

SENATE BILL 174

C3

8lr1653
CF HB 134

By: **Senator Middleton**

Introduced and read first time: January 15, 2018

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance – Health Benefit Plan Premium Rate Review Process**

3 FOR the purpose of altering the factors the Maryland Insurance Commissioner is required
4 to consider in a certain manner in determining whether to disapprove or modify a
5 premium rate filing; providing for the application of this Act; and generally relating
6 to the health benefit plan premium rate review process.

7 BY repealing and reenacting, with amendments,

8 Article – Insurance

9 Section 11–603

10 Annotated Code of Maryland

11 (2017 Replacement Volume)

12 BY repealing and reenacting, without amendments,

13 Article – Insurance

14 Section 14–102(c)

15 Annotated Code of Maryland

16 (2017 Replacement Volume)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

18 That the Laws of Maryland read as follows:

19 **Article – Insurance**

20 11–603.

21 (a) A carrier subject to this subtitle may not charge a premium to a contract
22 holder or to an individual covered under a health benefit plan before the applicable
23 premium rate is filed with and approved by the Commissioner.

24 (b) A carrier subject to this subtitle may not change the premium charged to a

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 contract holder or to an individual covered under a health benefit plan until the applicable
2 premium rate change has been filed with and approved by the Commissioner.

3 (c) (1) Any applicable premium rate or premium rate change of a carrier
4 subject to this subtitle shall be filed with the Commissioner:

5 (i) for insurers, in accordance with § 12–203 of this article and
6 regulations adopted under Title 31, Subtitle 10 of the Code of Maryland Regulations;

7 (ii) for nonprofit health service plans, in accordance with § 14–126 of
8 this article; and

9 (iii) for health maintenance organizations, in accordance with §
10 19–713 of the Health – General Article and regulations adopted under Title 31, Subtitle 12
11 of the Code of Maryland Regulations.

12 (2) (i) The Commissioner shall disapprove or modify a proposed
13 premium rate filing if the proposed premium rates appear, based on statistical analysis and
14 reasonable assumptions, to be inadequate, unfairly discriminatory, or excessive in relation
15 to benefits.

16 (ii) In determining whether to disapprove or modify a premium rate
17 filing of a carrier, the Commissioner shall consider, to the extent appropriate:

18 1. past and prospective loss experience in and outside the
19 State, **INCLUDING SPECIFIC EXPERIENCE WITH HIGH-RISK MEMBERS;**

20 2. underwriting practice and judgment;

21 3. a reasonable margin for reserve needs;

22 4. past and prospective expenses, both countrywide and
23 those specifically applicable to the State; **[and]**

24 **5. THE IMPACT ON THE PREMIUM RATE FILING OF ANY**
25 **PROGRAM FOR ENROLLEES ESTABLISHED BY THE CARRIER TO IMPROVE HEALTH**
26 **OUTCOMES AND LOWER CLAIMS COSTS;**

27 **6. FOR NONPROFIT HEALTH SERVICE PLANS, THE**
28 **PROVISIONS OF § 14–102(C) OF THIS ARTICLE; AND**

29 **[5.] 7.** any other relevant factors in and outside the State.

30 (3) (i) Each premium rate filing and any supporting information filed
31 under this subtitle shall be open to public inspection as soon as filed.

1 (ii) A carrier may request a finding by the Commissioner that certain
2 information filed with the Commissioner be considered confidential commercial
3 information under § 4-335 of the General Provisions Article and not subject to public
4 inspection.

5 (iii) On request and payment of a reasonable fee, a person may obtain
6 copies of a premium rate filing and any supporting information.

7 (d) Notwithstanding the Commissioner's previous approval of a premium rate
8 filing of a carrier subject to this section, the Commissioner, at any time, may require the
9 carrier to demonstrate that, based on statistical analysis and reasonable assumptions and
10 considering the factors listed in subsection (c)(2) of this section, its premium rates for a
11 health benefit plan are not inadequate, unfairly discriminatory, or excessive in relation to
12 benefits.

13 (e) (1) If, after the applicable review period, the Commissioner finds that the
14 premium rates in a premium rate filing of a carrier subject to this section are inadequate,
15 unfairly discriminatory, or excessive, as determined under subsection (c)(2) of this section,
16 the Commissioner shall issue to the carrier an order that:

17 (i) specifies the reasons why the premium rate filing is inadequate,
18 unfairly discriminatory, or excessive in relation to benefits under subsection (c)(2) of this
19 section; and

20 (ii) states when, within a reasonable period after the order, the
21 premium rate filing will no longer be effective.

22 (2) (i) The Commissioner shall hold a hearing before issuing an order
23 under paragraph (1) of this subsection.

24 (ii) The Commissioner shall give written notice of the hearing to the
25 carrier at least 10 days before the hearing.

26 (iii) The written notice shall specify the matters to be considered at
27 the hearing.

28 (3) An order issued under paragraph (1) of this subsection does not affect a
29 health benefit plan issued or delivered before the expiration of the period stated in the
30 order.

31 (f) Each decision or finding of the Commissioner about premium rates made
32 under this subtitle is subject to judicial review in accordance with Subtitle 5 of this title.

33 14-102.

34 (c) The mission of a nonprofit health service plan shall be, in accordance with the
35 charter of the nonprofit health service plan, to:

1 (1) provide affordable and accessible health insurance to the plan's
2 insureds and those persons insured or issued health benefit plans by affiliates or
3 subsidiaries of the plan;

4 (2) assist and support public and private health care initiatives for
5 individuals without health insurance; and

6 (3) promote the integration of a health care system that meets the health
7 care needs of all the residents of the jurisdictions in which the nonprofit health service plan
8 operates.

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all
10 health benefit plan rate filings received by the Maryland Insurance Commissioner on or
11 after the effective date of this Act.

12 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 October 1, 2018.