

BY: Finance Committee

AMENDMENTS TO SENATE BILL NO. 801

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike "Senator Bromwell" and substitute "Senators Bromwell, Hooper, DeGrange, Hafer, Teitelbaum, and Della"; strike beginning with "eliminating" in line 6 down through "employers;" in line 7; strike beginning with "providing" in line 8 down through "definitions;" in line 10 and substitute "requiring the Maryland Health Care Commission to submit a certain report to the Economic Matters Committee and the Finance Committee on or before a certain date; requiring the Maryland Health Care Commission to study the feasibility and desirability of developing a high deductible health benefit plan for small employers; requiring the Department of Budget and Management to conduct a certain study on the feasibility and cost and benefit to the State of creating certain tax incentives and to report its findings to the General Assembly on or before a certain date;"; after line 12, insert:

"BY repealing and reenacting, without amendments,

Article - Insurance

Section 15-1201(e) and (g), 15-1207(a), 15-1208, and 15-1210(a)

Annotated Code of Maryland

(1997 Volume and 1999 Supplement)";

in line 15, strike "15-1201(e) and (g),"; in the same line, strike the second comma and substitute "and"; and strike beginning with ", 15-1207(a)," in line 15 down through "15-1210(a)" in line 16.

AMENDMENT NO. 2

On page 1, in lines 25 and 26, in each instance, strike the bracket.

On page 2, in lines 13, 14, 16, and 20, in each instance, strike the bracket.

On page 3, strike beginning with "[15-1210(a)(1)(ii)]" in line 21 down through

(Over)

“15-1210(A)(2)” in line 22 and substitute “15-1210(a)(1)(ii)”; in line 30, strike the bracket; and in line 32, strike “lives, works, or” and substitute “WORKS AND”.

On page 4, in line 9, strike the bracket; in line 10, strike the brackets; and in the same line, strike “(C)” .

AMENDMENT NO. 3

On page 5, in line 5, strike the brackets; strike beginning with “; AND” in line 13 down through “SUBSECTION” in line 16; in line 18, strike the brackets; and strike beginning with “EXCEPT” in line 18 down through “A” in line 19.

AMENDMENT NO. 4

On page 6, strike in their entirety lines 12 through 19, inclusive; in lines 21, 22, 24, and 28, in each instance, strike the brackets; in lines 22, 24, and 28, strike “(1)”, “(2)”, and “(3)”, respectively; in line 27, strike “AND”; and in lines 30 and 36, in each instance, strike the bracket.

AMENDMENT NO. 5

On page 6, after line 36, insert:

“SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) On or before January 1, 2001, the Maryland Health Care Commission, in consultation with the Maryland Insurance Administration, health insurance carriers, small employers, insurance agents and insurance brokers, shall report, in accordance with § 2-1246 of the State Government Article, to the House Economic Matters Committee and the Senate Finance Committee on the effect of group size in the small group insurance market on the HMO and PPO delivery systems of each prominent carrier in the small group insurance market.

(b) In developing the report, the Maryland Health Care Commission shall specifically consider the effect of group size (including self-employed groups) in the small group insurance market on:

(1) the extent of group coverage;

- (2) premium increases;
- (3) the number of covered lives;
- (4) the number of policies issued;
- (5) premiums earned; and
- (6) claims incurred.

(c) For purposes of the Maryland Health Care Commission report, “prominent insurance carrier” means a carrier that covers at least 5% of the total lives in the small group health insurance market or 10% of the total lives in any one delivery system.

(d) In addition to the report, the Maryland Health Care Commission shall, as part of its annual review of the Comprehensive Standard Health Benefit Plan, examine the feasibility and desirability of developing a high deductible health benefit plan for small employers.

SECTION 3. AND BE IT FURTHER ENACTED, That:

(a) The Department of Budget and Management shall study the feasibility and cost and benefit to the State of creating tax incentives to:

- (1) assist individuals to purchase health insurance; and
- (2) assist in defraying the costs for employers to provide health insurance for their employees.

(b) In conducting the study, the Department of Budget and Management shall specifically consider:

- (1) tax credits for small employers with low income workers not currently offering or providing health insurance;

(2) tax credits for small employers that are based on the number of employees, with greater tax incentives for smaller employers;

(3) eliminating employee contributions for health insurance from being considered taxable income;

(4) allowing individuals and the self-employed to fully deduct the cost of health insurance premiums from taxable income;

(5) refundable tax credits for low income individuals who purchase health insurance; and

(6) mechanisms to require employers to continue to provide health insurance coverage for a period of time as a condition of receiving a tax credit.

(c) In conducting the study, the Department of Budget and Management may consult with the Maryland Health Care Commission, the Maryland Insurance Administration, the Department of Business and Economic Development, the Maryland Chamber of Commerce, the Maryland Retailers Association, the Maryland Nonprofit Tax Policy Institute, and any other person the Department considers appropriate.

(d) The Department of Budget and Management shall report, in accordance with § 2-1246 of the State Government Article, to the General Assembly on the findings of the study on or before December 1, 2000."

On page 7, in line 1, strike "2." and substitute "4.".