



Maryland  
Hospital Association

## **HB 1421- Maryland Health Benefit Exchange - Functions and Outreach** **Position: *Support***

### **Bill Summary**

HB 1421 requires the Maryland Health Benefit Exchange to conduct outreach and education activities to increase health literacy and to educate consumers about the Exchange and insurance affordability programs. HB 1421 also requires the Exchange to perform certain functions for Maryland Medical Assistance programs, as requested by the Maryland Department of Health and approved by the Board of Trustees for the Exchange, for the efficient administration of Maryland Medical Assistance programs.

### **MHA Position**

Under Maryland's unique Total Cost of Care agreement (TCOC) with the federal government, hospitals are working to lower health care costs and improve the health of whole communities. The expansion of health care coverage is essential to the success of the TCOC agreement because affordable, comprehensive coverage improves the odds that an individual will access preventative care, thereby avoiding unnecessary hospital utilization. This allows for care delivery in a lower cost setting and can potentially result in an illness being treated early instead of waiting until circumstances are critical.

Maryland's hospitals support efforts like HB 1421, which would require the Maryland Health Benefit Exchange to conduct outreach and education activities, as well as perform specific functions for the Maryland Medicaid program. The bill would expand consumer health literacy to include minority populations, be specific about the Exchange and insurance programs, and improve the efficiency and administrative functions for Maryland Medicaid programs by the Maryland Health Benefit Exchange.

To help people take ownership of their health, they need to know the basics of health literacy. The U.S. Department of Health and Human Services defines health literacy as “the degree to which individuals have the capacity to obtain, process, and understand basic health information needed to make appropriate health decisions.”<sup>1</sup> A low level of health literacy can affect a patient's ability to adhere to treatment — lessening the overall quality and delivery of care. One study indicated that individuals with low health literacy used emergency health services more frequently and were more likely to be readmitted to the emergency department within two weeks.<sup>2</sup>

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<sup>1</sup> “Health Literacy.” *HealthyPeople.gov*, Office of Disease Prevention and Health Promotion, [healthypeople.gov/2020/topics-objectives/topic/social-determinants-health/interventions-resources/health-literacy](https://www.healthypeople.gov/2020/topics-objectives/topic/social-determinants-health/interventions-resources/health-literacy).

<sup>2</sup> Griffey RT, Kennedy SK, D'Agostino McGowan L, Goodman M, Kaphingst KA. Is low health literacy associated with increased emergency department utilization and recidivism? *Acad Emerg Med*. 2014; 21(10):1109–15. doi: 10.1111/acem.12476.

<sup>3</sup> Maryland Health Benefit Exchange. Retrieved from: <https://www.marylandhbe.com/>

The Maryland Health Benefit Exchange is a marketplace for individuals and small group employers looking to access insurance plans and is well-positioned to take on the role of conducting outreach and education activities. The Maryland Hospital Association agrees such actions would be advantageous in meeting the agency's goal of making health coverage affordable and more accessible for Marylanders<sup>3</sup>. Through the Maryland Health Connection individuals and small businesses can compare rates of various health insurance plans, check eligibility for federal advanced premium tax credits, cost-sharing reduction plans, and public assistance programs like Medicaid. Additionally, an individual can enroll in a qualified health plan through this resource. These efforts are aligned with the hospital field's goals of reducing the total cost of care and promoting the health of all Marylanders.

For these reasons, we respectfully urge the committee to give HB 1421 *a favorable report*.