



Healthy Maryland Plan Questions and Answers

How many people would Healthy MD cover?

CareFirst projects about 540,000 MD residents would be covered under Healthy Maryland (comprised of about 270,000 currently insured under the Maryland Health Insurance Plan, group conversion, HIPAA and commercial underwritten Individual products) plus another 270,000 who were previously uninsured.

Does Healthy MD provide “universal” coverage?

While a worthy goal, “universal” coverage may not be practical since there will always be individuals who opt to pay the Individual and Employer Mandate penalties rather than obtain insurance. According to *Kaiser State Health Facts*, about 14% or 760,000 Marylanders were uninsured last year. About 360,000 of these are eligible for coverage under Medicaid. Counting the 270,000 newly insured under Healthy MD would reduce the percentage of uninsured Marylanders to about 2%, or 120,000.

Why does the plan mandate that every Maryland resident obtain insurance coverage?

Everyone, regardless of age or health status, needs health coverage. Ultimately, everyone pays for covering the costs of uncompensated care incurred by the uninsured by paying higher premiums. Imposing an Individual Mandate dramatically broadens the pool by adding individuals who currently do not see the value of health insurance and by enrolling younger, healthier members, thus reducing overall risks and, therefore, costs.

Such a mandate is fundamentally unfair and impractical unless subsidies are provided to those who cannot afford coverage and unless the product is available to everyone, regardless of health status, what is known in the industry as “guaranteed issue.” “Free-riders” should not be permitted to shift their medical bills onto others without paying their fair share. While individuals still can refuse to purchase coverage, they will pay a significant financial penalty to help offset the financial drain to the health care system that they represent.

What benefits does Healthy Maryland offer?

Healthy Maryland would provide comprehensive medical benefits, including full access to primary and specialty care in an HMO setting, up to 20 days hospitalization annually, full maternity coverage, prescription drug coverage and mental health and substance abuse coverage, among other benefits. Several State mandated benefits would not be covered, including in vitro fertilization and bariatric surgery.

Why has CareFirst made this proposal?

CareFirst is committed to being an active participant in improving health care delivery. We believe this plan furthers our not-for-profit mission to provide expanded access to quality, affordable health care coverage for the maximum number of people possible.

(more)



(Healthy Maryland Fact Sheet – Continued)

How much would enrollees pay for coverage under Healthy Maryland?

The plan attempts to strike a balance between meaningful benefits and affordable costs. As proposed, Healthy Maryland premiums in the first year would be a little more than \$250 per member per month. Sliding-scale subsidies to lower income enrollees would reduce that premium to as little as \$25 per month, depending on a subscriber's income. Deductibles also would vary according to an enrollee's income and would be further reduced by half if enrollees complete a Health Risk Assessment and health screening and join a Medical Home.

Can Maryland afford this program?

Depending on medical cost trends, speed of enrollment and how much advanced funding is provided, no additional State funds would be needed to initially fund this program. Healthy Maryland can be self sustaining for between three and 10 years, depending on these variables. Premiums could cover about three quarters of Healthy Maryland's total cost. The remaining programmatic costs, primarily to cover the sliding-scale premium subsidies for lower income enrollees and bad debt, would come from a combination of existing revenue sources.

Why is there so much emphasis on health and wellness in this plan?

To rein in spiraling health care costs, Healthy Maryland proposes to offer incentives – in the form of lower premiums and deductibles – to encourage enrollees to take greater personal responsibility for managing their health, such as getting an annual physical and improving/maintaining their health status year to year. Enrollees would complete a health risk assessment (HRA), undergo health screening and provide a thorough medical history, including any current medical conditions and medications. This information would be used to identify those who qualify for assignment to the coordinated care offered by a Medical Home and, as appropriate, to refer members to available Disease Management programs. Such programs are increasingly common elements of commercial insurance offerings.

Is it realistic to impose a new penalty – effectively, a new tax -- on individuals and businesses given the current economic climate?

The real question should be, how much longer should Maryland tolerate the current situation in which so many residents lack insurance to cover their most basic health needs? Healthy Maryland is a practical approach. Any serious effort to cover the uninsured will require difficult choices to be made. It is clear that, without Individual and Employer Mandates and their penalties, we cannot achieve the broad-based community pool that makes this plan affordable.

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