

Proposed 2025 Young Adult Subsidy Parameters

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Current Program Status - Plan Year 2024

Total Auto Renewed Enrollees	Total New Enrollment	Estimated Future Special Enrollment	Average Subsidy PMPM	Estimated Total 2024 Subsidy Cost
44,160	16,652	10,712	\$37.43	Current Enrollment to Date: \$22.4M Current Enrollment + Future SEP Enrollment: \$24.6M

Data as of March 24, 2024

As a percentage of total enrollment, young adult enrollment ages 18-34 increased from 26.4% in March 2023 to 29.4% in March 2024.

2024 Young Adult Subsidy Program Parameters

Eligibility

- Age: 18-37 (18 or older; younger than 38)
- Income: ≤400% FPL, ineligible for Medicaid
- Enrolled through MHC
- Enrollment cap if projections indicate that budget may be exceeded

Subsidy Design

- Reduce the maximum expected contribution by 2.5% between ages 18 and 33
- For ages 34 to 37, reduce the 2.5% reduction by 0.5% each year
- Subsidy covers the non-EHB portion of premium for recipients with a 0% expected contribution

Expected Contribution (EC) for Benchmark Plan

% FPL	Federal EC	MD Young Adult EC					
		18-33	34	35	36	37	38
		-2.5%	-2.0%	-1.5%	-1.0%	-0.5%	-0.0%
≤150	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
200	2.00%	0.00%	0.00%	0.50%	1.00%	1.50%	2.00%
250	4.00%	1.50%	2.00%	2.50%	3.00%	3.50%	4.00%
300	6.00%	3.50%	4.00%	4.50%	5.00%	5.50%	6.00%
400	8.50%	6.00%	6.50%	7.00%	7.50%	8.00%	8.50%

2025 Young Adult Subsidy Parameter Options

- Option 1: Continue 2024 Parameters for 2025 (maximum subsidy up to age 33; phase out through age 37)
 - Estimated cost: \$26.0M
 - Estimated subsidy eligible enrollment: 54,867
- Option 2: Revert to 2023 Parameters (maximum subsidy up to age 33; phase out through age 34)
 - Estimated cost: \$21.5M
 - Estimated subsidy eligible enrollment: 46,272
 - Estimated enrollment loss due to subsidy change: 383 individuals

Next Steps

- April 15: Board votes on proposed 2025 parameters
- April 17 - May 17: Public comment period
- June 17: Board votes on final 2025 parameters

Request to Approve Proposed 2025 Young Adult Subsidy Program Parameters

MOTION: I move to approve option [1 or 2] as the proposed 2025 young adult premium subsidy parameters [as presented] *or* [as amended].