
By: Delegate Fulton

Introduced and read first time: January 31, 1997

Assigned to: Economic Matters

A BILL ENTITLED

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; providing that a certain right of an injured employee is
7 not limited; requiring certain notice under certain circumstances; allowing the
8 Board for the Injured Workers' Insurance Fund to offer certain managed care
9 programs under certain circumstances; allowing the Board to designate certain
10 providers; requiring the Insurance Commissioner to collect certain information
11 from insurers and the Injured Workers' Insurance Fund and to report to the
12 General Assembly by a certain date on a certain effect of certain managed care
13 plans; and generally relating to rate credits for workers' compensation insurance to
14 be filed before use and providing for approval of those rate credits.

15 BY repealing and reenacting, with amendments,

16 Article - Insurance
17 Section 11-329(f)
18 Annotated Code of Maryland
19 (1995 Volume and 1996 Supplement)
20 (As enacted by Chapter____(H.B.11) of the Acts of the General Assembly of 1997)

21 BY adding to

22 Article - Insurance
23 Section 11-330(h)
24 Annotated Code of Maryland
25 (1995 Volume and 1996 Supplement)
26 (As enacted by Chapter____(H.B.11) of the Acts of the General Assembly of 1997)

27 BY adding to

28 Article - Labor and Employment
29 Section 10-115
30 Annotated Code of Maryland
31 (1991 Volume and 1996 Supplement)

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

3 **Article - Insurance**

4 11-329.

5 (f) (1) [The] EXCEPT AS PROVIDED IN § 11-330(H) OF THIS SUBTITLE, THE
6 uniform experience rating plan shall be the exclusive means of providing prospective
7 premium adjustment based on measurement of the loss-producing characteristics of an
8 individual insured.

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

11 11-330.

12 (H) (1) AN INSURER OFFERING WORKERS' COMPENSATION INSURANCE:

13 (I) MAY USE PROSPECTIVE RATE CREDITS FOR EMPLOYERS THAT
14 AGREE TO USE A MANAGED CARE PLAN OFFERED BY THE INSURER; AND

15 (II) SHALL FILE THE RATE CREDIT WITH THE COMMISSIONER.

16 (2) (I) THIS SUBSECTION DOES NOT LIMIT THE RIGHT OF AN INJURED
17 EMPLOYEE TO SEEK TREATMENT FROM A MEDICAL CARE PROVIDER OF THE
18 EMPLOYEE'S CHOICE.

19 (II) AN INSURER THAT OFFERS A MANAGED CARE PLAN IN
20 ACCORDANCE WITH THIS SUBSECTION SHALL PROVIDE WRITTEN NOTICE OF
21 PARAGRAPH (1) OF THIS SUBSECTION TO AN INJURED EMPLOYEE.

22 **Article - Labor and Employment**

23 10-115.

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

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

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

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

34 SECTION 2. AND BE IT FURTHER ENACTED, That the Insurance
35 Commissioner shall collect information from insurers using managed care plans and from
36 the Injured Workers' Insurance Fund to determine the availability and use of such plans
37 in the State, and may obtain relevant supplemental information from the National
38 Council on Compensation Insurance. The Insurance Commissioner shall prepare a report

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1 containing the information and submit the report to the General Assembly not later than
2 October 1, 2001 in accordance with § 2-1312 of the State Government Article.

3 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 October 1, 1997.