

HOUSE BILL 258

C3

9lr0536
CF SB 239

By: **Delegates Pena–Melnik and Pendergrass**

Introduced and read first time: January 25, 2019

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance – Individual Market Stabilization – Provider Fee**

3 FOR the purpose of altering the purpose of certain provisions of law requiring that certain
4 entities be subject to a certain assessment on all amounts used to calculate a certain
5 premium tax liability or the amount of the entity’s premium tax exemption value;
6 requiring that certain entities be subject to certain assessments for certain calendar
7 years in which the federal government makes an assessment and for certain calendar
8 years in which the federal government does not make an assessment under a certain
9 provision of federal law; and generally relating to the stabilization of the individual
10 market and the health insurance provider fee.

11 BY repealing and reenacting, with amendments,
12 Article – Insurance
13 Section 6–102.1
14 Annotated Code of Maryland
15 (2017 Replacement Volume and 2018 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
17 That the Laws of Maryland read as follows:

18 **Article – Insurance**

19 6–102.1.

20 (a) This section applies to:

21 (1) an insurer, a nonprofit health service plan, a health maintenance
22 organization, a dental plan organization, a fraternal benefit organization, and any other
23 person subject to regulation by the State that provides a product that:

24 (i) is subject to the fee under § 9010 of the Affordable Care Act; and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (ii) may be subject to an assessment by the State; and

2 (2) a managed care organization authorized under Title 15, Subtitle 1 of
3 the Health – General Article.

4 (b) The purpose of this section is to [recoup the aggregate amount of the] **ASSIST**
5 **IN THE STABILIZATION OF THE INDIVIDUAL HEALTH INSURANCE MARKET BY**
6 **ASSESSING A** health insurance provider fee [that otherwise would have been assessed
7 under § 9010 of the Affordable Care Act] that is attributable to State health risk for
8 calendar year 2019 [as a bridge to stability in the individual health insurance market] **AND**
9 **EACH CALENDAR YEAR THEREAFTER AS PROVIDED FOR UNDER SUBSECTION (C) OF**
10 **THIS SECTION.**

11 (c) (1) [In] **FOR A** calendar year [2019] **IN WHICH THE FEDERAL**
12 **GOVERNMENT DOES NOT MAKE AN ASSESSMENT UNDER § 9010 OF THE**
13 **AFFORDABLE CARE ACT**, in addition to the amounts otherwise due under this subtitle,
14 an entity subject to this section shall be subject to an assessment of 2.75% on all amounts
15 used to calculate the entity's premium tax liability under § 6–102 of this subtitle or the
16 amount of the entity's premium tax exemption value for **THE IMMEDIATELY PRECEDING**
17 calendar year [2018].

18 (2) **FOR A CALENDAR YEAR IN WHICH THE FEDERAL GOVERNMENT**
19 **MAKES AN ASSESSMENT UNDER § 9010 OF THE AFFORDABLE CARE ACT, IN**
20 **ADDITION TO THE AMOUNTS OTHERWISE DUE UNDER THIS SUBTITLE, AN ENTITY**
21 **SUBJECT TO THIS SECTION SHALL BE SUBJECT TO AN ASSESSMENT OF 1% ON ALL**
22 **AMOUNTS USED TO CALCULATE THE ENTITY'S PREMIUM TAX LIABILITY UNDER §**
23 **6–102 OF THIS SUBTITLE OR THE AMOUNT OF THE ENTITY'S PREMIUM TAX**
24 **EXEMPTION VALUE FOR THE IMMEDIATELY PRECEDING CALENDAR YEAR.**

25 [(2)] (D) Notwithstanding § 2–114 of this article, the assessment required
26 under this section shall be distributed by the Commissioner to the Maryland Health Benefit
27 Exchange Fund established under § 31–107 of this article.

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
29 October 1, 2019.