

**Maryland General Assembly
Department of Legislative Services**

**Proposed Regulations
Maryland Insurance Administration
(DLS Control No. 14-025)**

Overview and Legal and Fiscal Impact

The regulations repeal a chapter of COMAR that is obsolete relating to open enrollment periods for self-employed individuals who wanted to purchase health benefit plan coverage as small employers in Maryland.

The regulations present no legal issue of concern.

There is no fiscal impact on State or local agencies.

Regulations of COMAR Affected

Maryland Insurance Administration:

Health Insurance – Group: Small Employer Group Health Insurance – Self-Employed
Individuals: COMAR 31.11.07.01-.06

Legal Analysis

Summary of Regulations

The regulations repeal a chapter of COMAR that is obsolete. The chapter established open enrollment periods for self-employed individuals who wanted to purchase health benefit plan coverage as small employers in Maryland. Self-employed individuals have not been permitted to purchase small employer health benefit plans that cover only themselves and their family since October 1, 2005, when Chapter 347 of 2005 became effective. Chapter 347 altered the definition of small employer to no longer include the self-employed. Chapter 347 had a termination date of December 31, 2013. Chapter 368 of 2013 repealed the termination provision of Chapter 347, making the chapter of regulations obsolete.

Legal Issue

The regulations present no legal issue of concern.

Statutory Authority and Legislative Intent

The Maryland Insurance Administration cites §§ 2-109, 15-1201, 15-1206, 15-1209, and 15-1210 of the Insurance Article and § 19-706(i) of the Health – General Article. Section 2-109 authorizes the Insurance Commissioner to adopt regulations to carry out the provisions of the

Insurance Article. Section 15-1201 defines terms. Section 15-1201 was repealed effective January 1, 2014. Section 15-1206 establishes operations requirements for carriers. Section 15-1209 requires a carrier to issue its health benefit plans to each small employer that meets specified requirements. Section 15-1210 requires a carrier that offers coverage to a small employer to (1) offer coverage to all of its eligible employees and all of their eligible dependents; (2) at the election of the small employer, offer coverage to all of its part-time employees who have a normal workweek of at least 17½ but less than 30 hours per week and have been continuously employed for at least four consecutive months; and (3) at the election of the small employer, offer coverage to all of its employees who are covered under another public or private plan of health insurance or another health benefit arrangement. Section 19-706(i) applies specified provisions of the Insurance Article to health maintenance organizations.

This authority is correct and complete. The regulations comply with the legislative intent of the law.

Fiscal Analysis

There is no fiscal impact on State or local agencies.

Agency Estimate of Projected Fiscal Impact

The regulations repeal a chapter that established open enrollment periods for self-employed individuals in the small group market. The Maryland Insurance Administration indicates that the regulations are repealed as obsolete and have no fiscal impact. The Department of Legislative Services concurs.

Impact on Budget

There is no impact on the State operating or capital budget.

Agency Estimate of Projected Small Business Impact

The Maryland Insurance Administration advises that the regulations have minimal or no economic impact on small businesses in the State. The Department of Legislative Services concurs.

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