

# HOUSE BILL 1504

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By: **Delegates Lam, Chang, Gutierrez, Hill, C. Howard, J. Lewis, McComas, Turner, and K. Young**

Introduced and read first time: February 9, 2018

Assigned to: Health and Government Operations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Task Force to Study Reinsurance to Reduce Health Insurance Premiums**

3 FOR the purpose of establishing the Task Force to Study Reinsurance to Reduce Health  
4 Insurance Premiums; providing for the composition, cochairs, and staffing of the  
5 Task Force; prohibiting a member of the Task Force from receiving certain  
6 compensation, but authorizing the reimbursement of certain expenses; requiring the  
7 Task Force to study and make recommendations regarding certain matters;  
8 requiring the Task Force to report its findings and recommendations to the Governor  
9 and the General Assembly on or before a certain date; providing for the termination  
10 of this Act; and generally relating to the Task Force to Study Reinsurance to Reduce  
11 Health Insurance Premiums.

12 Preamble

13 WHEREAS, The federal government's transitional reinsurance program established  
14 under the Affordable Care Act expired in 2017; and

15 WHEREAS, Reports have estimated that the Affordable Care Act's transitional  
16 reinsurance program reduced health insurance premiums by as much as 10%; and

17 WHEREAS, Reinsurance programs have been shown to reduce health insurance  
18 premiums by as much as 20% in some states; now, therefore,

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
20 That:

21 (a) There is a Task Force to Study Reinsurance to Reduce Health Insurance  
22 Premiums.

23 (b) The Task Force consists of the following members:

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 (1) two members of the Senate of Maryland, appointed by the President of  
2 the Senate;
- 3 (2) two members of the House of Delegates, appointed by the Speaker of  
4 the House;
- 5 (3) the Secretary of Health, or the Secretary's designee;
- 6 (4) the Maryland Insurance Commissioner, or the Commissioner's  
7 designee;
- 8 (5) the following members, appointed internally by each organization  
9 or agency:
- 10 (i) one representative of the Maryland Hospital Association;
- 11 (ii) one representative of the State Health Services Cost Review  
12 Commission;
- 13 (iii) one representative of MedChi;
- 14 (iv) one representative of the Maryland Health Benefit Exchange;  
15 and
- 16 (v) one representative of the Maryland Health Care Commission;  
17 and
- 18 (6) the following representatives, appointed jointly by the President of the  
19 Senate and the Speaker of the House:
- 20 (i) one representative of a managed care organization;
- 21 (ii) one representative of a health insurance carrier; and
- 22 (iii) one representative of the public.
- 23 (c) The President of the Senate and the Speaker of the House shall designate a  
24 member who is a Senator and a member who is a Delegate, respectively, to serve as cochairs  
25 of the Task Force.
- 26 (d) The Maryland Department of Health shall provide staff for the Task Force.
- 27 (e) A member of the Task Force:
- 28 (1) may not receive compensation as a member of the Task Force; but

1           (2) is entitled to reimbursement for expenses under the Standard State  
2 Travel Regulations, as provided in the State budget.

3           (f) The Task Force shall:

4           (1) study the feasibility of creating a State reinsurance program for the  
5 purpose of providing reimbursement to health insurance carriers with high-cost enrollees;

6           (2) study whether a State reinsurance program would help stabilize the  
7 health insurance market, including creating a model to estimate potential reductions in  
8 health insurance premiums; and

9           (3) make recommendations regarding the creation of a subsidized  
10 reinsurance program in the State, including:

11                   (i) the creation of a fund for reinsurance; and

12                   (ii) the amount needed for the fund and potential sources of funding.

13           (g) On or before December 1, 2018, the Task Force shall report its findings and  
14 recommendations to the Governor and, in accordance with § 2-1246 of the State  
15 Government Article, the General Assembly.

16           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
17 1, 2018. It shall remain effective for a period of 1 year and 1 month and, at the end of June  
18 30, 2019, this Act, with no further action required by the General Assembly, shall be  
19 abrogated and of no further force and effect.