

Written Testimony Support

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TESTIMONY

Senate Finance Committee

SB 919 – Insurance – Exemption From State Insurance Laws for Self-Funded Student Health Plans

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Thank you for the opportunity to submit this testimony urging a favorable report for *SB 919 – Insurance – Exemption From State Insurance Laws for Self-Funded Student Health Plans*. This bill corrects an oversight of the Affordable Car Act (ACA) by recognizing that student health insurance coverage may be offered through certain self-funded insurance plans.

When the ACA was adopted, the legislature provided certain exemptions for commercial student health insurers, but failed to exempt self-insured student health plans. Senate Bill 919 allows a private institution of higher education to offer self-funded health coverage to students and their dependents if the institution provides essential coverage, pledges sufficient assets, demonstrates the ability to operate the plan in a sound manner, and maintains at least a AA bond rating by a major credit rating agency. Under the requirements of this bill, any institution with a self-funded healthcare plan must cover at least 10,000 enrollees.

Currently, the only private institution of higher education in Maryland that meets the minimum enrollment requirements and offers self-funded student health insurance coverage is Johns Hopkins University (JHU). No other Maryland independent college or university has a desire or a need to operate such a plan at this time. However, self-funded student health insurance plans are offered by many other private, nonprofit universities throughout the nation and are common at universities with medical schools and extensive health facilities.

This legislation allows Johns Hopkins University to use its existing and world-renowned healthcare network to provide student health services to students and their dependents. In short, the bill gives JHU students convenient and affordable access to Johns Hopkins physicians, specialists, and health facilities.

The emergency and retroactive provisions of the bill are critically important to clarify that JHU's existing student health plan is allowable. JHU students deserve to know that their healthcare coverage is allowable under Maryland law and available to them today and in the future.

For these reasons, MICUA encourages a favorable report of SB 919