

**Maryland General Assembly  
Department of Legislative Services**

**Proposed Regulation  
Maryland Insurance Administration  
(DLS Control No. 15-300)**

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**Overview and Legal and Fiscal Impact**

The Maryland Insurance Administration is repealing regulations that require certain insurance carriers to provide notice about the availability of health coverage under the Maryland Health Insurance Plan to individuals in the nongroup market if coverage under a medically underwritten health benefit plan is denied by the carriers.

The regulations present no legal issues of concern.

There is no fiscal impact on State or local agencies.

**Regulations of COMAR Affected**

**Maryland Insurance Administration:**

Health Insurance – General:

Health Insurance – Notice of the Maryland Health Insurance Plan: COMAR 31.10.27.01-.03

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**Legal Analysis**

**Summary of Regulations**

COMAR 31.10.27 (Health Insurance – Notice of the Maryland Health Insurance Plan) contains three regulations that govern notice that must be given to an individual in the nongroup market by insurers, nonprofit health service plans, and health maintenance organizations (carriers) if coverage under a medically underwritten health benefit plan is denied to the individual. Regulation .01 establishes the scope of the chapter, Regulation .02 contains definitions used in the chapter, and Regulation .03 specifies the form and contents of the notice. The notice informs an individual who is denied coverage by a carrier of the availability of health coverage under the Maryland Health Insurance Plan (MHIP). The regulations were adopted to implement the provisions of § 15-1303(c) of the Insurance Article (renumbered to be § 15-1303(d) by Chapter 152 of 2012), which established the notice requirement.

The administration is repealing Regulations .01 through .03 because (1) the federal Affordable Care Act (ACA) prohibits a carrier from medically underwriting health benefit plans; (2) MHIP is no longer insuring Maryland residents, making the notice unnecessary; and (3) § 15-1303(d) of the Insurance Article was repealed by Chapter 23 of 2014 in light of passage of the ACA and the phase-out of MHIP.

## **Legal Issues**

The regulations present no legal issues of concern.

## **Statutory Authority and Legislative Intent**

The administration cites §§ 2-109, 14-501, and 15-1303(c) of the Insurance Article as statutory authority for the regulations. More specifically, the regulations are authorized by § 2-109(a)(1) of the Insurance Article. The remaining cited authority is not relevant to these regulations. Although not cited by the administration, Chapter 23 of 2014 also provides authority for the regulations. The administration has been notified of this additional authority.

Section 2-109(a)(1) establishes the general authority of the Maryland Insurance Commissioner to adopt regulations to carry out the Insurance Article. As discussed in the *Summary of Regulations* section of this analysis, Chapter 23 of 2014 repealed § 15-1303(d) of the Insurance Article, which had provided the authority for the regulations.

With the addition of Chapter 23 of 2014, the relevant cited 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 requirement to provide notice about the availability of health coverage under the Maryland Health Insurance Plan to certain individuals. The regulations are obsolete under Chapter 23 of 2014, which repealed the statutory requirement for these provisions. Furthermore, the Maryland Health Insurance Plan ceased operations effective December 31, 2014. The Maryland Insurance Administration advises that the regulations have no impact on State or local governments. 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.

## **Contact Information**

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