
By: Delegates Donoghue, Gordon, Crumlin, and Eckardt

Introduced and read first time: January 29, 1997

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 Health Insurance - Individual Market - Substantial, Available, and Affordable Coverage

3 FOR the purpose of authorizing certain insurers, health maintenance organizations,
4 nonprofit health service plans, and fraternal benefit societies to offer substantial,
5 available, and affordable health benefits plans to individuals; requiring the Health
6 Care Access and Cost Commission to adopt regulations specifying benefits for the
7 plans; establishing parameters for adoption of the regulations; and generally
8 relating to substantial, available, and affordable coverage for individuals.

9 BY adding to

10 Article 48A - Insurance Code
11 Section 490S(a-1)
12 Annotated Code of Maryland
13 (1994 Replacement Volume and 1996 Supplement)

14 BY adding to

15 Article - Health - General
16 Section 19-1502(c)(12)
17 Annotated Code of Maryland
18 (1996 Replacement Volume and 1996 Supplement)

19 BY repealing and reenacting, with amendments,

20 Article - Health - General
21 Section 19-1502(c)(10) and (11)
22 Annotated Code of Maryland
23 (1996 Replacement Volume and 1996 Supplement)

24 BY repealing and reenacting, with amendments,

25 Article - Insurance
26 Section 15-604
27 Annotated Code of Maryland
28 (1995 Volume and 1996 Supplement)
29 (As enacted by Chapter _____ (H.B. 11) of the Acts of the General Assembly of 1997)

2

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

3 **Article 48A - Insurance Code**

4 490S.

5 (A-1) (1) THE HEALTH CARE ACCESS AND COST COMMISSION SHALL ADOPT
6 REGULATIONS THAT SPECIFY A PLAN FOR SUBSTANTIAL, AVAILABLE, AND
7 AFFORDABLE COVERAGE THAT SHALL BE OFFERED IN THE NONGROUP MARKET BY
8 A CARRIER THAT QUALIFIES FOR AN APPROVED PURCHASER DIFFERENTIAL
9 UNDER REGULATIONS ADOPTED BY THE HEALTH SERVICES COST REVIEW
10 COMMISSION.

11 (2) IN ESTABLISHING A PLAN UNDER THIS SUBSECTION, THE HEALTH
12 CARE ACCESS AND COST COMMISSION SHALL JUDGE PREVENTIVE SERVICES,
13 MEDICAL TREATMENTS, PROCEDURES, AND RELATED HEALTH SERVICES BASED ON:

14 (I) THEIR EFFECTIVENESS IN IMPROVING THE HEALTH OF
15 INDIVIDUALS;

16 (II) THEIR IMPACT ON MAINTAINING AND IMPROVING HEALTH
17 AND ENCOURAGING CONSUMERS TO USE ONLY THE HEALTH CARE SERVICES THEY
18 NEED; AND

19 (III) THEIR IMPACT ON THE AFFORDABILITY OF HEALTH CARE
20 COVERAGE.

21 (3) THE HEALTH CARE ACCESS AND COST COMMISSION MAY EXCLUDE
22 FROM THE PLAN:

23 (I) A HEALTH CARE SERVICE, BENEFIT, COVERAGE, OR
24 REIMBURSEMENT FOR COVERED HEALTH CARE SERVICES THAT IS REQUIRED
25 UNDER THIS ARTICLE OR THE HEALTH - GENERAL ARTICLE TO BE PROVIDED OR
26 OFFERED IN A HEALTH BENEFIT PLAN THAT IS ISSUED OR DELIVERED IN THE STATE
27 BY A CARRIER; OR

28 (II) REIMBURSEMENT REQUIRED BY STATUTE, BY A HEALTH
29 BENEFIT PLAN FOR A SERVICE WHEN THAT SERVICE IS PERFORMED BY A HEALTH
30 CARE PROVIDER WHO IS LICENSED UNDER THE HEALTH OCCUPATIONS ARTICLE
31 AND WHOSE SCOPE OF PRACTICE INCLUDES THAT SERVICE.

32 (4) THE PLAN SHALL INCLUDE UNIFORM DEDUCTIBLES AND
33 COST-SHARING ASSOCIATED WITH ITS BENEFITS, AS DETERMINED BY THE HEALTH
34 CARE ACCESS AND COST COMMISSION.

35 (5) IN ESTABLISHING COST-SHARING AS PART OF THE PLAN, THE
36 HEALTH CARE ACCESS AND COST COMMISSION SHALL:

37 (I) INCLUDE COST-SHARING AND OTHER INCENTIVES TO HELP
38 CONSUMERS USE ONLY THE SERVICES THEY NEED;

39 (II) BALANCE THE EFFECT OF COST-SHARING IN REDUCING
40 PREMIUMS AND IN AFFECTING UTILIZATION OF APPROPRIATE SERVICES; AND

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1 (III) LIMIT THE TOTAL COST-SHARING THAT MAY BE INCURRED BY
2 AN INDIVIDUAL IN A YEAR.

3 **Article - Health - General**

4 19-1502.

5 (c) The purpose of the Commission is to:

6 (10) Foster the development of practice parameters; [and]

7 (11) Reduce the costs of claims submission and the administration of claims
8 for health care practitioners and payors; AND

9 (12) DEVELOP A UNIFORM SET OF EFFECTIVE BENEFITS TO BE OFFERED
10 AS SUBSTANTIAL, AVAILABLE, AND AFFORDABLE COVERAGE IN THE NONGROUP
11 MARKET IN ACCORDANCE WITH ARTICLE 48A, § 490S(A-1) OF THE CODE.

12 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
13 read as follows:

14 **Article - Insurance**

15 15-604.

16 (A) Each authorized insurer, nonprofit health service plan, and fraternal benefit
17 society, and each managed care organization that is authorized to receive Medicaid
18 prepaid capitation payments under Title 15, Subtitle 1 of the Health - General Article,
19 shall pay hospitals for hospital services rendered on the basis of the rate approved by the
20 Health Services Cost Review Commission.

21 (B) (1) THE HEALTH CARE ACCESS AND COST COMMISSION SHALL ADOPT
22 REGULATIONS THAT SPECIFY A PLAN FOR SUBSTANTIAL, AVAILABLE, AND
23 AFFORDABLE COVERAGE THAT SHALL BE OFFERED IN THE NONGROUP MARKET BY
24 A CARRIER THAT QUALIFIES FOR AN APPROVED PURCHASER DIFFERENTIAL
25 UNDER REGULATIONS ADOPTED BY THE HEALTH SERVICES COST REVIEW
26 COMMISSION.

27 (2) IN ESTABLISHING A PLAN UNDER THIS SUBSECTION, THE HEALTH
28 CARE ACCESS AND COST COMMISSION SHALL JUDGE PREVENTIVE SERVICES,
29 MEDICAL TREATMENTS, PROCEDURES, AND RELATED HEALTH SERVICES BASED ON:

30 (I) THEIR EFFECTIVENESS IN IMPROVING THE HEALTH OF
31 INDIVIDUALS;

32 (II) THEIR IMPACT ON MAINTAINING AND IMPROVING HEALTH
33 AND ENCOURAGING CONSUMERS TO USE ONLY THE HEALTH CARE SERVICES THEY
34 NEED; AND

35 (III) THEIR IMPACT ON THE AFFORDABILITY OF HEALTH CARE
36 COVERAGE.

37 (3) THE HEALTH CARE ACCESS AND COST COMMISSION MAY EXCLUDE
38 FROM THE PLAN:

4

1 (I) A HEALTH CARE SERVICE, BENEFIT, COVERAGE, OR
2 REIMBURSEMENT FOR COVERED HEALTH CARE SERVICES THAT IS REQUIRED
3 UNDER THIS ARTICLE OR THE HEALTH - GENERAL ARTICLE TO BE PROVIDED OR
4 OFFERED IN A HEALTH BENEFIT PLAN THAT IS ISSUED OR DELIVERED IN THE STATE
5 BY A CARRIER; OR

6 (II) REIMBURSEMENT REQUIRED BY STATUTE, BY A HEALTH
7 BENEFIT PLAN FOR A SERVICE WHEN THAT SERVICE IS PERFORMED BY A HEALTH
8 CARE PROVIDER WHO IS LICENSED UNDER THE HEALTH OCCUPATIONS ARTICLE
9 AND WHOSE SCOPE OF PRACTICE INCLUDES THAT SERVICE.

10 (4) THE PLAN SHALL INCLUDE UNIFORM DEDUCTIBLES AND
11 COST-SHARING ASSOCIATED WITH ITS BENEFITS, AS DETERMINED BY THE HEALTH
12 CARE ACCESS AND COST COMMISSION.

13 (5) IN ESTABLISHING COST-SHARING AS PART OF THE PLAN, THE
14 HEALTH CARE ACCESS AND COST COMMISSION SHALL:

15 (I) INCLUDE COST-SHARING AND OTHER INCENTIVES TO HELP
16 CONSUMERS USE ONLY THE HEALTH CARE SERVICES THEY NEED;

17 (II) BALANCE THE EFFECT OF COST-SHARING IN REDUCING
18 PREMIUMS AND IN AFFECTING UTILIZATION OF APPROPRIATE SERVICES; AND

19 (III) LIMIT THE TOTAL COST-SHARING THAT MAY BE INCURRED BY
20 AN INDIVIDUAL IN A YEAR.

21 SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall
22 take effect July 1, 1997 and shall remain in effect until September 30, 1997.

23 SECTION 4. AND BE IT FURTHER ENACTED, That, except for Section 1 of
24 this Act, this Act shall take effect October 1, 1997.