

2025 Final Young Adult Subsidy Parameters

Becca Lane, Senior Health Policy Analyst, Policy & Plan Management

August 19, 2024

2025 Young Adult Subsidy Program Parameters Revisited

Updated findings based on a re-examination of assumptions and anticipated cost of the Young Adult Subsidy Program for plan year 2025 are being presented to the board to aid in their decision making of the final parameters for program eligibility for plan year 2025.

Historical Program Statistics

Plan Year	2022	2023	2024 est.	2025 est.
Funds Available	\$20,000,000	\$26,100,000	\$32,900,000	\$28,354,558
Average YAS enrollees	34,879	28,700	54,867	54,867
Average PMPM Subsidy	\$35.48	\$40.79	\$38.57	\$39.54
Total Spend	\$13,900,000	\$13,200,000	\$24,545,442	\$26,033,647
Carry over Funds*	\$6,100,000	\$12,900,000	\$8,354,558	\$2,320,911

* HB953/SB701 of 2024 allowed unspent fund from prior years to be carried forward to future years

2023 Young Adult Subsidy Parameters

- Maximum subsidy up to age 30; phase out through age 34
- Estimated cost: \$21.5M
- Estimated subsidy eligible enrollment: 46,272

Expected Contribution (EC) for Benchmark Plan							
% FPL	Federal EC	MD Young Adult EC					
		18-30	31	32	33	34	35
		-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%

2024 Young Adult Subsidy Program Parameters

- Maximum subsidy up to age 30; phase out through age 37
 - Estimated cost: \$26M
 - Estimated subsidy eligible enrollment: 54,867

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%

Comments

- Public Comments
 - Public comment period April 17 - May 17
 - One carrier commented in support of the proposed parameters

2025 Young Adult Subsidy Parameter Options

Option 1

Revert to 2023 Parameters (maximum subsidy up to age 30; phase out through age 34)

- Estimate subsidy eligible enrollment: 46,272
- Estimated cost: \$21.5M
- Estimated fund availability: \$28.4M

Option 2

Continue 2024 Parameters (maximum subsidy up to age 33; phase out through age 37)

- Estimated subsidy eligible enrollment: 54,867
- Estimated cost: \$26.0M
- Estimated fund availability: \$28.4M

Request to Approve Final 2025 Young Adult Subsidy Program Parameters

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

Appendix

The background features a teal color with four overlapping, light blue circular shapes arranged in a cross pattern, centered around the text.

14.35.19.03(D)

D. In any calendar year of the program:

(1) The Board may limit the availability of subsidies, regardless of eligibility, if the costs of the program are projected to exceed the budgeted allowance for that calendar year;

(2) The limit described in §D(1) of this regulation may take the form of:

- (a) A limit on the number of enrollees eligible for the subsidy;
- (b) A limit on increases in subsidies during a plan year for enrollees after enrollment; or
- (c) Any other limit or combination of limits as the Board deems appropriate;