
By: Delegates Crumlin and Eckardt

Introduced and read first time: January 30, 1997

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Mandated Health Insurance Benefits - Process of Evaluation**

3 FOR the purpose of establishing a joint legislative committee on mandated health
4 insurance benefits; requiring the committee to review and evaluate the costs of
5 mandated health insurance benefits on an annual basis; establishing a maximum
6 cost allocable to mandated health insurance benefits under health benefits policies
7 as a percentage of the State average annual wage; requiring the committee to review
8 certain proposals under certain circumstances; requiring certain recommendations
9 and reports under certain circumstances; defining certain terms; repealing the
10 establishment and authority of the Interdepartmental Committee on Mandated
11 Health Insurance Benefits; and generally relating to benefits for health care
12 services.

13 BY repealing

14 Article - Insurance
15 Section 15-1301 through 15-1307, inclusive, and the subtitle "Subtitle 13.
16 Interdepartmental Committee on Mandated Health Insurance Benefits"
17 Annotated Code of Maryland
18 (1995 Volume and 1996 Supplement)
19 (As enacted by Chapter _____ (H.B. 11) of the Acts of the General Assembly of 1997)

20 BY adding to

21 Article - Insurance
22 Section 15-1301 and the new subtitle "Subtitle 13. Health Benefits Evaluation"
23 Annotated Code of Maryland
24 (1995 Volume and 1996 Supplement)
25 (As enacted by Chapter _____ (H.B. 11) of the Acts of the General Assembly of 1997)

26 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
27 MARYLAND, That Section(s) 15-1301 through 15-1307, inclusive, and the subtitle
28 "Subtitle 13. Interdepartmental Committee on Mandated Health Insurance Benefits" of
29 Article - Insurance of the Annotated Code of Maryland (as enacted by Chapter _____ (H.B.
30 11) of the Acts of the General Assembly of 1997) be repealed.

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

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1 **Article - Insurance**

2 SUBTITLE 13. HEALTH BENEFITS EVALUATION.

3 15-1301.

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

6 (2) (I) "MANDATED HEALTH INSURANCE BENEFIT" MEANS A
7 LEGISLATIVE PROPOSAL OR A STATUTE THAT WOULD REQUIRE A PARTICULAR
8 HEALTH CARE SERVICE, BENEFIT, COVERAGE, OR REIMBURSEMENT FOR COVERED
9 HEALTH CARE SERVICES TO BE PROVIDED OR OFFERED IN A HEALTH BENEFIT
10 PLAN, BY A CARRIER OR OTHER ORGANIZATION AUTHORIZED TO PROVIDE
11 HEALTH BENEFIT PLANS IN THE STATE.

12 (II) "MANDATED HEALTH INSURANCE BENEFIT" INCLUDES A
13 LEGISLATIVE PROPOSAL OR A STATUTE THAT WOULD REQUIRE A HEALTH BENEFIT
14 PLAN THAT PROVIDES REIMBURSEMENT FOR A SERVICE TO PROVIDE
15 REIMBURSEMENT FOR THAT SERVICE WHEN PERFORMED BY ANY HEALTH CARE
16 PROVIDER WHO IS LICENSED UNDER THE HEALTH OCCUPATIONS ARTICLE AND
17 WHOSE SCOPE OF PRACTICE INCLUDES THAT SERVICE.

18 (III) "MANDATED HEALTH INSURANCE BENEFIT", AS APPLICABLE
19 TO ALL CARRIERS, DOES NOT INCLUDE SERVICES ENUMERATED TO DESCRIBE A
20 HEALTH MAINTENANCE ORGANIZATION UNDER HEALTH - GENERAL ARTICLE §
21 19-701(F)(2).

22 (3) "COMMITTEE" MEANS THE JOINT COMMITTEE ON MANDATED
23 HEALTH INSURANCE BENEFITS.

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

26 (2) THE COMMITTEE CONSISTS OF:

27 (I) FIVE MEMBERS OF THE HOUSE OF DELEGATES DESIGNATED
28 BY THE SPEAKER OF THE HOUSE; AND

29 (II) FIVE MEMBERS OF THE SENATE DESIGNATED BY THE
30 PRESIDENT OF THE SENATE.

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

36 (C) (1) THE COMMITTEE SHALL REVIEW AND EVALUATE THE COST OF ALL
37 MANDATED HEALTH INSURANCE BENEFITS ON AN ANNUAL BASIS.

1 (2) THE AVERAGE COST OF ALL MANDATED HEALTH INSURANCE
2 BENEFITS FOR HEALTH BENEFITS POLICIES MAY NOT EXCEED 0.2 PERCENT OF THE
3 MARYLAND'S AVERAGE ANNUAL WAGE.

4 (3) IF THE COMMITTEE FINDS THAT THE AVERAGE COST OF ALL
5 MANDATED HEALTH INSURANCE BENEFITS EXCEEDS 0.2 PERCENT OF MARYLAND'S
6 AVERAGE ANNUAL WAGE, THE COMMITTEE SHALL RECOMMEND TO THE
7 LEGISLATIVE POLICY COMMITTEE BY DECEMBER 1 OF THAT YEAR WHICH
8 MANDATED HEALTH INSURANCE BENEFITS TO MODIFY OR ELIMINATE.

9 (D) (1) THE COMMITTEE SHALL REVIEW A PROPOSED MANDATED HEALTH
10 INSURANCE BENEFIT AS DESIGNATED BY THE LEGISLATIVE POLICY COMMITTEE.

11 (2) IN REVIEWING A PROPOSED MANDATED HEALTH INSURANCE
12 BENEFIT, THE JOINT COMMITTEE SHALL CONSIDER:

13 (I) THE COST OF ALL MANDATED HEALTH INSURANCE BENEFITS;

14 (II) THE EFFECTIVENESS OF THE MANDATED HEALTH INSURANCE
15 BENEFIT ON IMPROVING THE HEALTH STATUS OF MARYLANDERS;

16 (III) THE PERCENTAGE OF THE MARYLAND POPULATION
17 BENEFITTING FROM THE MANDATED HEALTH INSURANCE BENEFIT;

18 (IV) THE EXTENT TO WHICH THE MANDATED HEALTH INSURANCE
19 IMPACTS A PARTICULAR TYPE OF HEALTH CARE PRACTITIONER;

20 (V) THE EXTENT TO WHICH THE MANDATED HEALTH INSURANCE
21 BENEFIT IS COVERED BY SELF-FUNDED EMPLOYER GROUPS; AND

22 (VI) DETERMINE THE IMPACT OF ALL MANDATED HEALTH
23 INSURANCE BENEFITS ON EMPLOYER'S ABILITY TO PURCHASE HEALTH BENEFITS
24 POLICIES MEETING THEIR EMPLOYEES' NEEDS.

25 (E) THE COMMITTEE SHALL REPORT ITS FINDINGS AND ANY
26 RECOMMENDATIONS TO THE LEGISLATIVE POLICY COMMITTEE BY DECEMBER 1 OF
27 EACH YEAR.

28 SECTION 3. AND BE IT FURTHER ENACTED, That, the Department of Fiscal
29 Services and the Department of Legislative Reference shall provide staff support to the
30 Joint Committee on Mandated Health Insurance Benefits and may contract for actuarial
31 services and other professional services to carry out the provisions of this Act. In
32 determining the average cost of mandated benefits per policy the Committee shall
33 consider all group and individual policies sold in the State, including to public employers.

34 SECTION 4. AND BE IT FURTHER ENACTED, That the Committee may make
35 reasonable request upon carriers to submit data on the cost of a mandated benefit,
36 utilization of a mandated benefit, or other information as determined appropriate to
37 carry out the provisions of this Act.

38 SECTION 5. AND BE IT FURTHER ENACTED, That a member of the General
39 Assembly may pre-file a proposal for a mandated health insurance benefit. If a member
40 of the General Assembly pre-files a proposal for a mandated health insurance benefit by

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1 July 1 of any year, the Legislative Policy Committee shall require the Joint Committee on
2 Mandated Health Insurance Benefits to review and evaluate the proposal and make a
3 recommendation to the Legislative Policy Committee by December 1 of the same year.

4 SECTION 6. AND BE IT FURTHER ENACTED, That this Act shall take effect
5 October 1, 1997.