

SENATE BILL 700

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1999 Regular Session
9lr2318
CF 9lr2196

By: **Senator Bromwell**

Introduced and read first time: February 19, 1999

Assigned to: Rules

Re-referred to: Finance, February 25, 1999

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 29, 1999

CHAPTER _____

1 AN ACT concerning

2 **Task Force to Study ~~Increasing Health Insurance Coverage for Individuals~~**
3 **~~in~~ the Non-Group Health Insurance Market**

4 FOR the purpose of establishing a Task Force to Study ~~Increasing Health Insurance~~
5 ~~Coverage for Individuals in~~ the Non-Group Health Insurance Market;
6 establishing the membership of the Task Force; establishing duties of the Task
7 Force; requiring the Task Force to make certain recommendations and to take
8 into account and examine certain issues; providing that the Task Force shall be
9 staffed to the extent possible by the Maryland Insurance Administration, in
10 cooperation with Administration and the Health Care Access and Cost
11 Commission, within existing budgeted resources Commission shall provide staff
12 support to the Task Force; requiring the Task Force to issue a preliminary report
13 and a final report of its findings, recommendations, and comprehensive strategy
14 by a certain date findings and recommendations by certain dates; providing that
15 the implementation of a certain substantial, available, and affordable coverage
16 product shall be suspended until the Task Force issues a certain preliminary
17 report; and generally relating to health benefit plans the non-group health
18 insurance market.

19 BY adding to

20 Article - Insurance

21 Section 15-126

22 Annotated Code of Maryland

23 (1997 Volume and 1998 Supplement)

1 Preamble

2 WHEREAS, The Health Care Access and Cost Commission's State Health Care
3 Expenditures Report for December 1998 indicates that 13.4 % of the residents of
4 Maryland, approximately 680,000 individuals, were without health insurance in
5 1997; and

6 WHEREAS, The high cost of health insurance coverage is one of the primary
7 reasons individuals do not receive coverage; and

8 WHEREAS, Many uninsured residents of Maryland are willing to purchase
9 health care coverage but are unable to access or afford the health insurance
10 premiums; and

11 WHEREAS, Uncompensated care in Maryland has risen from \$354 million in
12 1992 to \$436 million in 1997; and

13 WHEREAS, Changes made by the passage of the Health Insurance Portability
14 and ~~Accessibility~~ Accountability Act of 1997 have impacted the nongroup health
15 insurance market in Maryland; and

16 WHEREAS, Recommendations have been made to make changes to the State's
17 Substantial, ~~Affordable, and Accessible~~ Available, and Affordable Coverage Program;
18 and

19 WHEREAS, It is a public policy goal of the Maryland General Assembly to move
20 forward towards the goal of a health care delivery system that is accessible and
21 affordable; and

22 WHEREAS, Several issues have arisen in small group market reform related to
23 self-employed individuals and part-time individuals in obtaining health care
24 coverage; and

25 ~~WHEREAS, The federal government and the United States Congress have~~
26 ~~failed to act promptly in enacting legislative reforms for individuals obtaining health~~
27 ~~coverage in the non-group market; now, therefore,~~

28 WHEREAS, Current individual health insurance products are experiencing
29 substantial premium increases which threaten the continued availability and
30 affordability of individual health insurance; now, therefore,

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

33 **Article - Insurance**

34 15-126.

35 (A) THERE IS A TASK FORCE TO STUDY ~~INCREASING HEALTH INSURANCE~~
36 ~~COVERAGE FOR INDIVIDUALS IN THE NON-GROUP HEALTH INSURANCE MARKET.~~

1 (B) THE TASK FORCE CONSISTS OF THE FOLLOWING MEMBERS:

2 (1) A MEMBER OF THE HOUSE OF DELEGATES, APPOINTED BY THE
3 SPEAKER;

4 (2) A MEMBER OF THE SENATE, APPOINTED BY THE PRESIDENT;

5 (3) THE MARYLAND INSURANCE COMMISSIONER;

6 (4) THE EXECUTIVE DIRECTOR OF THE HEALTH CARE ACCESS AND COST
7 COMMISSION;

8 (5) THE EXECUTIVE DIRECTOR OF THE HEALTH SERVICES COST REVIEW
9 COMMISSION;

10 (6) A REPRESENTATIVE OF ~~THE LEAGUE OF LIFE AND HEALTH~~
11 ~~INSURERS OF MARYLAND~~ AN INSURER THAT MARKETS INDIVIDUAL POLICIES IN
12 MARYLAND, APPOINTED BY THE COMMISSIONER;

13 (7) A REPRESENTATIVE OF ~~A CARRIER WHO OPERATES ONLY IN THE~~
14 ~~INDIVIDUAL MARKET~~ AN INSURER THAT MARKETS SMALL GROUP POLICIES IN
15 MARYLAND, APPOINTED BY THE COMMISSIONER;

16 (8) A REPRESENTATIVE OF ~~THE HEALTH INSURANCE ASSOCIATION OF~~
17 ~~AMERICA~~ A HEALTH MAINTENANCE ORGANIZATION THAT MARKETS INDIVIDUAL
18 POLICIES IN MARYLAND, APPOINTED BY THE COMMISSIONER;

19 (9) A REPRESENTATIVE OF A HEALTH MAINTENANCE ORGANIZATION
20 ~~THAT PARTICIPATES IN THE SMALL GROUP MARKET~~ MARKETS SMALL GROUP
21 POLICIES IN MARYLAND, APPOINTED BY THE COMMISSIONER;

22 (10) A REPRESENTATIVE OF THE MARYLAND ASSOCIATION OF LIFE
23 UNDERWRITERS OR MARYLAND ASSOCIATION OF HEALTH UNDERWRITERS,
24 APPOINTED BY THE COMMISSIONER; ~~AND~~

25 (11) A CONSUMER REPRESENTATIVE WHO HAS HEALTH INSURANCE
26 COVERAGE WITH A CARRIER OPERATING IN THE INDIVIDUAL MARKET, APPOINTED
27 BY THE ~~COMMISSIONER~~ COMMISSIONER; AND

28 (12) TWO PUBLIC MEMBERS WITH EXPERIENCE OR KNOWLEDGE OF
29 HEALTH INSURANCE, APPOINTED BY THE COMMISSIONER.

30 (C) THE TASK FORCE SHALL BE JOINTLY CHAIRED BY THE COMMISSIONER
31 AND EXECUTIVE DIRECTOR OF THE HEALTH CARE ACCESS AND COST COMMISSION.

32 ~~(D) THE TASK FORCE SHALL DEVELOP A COMPREHENSIVE REPORT AND~~
33 ~~STRATEGY FOR INCREASING HEALTH INSURANCE COVERAGE FOR INDIVIDUALS IN~~
34 ~~THE NON-GROUP HEALTH INSURANCE MARKET BY:~~

35 (1) ~~EXAMINING THE SCOPE AND NATURE OF THE UNINSURED~~
36 ~~POPULATION IN THE STATE;~~

1 ~~(2)~~ ~~DETERMINING WHAT CHANGES OR RECOMMENDATIONS SHOULD BE~~
 2 ~~PROPOSED TO THE STATE'S NON-GROUP MARKET TAKING INTO ACCOUNT AND~~
 3 ~~EXAMINING ISSUES RELATED TO:~~

4 (D) THE TASK FORCE SHALL REVIEW AND STUDY THE CHARACTERISTICS OF
 5 THE NON-GROUP MARKET, INCLUDING:

6 (1) AN ANALYSIS AND SURVEY OF NON-GROUP PRODUCTS AVAILABLE
 7 IN MARYLAND;

8 (2) THE DEMOGRAPHICS OF THOSE INSURED IN THE NON-GROUP
 9 MARKET;

10 (3) THE AFFORDABILITY OF NON-GROUP PRODUCTS AND PRICING
 11 CONSIDERATIONS IN THE NON-GROUP MARKET; AND

12 (4) TRENDS IN PREMIUM IN NON-GROUP PRODUCTS.

13 (E) BASED ON ITS ANALYSIS OF THE NON-GROUP MARKET, THE TASK FORCE
 14 SHALL RECOMMEND WHETHER CHANGES SHOULD BE MADE TO STATE LAWS
 15 GOVERNING MARYLAND'S NON-GROUP MARKET, TAKING INTO ACCOUNT AND
 16 EXAMINING ISSUES RELATED TO:

17 ~~(I)~~ (1) THE HEALTH INSURANCE PORTABILITY AND
 18 ~~ACCESSIBILITY~~ ACCOUNTABILITY ACT OF 1997;

19 ~~(II)~~ (2) THE SUBSTANTIAL, ~~AFFORDABLE, AND ACCESSIBLE~~
 20 AVAILABLE, AND AFFORDABLE COVERAGE PROGRAM;

21 ~~(III)~~ (3) THE SMALL GROUP MARKET PLAN;

22 ~~(IV)~~ (4) SELF-EMPLOYED AND PART-TIME INDIVIDUALS;

23 ~~(V)~~ (5) SUPPLEMENTAL POLICIES, INCLUDING STANDARDIZED
 24 AND PRESTANDARDIZED PRODUCTS, FOR MEDICARE;

25 ~~(VI)~~ (6) THE CREATION OF HIGH-RISK POOLS; ~~AND~~

26 (7) CROSS-SUBSIDIZATION BETWEEN GROUP AND NON-GROUP
 27 PRODUCTS; AND

28 ~~(VII)~~ (8) PROVIDING INDIVIDUALS WITH INSURANCE THROUGH A
 29 LIST BILLING MECHANISM PROVIDED ON A PRETAX DOLLAR BASIS.

30 ~~(E)~~ (F) A MEMBER OF THE TASK FORCE:

31 (1) MAY NOT RECEIVE COMPENSATION FOR SERVICE ON THE TASK
 32 FORCE; BUT

33 (2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE
 34 STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

1 (F) ~~THE MARYLAND INSURANCE ADMINISTRATION, IN COOPERATION WITH~~
2 ~~THE HEALTH CARE ACCESS AND COST COMMISSION, SHALL PROVIDE STAFF~~
3 ~~SUPPORT FOR THE TASK FORCE TO THE EXTENT POSSIBLE WITHIN EXISTING~~
4 ~~BUDGETED RESOURCES.~~

5 (G) ~~THE TASK FORCE SHALL SUBMIT A FINAL REPORT OF ITS FINDINGS,~~
6 ~~RECOMMENDATIONS, AND COMPREHENSIVE STRATEGY, AS PROVIDED IN § 2-1246 OF~~
7 ~~THE STATE GOVERNMENT ARTICLE, TO THE SPEAKER OF THE HOUSE OF DELEGATES~~
8 ~~AND THE PRESIDENT OF THE SENATE ON OR BEFORE DECEMBER 15, 1999.~~

9 (G) THE MARYLAND INSURANCE ADMINISTRATION AND THE HEALTH CARE
10 ACCESS AND COST COMMISSION SHALL PROVIDE STAFF SUPPORT FOR THE TASK
11 FORCE.

12 (H) THE TASK FORCE SHALL SUBMIT A PRELIMINARY REPORT OF ITS
13 FINDINGS AND RECOMMENDATIONS TO THE GOVERNOR AND, SUBJECT TO § 2-1246
14 OF THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY ON OR BEFORE
15 DECEMBER 15, 1999 AND A FINAL REPORT IN THE SAME MANNER ON OR BEFORE
16 DECEMBER 15, 2000.

17 SECTION 2. AND BE IT FURTHER ENACTED, That the implementation of a
18 substantial, available, and affordable coverage product in a form other than that
19 which was required or approved on July 1, 1998 shall be suspended until after the
20 Task Force issues the preliminary report required in Section 1 of this Act.

21 SECTION 2-3. AND BE IT FURTHER ENACTED, That this Act shall take
22 effect July 1, June 1, 1999.