
By: Delegate Kelly

Introduced and read first time: January 31, 1997

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance - Small Group Market - Medical Savings Accounts**

3 FOR the purpose of requiring the Health Care Access and Cost Commission to adopt
4 regulations establishing a modified health benefit plan in the small group market for
5 medical savings accounts that qualify under the federal Health Insurance Portability
6 and Accountability Act of 1996; requiring the regulations to include certain
7 elements; altering a certain requirement on health benefits carriers relating to
8 minimum participation in health benefits plans; and generally relating to medical
9 savings accounts.

10 BY repealing and reenacting, with amendments,
11 Article 48A - Insurance Code
12 Section 698(q)(3)(i) and 700(a)(1)
13 Annotated Code of Maryland
14 (1994 Replacement Volume and 1996 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article - Health - General
17 Section 19-1502(c)(5)
18 Annotated Code of Maryland
19 (1996 Replacement Volume and 1996 Supplement)

20 BY repealing and reenacting, with amendments,
21 Article - Insurance
22 Section 15-1206(c) and 15-1207(a)
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
26 1997)

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

2

1 **Article 48A - Insurance Code**

2 698.

3 (q) (3) (i) A carrier may not impose a minimum participation requirement
4 [for a small employer]:

5 1. FOR A SMALL EMPLOYER GROUP IF ANY MEMBER OF THE
6 GROUP PARTICIPATES IN A MEDICAL SAVINGS ACCOUNT THAT QUALIFIES UNDER
7 THE FEDERAL HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF
8 1996; OR

9 2. FOR ANY OTHER SMALL EMPLOYER GROUP that is greater
10 than 75 percent of eligible employees of the small employer.

11 700.

12 (a) (1) [The] IN ACCORDANCE WITH TITLE 19, SUBTITLE 15 OF THE HEALTH
13 - GENERAL ARTICLE, THE Commission shall adopt regulations specifying:

14 (I) [the] THE Comprehensive Standard Health Benefit Plan to apply
15 under this subtitle[, in accordance with the provisions of Title 19, Subtitle 15 of the
16 Health - General Article]; AND

17 (II) A MODIFIED HEALTH BENEFIT PLAN FOR MEDICAL SAVINGS
18 ACCOUNTS THAT QUALIFY UNDER THE FEDERAL HEALTH INSURANCE
19 PORTABILITY AND ACCOUNTABILITY ACT OF 1996, INCLUDING:

20 1. A WAIVER OF DEDUCTIBLES AS PERMITTED UNDER
21 FEDERAL LAW;

22 2. MINIMUM FUNDING STANDARDS FOR MEDICAL SAVINGS
23 ACCOUNTS; AND

24 3. AUTHORIZATION FOR OFFERING THE MODIFIED PLAN
25 ONLY BY THOSE PERSONS WHO OFFER THE COMPREHENSIVE STANDARD HEALTH
26 BENEFIT PLAN ADOPTED IN ACCORDANCE WITH ITEM (I) OF THIS PARAGRAPH.

27 **Article - Health - General**

28 19-1502.

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

30 (5) [Develop] IN ACCORDANCE WITH TITLE 15, SUBTITLE 12 OF THE
31 INSURANCE ARTICLE, DEVELOP:

32 (I) [a] A uniform set of effective benefits to be included in the
33 comprehensive standard health benefit plan [to apply under Subtitle 55 of Article 48A of
34 the Code]; AND

35 (II) A MODIFIED HEALTH BENEFIT PLAN FOR MEDICAL SAVINGS
36 ACCOUNTS;

3

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

3 **Article - Insurance**

4 15-1206.

5 (c) (1) Subject to the approval of the Commissioner and as provided under this
6 subsection and § 15-1209(d) of this subtitle, a carrier may impose reasonable minimum
7 participation requirements.

8 (2) A carrier may not impose a requirement for minimum participation by
9 the eligible employees of a small employer that is greater than 75%.

10 (3) In applying a minimum participation requirement to determine whether
11 the applicable percentage of participation is met, a carrier may not consider as eligible
12 employees those who have coverage under a public or private plan of health insurance or
13 another health benefit arrangement, including Medicare, Medicaid, and CHAMPUS, that
14 provides benefits similar to or exceeding the benefits provided under the Standard Plan.

15 (4) A CARRIER MAY NOT IMPOSE A MINIMUM PARTICIPATION
16 REQUIREMENT FOR A SMALL EMPLOYER GROUP IF ANY MEMBER OF THE GROUP
17 PARTICIPATES IN A MEDICAL SAVINGS ACCOUNT.

18 15-1207.

19 (a) [The] IN ACCORDANCE WITH TITLE 19, SUBTITLE 15 OF THE HEALTH -
20 GENERAL ARTICLE, THE Commission shall adopt regulations that specify:

21 (1) the Comprehensive Standard Health Benefit Plan to apply under this
22 subtitle[, in accordance with Title 19, Subtitle 15 of the Health - General Article]; AND

23 (2) A MODIFIED HEALTH BENEFIT PLAN FOR MEDICAL SAVINGS
24 ACCOUNTS THAT QUALIFY UNDER THE FEDERAL HEALTH INSURANCE
25 PORTABILITY AND ACCOUNTABILITY ACT OF 1996, INCLUDING:

26 (I) A WAIVER OF DEDUCTIBLES AS PERMITTED UNDER FEDERAL
27 LAW;

28 (II) MINIMUM FUNDING STANDARDS FOR MEDICAL SAVINGS
29 ACCOUNTS; AND

30 (III) AUTHORIZATION FOR OFFERING THE MODIFIED PLAN ONLY
31 BY THOSE PERSONS WHO OFFER THE COMPREHENSIVE STANDARD HEALTH
32 BENEFIT PLAN ADOPTED IN ACCORDANCE WITH ITEM (1) OF THIS SUBSECTION.

33 SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall
34 take effect June 1, 1997.

35 SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall
36 take effect October 1, 1997.