
By: Delegate Kelly

Introduced and read first time: February 2, 1996

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance - Small Employer Group Market - Comprehensive Standard Plan -**
3 **Deductibles**

4 FOR the purpose of requiring the Health Care Access and Cost Commission to allow for
5 higher deductibles for the comprehensive standard health benefit plan when the
6 plan is coupled with a health care savings account; making this Act contingent on
7 the taking effect of another Act; and generally relating to deductibles for the
8 comprehensive standard health benefit plan.

9 BY repealing and reenacting, with amendments,
10 Article 48A - Insurance Code
11 Section 700(a)
12 Annotated Code of Maryland
13 (1994 Replacement Volume and 1995 Supplement)

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

16 **Article 48A - Insurance Code**

17 700.

18 (a) (1) The Commission shall adopt regulations specifying the comprehensive
19 standard health benefit plan to apply under this subtitle, in accordance with the
20 provisions of Title 19, Subtitle 15 of the Health - General Article.

21 (2) The Commission shall require that the minimum benefits permitted to
22 be offered in the comprehensive standard health benefit plan:

23 (i) By a health maintenance organization, shall include at least the
24 actuarial equivalent of the minimum benefits required to be offered by a federally
25 qualified health maintenance organization; and

26 (ii) On an expense-incurred basis by an insurer or nonprofit health
27 service plan, shall be actuarially equivalent to at least the minimum benefits required to
28 be offered under item (i) of this paragraph.

29 (3) The Commission shall exclude or limit benefits or adjust cost-sharing
30 arrangements in the comprehensive standard health benefit plan if the average rate for

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1 the comprehensive standard health benefit plan, as determined annually by the
2 Commission based on the average rate submitted by each carrier offering the
3 comprehensive standard health benefit plan, exceeds 12 percent of this State's average
4 annual wage.

5 (4) In establishing benefits, the Commission shall judge preventive services,
6 medical treatments, procedures, and related health services based on:

7 (i) Their effectiveness in improving the health status of individuals;

8 (ii) Their impact on maintaining and improving health and on
9 reducing the unnecessary consumption of health care services; and

10 (iii) Their impact on the affordability of health care coverage.

11 (5) The Commission may exclude any mandated benefit.

12 (6) THE COMMISSION SHALL ALLOW FOR HIGHER DEDUCTIBLES WHEN
13 THE COMPREHENSIVE STANDARD HEALTH BENEFIT PLAN IS COUPLED WITH A
14 HEALTH CARE SAVINGS ACCOUNT.

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
16 July 1, 1996, contingent on the taking effect of Chapter ____ (H.B. 73) of the Acts of the
17 General Assembly of 1996, and if Chapter ____ does not become effective, this Act shall
18 be null and void without the necessity of further action by the General Assembly.