

Article - Insurance

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§14–504. IN EFFECT

- (a) (1) There is a Maryland Health Insurance Plan Fund.
- (2) The Fund is a special, nonlapsing fund that is not subject to § 7–302 of the State Finance and Procurement Article.
- (3) The Treasurer shall separately hold and the Comptroller shall account for the Fund.
- (4) The Fund shall be invested and reinvested at the direction of the Board in a manner that is consistent with the requirements of Title 5, Subtitle 6 of this article.
- (5) Any investment earnings shall be retained to the credit of the Fund.
- (6) On an annual basis, the Fund shall be subject to an independent actuarial review setting forth an opinion relating to reserves and related actuarial items held in support of policies and contracts.
- (7) The Fund shall be used only to provide funding for the purposes authorized under this subtitle.
- (b) The Fund shall consist of:
 - (1) premiums for coverage that the Plan issues;
 - (2) money collected in accordance with § 19–214(d) of the Health – General Article;
 - (3) money deposited by a nonprofit health service plan in accordance with § 14–513 of this subtitle;
 - (4) income from investments that the Board makes or authorizes on behalf of the Fund;
 - (5) interest on deposits or investments of money from the Fund;
 - (6) premium tax revenue collected under § 14–107 of this title;
 - (7) money collected by the Board as a result of legal or other actions taken by the Board on behalf of the Fund;
 - (8) money donated to the Fund; and
 - (9) money awarded to the Fund through grants.

(c) (1) The Board may allow the Administrator to use premiums collected by the Administrator from Plan enrollees to pay claims for Plan enrollees.

(2) The Administrator:

(i) shall deposit all premiums for Plan enrollees in a separate account, titled in the name of the State of Maryland, for the Maryland Health Insurance Plan; and

(ii) may use money in the account only to pay claims for Plan enrollees.

(3) The Administrator shall keep complete and accurate records of all transactions for the separate account.

(4) By the 15th of the following month, if monthly premiums collected by the Administrator exceed monthly claims received, the Administrator shall deposit the remaining balance, including interest, for that month in the Fund.

(d) (1) (i) The Administrator shall deposit all money collected in accordance with § 19–214(d)(1)(ii) of the Health – General Article in a separate account, titled in the name of the State of Maryland, for the Maryland Health Insurance Plan.

(ii) The Administrator shall keep complete and separate records of all transactions for the separate account.

(2) Beginning January 1, 2014, and subject to § 19–214(d)(5) of the Health – General Article and paragraph (3) of this subsection, the Board may allow the Administrator to transfer money in the separate account into the Maryland Health Benefit Exchange Fund for the purpose of funding the State Reinsurance Program authorized under § 31–117 of this article.

(3) A transfer of money under paragraph (2) of this subsection:

(i) shall be based on the determination of funding needs of the Plan and the State Reinsurance Program made under paragraph (4) of this subsection; and

(ii) may be made only from money in the separate account in excess of the amount determined under paragraph (4)(i) of this subsection.

(4) On or before October 1, 2013, and on or before October 1 of each year thereafter until the Plan no longer has any liability for claims submitted by Plan enrollees, the Board of Trustees of the Maryland Health Benefit Exchange and the Board of the Plan shall determine:

(i) the amount of money in the separate account that will be needed to pay claims of Plan enrollees, support Plan operations, and otherwise meet the obligations of the Plan for the following calendar year; and

(ii) the amount of money that will be needed to fund the operations of the State Reinsurance Program for the following calendar year.

(5) On or before December 31, 2013, and on or before December 31 of each year thereafter until the Plan no longer has any liability for claims submitted by Plan enrollees and the State Reinsurance Program is terminated, the Board of Trustees of the Maryland Health Benefit Exchange and the Board shall report to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly on:

(i) the transition of Plan enrollees out of the Plan, including:

1. how enrollees are made aware of changes in their insurance options;
2. how enrollees will be assisted through the transition; and
3. whether any funding will be required to support the transition; and

(ii) the use of the Fund for the State Reinsurance Program.

(e) (1) The Board shall take steps necessary to ensure that Plan enrollment does not exceed the number of enrollees the Plan has the financial capacity to insure.

(2) The Board may adopt regulations to limit the enrollment of otherwise eligible medically uninsurable individuals whose premium is paid for by a pharmaceutical manufacturer or its affiliate if the Board determines that their enrollment would have an adverse financial impact on the Plan.

(f) (1) In addition to the operation and administration of the Plan, the Fund shall be used:

(i) for the operation and administration of the Senior Prescription Drug Assistance Program established under Part II of this subtitle; and

(ii) to support the Department of Health and Mental Hygiene for the provision of mental health services to the uninsured under Title 10, Subtitle 2 of the Health – General Article.

(2) The Board shall maintain separate accounts within the Fund for the Senior Prescription Drug Assistance Program and the Maryland Health Insurance Plan.

(3) Accounts within the Fund shall contain those moneys that are intended to support the operation of the Program for which the account is designated.

(4) (i) Beginning January 1, 2014, the funds collected in accordance

with § 19–214(d)(1)(ii) of the Health – General Article and deposited in the Maryland Health Insurance Plan account of the Fund, may be used for the purposes of establishing and operating the State Reinsurance Program authorized under § 31–117 of this article.

(ii) The Board and the Board of Trustees of the Maryland Health Benefit Exchange shall develop and approve a plan for the appropriate amount and timing of the use of the funds for the State Reinsurance Program.

(g) A debt or obligation of the Plan is not a debt of the State or a pledge of credit of the State.

14–504. ** CONTINGENCY – NOT IN EFFECT – CHAPTERS 244 AND 245 OF 2008 **

(a) (1) There is a Maryland Health Insurance Plan Fund.

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

(3) The Treasurer shall separately hold and the Comptroller shall account for the Fund.

(4) The Fund shall be invested and reinvested at the direction of the Board in a manner that is consistent with the requirements of Title 5, Subtitle 6 of this article.

(5) Any investment earnings shall be retained to the credit of the Fund.

(6) On an annual basis, the Fund shall be subject to an independent actuarial review setting forth an opinion relating to reserves and related actuarial items held in support of policies and contracts.

(7) The Fund shall be used only to provide funding for the purposes authorized under this subtitle.

(b) The Fund shall consist of:

(1) premiums for coverage that the Plan issues;

(2) money collected in accordance with § 19–219 of the Health – General Article;

(3) money deposited by a nonprofit health service plan in accordance with § 14–513 of this subtitle;

(4) income from investments that the Board makes or authorizes on behalf of the Fund;

(5) interest on deposits or investments of money from the Fund;

- (6) premium tax revenue collected under § 14–107 of this title;
- (7) money collected by the Board as a result of legal or other actions taken by the Board on behalf of the Fund;
- (8) money donated to the Fund; and
- (9) money awarded to the Fund through grants.

(c) (1) The Board may allow the Administrator to use premiums collected by the Administrator from Plan enrollees to pay claims for Plan enrollees.

(2) The Administrator:

(i) shall deposit all premiums for Plan enrollees in a separate account, titled in the name of the State of Maryland, for the Maryland Health Insurance Plan; and

(ii) may use money in the account only to pay claims for Plan enrollees.

(3) The Administrator shall keep complete and accurate records of all transactions for the separate account.

(4) By the 15th of the following month, if monthly premiums collected by the Administrator exceed monthly claims received, the Administrator shall deposit the remaining balance, including interest, for that month in the Fund.

(d) (1) (i) The Administrator shall deposit all money collected in accordance with § 19–214(d)(1)(ii) of the Health – General Article in a separate account, titled in the name of the State of Maryland, for the Maryland Health Insurance Plan.

(ii) The Administrator shall keep complete and separate records of all transactions for the separate account.

(2) Beginning January 1, 2014, and subject to § 19–214(d)(5) of the Health – General Article and paragraph (3) of this subsection, the Board may allow the Administrator to transfer money in the separate account into the Maryland Health Benefit Exchange Fund for the purpose of funding the State Reinsurance Program authorized under § 31–117 of this article.

(3) A transfer of money under paragraph (2) of this subsection:

(i) shall be based on the determination of funding needs of the Plan and the State Reinsurance Program made under paragraph (4) of this subsection; and

(ii) may be made only from money in the separate account in excess of the amount determined under paragraph (4)(i) of this subsection.

(4) On or before October 1, 2013, and on or before October 1 of each year thereafter until the Plan no longer has any liability for claims submitted by Plan enrollees, the Board of Trustees of the Maryland Health Benefit Exchange and the Board of the Plan shall determine:

(i) the amount of money in the separate account that will be needed to pay claims of Plan enrollees, support Plan operations, and otherwise meet the obligations of the Plan for the following calendar year; and

(ii) the amount of money that will be needed to fund the operations of the State Reinsurance Program for the following calendar year.

(5) On or before December 31, 2013, and on or before December 31 of each year thereafter until the Plan no longer has any liability for claims submitted by Plan enrollees and the State Reinsurance Program is terminated, the Board of Trustees of the Maryland Health Benefit Exchange and the Board shall report to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly on:

(i) the transition of Plan enrollees out of the Plan, including:

1. how enrollees are made aware of changes in their insurance options;
2. how enrollees will be assisted through the transition; and
3. whether any funding will be required to support the transition; and

(ii) the use of the Fund for the State Reinsurance Program.

(e) (1) The Board shall take steps necessary to ensure that Plan enrollment does not exceed the number of enrollees the Plan has the financial capacity to insure.

(2) The Board may adopt regulations to limit the enrollment of otherwise eligible medically uninsurable individuals whose premium is paid for by a pharmaceutical manufacturer or its affiliate if the Board determines that their enrollment would have an adverse financial impact on the Plan.

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(2) The Board shall maintain separate accounts within the Fund for the Senior Prescription Drug Assistance Program and the Maryland Health Insurance Plan.

(3) Accounts within the Fund shall contain those moneys that are intended to support the operation of the Program for which the account is designated.

(4) (i) Beginning January 1, 2014, the funds collected in accordance with § 19–214(d)(1)(ii) of the Health – General Article and deposited in the Maryland Health Insurance Plan account of the Fund, may be used for the purposes of establishing and operating the State Reinsurance Program authorized under § 31–117 of this article.

(ii) The Board and the Board of Trustees of the Maryland Health Benefit Exchange shall develop and approve a plan for the appropriate amount and timing of the use of the funds for the State Reinsurance Program.

(g) A debt or obligation of the Plan is not a debt of the State or a pledge of credit of the State.

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