

MARYLAND REGISTER

## Proposed Action on Regulations

<b>Transmittal Sheet</b>  <b>PROPOSED OR REPROPOSED</b>  <b>Actions on Regulations</b>	<b>Date Filed with AELR Committee</b>	<b>TO BE COMPLETED BY DSD</b>
	08/03/2015	Date Filed with Division of State Documents
		Document Number
		Date of Publication in MD Register

**1. Desired date of publication in Maryland Register: 8/21/2015**

**2. COMAR Codification**

**Title Subtitle Chapter Regulation**

31 10 43 01-.04

**3. Name of Promulgating Authority**

Maryland Insurance Administration

**4. Name of Regulations Coordinator**

Catherine E Grason

**Telephone Number**

410-468-2201

**Mailing Address**

200 St. Paul Place, Suite 2700

**City State Zip Code**

Baltimore MD 21202

**Email**

Catherine.Grason@maryland.gov

**5. Name of Person to Call About this Document**

Catherine Grason

**Telephone No.**

410-468-2201

**Email Address**

catherine.grason@maryland.gov

**6. Check applicable items:**

- New Regulations

Amendments to Existing Regulations

    Date when existing text was downloaded from COMAR online: .

Repeal of Existing Regulations

Recodification

Incorporation by Reference of Documents Requiring DSD Approval

Reproposal of Substantively Different Text:

:                   Md. R  
(vol.) (issue)                   (page nos) (date)

Under Maryland Register docket no.: --P.

**7. Is there emergency text which is identical to this proposal:**

Yes - No

**8. Incorporation by Reference**

Check if applicable: Incorporation by Reference (IBR) approval form(s) attached and 18 copies of documents proposed for incorporation submitted to DSD. (Submit 18 paper copies of IBR document to DSD and one copy to AELR.)

**9. Public Body - Open Meeting**

OPTIONAL - If promulgating authority is a public body, check to include a sentence in the Notice of Proposed Action that proposed action was considered at an open meeting held pursuant to State Government Article, §10-506(c), Annotated Code of Maryland.

OPTIONAL - If promulgating authority is a public body, check to include a paragraph that final action will be considered at an open meeting.

**10. Children's Environmental Health and Protection**

Check if the system should send a copy of the proposal to the Children's Environmental Health and Protection Advisory Council.

**11. Certificate of Authorized Officer**

I certify that the attached document is in compliance with the Administrative Procedure Act. I also certify that the attached text has been approved for legality by J. Van Dorsey, Assistant Attorney General, (telephone #410-468-2201) on 7-1-15. A written copy of the approval is on file at this agency.

**Name of Authorized Officer**

Alfred Redmer, Jr.

**Title**

Insurance Commissioner

**Telephone No.**

410-468-2090

**Date**

8-3-15

**Title 31**  
**MARYLAND INSURANCE ADMINISTRATION**

**Subtitle 10 HEALTH INSURANCE — GENERAL**

**31.10.43 Medical Stop-Loss Insurance Disclosure**

Authority: Insurance Article, §§2-109(a)(1), 15-129(f)(3), Annotated Code of Maryland

**Notice of Proposed Action**

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The Insurance Commissioner proposes to adopt new Regulations .01--.04 under new Chapter COMAR 31.10.43 Medical Stop-Loss Insurance Disclosure.

**Statement of Purpose**

The purpose of this action is to provide a standard disclosure, as required by Insurance Article, § 15-129(f)(3), Annotated Code of Maryland, that insurers and nonprofit health service plans will provide to small employers before entering into a contract of medical stop-loss insurance.

**Comparison to Federal Standards**

There is no corresponding federal standard to this proposed action.

**Estimate of Economic Impact**

The proposed action has no economic impact.

**Economic Impact on Small Businesses**

The proposed action has minimal or no economic impact on small businesses.

**Impact on Individuals with Disabilities**

The proposed action has no impact on individuals with disabilities.

**Opportunity for Public Comment**

Comments may be sent to Catherine Grason, Director of Regulatory Affairs, Maryland Insurance Administration, 200 St. Paul Place, Ste. 2700, Baltimore, MD 21202, or call 410-468-2201, or email to [insurancereview.mia@maryland.gov](mailto:insurancereview.mia@maryland.gov), or fax to 410-468-2020. Comments will be accepted through September 8, 2015. A public hearing has not been scheduled.

**Economic Impact Statement Part C**

A. Fiscal Year in which regulations will become effective: FY 16

B. Does the budget for the fiscal year in which regulations become effective contain funds to implement the regulations?

No

C. If 'yes', state whether general, special (exact name), or federal funds will be used:

D. If 'no', identify the source(s) of funds necessary for implementation of these regulations:

No funding is necessary to implement these regulations. The regulations will not have an impact on the Maryland Insurance Administration beyond that which is already required by statute. Section 15-129(f)(3) of the Insurance Article requires the Commissioner to approve the form and manner of a disclosure to be used by insurers and nonprofit health service plans who sell medical stop-loss insurance to small employers. These proposed regulations set forth the disclosure.

E. If these regulations have no economic impact under Part A, indicate reason briefly:

These regulations do not have an economic impact under Part A because the regulations are providing disclosure text for a notice that is already required to be provided by statute.

F. If these regulations have minimal or no economic impact on small businesses under Part B, indicate the reason and attach small business worksheet.

These regulations will have no economic impact on small businesses. The regulations do not impose any requirements on small businesses. The regulations set forth a disclosure that insurers and nonprofit health service plans will provide to small businesses before the small business enters into a medical stop-loss insurance contract with the insurer or nonprofit health service plan.

G. Small Business Worksheet:

Attached Document:

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## **Title 31 MARYLAND INSURANCE ADMINISTRATION**

### **Subtitle 10 HEALTH INSURANCE — GENERAL**

#### ***Chapter 43 Medical Stop-Loss Insurance Disclosure***

Authority: Insurance Article, §§2-109(a)(1), 15-129(f)(3), Annotated Code of Maryland

***.01 Scope.***

*This chapter applies to carriers that sell medical stop-loss insurance to small employers in Maryland.*

**.02 Definitions.**

A. In this chapter, the following terms have the meanings indicated.

B. Terms Defined.

- (1) "Carrier" means an insurer or nonprofit health service plan that sells medical stop loss insurance in Maryland.
- (2) "Medical stop-loss insurance" has the meaning stated in Insurance Article, § 15-129, Annotated Code of Maryland.
- (3) "Medical stop-loss insurance disclosure form" means the form shown in Regulation .04 of this chapter.
- (4) "Small employer" has the meaning stated in Insurance Article, § 31-101, Annotated Code of Maryland.

**.03 Rules for Providing the Medical Stop-Loss Insurance Disclosure Form.**

A. Before entering into a policy or contract of medical stop-loss insurance with a small employer, a carrier shall provide the small employer a completed medical stop-loss insurance disclosure form.

B. When determining whether an employer satisfies the definition of a small employer, the carrier shall base the determination on the definition that applies on the proposed effective date of the medical stop-loss insurance policy or contract.

C. The medical stop-loss insurance disclosure form shall be printed in at least 12 point-type.

D. The portion of the medical stop-loss insurance disclosure form that requires a listing of any limitations in the medical stop-loss insurance policy or contract is required to include any:

- (1) Dollar limitations in the medical stop-loss insurance policy or contract, such as annual limitations;
- (2) Day or visit limits on the services covered under the medical stop-loss insurance policy or contract;
- (3) Limitations or exclusions that apply to benefits covered under the medical stop-loss insurance policy or contract, such as:
  - (a) Pre-existing condition exclusions;
  - (b) Exclusions or limitations for particular services, such as an exclusion or limitation for prescription drugs or mental health services;
  - (c) Exclusions or limitations for particular medical conditions, such as AIDS;
  - (d) Limitations or exclusions for non-medically necessary services; and
  - (e) Limitations or exclusions for experimental or investigational services; and
- (4) Different attachment points for any particular service, such as organ transplants.

**.04 Medical Stop-Loss Insurance Disclosure Form.**

The medical stop-loss insurance disclosure form shall read as follows: