

<p>Senate Budget and Taxation Committee Senate Health and Human Services Subcommittee 11:30 AM - Miller Senate Building, William Amoss Room, 4th Floor Chair: Guy Guzzone March 1, 2024</p>	<p>House Appropriations Committee House Health And Social Services Subcommittee 1:00 PM - House Office Building, Room 120 Chair: Ben Barnes March 4, 2024</p>
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To: Department of Legislative Services  
From: Michele Eberle, Executive Director, MHBE  
Date: 2/27/24  
Subject: Response to DLS Analysis of MHBE's Fiscal Year 25 Operating Budget

The Maryland Health Benefit Exchange (MHBE) thanks DLS for the thorough and thoughtful analysis of our operating budget. Before addressing DLS's one question in the analysis, we would like to emphasize that although MHBE's FY25 operating budget may look substantial at \$658.2M, as DLS points out, the vast majority of that amount (86%) consists of federal and state funding dedicated to the reinsurance program and, to a much lesser extent, the young adult subsidy program. These dollars are pass-through funding that MHBE transmits to carriers in the individual market, and are not used for MHBE administration.

In DLS's draft budget analysis of the MHBE FY 2025 budget, DLS asked the below question.

**MHBE should discuss whether they anticipate additional growth in individuals enrolling in a QHP due to Medicaid unwinding and any other factors leading to high growth in enrollment.**

MHBE anticipates that enrollment during the remainder of 2024 will be higher than in recent years due to the continuation of Medicaid unwinding through the first half of this year, and ongoing Medicaid redeterminations resuming after the completion of the unwinding, as we return to the regular process of Medicaid redeterminations. As a result, 2024 will be the first full year with regular ongoing movement of individuals from Medicaid to Qualified Health Plans (QHPs) since the COVID-19 public health emergency. In addition, the enhanced federal subsidies first implemented pursuant to the American Rescue Plan Act and the state Young Adult Subsidy Pilot Program have both made QHP premiums substantially more affordable and we expect that increased affordability to continue to drive higher QHP uptake.