
By: Delegate Busch

Introduced and read first time: February 2, 1996
Assigned to: Economic Matters

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 21, 1996

CHAPTER ____

1 AN ACT concerning

2 **Insurance - Workers' Compensation - Rate Credits**

3 FOR the purpose of allowing workers' compensation insurers to use certain rate credits
4 for employers under certain circumstances; requiring a workers' compensation
5 insurer that uses the rate credit authorized by this Act to file the rate credit with the
6 Insurance Commissioner ~~within a certain period of time; and requiring certain rate~~
7 ~~credits~~ providing that a certain right of an injured employee is not limited; requiring
8 certain notice under certain circumstances; allowing the Board for the Injured
9 Workers' Insurance Fund to offer certain managed care programs under certain
10 circumstances; allowing the Board to designate certain providers; requiring the
11 Insurance Commissioner to collect certain information from insurers and the
12 Injured Workers' Insurance Fund and to report to the General Assembly by a
13 certain date on a certain effect of certain managed care plans; providing for the
14 termination of this Act; and generally relating to rate credits for workers'
15 compensation insurance to be filed before use and providing for approval of those
16 rate credits.

17 BY adding to

18 Article 48A - Insurance Code
19 Section 244G(h) and 244Y(e-1)
20 Annotated Code of Maryland
21 (1994 Replacement Volume and 1995 Supplement)

22 BY adding to

23 Article - Labor and Employment
24 Section 10-115
25 Annotated Code of Maryland

2

1 (1991 Volume and 1995 Supplement)

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

4 **Article 48A - Insurance Code**

5 244G.

6 (h) (1) [The] EXCEPT AS PROVIDED IN § 244Y(E-1) OF THIS SUBTITLE, THE
7 uniform experience rating plan shall be the exclusive means of providing prospective
8 premium adjustment based upon measurement of the loss producing characteristics of an
9 individual insured.

10 (2) An insurer may file a rating plan that provides for retrospective
11 premium adjustments based upon an insured's past experience.

12 244Y.

13 (E-1) (1) AN INSURER OFFERING WORKERS' COMPENSATION INSURANCE:

14 (I) MAY USE ~~A~~ PROSPECTIVE RATE ~~CREDIT CREDITS OF NO~~
15 ~~MORE THAN 15%~~ FOR EMPLOYERS THAT AGREE TO USE A MANAGED CARE PLAN
16 ~~THAT IS ACCEPTABLE TO OFFERED BY~~ THE INSURER; AND

17 (II) SHALL FILE ~~THE~~ ANY SUCH RATE CREDIT WITH THE
18 INSURANCE COMMISSIONER ~~WITHIN 30 DAYS AFTER USE.~~

19 ~~(2) AN INSURER OFFERING WORKERS' COMPENSATION INSURANCE~~
20 ~~MAY USE A PROSPECTIVE RATE CREDIT IN EXCESS OF 15% FOR EMPLOYERS THAT~~
21 ~~AGREE TO USE A MANAGED CARE PLAN THAT IS ACCEPTABLE TO THE INSURER IF~~
22 ~~THE RATE CREDIT IS FILED AND APPROVED BY THE COMMISSIONER BEFORE ITS~~
23 ~~USE. A RATE CREDIT FILED UNDER THIS PARAGRAPH SHALL BE DEEMED APPROVED~~
24 ~~UNLESS DISAPPROVED WITHIN 45 DAYS AFTER FILING (I) NOTHING IN THIS~~
25 ~~SUBSECTION SHALL LIMIT THE RIGHT OF AN INJURED EMPLOYEE TO SEEK~~
26 ~~TREATMENT FROM A MEDICAL CARE PROVIDER OF THE EMPLOYEE'S CHOICE.~~

27 (II) AN INSURER THAT OFFERS A MANAGED CARE PLAN IN
28 ACCORDANCE WITH THIS SUBSECTION SHALL PROVIDE WRITTEN NOTICE OF
29 SUBPARAGRAPH (I) OF THIS PARAGRAPH TO AN INJURED EMPLOYEE.

30 **Article - Labor and Employment**

31 10-115.

32 (A) WITH THE AGREEMENT OF INSURED, THE BOARD MAY OFFER A
33 MANAGED CARE PROGRAM FOR INJURIES AND ILLNESSES AS PROVIDED IN TITLE 9
34 OF THIS ARTICLE.

35 (B) THE BOARD, IN ITS SOLE DISCRETION, MAY DESIGNATE THE PROVIDERS
36 OF THE MANAGED CARE PLAN.

37 (C) (1) NOTHING IN THIS SECTION SHALL LIMIT THE RIGHT OF AN INJURED
38 EMPLOYEE TO SEEK TREATMENT FROM A MEDICAL CARE PROVIDER OF THE
39 EMPLOYEE'S CHOICE.

1 (2) THE BOARD SHALL PROVIDE WRITTEN NOTICE OF PARAGRAPH (1)
2 OF THIS SUBSECTION TO AN INJURED EMPLOYEE.

3 SECTION 2. AND BE IT FURTHER ENACTED, That the Insurance
4 Commissioner shall collect information from insurers using managed careplans and from
5 the Injured Workers' Insurance Fund to determine the availability and use of such plans
6 in the State, and may obtain relevant supplemental information from theNational
7 Council on Compensation Insurance. The Insurance Commissioner shall prepare a report
8 containing the information and submit the report to the General Assembly not later than
9 October 1, 2000 in accordance with § 2-1312 of the State Government Article.

10 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
11 October 1, 1996. It shall remain effective for a period of 5 years and,at the end of
12 September 30, 2001, with no further action required by the General Assembly, this Act
13 shall be abrogated and of no further force and effect.