

**SB0703/647775/1**

BY: Finance Committee

AMENDMENTS TO SENATE BILL 703  
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 3, strike “a certain exception” and substitute “certain exceptions”; strike beginning with “requiring” in line 9 down through “Commissioner;” in line 11 and substitute “requiring the Maryland Insurance Administration to conduct a study of the use of medical stop-loss insurance in self-funded employer health plans; requiring the Administration to solicit information from stakeholders, including certain persons, and hold certain hearings; requiring the study to include certain matters; requiring the Administration to submit certain reports to the Governor and certain legislative committees on or before certain dates;”; in line 12, after “Act;” insert “providing for the termination of this Act;”; and in the same line, strike “a certain conforming change” and substitute “certain conforming changes”.

AMENDMENT NO. 2

On page 2, in line 28, strike “**PARAGRAPH (2)**” and substitute “**PARAGRAPHS (2) AND (3)**”; in line 30, after “policy” insert “**OR CONTRACT**”; in line 31, strike “**\$40,000**” and substitute “**\$22,500**”; and in line 32, strike “**125%**” and substitute “**120%**”.

AMENDMENT NO. 3

On page 3, in line 3, strike “**JANUARY**” and substitute “**JUNE**”; in line 8, strike “**OR**”; and in line 10, after “**PARAGRAPH**” insert “**; OR**”

**(III) A POLICY OR CONTRACT OF MEDICAL STOP-LOSS INSURANCE ISSUED OR DELIVERED ON OR AFTER JUNE 1, 2015, IF THE POLICY OR CONTRACT:**

(Over)

1. IS ISSUED OR DELIVERED TO AN EMPLOYER THAT ON MAY 31, 2015, HELD A POLICY OR CONTRACT OF MEDICAL STOP-LOSS INSURANCE WITH:

A. A SPECIFIC ATTACHMENT POINT OF NOT LESS THAN \$10,000; AND

B. AN AGGREGATE ATTACHMENT POINT OF NOT LESS THAN 115% OF EXPECTED CLAIMS; AND

2. MAINTAINS:

A. A SPECIFIC ATTACHMENT POINT OF NOT LESS THAN \$10,000; AND

B. AN AGGREGATE ATTACHMENT POINT OF NOT LESS THAN 115% OF EXPECTED CLAIMS”.

AMENDMENT NO. 4

On page 3, after line 10, insert:

“(3) A POLICY OR CONTRACT OF MEDICAL STOP-LOSS INSURANCE ISSUED OR DELIVERED TO A COUNTY OR A MUNICIPALITY THROUGH THE MARYLAND LOCAL GOVERNMENT HEALTH COOPERATIVE SHALL HAVE AN AGGREGATE ATTACHMENT POINT OF:

(i) BEFORE JULY 1, 2017, NOT LESS THAN 115% OF EXPECTED CLAIMS; AND

(II) BEGINNING JULY 1, 2017, NOT LESS THAN 120% OF EXPECTED CLAIMS.”.

AMENDMENT NO. 5

On page 3, strike in their entirety lines 13 through 15, inclusive, and substitute:

“(1) (I) IMPOSE HIGHER COST SHARING FOR A SPECIFIC INDIVIDUAL WITHIN A SMALL EMPLOYER’S HEALTH BENEFIT PLAN THAN IS REQUIRED FOR OTHER INDIVIDUALS WITHIN THE SMALL EMPLOYER’S HEALTH BENEFIT PLAN; OR

(II) DECREASE OR REMOVE STOP-LOSS COVERAGE FOR A SPECIFIC INDIVIDUAL WITHIN A SMALL EMPLOYER’S HEALTH BENEFIT PLAN; OR”;

and in line 19, strike “MENTAL ILLNESS” and substitute “BEHAVIORAL HEALTH, INCLUDING MENTAL ILLNESS OR SUBSTANCE USE DISORDER”.

AMENDMENT NO. 6

On page 4, in line 6, after “IN” insert “:

(I)”;

after line 8, insert:

“(II) THE OWNERSHIP AND CONTROL OF THE SMALL EMPLOYER; OR

(III) THE NUMBER OF COVERED LIVES BY A SIGNIFICANT PERCENTAGE RESULTING FROM AN EVENT SUCH AS AN ACQUISITION OR A DIVESTITURE;”;

and strike beginning with “ON” in line 27 down through “(I)” in line 32.

AMENDMENT NO. 7

On page 5, after line 5, insert:

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

(a) The Maryland Insurance Administration shall conduct a study of the use of medical stop-loss insurance in self-funded employer health plans.

(b) As part of the study, the Administration shall:

(1) solicit information from stakeholders; and

(2) hold informational hearings, as appropriate.

(c) The stakeholders from whom the Administration shall solicit information shall include:

(1) carriers offering fully insured health plans in the State;

(2) carriers offering medical stop-loss insurance in the State;

(3) employers utilizing fully insured health plans;

(4) employers utilizing self-funded health plans in conjunction with medical stop-loss insurance;

- (5) insurance producers;
- (6) third party administrators;
- (7) consumers;
- (8) the Office of the Attorney General;
- (9) Maryland counties and municipalities; and
- (10) the Maryland Bankers Association.

(d) The study shall include:

(1) an analysis of baseline data, including sample data, where appropriate, on:

(i) the types and costs of health benefit plans, including self-insured plans, offered in the State by employers with 2 to 50 employees and employers with 51 to 100 employees;

(ii) for self-insured plans, the individual and aggregate attachment points of medical stop-loss insurance purchased; and

(iii) the number of plan designs and carriers available in the small employer market, including market share by carrier, and the number of plan designs and carriers available in the market for health benefit plans utilizing medical stop-loss insurance, including market share by medical stop-loss carrier;

(2) an overview of the employer health plan market in contiguous states, including the percentage of fully insured employer health plans and self-insured employer health plans utilizing medical stop-loss insurance;

(Over)

(3) an estimate of the number of employers with 51 to 100 employees whose health benefits plans would change from the large group to the small group market in 2016, as a result of the change in the size of the small group market required by the federal Affordable Care Act;

(4) an analysis of statutory and regulatory requirements for medical stop-loss insurance in other states and the experience of states the requirements of which are different from those in Maryland;

(5) a review of any guidance, recommendations, or model legislation regarding medical stop-loss insurance by the National Association of Insurance Commissioners or other groups;

(6) identification of any incentives and disincentives beginning in 2016, associated with the purchase of health insurance in the small group market compared to self-insurance with the purchase of medical stop-loss insurance, for both employers with 2 to 50 employees and employers with 51 to 100 employees;

(7) a comparison of the risk profile of small employers that self-insure and the risk profile of small employers that purchase health insurance in the small group market;

(8) an assessment of the impact on the stability and viability of the small group market, including the possibility of adverse selection and higher premiums, resulting from employers:

(i) choosing to self-insure instead of purchasing health insurance in the small group market; and

(ii) after self-insuring, switching to the small group market;

(9) an assessment of any impact on the Maryland Health Benefit Exchange of small employers choosing to drop coverage for their employees;

(10) an assessment of different attachment points for medical stop-loss insurance, the effect that medical inflation could have on the attachment points in statute, and the desirability of maintaining or adjusting the current statutory levels;

(11) an assessment of the consumer protections in medical stop-loss insurance policies and contracts and the desirability of maintaining or adjusting the current statutory consumer protections; and

(12) an assessment of the impact on local governments and small employers of any changes to the attachment points or consumer protections in medical stop-loss insurance policies and contracts.

(e) (1) On or before December 1, 2015, the Administration shall submit an interim report of its findings and recommendations to the Governor and, in accordance with § 2-1246 of the State Government Article, the Senate Finance Committee and the House Health and Government Operations Committee.

(2) On or before October 1, 2016, the Administration shall submit a final report of its findings and recommendations to the Governor and, in accordance with § 2-1246 of the State Government Article, the Senate Finance Committee and the House Health and Government Operations Committee.”;

and in lines 6 and 9, strike “2.” and “3.”, respectively, and substitute “3.” and “4.”, respectively.

**AMENDMENT NO. 8**

On page 5, in line 10, after “2015.” insert “It shall remain effective for a period of 3 years and 1 month and, at the end of June 30, 2018, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.”.