

Health Insurance Down Payment Plan

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The Problem

- Federal tax bill ended federal enforcement of the individual market, effective:
 - Coverage beginning January 2019
 - Tax filing in 2020
- Without enforcement:
 - Premiums in Maryland's individual market rise by 16%
 - 69,000 additional uninsured Marylanders:
 - **16,000 fewer people with Medicaid and CHIP**
 - 10,000 fewer people with employer-sponsored insurance
 - 43,000 fewer people with individual-market coverage

Health Insurance Down Payment Plan

At tax time, Marylanders would be asked if they had quality health coverage in the past year. If they answer no, they have a choice: either pay a penalty to the state or instead use that money to purchase quality, affordable healthcare.

Additional exemptions from the personal-responsibility requirement, recognizing

- Religious convictions that prohibit health-care use
- **The tight budgets of low-wage, working families**

Enrollment incentives and auto-enrollment replaces mandate penalties, whenever possible

- **If tax return data shows Medicaid eligibility, enroll the uninsured into Medicaid**
- Let consumers convert penalty payments into “down-payments,” to help buy insurance

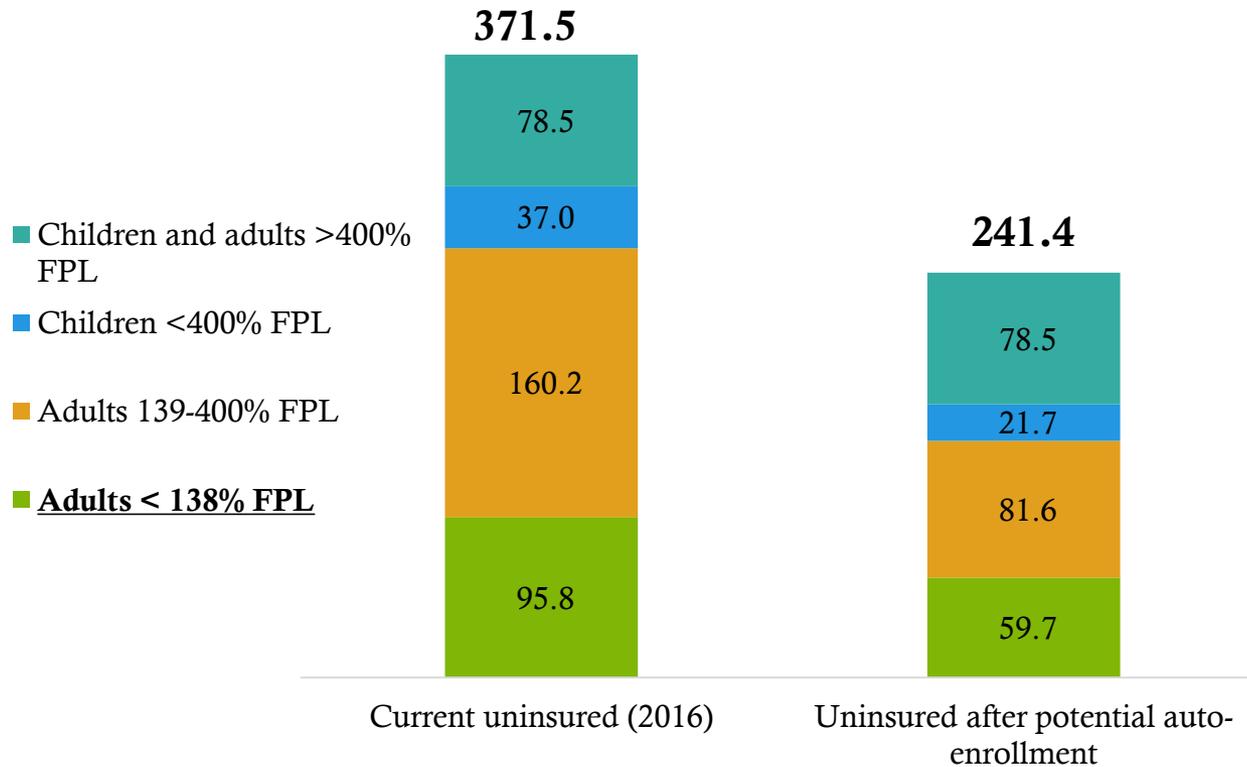
Benefits of the Proposal

Experts predict:

- **About 50,000 Marylanders could enroll in Medicaid who file tax returns but have not yet signed up for coverage.**
- About 78,000 Marylanders could purchase coverage for no more than the penalty combined with federal subsidies.
- Young and healthy residents would purchase coverage, stabilizing the individual market and lowering premiums.

Benefits

Estimated number of Maryland uninsured, currently and after implementation of down-payment plan (thousands)



Newly covered

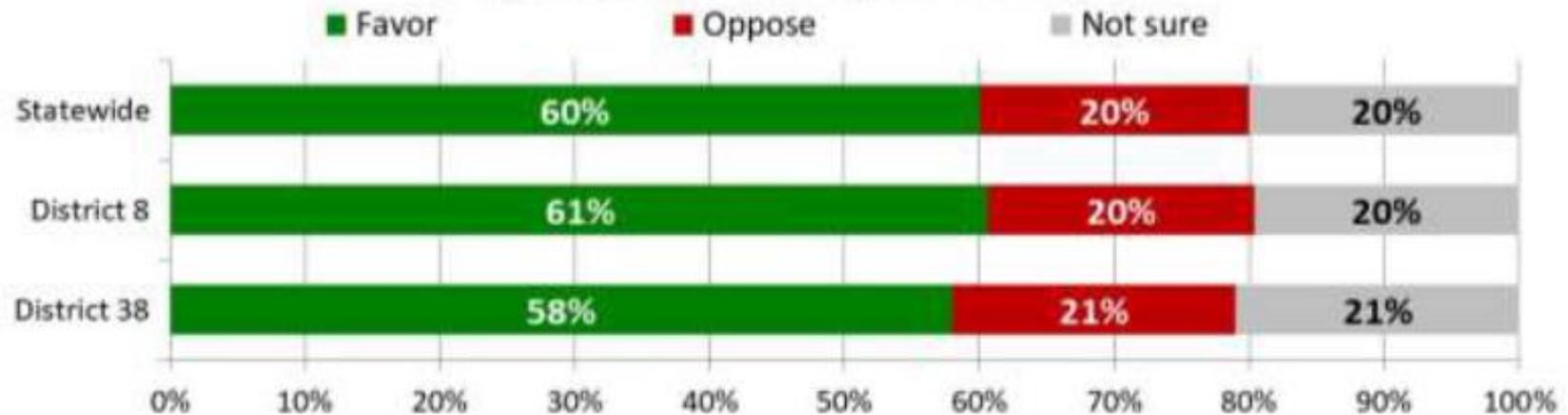
- ◆ 14,300 children with Medicaid/CHIP
- ◆ 36,100 adults with Medicaid/CHIP
- ◆ 78,700 adults with exchange coverage

Source: Families USA analysis of 2016 ACS data and 2019 MHBE premiums. Notes: "FPL" = federal poverty level.

Public Support

Health Insurance Down Payment

Testing Support for the Legislative Proposal



Public Support



Prescription Drug Affordability

Recent Rx Success

- **Banned “Gag Rules” on Pharmacists**
- **Anti-price gouging measure**
 - ****Granted the Attorney General the authority to hold pharmaceutical corporations accountable for “unconscionable” increases in the prices of generic or off-patent drugs**
 - **Has been ruled unconstitutional but AG is appealing to the Supreme Court**

The Problem

Marylanders across the state are struggling to afford the prescription drugs they need, often having to choose between their medication and other necessities, like rent and groceries. High costs can prevent Maryland patients from accessing the prescription drugs they need, cause significant affordability issues for the state, and threaten public health.

It is critical that the Maryland General Assembly take action to help ensure that all Marylanders have access to affordable medications, because drugs don't work if people can't afford them.

Effect on Public Health

The skyrocketing costs of prescription drugs threaten the public health of Marylanders.



At the height of the opioid epidemic, communities across Maryland struggle to afford naloxone, a lifesaving antidote to overdose. In recent years, some manufacturers have **raised their prices over 500%**



Maryland receives a "C" when evaluating the state's Hepatitis C Medicaid access. With the necessary medications **costing many thousands of dollars**, the state is forced to triage patients, treating only those who have suffered from moderate to severe liver damage.



In addition to paying for our own drug coverage, our state taxes support the growing cost of drug coverage for Medicaid; prisons; state, local, university employee, retirees, and dependents. **That's about 30%** of the state population.

Proposal: Create a Prescription Drug Affordability Board

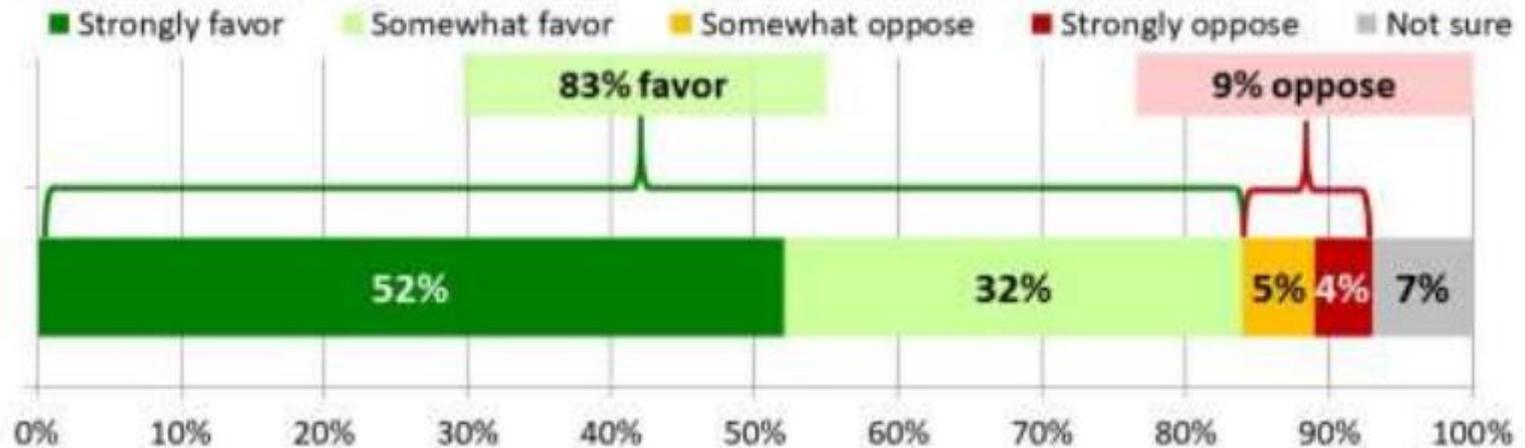
- **Board would be composed of five members (plus a Stakeholder Council and staffing support)**
- **Would establish payment rates for expensive drugs that create significant affordability problems**
- **Would examine the entire drug supply chain**

The Board would review prescription drugs that meet these criteria:

- New brand name prescription drugs which enter the market at \$30,000 or more per year or course of treatment;
- Existing brand name medications which increase in price by \$3,000 or more per year or course of treatment;
- Generic medications which increase in price by \$300 or more per year or course of treatment; and
- Any prescription drug that creates affordability challenges to the Maryland health care system, including patients.

Public Support

Prescription Drug Cost Review Commission



Public Support



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MARYLAND CITIZENS' HEALTH INITIATIVE

Prescription Drug Affordability Initiative

WHEREAS, to protect our lives and our well-being, every family in Maryland requires access to affordable prescription drugs;

WHEREAS, skyrocketing costs are making some medicines virtually inaccessible to our families and neighbors;

WHEREAS, overall drug prices increased almost 9% in 2016 while general inflation increased just over 2% in the same period, and since 2013 drug prices have risen an average of 10% annually but inflation has only increased 1.2% on average since 2013;

WHEREAS, prescription drug spending accounted for over 22% of each health insurance premium dollar in 2014, and nearly a quarter of people in their deductible period never picked up their prescriptions from the pharmacy, presumably because of the cost;

WHEREAS, over half of Medicare beneficiaries who did not fill at least one prescription reported prohibitive costs as the reason, and that nonadherence results in an estimated \$100-\$300 billion of avoidable health care costs annually;

WHEREAS, Maryland should continue to lead the Nation in addressing the affordability of prescription drugs, building on the State's landmark 2017 legislation banning price gouging by manufacturers of generic and off-patent drugs;

THEREFORE, BE IT RESOLVED that the undersigned organization supports creating a new Drug Cost Commission to determine how best to make prescription drugs more affordable for Marylanders, including by: examining the entire drug supply chain, including the role of Pharmaceutical Benefit Managers (PBMs), and establishing payment rates for expensive drugs that create significant affordability problems for Marylanders, building upon Maryland's successful tradition of health care cost scrutiny.

Organization: _____
 Address: _____
 Phone Number: _____ (o) _____ (c) Email: _____
 Representative (Print Name): _____
 Signature: _____ Date: _____

Please mail, fax, or email completed form to:
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 Fax: 410-235-9963; Email: cahering@healthcareforall.com
 Or fill it out ONLINE at: healthcareforall.com/Resolution





Bipartisanship saved Md.'s Obamacare exchange for now; here's what we need to do next

“There are several steps state leaders can take ...Maryland needs to enact its own version of the individual mandate, as Massachusetts has. That policy would compliment the reinsurance pool by bringing more customers into the system and driving down rates. Properly structured, it could serve to decrease the ranks of the uninsured rather than generate revenue for the government. Third, the state must look for ways to reduce the level of overall health care costs. Maryland is an innovator in that regard, thanks to our unique system of hospital rate-setting that was expanded under the Hogan administration to cover physician payments and other elements of health care spending. Health care advocates are pushing for candidates to support the creation of a prescription drug affordability board, which would build on Maryland’s hospital rate-setting experience to control runaway drug costs.”

Thank you!

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