

BY: Economic Matters Committee

AMENDMENTS TO SENATE BILL NO. 781

(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike “Advisory Panel on Mandated Health Insurance Benefits” and substitute “Mandated Health Insurance Services - Process of Evaluation”; and strike beginning with “the” in line 3 down through “Benefits” in line 11 and substitute “establishing a joint legislative committee on mandated health insurance services; requiring the committee to review and evaluate the benefits under certain plans; requiring the committee to make certain determinations and assessments; requiring the committee to review certain proposals under certain circumstances; requiring certain reports under certain circumstances; providing for the effective date of this Act; defining certain terms; repealing the establishment and authority of the Interdepartmental Committee on Mandated Health Insurance Benefits; and generally relating to benefits for health care services”;

after line 11, insert:

“BY repealing

Article 48A - Insurance Code

Section 490M

Annotated Code of Maryland

(1994 Replacement Volume and 1996 Supplement)

BY adding to

Article 48A - Insurance Code

Section 490M

Annotated Code of Maryland

(1994 Replacement Volume and 1996 Supplement)”;

and in lines 21 and 22, strike “Advisory Panel on Mandated Health Insurance Benefits” and substitute “Health Services Evaluation”.

(Over)

AMENDMENT NO. 2

On pages 2 through 5, strike in their entirety the lines beginning with line 1 on page 2 through line 4 on page 5, inclusive, and substitute:

“SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 490M of Article 48A - Insurance Code of the Annotated Code of Maryland be repealed.

SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 15-1301 through 15-1307, inclusive, and the subtitle “Subtitle 13. Interdepartmental Committee on Mandated Health Insurance Benefits” of Article - Insurance of the Annotated Code of Maryland (as enacted by Chapter \_\_\_\_\_ (H.B. 11) of the Acts of the General Assembly of 1997) be repealed.

SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article 48A - Insurance Code

490M.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “CARRIER” MEANS:

(I) AN INSURER;

(II) A NONPROFIT HEALTH SERVICE PLAN;

(III) A HEALTH MAINTENANCE ORGANIZATION;

(IV) A DENTAL PLAN ORGANIZATION; OR

(V) ANY OTHER PERSON THAT PROVIDES HEALTH BENEFIT PLANS SUBJECT TO REGULATION BY THE STATE.

(3) “COMMITTEE” MEANS THE JOINT COMMITTEE ON MANDATED

HEALTH INSURANCE BENEFITS.

(4) (I) "MANDATED HEALTH INSURANCE SERVICE" MEANS A LEGISLATIVE PROPOSAL OR A STATUTE THAT WOULD REQUIRE A PARTICULAR HEALTH CARE SERVICE TO BE PROVIDED OR OFFERED IN A HEALTH BENEFIT PLAN, BY A CARRIER OR OTHER ORGANIZATION AUTHORIZED TO PROVIDE HEALTH BENEFIT PLANS IN THE STATE.

(II) "MANDATED HEALTH INSURANCE SERVICE", AS APPLICABLE TO ALL CARRIERS, DOES NOT INCLUDE SERVICES ENUMERATED TO DESCRIBE A HEALTH MAINTENANCE ORGANIZATION UNDER § 19-701(F)(2) OF THE HEALTH - GENERAL ARTICLE.

(B) (1) THERE IS A JOINT COMMITTEE ON MANDATED HEALTH INSURANCE BENEFITS.

(2) THE COMMITTEE CONSISTS OF:

(I) THE CHAIRMAN OF THE HOUSE ECONOMIC MATTERS COMMITTEE OR DESIGNEE OF THE CHAIRMAN AND FOUR ADDITIONAL MEMBERS OF THE HOUSE OF DELEGATES DESIGNATED BY THE SPEAKER OF THE HOUSE; AND

(II) THE CHAIRMAN OF THE SENATE FINANCE COMMITTEE OR DESIGNEE OF THE CHAIRMAN AND FOUR ADDITIONAL MEMBERS OF THE SENATE DESIGNATED BY THE PRESIDENT OF THE SENATE.

(3) THE SENATE CHAIRMAN AND THE HOUSE CHAIRMAN OF THE COMMITTEE SHALL BE APPOINTED BY THE PRESIDENT AND THE SPEAKER, RESPECTIVELY, FROM THE MEMBERSHIP OF THE COMMITTEE. THE PRESIDING CHAIRMANSHIP AND CO-CHAIRMANSHIP SHALL BE ALTERNATED ANNUALLY BETWEEN THE SENATE AND THE HOUSE.

(C) (1) TO DETERMINE A BASELINE FOR ASSESSMENT OF A PROPOSED HEALTH

(Over)

INSURANCE SERVICE UNDER SUBSECTION (D) OF THIS SECTION, THE COMMITTEE SHALL REVIEW AND EVALUATE THE:

(I) BENEFITS PROVIDED UNDER THE STATE EMPLOYEE HEALTH BENEFITS FOR MEDICAL COVERAGE; AND

(II) STANDARD PLAN AS DEFINED IN § 15-1201 OF THIS ARTICLE, ADJUSTED TO INCLUDE ANY MANDATED SERVICES REQUIRED UNDER THIS TITLE THAT ARE NOT INCLUDED IN THE STANDARD PLAN.

(2) THE REVIEW SHALL DETERMINE:

(I) THE PREMIUM COST OF BENEFITS FOR MEDICAL COVERAGE AS A PERCENTAGE OF THE AVERAGE ANNUAL WAGE AS DETERMINED BY THE DEPARTMENT OF ECONOMIC AND BUSINESS DEVELOPMENT; AND

(II) THE PORTION OF PREMIUM ATTRIBUTABLE TO MANDATED HEALTH INSURANCE SERVICES.

(D) (1) THE COMMITTEE SHALL ASSESS THE SOCIAL AND FINANCIAL IMPACTS OF A PROPOSED MANDATED HEALTH INSURANCE SERVICE.

(2) IN ASSESSING A PROPOSED MANDATED HEALTH INSURANCE SERVICE AND TO THE EXTENT THAT INFORMATION IS AVAILABLE, THE COMMITTEE SHALL CONSIDER:

(I) SOCIAL IMPACTS, INCLUDING:

1. THE EXTENT TO WHICH THE SERVICE IS GENERALLY UTILIZED BY A SIGNIFICANT PORTION OF THE POPULATION;

2. THE EXTENT TO WHICH THE INSURANCE COVERAGE IS ALREADY GENERALLY AVAILABLE;

3. IF COVERAGE IS NOT GENERALLY AVAILABLE, THE EXTENT TO WHICH THE LACK OF COVERAGE RESULTS IN INDIVIDUALS AVOIDING NECESSARY HEALTH CARE TREATMENTS;

4. IF COVERAGE IS NOT GENERALLY AVAILABLE, THE EXTENT TO WHICH THE LACK OF COVERAGE RESULTS IN UNREASONABLE FINANCIAL HARDSHIP;

5. THE LEVEL OF PUBLIC DEMAND FOR THE SERVICE;

6. THE LEVEL OF PUBLIC DEMAND FOR INSURANCE COVERAGE OF THE SERVICE;

7. THE LEVEL OF INTEREST OF COLLECTIVE BARGAINING AGENTS IN NEGOTIATING PRIVATELY FOR INCLUSION OF THIS COVERAGE IN GROUP CONTRACTS; AND

8. THE EXTENT TO WHICH THE MANDATED HEALTH INSURANCE SERVICE IS COVERED BY SELF-FUNDED EMPLOYER GROUPS OF EMPLOYERS IN THE STATE WHO EMPLOY AT LEAST 500 EMPLOYEES; AND

(II) FINANCIAL IMPACTS, INCLUDING:

1. THE EXTENT TO WHICH THE COVERAGE WILL INCREASE OR DECREASE THE COST OF THE SERVICE;

2. THE EXTENT TO WHICH THE COVERAGE WILL INCREASE THE APPROPRIATE USE OF THE SERVICE;

3. THE EXTENT TO WHICH THE MANDATED SERVICE WILL BE A SUBSTITUTE FOR A MORE EXPENSIVE SERVICE;

4. THE EXTENT TO WHICH THE COVERAGE WILL INCREASE

(Over)

OR DECREASE THE ADMINISTRATIVE EXPENSES OF INSURERS AND THE PREMIUM AND ADMINISTRATIVE EXPENSES OF POLICYHOLDERS;

5. THE IMPACT OF THIS COVERAGE ON THE TOTAL COST OF HEALTH CARE; AND

6. THE IMPACT OF ALL MANDATED HEALTH INSURANCE SERVICES ON EMPLOYERS' ABILITY TO PURCHASE HEALTH BENEFITS POLICIES MEETING THEIR EMPLOYEES' NEEDS.

(E) THE COMMITTEE SHALL REPORT ITS ASSESSMENT TO THE SENATE FINANCE COMMITTEE AND THE HOUSE ECONOMIC MATTERS COMMITTEE ON OR BEFORE DECEMBER 1 OF EACH YEAR.

SECTION 4. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Insurance

SUBTITLE 13. HEALTH SERVICES EVALUATION.

15-1301.

(A) (1) IN THIS SECTION, THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "CARRIER" MEANS:

(I) AN INSURER;

(II) A NONPROFIT HEALTH SERVICE PLAN;

(III) A HEALTH MAINTENANCE ORGANIZATION;

(IV) A DENTAL PLAN ORGANIZATION; OR

(V) ANY OTHER PERSON THAT PROVIDES HEALTH BENEFIT PLANS  
SUBJECT TO REGULATION BY THE STATE.

(3) "COMMITTEE" MEANS THE JOINT COMMITTEE ON MANDATED  
HEALTH INSURANCE SERVICES.

(4) (I) "MANDATED HEALTH INSURANCE SERVICE" MEANS A  
LEGISLATIVE PROPOSAL OR A STATUTE THAT WOULD REQUIRE A PARTICULAR  
HEALTH CARE SERVICE TO BE PROVIDED OR OFFERED IN A HEALTH BENEFIT PLAN,  
BY A CARRIER OR OTHER ORGANIZATION AUTHORIZED TO PROVIDE HEALTH  
BENEFIT PLANS IN THE STATE.

(II) "MANDATED HEALTH INSURANCE SERVICE", AS APPLICABLE  
TO ALL CARRIERS, DOES NOT INCLUDE SERVICES ENUMERATED TO DESCRIBE A  
HEALTH MAINTENANCE ORGANIZATION UNDER § 19-701(F)(2) OF THE HEALTH -  
GENERAL ARTICLE.

(B) (1) THERE IS A JOINT COMMITTEE ON MANDATED HEALTH INSURANCE  
SERVICES.

(2) THE COMMITTEE CONSISTS OF:

(I) THE CHAIRMAN OF THE HOUSE ECONOMIC MATTERS  
COMMITTEE OR DESIGNEE OF THE CHAIRMAN AND FOUR ADDITIONAL MEMBERS OF  
THE HOUSE OF DELEGATES DESIGNATED BY THE SPEAKER OF THE HOUSE; AND

(II) THE CHAIRMAN OF THE SENATE FINANCE COMMITTEE OR  
DESIGNEE OF THE CHAIRMAN AND FOUR ADDITIONAL MEMBERS OF THE SENATE  
DESIGNATED BY THE PRESIDENT OF THE SENATE.

(3) THE SENATE CHAIRMAN AND THE HOUSE CHAIRMAN OF THE

(Over)

COMMITTEE SHALL BE APPOINTED BY THE PRESIDENT AND THE SPEAKER, RESPECTIVELY, FROM THE MEMBERSHIP OF THE COMMITTEE. THE PRESIDING CHAIRMANSHIP AND CO-CHAIRMANSHIP SHALL BE ALTERNATED ANNUALLY BETWEEN THE SENATE AND THE HOUSE.

(C) (1) TO DETERMINE A BASELINE FOR ASSESSMENT OF A PROPOSED HEALTH INSURANCE SERVICE UNDER SUBSECTION (D) OF THIS SECTION, THE COMMITTEE SHALL REVIEW AND EVALUATE THE:

(I) BENEFITS PROVIDED UNDER THE STATE EMPLOYEE HEALTH BENEFITS FOR MEDICAL COVERAGE; AND

(II) STANDARD PLAN AS DEFINED IN § 15-1201 OF THIS ARTICLE, ADJUSTED TO INCLUDE ANY MANDATED SERVICES REQUIRED UNDER THIS TITLE THAT ARE NOT INCLUDED IN THE STANDARD PLAN.

(2) THE REVIEW SHALL DETERMINE:

(I) THE PREMIUM COST OF BENEFITS FOR MEDICAL COVERAGE AS A PERCENTAGE OF THE AVERAGE ANNUAL WAGE AS DETERMINED BY THE DEPARTMENT OF ECONOMIC AND BUSINESS DEVELOPMENT; AND

(II) THE PORTION OF PREMIUM ATTRIBUTABLE TO MANDATED HEALTH INSURANCE SERVICES.

(D) (1) THE COMMITTEE SHALL ASSESS THE SOCIAL AND FINANCIAL IMPACTS OF A PROPOSED MANDATED HEALTH INSURANCE SERVICE.

(2) IN ASSESSING A PROPOSED MANDATED HEALTH INSURANCE SERVICE AND TO THE EXTENT THAT INFORMATION IS AVAILABLE, THE COMMITTEE SHALL CONSIDER:

(I) SOCIAL IMPACTS, INCLUDING:



1. THE EXTENT TO WHICH THE SERVICE IS GENERALLY UTILIZED BY A SIGNIFICANT PORTION OF THE POPULATION;

2. THE EXTENT TO WHICH THE INSURANCE COVERAGE IS ALREADY GENERALLY AVAILABLE;

3. IF COVERAGE IS NOT GENERALLY AVAILABLE, THE EXTENT TO WHICH THE LACK OF COVERAGE RESULTS IN INDIVIDUALS AVOIDING NECESSARY HEALTH CARE TREATMENTS;

4. IF COVERAGE IS NOT GENERALLY AVAILABLE, THE EXTENT TO WHICH THE LACK OF COVERAGE RESULTS IN UNREASONABLE FINANCIAL HARDSHIP;

5. THE LEVEL OF PUBLIC DEMAND FOR THE SERVICE;

6. THE LEVEL OF PUBLIC DEMAND FOR INSURANCE COVERAGE OF THE SERVICE;

7. THE LEVEL OF INTEREST OF COLLECTIVE BARGAINING AGENTS IN NEGOTIATING PRIVATELY FOR INCLUSION OF THIS COVERAGE IN GROUP CONTRACTS; AND

8. THE EXTENT TO WHICH THE MANDATED HEALTH INSURANCE SERVICE IS COVERED BY SELF-FUNDED EMPLOYER GROUPS OF EMPLOYERS IN THE STATE WHO EMPLOY AT LEAST 500 EMPLOYEES; AND

(II) FINANCIAL IMPACTS, INCLUDING:

1. THE EXTENT TO WHICH THE COVERAGE WILL INCREASE OR DECREASE THE COST OF THE SERVICE;

2. THE EXTENT TO WHICH THE COVERAGE WILL INCREASE

(Over)

THE APPROPRIATE USE OF THE SERVICE;

3. THE EXTENT TO WHICH THE MANDATED SERVICE WILL BE A SUBSTITUTE FOR A MORE EXPENSIVE SERVICE;

4. THE EXTENT TO WHICH THE COVERAGE WILL INCREASE OR DECREASE THE ADMINISTRATIVE EXPENSES OF INSURERS AND THE PREMIUM AND ADMINISTRATIVE EXPENSES OF POLICY HOLDERS;

5. THE IMPACT OF THIS COVERAGE ON THE TOTAL COST OF HEALTH CARE; AND

6. THE IMPACT OF ALL MANDATED HEALTH INSURANCE SERVICES ON EMPLOYERS' ABILITY TO PURCHASE HEALTH BENEFITS POLICIES MEETING THEIR EMPLOYEES' NEEDS.

(E) THE COMMITTEE SHALL REPORT ITS ASSESSMENT TO THE SENATE FINANCE COMMITTEE AND THE HOUSE ECONOMIC MATTERS COMMITTEE ON OR BEFORE DECEMBER 1 OF EACH YEAR.

SECTION 5. AND BE IT FURTHER ENACTED, That the Department of Fiscal Services and the Department of Legislative Reference shall provide staff support to the Joint Committee on Mandated Health Insurance Benefits and may contract for actuarial services and other professional services to carry out the provisions of this Act.

SECTION 6. AND BE IT FURTHER ENACTED, That the Committee may make reasonable requests upon carriers to submit data on the cost of a mandated service, utilization of a mandated service, or other information as determined appropriate to carry out the provisions of this Act.

SECTION 7. AND BE IT FURTHER ENACTED, That, if a member of the General Assembly submits a proposal for a mandated health insurance service on or before July 1 of any year, the Joint Committee on Mandated Health Insurance Services shall review and evaluate the proposal in accordance with Article 48A, § 490M of the Code as enacted by Section 3 of this Act or § 15-1301(d) of the Insurance Article, as enacted by Section 4 of this Act, and submit its report to the Senate Finance Committee and the House Economic Matters Committee on or before December 1 of

the same year.

SECTION 8. AND BE IT FURTHER ENACTED, That the review required under Article 48A, § 490M(c) of the Code shall be completed and a report submitted to the Senate Finance Committee and the House Economic Matters Committee, in accordance with § 2-1312 of the State Government Article, on or before October 1, 1997.

SECTION 9. AND BE IT FURTHER ENACTED, That Sections 2 and 4 of this Act shall take effect October 1, 1997.

SECTION 10. AND BE IT FURTHER ENACTED, That, except as provided in Section 9 of this Act, this Act shall take effect July 1, 1997. It shall remain effective until June 30, 2001 and, at the end of June 30, 2001, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.”.