

BY: Senator Green

AMENDMENTS TO SENATE BILL NO. 903  
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 11, before "providing" insert "requiring that a health maintenance organization that includes a subrogation provision in its contract use in its rating methodology an adjustment that reflects the subrogation and identify in its rate filing with, and in an annual report to, the Maryland Insurance Administration all amounts recovered through subrogation;"; after line 17, insert:

"BY repealing and reenacting, with amendments,

Article - Insurance

Section 15-1205(d)

Annotated Code of Maryland

(1997 Volume and 1999 Supplement)";

and in line 15, after "Section" insert "19-713(b) and".

AMENDMENT NO. 2

On page 1, after line 20, insert:

"19-713.

(b) (1) Rates of a health maintenance organization may not be excessive, inadequate, or unfairly discriminatory in relation to the services offered.

(2) A HEALTH MAINTENANCE ORGANIZATION THAT INCLUDES A SUBROGATION PROVISION IN ITS CONTRACT AS AUTHORIZED UNDER § 19-713.1(D) OF THIS SUBTITLE SHALL:

(Over)

(I) USE IN ITS RATING METHODOLOGY AN ADJUSTMENT THAT REFLECTS THE SUBROGATION; AND

(II) IDENTIFY IN ITS RATE FILING WITH THE MARYLAND INSURANCE ADMINISTRATION, AND ANNUALLY IN A FORM APPROVED BY THE INSURANCE COMMISSIONER, ALL AMOUNTS RECOVERED THROUGH SUBROGATION.”.

AMENDMENT NO. 3

On page 2, after line 24, insert:

“Article - Insurance

15-1205.

(d) (1) A carrier shall base its rating methods and practices on commonly accepted actuarial assumptions and sound actuarial principles.

(2) A CARRIER THAT IS A HEALTH MAINTENANCE ORGANIZATION AND THAT INCLUDES A SUBROGATION PROVISION IN ITS CONTRACT AS AUTHORIZED UNDER § 19-713.1(D) OF THE HEALTH - GENERAL ARTICLE SHALL:

(I) USE IN ITS RATING METHODOLOGY AN ADJUSTMENT THAT REFLECTS THE SUBROGATION; AND

(II) IDENTIFY IN ITS RATE FILING WITH THE ADMINISTRATION, AND ANNUALLY IN A FORM APPROVED BY THE COMMISSIONER, ALL AMOUNTS RECOVERED THROUGH SUBROGATION.”.