

HB1795/906685/1

BY: Health and Government Operations Committee

AMENDMENTS TO HOUSE BILL 1795

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “and K. Young” and substitute “K. Young, Cullison, Hayes, Krebs, Morales, Platt, and Saab”; in line 13, after “purpose,” insert “altering the contents of the Maryland Health Benefit Exchange Fund; providing that certain funds may be used only for the purposes of the State Reinsurance Program;”; in line 14, after “Exchange” insert “, in consultation with the Maryland Insurance Commission and as approved by the Maryland Health Benefit Exchange Board,”; in the same line, after “establish” insert “and implement”; in line 15, after “carriers” insert “and that meets certain requirements and is consistent with certain laws”; in line 16, after “rates,” insert “requiring the Exchange, in consultation with the Commissioner and as approved by the Board and based on available funds, to establish certain parameters for reinsurance in certain years; authorizing the Exchange, in consultation with the Commissioner and as approved by the Board, to alter the parameters under certain circumstances;”; in line 18, strike “from certain sources” and substitute “by using certain funds”; strike beginning with “, beginning” in line 18 down through “funding” in line 19 and substitute “the implementation of the Program”; in line 20, strike “through the Program”; in line 21, strike “Centers for Medicare and Medicaid Services” and substitute “U.S. Secretary of Health and Human Services and the U.S. Secretary of the Treasury”; in the same line, after “waiver” insert “application”; in line 23, strike “authorizing” and substitute “requiring”; in the same line, strike “and the Maryland Insurance” and substitute “, in consultation with the”; in line 24, after “Commissioner” insert “and as approved by the Board,”; and in line 25, after “law” insert “as soon as practicable but not later than a certain date”.

On page 2, after line 5, insert:

“BY repealing and reenacting, with amendments,

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Article - Insurance
Section 31-107
Annotated Code of Maryland
(2017 Replacement Volume)”.

AMENDMENT NO. 2

On page 2, after line 16, insert:

“31-107.

(a) There is a Maryland Health Benefit Exchange Fund.

(b) (1) The purpose of the Fund is to:

(i) provide funding for the operation and administration of the Exchange in carrying out the purposes of the Exchange under this title; and

(ii) provide funding for the establishment and operation of the State Reinsurance Program authorized under § 31-117 of this title.

(2) The operation and administration of the Exchange and the State Reinsurance Program may include functions delegated by the Exchange to a third party under law or by contract.

(c) The Exchange shall administer the Fund.

(d) (1) The Fund is a special, nonlapsing fund that is not subject to § 7-302 of the State Finance and Procurement Article.

(2) The State Treasurer shall hold the Fund separately, and the Comptroller shall account for the Fund.

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(e) The Fund consists of:

(1) any user fees or other assessments collected by the Exchange;

(2) all revenue deposited into the Fund that is received from the distribution of the premium tax under § 6–103.2 of this article;

~~[(3) all revenue transferred to the Fund before July 1, 2016, from the Maryland Health Insurance Plan Fund;]~~

~~[(4) (3) income from investments made on behalf of the Fund;~~

~~[(5) (4) interest on deposits or investments of money in the Fund;~~

~~[(6) (5) money collected by the Board as a result of legal or other actions taken by the Board on behalf of the Exchange or the Fund;~~

~~[(7) (6) money donated to the Fund;~~

~~[(8) (7) money awarded to the Fund through grants; [and]~~

(8) ANY PASS-THROUGH FUNDS RECEIVED FROM THE FEDERAL GOVERNMENT UNDER A WAIVER APPROVED UNDER § 1332 OF THE AFFORDABLE CARE ACT;

(9) ANY FUNDS DESIGNATED BY THE FEDERAL GOVERNMENT TO PROVIDE REINSURANCE TO CARRIERS THAT OFFER INDIVIDUAL HEALTH BENEFIT PLANS IN THE STATE;

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(10) ANY FUNDS DESIGNATED BY THE STATE TO PROVIDE REINSURANCE TO CARRIERS THAT OFFER INDIVIDUAL HEALTH BENEFIT PLANS IN THE STATE; AND

[(9)](11) any other money from any other source accepted for the benefit of the Fund.

(f) The Fund may be used only:

(1) for the operation and administration of the Exchange in carrying out the purposes authorized under this title; and

(2) for the establishment and operation of the State Reinsurance Program [authorized under § 31–117 of this title].

(g) (1) The Board shall maintain separate accounts within the Fund for Exchange operations and for the State Reinsurance Program.

(2) Accounts within the Fund shall contain the money that is intended to support the purpose for which each account is designated.

(3) Funds received from the distribution of the premium tax under § 6–103.2 of this article shall be placed in the account for Exchange operations and may be used only for the purpose of funding the operation and administration of the Exchange.

[(4) Funds transferred from the Maryland Health Insurance Plan Fund before July 1, 2016, shall be placed in the account for the State Reinsurance Program and may be used only for the purpose of funding the State Reinsurance Program.]

(4) THE FOLLOWING FUNDS MAY BE USED ONLY FOR THE PURPOSES OF FUNDING THE STATE REINSURANCE PROGRAM:

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(I) ANY PASS-THROUGH FUNDS RECEIVED FROM THE FEDERAL GOVERNMENT UNDER A WAIVER APPROVED UNDER § 1332 OF THE AFFORDABLE CARE ACT;

(II) ANY FUNDS DESIGNATED BY THE FEDERAL GOVERNMENT TO PROVIDE REINSURANCE TO CARRIERS THAT OFFER INDIVIDUAL HEALTH BENEFIT PLANS IN THE STATE; AND

(III) ANY FUNDS DESIGNATED BY THE STATE TO PROVIDE REINSURANCE TO CARRIERS THAT OFFER INDIVIDUAL HEALTH BENEFIT PLANS IN THE STATE.

(h) (1) Expenditures from the Fund for the purposes authorized by this subtitle may be made only:

(i) with an appropriation from the Fund approved by the General Assembly in the State budget; or

(ii) by the budget amendment procedure provided for in Title 7, Subtitle 2 of the State Finance and Procurement Article.

(2) Notwithstanding § 7-304 of the State Finance and Procurement Article, if the amount of the distribution from the premium tax under § 6-103.2 of this article exceeds in any State fiscal year the actual expenditures incurred for the operation and administration of the Exchange, funds in the Exchange operations account from the premium tax that remain unspent at the end of the State fiscal year shall revert to the General Fund of the State.

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(3) If operating expenses of the Exchange may be charged to either State or non-State fund sources, the non-State funds shall be charged before State funds are charged.

(i) (1) The State Treasurer shall invest the money of the Fund in the same manner as other State money may be invested.

(2) Any investment earnings of the Fund shall be credited to the Fund.

(3) Except as provided in subsection (h)(2) of this section, no part of the Fund may revert or be credited to the General Fund or any special fund of the State.

(j) A debt or an obligation of the Fund is not a debt of the State or a pledge of credit of the State.”.

AMENDMENT NO. 3

On page 2, in line 18, after “**EXCHANGE**” insert “**.IN CONSULTATION WITH THE COMMISSIONER AND AS APPROVED BY THE BOARD,**”; in the same line, after “**ESTABLISH**” insert “**AND IMPLEMENT**”; in the same line, after “**PROGRAM**” insert “**:**”

(1);

in line 20, after “**STATE**” insert “**:**”

(2) THAT MEETS THE REQUIREMENTS OF A WAIVER APPROVED UNDER § 1332 OF THE AFFORDABLE CARE ACT; AND

(3) THAT IS CONSISTENT WITH STATE AND FEDERAL LAW”;

after line 23, insert:

“(C) (1) BASED ON AVAILABLE FUNDS, THE EXCHANGE, IN CONSULTATION WITH THE COMMISSIONER AND AS APPROVED BY THE BOARD, SHALL ESTABLISH REINSURANCE PAYMENT PARAMETERS FOR CALENDAR YEAR 2019 AND EACH SUBSEQUENT CALENDAR YEAR THAT INCLUDE:

(I) AN ATTACHMENT POINT;

(II) A COINSURANCE RATE; AND

(III) A COINSURANCE CAP.

(2) THE EXCHANGE, IN CONSULTATION WITH THE COMMISSIONER AND AS APPROVED BY THE BOARD, MAY ALTER THE PARAMETERS ESTABLISHED IN ACCORDANCE WITH PARAGRAPH (1) OF THIS SUBSECTION AS NECESSARY TO SECURE FEDERAL APPROVAL FOR A WAIVER SUBMITTED IN ACCORDANCE WITH § 31-117.1(A) OF THIS TITLE.”;

in lines 24 and 29, strike “(C)” and “(D)”, respectively, and substitute “(D)” and “(E)”, respectively; in line 26, strike “FROM” and substitute “BY USING”; strike in their entirety lines 27 and 28 and substitute:

“(1) ANY PASS-THROUGH FUNDS RECEIVED FROM THE FEDERAL GOVERNMENT UNDER A WAIVER APPROVED UNDER § 1332 OF THE AFFORDABLE CARE ACT;

(2) ANY FUNDS DESIGNATED BY THE FEDERAL GOVERNMENT TO PROVIDE REINSURANCE TO CARRIERS THAT OFFER INDIVIDUAL HEALTH BENEFIT PLANS IN THE STATE; AND

(3) ANY FUNDS DESIGNATED BY THE STATE TO PROVIDE REINSURANCE TO CARRIERS THAT OFFER INDIVIDUAL HEALTH BENEFIT PLANS IN THE STATE.”;

strike beginning with “**BEGINNING**” in line 29 down through “**FUNDING**” in line 30 and substitute “**THE IMPLEMENTATION OF A STATE REINSURANCE PROGRAM**”; in line 31, strike “**THROUGH THE STATE REINSURANCE PROGRAM**”; and strike beginning with “**THE**” in line 32 down through “**WAIVER**” in line 33 and substitute “**APPROVAL FROM THE U.S. SECRETARY OF HEALTH AND HUMAN SERVICES AND THE U.S. SECRETARY OF THE TREASURY OF A STATE INNOVATION WAIVER APPLICATION**”.

AMENDMENT NO. 4

On page 3, in line 1, strike “**(E)**” and substitute “**(F)**”; in the same line, strike “**THE**” and substitute “**ON OR BEFORE JANUARY 1, 2019, THE**”; in line 4, strike “**THE**” and substitute “**AS SOON AS PRACTICABLE BUT NOT LATER THAN JULY 1, 2018, THE**”; in the same line, strike “**AND THE COMMISSIONER MAY**” and substitute “**, IN CONSULTATION WITH THE COMMISSIONER AND AS APPROVED BY THE BOARD, SHALL**”; in the same line, strike “**WAIVER**” and substitute “**STATE INNOVATION WAIVER APPLICATION**”; and strike beginning with “**UNDER**” in line 6 down through “**ACT**” in line 7.