Media Release

MARYLAND WINS FEDERAL APPROVAL FOR "REINSURANCE" FOR ANOTHER FIVE YEARS

Program has helped drive down rates for Marylanders who buy their own health coverage to among the most affordable in the nation

BALTIMORE (July 5, 2023) – The Reinsurance Program that helped drive down costs for consumers who purchase their own health insurance in Maryland to among the lowest rates in the nation has been renewed for the next five years.

The U.S. Department of Health and Human Services and the Department of the Treasury informed Maryland health and insurance officials that they have approved the state's application for the period from Dec. 31, 2023, when the current authorization expires, until Dec. 31, 2028.

"Extension of the Reinsurance Program is great news for Marylanders," said Michele Eberle, executive director of Maryland Health Benefit Exchange, the agency that administers Maryland Health Connection, the state's health insurance marketplace. "It has enabled Maryland to keep premiums at bay so that more people have access to affordable health coverage."

"Maryland's Reinsurance Program has been very successful at keeping rates affordable for everyone who buys individual insurance in Maryland, on or off the exchange," said Maryland Insurance Commissioner Kathleen A. Birrane. "It has played a particularly important role in stabilizing premiums for Marylanders who do not qualify for subsidies."

During the past five years, the program cut more than 30 percent from health insurance premiums for Marylanders who buy their own health insurance because they don't get it through their employer or another government program such as Medicaid or Medicare.

Maryland this year offered the third cheapest average monthly health insurance premiums in the nation ($472) after Utah ($431) and New Hampshire ($469) for households that purchase their own coverage through a state marketplace, according to data from the Centers for Medicare & Medicaid Services.

The program helped strengthen the state's now 12-year-old marketplace, Maryland Health Connection, that was created under the Affordable Care Act. Enrollment reached a record 182,166 this year, the fifth consecutive year of enrollment growth. Most enrollees receive

additional financial help through the ACA.

Gains have also been made in communities that historically have lacked health insurance. Black enrollment was up nearly 3 percent this year. Hispanic enrollment was up 9 percent – and up 13 percent for Hispanic young adults ages 18-34. In fact, Hispanic enrollment through Maryland Health Connection has grown more than 20 percent since 2019.

Rates also came down for people who buy health coverage directly from an insurance company outside Maryland Health Connection.

The federal approval was required technically as an "innovation waiver" under Section 1332 of the Patient Protection and Affordable Care Act of 2010. The program covers a portion of the costs of health insurers that serve Maryland Health Connection. The majority of funding comes from the federal government. State costs are funded through a 1 percent assessment on health insurance policies.

<center>###</center>

Maryland Health Benefit Exchange (MHBE), a public corporation and independent unit of state government established in 2011, administers Maryland Health Connection.

Maryland Health Connection (MHC) is the state-based marketplace for Marylanders to shop and enroll in health insurance, as well as determine eligibility for Medicaid and other assistance programs. It is the only place where Marylanders can access financial help such as tax credits to make coverage more affordable.

MEDIA CONTACT:
Betsy Plunkett, Director, Marketing & Web Strategies
betsy.plunkett@maryland.gov