

Uptake Assumptions After the Introduction of the Subsidy for Small Groups Who Previously Did Not Offer Coverage

State Subsidy Amount	Employer Uptake
100%	99.5%
40%	47%
30%	38%
25%	33%
20%	29%
15%	24%
10%	20%

State Subsidy Amount	Expected Employer Contribution Rate Given State Subsidy Level	Total Contribution	Employee Uptake
100%	0%	100%	100%
70%	20%	75%	80%
40%	38%	78%	75%
35%	40%	75%	70%
30%	40%	70%	68%
25%	43%	68%	65%
20%	45%	65%	60%
15%	48%	63%	57%
10%	50%	60%	50%

Inputs are highlighted blue

Scenario 1: 20% of Small Group Premium Before Employer Contribution

Eligibility Assumptions		Notes
Number of MD employees in SGs of 1-9 not offered coverage	148,986	From Hilltop. Number of employees in businesses with fewer than 10 employees with no offer of coverage in the last 12 months.
Employer Uptake After Subsidy Introduction	#NAME?	Function of the state subsidy amount. See "Uptake Assumptions" tab for detail
Employee Uptake From Participating Employers	#NAME?	Function of the expected employer contribution and state subsidy shown in "Uptake Assumptions". Data from the following source was used as a baseline: https://meps.ahrq.gov/data_stats/summ_tables/insr/state/series_2/2020/ic20_ia_f.pdf .
Employee Participation	#NAME?	

Premium Assumptions		Notes
2024 Avg Age Adjusted Gross Premium PMPM	\$558.25	Assuming average plan chosen is CareFirst's most popular silver plan trended to 2024.
SG Subsidy Percentage	20%	
Employer Contribution Rate	50%	
Employee Net Premium PMPM	\$167.47	
Subsidy PMPM Cost	\$111.65	
Average Months of Coverage - Small Group Market	10.0	
Total Yearly SG Subsidy Cost	#NAME?	

Scenario 2: 10% of Individual Net Premium (after APTC)

Eligibility Assumptions		Notes
Number of MD employees in SGs of 1-9 not offered coverage	148,986	From Hilltop. Number of employees in businesses with fewer than 10 employees with no offer of coverage in the last 12 months.
% of Employees Covered by Other Insurance	55%	Those not offered SG coverage but insured in the Individual market, have coverage through a spouse etc.
% of Employees Uninsured	45%	The uninsured rate for groups with less than 100 employees was 17% in 2021. Given the offer rate of insurance coverage declines with group size, along with this population by definition does not have an offer of coverage, we've assumed the uninsured rate for these individuals is 45%.
Other Insurance Uptake	75%	Assuming 1) a significant portion of these individuals are already in the Individual market and thus will automatically accept the subsidy and 2) some non-material amount of those in a spouse's plan or other type of insurance will switch
Uninsured Uptake	10%	Based on L&E uninsured modeling into the Individual market
Employee Participation	68,161	

Premium Assumptions		Notes
Average 2024 Ind Net Premium after APTC	\$378.22	Based on the average age and income of small group employees
SG Subsidy Discount	10%	
Net Premium with SG Subsidy	\$340.39	
Subsidy Cost to State PMPM	\$37.82	
Average Months of Coverage - Individual Market	9.98	Used in L&E's modeling for reinsurance
Total Yearly Ind Subsidy Cost	\$25,717,643	

Inputs are highlighted blue

Scenario 1: 10% of Small Group Premium Before Employer Contribution

Eligibility Assumptions		Uptake	Notes
(a) Total MD Employees in Firms with 1-49 Employees	632,558		Fram Hilltop
(b) Employees with ESI Offer	366,884		Fram Hilltop, 58% x (a)
(c) Employees with ESI Offer and Accepted	248,380		Fram Hilltop, 67.7% x (b)
(d) Employees with ESI Offer and Not Accepted	118,503	15%	(d) = (c) - (b)
(e) Total SG Market Enrollment	248,328	100%	Fram MIA, Combined with Hilltop ESI uptake it was assumed all those offered and accepted ESI are in SG market. All enrolled in SG market will take subsidy offered
(f) Accepted ESI but not covered in SG market	52	0%	(f) = (e) - (d)
(g) 1-49 Not Offered ESI	265,674	#NAME?	Function of the expected employer contribution and state subsidy shown in "Uptake Assumptions". Data from the following source was used as a baseline https://meps.ahrq.gov/data/summ_tables/insr/state/series_2/2020/ic20_iaa_f.pdf .
Employee Participation	#NAME?		

Premium Assumptions		Notes
2024 SG Gross Premium PMPM	\$597.55	Based on data provided by MIA. Average 2021 SG premium trended to 2024
SG Subsidy Percentage	10%	
Employer Contribution Rate	50%	
Employee Net Premium PMPM	\$239.02	
Subsidy PMPM Cost	\$59.75	
Average Months of Coverage - Small Group Market	10.0	
Total Yearly SG Subsidy Cost	#NAME?	

Scenario 2: 10% of Individual Net Premium (after APTC)

Eligibility Assumptions	Uptake	2024
Total MD Employees in Firms with 1-49 Employees	632,558	
Total 1-49 with ESI Offer	366,884	
Total 1-49 Employees with ESI Offer and Accepted	248,380	
Total 1-49 Employees with ESI Offer and Not Accepted	118,503	5%
1-49 Employees in SG Market	248,328	0%
Offered ESI but either uninsured or covered elsewhere	52	0%
1-49 Not Offered ESI	265,674	
1-49 Uninsured	106,966	10%
1-49 Not Offered ESI but Covered Elsewhere	158,709	75%
Employee participation		135,653

Premium Assumptions	
Average 2024 Ind Net Premium after APTC	\$378.22
SG Subsidy Discount	10%
Net Premium with SG Subsidy	\$340.39
Subsidy Cost to State PMPM	\$37.82
Average Months of Coverage - Individual Market	9.98
Total Yearly Ind Subsidy Cost	\$51,182,920