

# MARYLAND HEALTH INSURANCE PLAN



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## **FOR IMMEDIATE RELEASE**

### **Maryland Health Insurance Plan to Reduce Monthly Premiums for Limited Income Members -- Savings to Qualifying MHIP Members Begin February 2009 --**

ANNAPOLIS, MD (January 7, 2009) – Governor Martin O’Malley today announced that the Maryland Health Insurance Plan (MHIP) will reduce premiums for its subscribers who have limited income. A quarter of MHIP’s subscribers will benefit from the premium reduction. MHIP’s Board of Directors approved the premium reduction in December.

Qualifying MHIP members, who already receive discounted premiums through the “MHIP+” program will save an additional 4 percent to 10 percent on their monthly premiums. For individual members, savings will range from \$8 to \$47 per month. For family coverage, savings will be \$18 to \$99 monthly. The reduced premiums take effect February 2009. MHIP members who will benefit from the reduced monthly premiums will be notified by mail. Monthly individual MHIP premiums range from \$90 to \$556 per month, and vary based on age, plan option, income and family size.

“This rate reduction serves to provide relief to Maryland’s middle class families who are struggling to maintain access to critical health coverage,” said Governor O’Malley. “This reduction will make coverage more affordable for current MHIP members whose health condition prevents them from having any other insurance option, and for future members, many of whom may be losing their existing health coverage due to the national recession.”

Since opening in 2003, the MHIP high-risk pool has provided health insurance coverage for over 27,000 individuals who, due to pre-existing health conditions or other factors, cannot obtain commercial health coverage. MHIP currently provides health coverage to 15,000 qualified individuals regardless of income. Because of the higher medical costs associated with the high-risk

individuals served by MHIP, premiums typically are higher than most traditional private individual insurance. However, to keep coverage costs affordable, MHIP premiums are currently capped at 33 percent above the rates charged on standard, medically underwritten, individual health insurance policies. Premiums are then discounted up to 62 percent for limited income participants, who have individual yearly income below \$31,200, and thereby qualify for “MHIP+”. MHIP is funded by member premiums and a subsidy from Maryland hospitals.

The MHIP Board, whose members include state, industry and consumer representatives appointed by the Governor, the Maryland Insurance Commissioner, and the Office of the Attorney General, oversees the plan and sets rates. CareFirst BlueCross BlueShield administers the plan on behalf of MHIP.

Individuals interested in applying can contact their insurance agent or producer, call 888 444 9016 or obtain information and an application at [www.marylandhealthinsuranceplan.state.md.us](http://www.marylandhealthinsuranceplan.state.md.us).

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