

Chapter 111

(Senate Bill 50)

AN ACT concerning

Health Insurance – Form Filings – Review and Waiting Period Extensions

FOR the purpose of authorizing the Maryland Insurance Commissioner to extend a certain review period for up to a certain number of days for a certain filing made by a health maintenance organization if the Commissioner gives the health maintenance organization certain notice; providing that a certain filing may become effective on the date specified in a certain notice; authorizing the Commissioner to extend the period during which a certain amendment may not take effect for up to a certain number of days if the Commissioner gives a certain corporation certain notice; and generally relating to health insurance and filings made to the Maryland Insurance Commissioner.

BY repealing and reenacting, without amendments,

Article – Health – General

Section 19–713(a)

Annotated Code of Maryland

(2015 Replacement Volume and 2018 Supplement)

BY repealing and reenacting, with amendments,

Article – Health – General

Section 19–713(e) and (g)

Annotated Code of Maryland

(2015 Replacement Volume and 2018 Supplement)

BY repealing and reenacting, without amendments,

Article – Insurance

Section 14–126(a)

Annotated Code of Maryland

(2017 Replacement Volume and 2018 Supplement)

BY repealing and reenacting, with amendments,

Article – Insurance

Section 14–126(b)

Annotated Code of Maryland

(2017 Replacement Volume and 2018 Supplement)

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

Article – Health – General

19-713.

(a) (1) Each health maintenance organization shall file with the Commissioner and pay the applicable filing fee as provided in § 2-112 of the Insurance Article, before they become effective:

(i) All rates that the health maintenance organization charges subscribers or groups of subscribers; and

(ii) The form and content of each contract between the health maintenance organization and its subscribers or groups of subscribers.

(2) (i) A health maintenance organization that offers a health benefit plan, as defined in § 11-601 of the Insurance Article, is subject to Title 11, Subtitle 6 of the Insurance Article for the health benefit plan.

(ii) If the provisions of Title 11, Subtitle 6 of the Insurance Article conflict with the provisions of this section, the provisions of Title 11, Subtitle 6 of the Insurance Article shall prevail.

(e) (1) If within 60 days after a filing made pursuant to this section, the Commissioner finds the filing does not meet the requirements of subsection (f) of this section, the filer shall be sent notice of disapproval specifying in what respects the Commissioner finds that the filing fails to meet the requirements of this section and stating that the filing shall not become effective.

(2) **THE COMMISSIONER MAY EXTEND THE INITIAL REVIEW PERIOD DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION FOR UP TO AN ADDITIONAL 30 DAYS IF THE COMMISSIONER GIVES NOTICE TO THE HEALTH MAINTENANCE ORGANIZATION OF THE EXTENSION BEFORE THE INITIAL REVIEW PERIOD ENDS.**

(3) The Commissioner may not issue a notice of disapproval of a filing under subsection (f) of this section without a statutory or regulatory basis for the disapproval and an explanation of the application of the statutory or regulatory basis which resulted in the disapproval.

(g) (1) Except as provided in paragraph (2) of this subsection, unless the Commissioner disapproves a filing under this section, the filing becomes effective:

(I) 60 days after the office of the Commissioner receives the filing;

(II) **IF THE COMMISSIONER EXTENDS THE REVIEW PERIOD UNDER SUBSECTION (E)(2) OF THIS SECTION, ON THE DATE SPECIFIED IN THE NOTICE REQUIRED UNDER SUBSECTION (E)(2) OF THIS SECTION; or [on]**

(III) ON any other date that the Commissioner sets.

(2) The Commissioner may adopt regulations to allow a type or kind of form to be effective upon receipt of the filing by the Commissioner.

(3) If a health maintenance organization uses a form which becomes effective in accordance with the provisions of paragraph (2) of this subsection and the form would be subject to disapproval under subsection (f) of this section, the Commissioner may:

(i) Subsequently disapprove the form; and

(ii) Find the health maintenance organization to be in violation of § 19–729 of this subtitle and impose a penalty as provided in § 19–730 of this subtitle.

(4) If a health maintenance organization files a form with the Commissioner which becomes effective in accordance with the provisions of paragraph (2) of this subsection, the health maintenance organization shall pay the applicable filing fee provided in § 2–112 of the Insurance Article.

Article – Insurance

14–126.

(a) (1) A corporation subject to this subtitle may not amend its certificate of incorporation, bylaws, or the terms and provisions of contracts issued or proposed to be issued to subscribers to the plan until the proposed amendments have been submitted to and approved by the Commissioner and the applicable fees required by § 2–112 of this article have been paid.

(2) (i) A corporation subject to this subtitle may not change the table of rates charged or proposed to be charged to subscribers for a form of contract issued or to be issued for health care services until the proposed change has been submitted to and approved by the Commissioner.

(ii) 1. A nonprofit health service plan that offers a health benefit plan, as defined in § 11–601 of this article, is subject to Title 11, Subtitle 6 of this article for the health benefit plan.

2. If the provisions of Title 11, Subtitle 6 of this article conflict with the provisions of this section, the provisions of Title 11, Subtitle 6 of this article shall prevail.

(3) The Commissioner shall approve an amendment to the articles of incorporation or bylaws under paragraph (1) of this subsection unless the Commissioner determines the amendment is contrary to the public interest.

(b) (1) (i) An amendment may not take effect until 60 days after it is filed with the Commissioner.

(II) THE COMMISSIONER MAY EXTEND THE INITIAL WAITING PERIOD DESCRIBED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH FOR UP TO AN ADDITIONAL 30 DAYS IF THE COMMISSIONER GIVES TO A CORPORATION SUBJECT TO THIS SUBTITLE NOTICE OF THE EXTENSION BEFORE THE INITIAL WAITING PERIOD ENDS.

~~[(ii)]~~ **(III)** If an amendment is not accompanied by the information needed to support it and the Commissioner does not have sufficient information to determine whether the filing meets the requirements of this section, the Commissioner shall require the nonprofit health service plan to provide the needed information.

~~[(iii)]~~ **(IV)** If the Commissioner requires additional information, the waiting period under this paragraph shall begin again on the date the needed information is provided.

~~[(iv)]~~ **(V)** On written application by the nonprofit health service plan, the Commissioner may authorize an amendment that the Commissioner has reviewed to become effective before the expiration of the waiting period or any extension of the waiting period or at a later date.

(2) A filing is deemed approved unless disapproved by the Commissioner within the waiting period or any extension of the waiting period.

(3) (i) The Commissioner shall disapprove or modify the proposed change if:

1. the table of rates appears by statistical analysis and reasonable assumptions to be inadequate, unfairly discriminatory, or excessive in relation to benefits; or

2. the form contains provisions that are unjust, unfair, inequitable, inadequate, misleading, or deceptive or encourage misrepresentations of the coverage.

(ii) In determining whether to disapprove or modify the form or table of rates, the Commissioner shall consider, to the extent appropriate:

1. past and prospective loss experience within and outside the State;

2. underwriting practice and judgment;

3. a reasonable margin for reserve needs;
4. past and prospective expenses, both countrywide and those specifically applicable to the State; and
5. any other relevant factors within and outside the State.

(4) On the adoption of an amendment or change, after approval by the Commissioner, the corporation shall file with the Commissioner a copy of the amendment or change that has been certified by at least two executive officers of the corporation.

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

Approved by the Governor, April 18, 2019.