



Maryland
Hospital Association

HB 814 – Maryland Health Insurance Option

Position: *Support*

Bill Summary

HB 814 would establish the Maryland Health Insurance Option and the purpose of the Option; require certain individuals who are under a certain age to maintain certain minimum essential coverage for the individual and certain household members; require a certain individual to pay a certain amount if certain coverage is not maintained for a certain period of time of a certain taxable year; etc.

MHA Position

Under Maryland's unique Total Cost of Care agreement with the federal government, Maryland's hospitals are working to lower costs and improve population health. In addition to treating illness and injury, hospitals are reaching out beyond their four walls to keep people well and improve the health of the communities they serve. The result: hospitals are taking care of the whole person, empowering patients and families, coordinating care among different providers, and addressing social factors that influence people's health.

This model builds on the All-Payer Model, which began in 2014, the same time the state expanded coverage to nearly 400,000 Marylanders. At that time, Maryland's hospitals wholeheartedly supported the Affordable Care Act, along with the state's forward-thinking expansion of Medicaid. From 2014 to 2018, the All-Payer Model saved the federal Medicare program nearly \$1 billion and reduced hospital readmissions to a rate below the national average. This synergy between the Maryland model of care and broad-based coverage has made Maryland a model in the nation for holding costs down and improving quality.

This is why we support HB 814, which builds upon gains in health care coverage, ensuring that coverage in Maryland is widespread and the insurance market is strong by requiring individuals to have at least a basic amount of coverage.

This proposal is a step in the right direction to balance the risk pool and provide added stability to the market to help decrease reliance on the reinsurance program. Ultimately, however, there remains a pressing need to address the underlying costs of coverage. This includes ensuring that benefit and cost-sharing structures are designed to provide access to robust preventive care, as well as to services needed to manage chronic conditions. It also means improving how we manage care of populations served by the individual insurance market to reduce costs and improve outcomes — all in line with the goals of the state's Total Cost of Care Model.

For these reasons, we urge you to give HB 814 a *favorable* report.