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HEALTH CARE for All
MARYLAND CITIZENS' HEALTH INITIATIVE

How the Protect Maryland Health Care Act will help families obtain or keep insurance

By Stan Dorn

Scenario 1: Tax time

A thirty-five year old single woman earning $25,000 a year was uninsured last year. She owes $695 on her Maryland state income tax return. She can choose to pay that amount in taxes and receive nothing in return. Alternatively, she can have the exchange see whether coverage is available for no more than the cost of that $695 plus the federal premium tax credits (PTCs) for which she qualifies.

If she lives in Prince George's County, she can receive, at no additional cost, a bronze plan with a $5,500 deductible per person. The plan covers certain services without any deductible: primary care visits (subject to a $50 copay); generic drugs ($25 copay); lab tests ($110 copay); and preventive care, including contraception, without copayments. If she lives in Kent County, she can enroll in a gold plan with a $1,000 deductible. Services covered without any deductible include primary and specialty care, lab tests, mental health office visits, home health care, and generic drugs. Name-brand drugs have a separate, $150 deductible.

Scenario 2: Prepayment before tax time

A two-person couple earning $35,000 a year lives in Montgomery County. Each member of the couple is 45 years old. Uninsured all year, they seek exchange coverage. Next year, they will owe a $1,390 penalty. They can avoid that penalty by making a $1,390 lump-sum payment to buy exchange coverage.

Through combining that money with PTCs for which they qualify, they can enroll, at no additional cost, in the above-described bronze plan, which has a $5,500 deductible and certain services covered before the deductible. By spending $80 per month, they can upgrade to a gold plan with a $1,500 deductible. The latter plan covers many services without a deductible: primary care ($20 copay), specialty care ($40), generic drugs ($10), and lab tests ($40). No deductible and no copays apply to preventive care.

Scenario 3: Using the down payment after tax time

A single father with two teenage children lives in Baltimore County. Earning $55,000 a year, he and his family have been uninsured. When he filed his state income tax return, no "zero-additional-cost" exchange plan was available. However, his children qualified for and immediately joined the Maryland Children's Health Insurance Program. He made a $1,390 payment because he was uninsured, and that payment was held in "escrow."

Open enrollment is now about to begin. The exchange notifies him that the $1,390 down-payment remains available, but he will lose it unless he uses it to buy insurance before open enrollment ends. He finds that, if he supplements the down payment and his PTCs with $41 a month in premiums, he can buy a bronze plan with a $6,200 deductible. For $277 a month, he can buy gold coverage with a $1,500 deductible.

Scenario 4: Encouraging continuous coverage

People in Scenarios 2 and 3 paid $1,390 to buy a year's worth of insurance. The Comptroller pays that money to the insurer in $116 monthly increments. This encourages continuous enrollment, since, for example, members drop who coverage after March forfeit $1,042 of their own money they already paid for insurance.