since 2014

- Moved to new **MDThink (MDT)** hosting platform in August 2019
- In FY 20 (Year 1), MDT cost will be \$2 mi.> than budgeted
- MDT Phase 2 not yet begun, data sharing agreements and budget impact questions need to be worked out

Tech innovations for better user experience

- System enhancements greatly cut system errors and in turn, cut escalated cases (cut from **1000s** a few years ago to **100s** now)
- **Chatbot employs artificial intelligence** to answer 400,000 consumer queries since 2019, helping halve call wait times

Continued Use of Federal EdgeServer

- Would be able to repurpose funds to Small Group efforts that require 100% special funds
- Will continue to need \$40,000, which meets anticipated funding needed for annual EdgeServer fee
- **Will send a Reinsurance report to DLS by September 30, 2020**

Looking ahead to potential challenges for FY 2021

Program Integrity Rule

-- HHS requiring a **second bill** to pay for **\$1/month** attributed to abortion services. Will need solutions so consumers don't **lose coverage due to confusion** over 2nd bill for tiny amount

-- Attys Gen (incl. Md.), Planned Parenthood of Md., ACLU suing to halt change

Public charge

-- **Community fear** may have contributed to reduction in Latino enrollments, or caused enrollees not to identify their race/ethnicity (optional)

-- Rule was postponed during open enrollment for 2020 plans, but is to take **effect February 24, 2020**

Legal and Political Uncertainty

-- Supreme Court may wait on Texas vs. Azar until 2021

-- 2020 election implications, just as open enrollment begins for 2021

-- **Pending federal rule** that would cease auto renewal. Would require IT development, marketing to guide consumers from accidentally losing coverage.

Potential impacts of proposed budget for FY 21

Reduced consumer awareness, assistance

- Reduced funding would impact IT Development, Consumer Assistance and Marketing/Outreach
- Cuts in enhancements, **outreach, marketing & assistance** could affect enrollments, **wait times** for in-person help and increase costs (call center)

Small Business strategic initiative

- Proposed \$1.16 mil. cut would curb plans for **Small Business for MD Health Connection for businesses of <15 employees**
- **Impact on IT development, marketing, biz assistance and administration of 1332 Waiver** subsidy to provide tax credit \$ monthly to small business rather than at end of tax year

Unfunded mandates

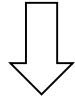
- IT development to support further progression of “Easy Enrollment” (2019)
- Pregnancy Special enrollment Period (2019)
- Small Business 1332 waiver for tax credits (2019)
- Individual Subsidy program (2020)

DLS Budget Recommendation Response

1. Reduce funding for development of a reinsurance claims system that is not needed
Request no reduction as funds are needed to support Small business efforts
2. Reduce funding to better align with recent spending
Request no reduction as funds are needed to support Small business efforts and unfunded mandates
3. Adopt narrative requesting data on enrollments related to the Maryland Easy Enrollment Health Insurance Program
Agree with recommendation
4. Adopt narrative requesting a report on actual reinsurance payments, an updated forecast, and planned use of provider assessment revenue
Agree with recommendation

Pre-2012, 12% lacked health coverage
Now, 6% lack coverage

400,000+ covered
under ACA through:

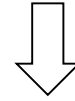


Medicaid Expansion:
315,000



Subsidized private
plans: 120,000+

403,754
remain uncovered:



188,710 would be eligible
for free or low-cost

215,044 not eligible for
financial help
(could benefit from
improved small group)

106,158 adults eligible for
subsidized private plans

57,503 adults eligible for
Medicaid

25,049 children eligible for
Medicaid or subsidized
private plans

56,456 ineligible for
assistance due to incomes
> 400% Fed Poverty Level

158,588 ineligible for other
reasons, including
unlawfully present

MHBE Methodology (EL), February 2020 **Estimates** based on American Community Survey 5year data set (2012-2017); individual responsibility mandate payments to IRS in 2017; enrollment data for the most recent open enrollment period. Adjusted for population growth from 2017 to 2019

Questions?

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