



May 26, 2023

Dear Commissioner Birrane,

Thank you for the opportunity to provide comments to the State Reinsurance Workgroup, and for your leadership in pursuing access to quality, affordable health care for all Marylanders. Since the passage of the Affordable Care Act, Maryland has made great progress by cutting the number of uninsured in half. Now we must make further progress to go from 6% of Marylanders being uninsured to 0% uninsured.

We at Maryland Citizens' Health Initiative support continuation of the reinsurance program, which has successfully boosted enrollment by reducing premiums by more than 25% since 2018 and helped make Maryland's lowest cost plans 25-30% below U.S. averages. We support continuing with a claims-cost based program rather than switching to conditions-based. We support continuing to use a dampening factor in order to maintain pass-throughs and prevent carriers from getting an excess profit from high risk members. We are interested in modeling on increasing the attachment point, as Maryland currently has the lowest attachment point of any state in the nation, and exploring the idea of indexing it to an external factor like inflation. We would also be interested in seeing modeling on a lower coinsurance percentage rate to possibly encourage improving quality and outcomes for Marylanders in the reinsurance program.

With regard to size of the reinsurance program, we do not have a specific recommendation. We recognize the positive effects of the reinsurance program helping Maryland capture pass-through dollars, and that the program has been very successful in stabilizing premiums. At the same time we are cognizant that the reinsurance program helps Marylanders over 400% of FPL, who are the most likely to be insured, while other programs like state-based subsidies can help Marylanders under 400% FPL who are more likely to be uninsured. Maryland will need to consider how to use available resources to help the most vulnerable Marylanders obtain health coverage, while also using resources as efficiently as possible. If the workgroup were to pursue modeling around reducing the size of the reinsurance program, then we would also want to see corresponding modeling on how the resources that are no longer going into the reinsurance program could be redistributed to other programs to improve access and affordability for uninsured Marylanders.

Thank you for your leadership and consideration of these recommendations to ensure access to quality, affordable health care for all Marylanders.

Sincerely,

A handwritten signature in black ink that reads "Stephanie Klapper".

Stephanie Klapper, MSW

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