

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE
Revised

House Bill 43 (Chairman, Economic Matters Committee)
(Departmental - Maryland Insurance Administration)

Economic Matters

Health Insurance - Standard Policy Provisions - Task Force to Study the Non-Group Health Insurance Market

This departmental bill creates a 14-member task force to study the characteristics of the non-group health insurance market. The task force must study the non-group products available in Maryland, the demographics of those insured in the non-group market, the affordability of non-group products, and trends in non-group premiums. The Maryland Insurance Administration and the Health Care Access and Cost Commission will provide staff support to the task force. The task force must submit a preliminary report of its findings and recommendations to the General Assembly by December 15, 1999 and a final report by December 15, 2000. The bill also suspends the implementation of a substantial, available, and affordable coverage (SAAC) product until after the task force issues its preliminary report.

The bill also requires the Insurance Commissioner to adopt regulations that determine standard policy provisions for all contracts and policies issued by an insurer, nonprofit health service plan, and HMO (carrier). The regulations must be submitted to the Administrative, Executive, and Legislative Review Committee by January 1, 2000. In addition, the bill repeals law requiring standard policy provisions for group health and blanket health insurance policies. The repeal of these provisions takes effect on the date the regulations take effect.

The task force and SAAC provisions are effective June 1, 1999. The regulation provisions are effective October 1, 1999.

Fiscal Summary

State Effect: None. Expenses associated with staffing the task force could be handled with existing resources of the Maryland Insurance Administration and the Health Care Access and Cost Commission, as could any expense reimbursements for task force members. The promulgations of regulations could be handled with existing Maryland Insurance Administration resources.

Local Effect: None.

Small Business Effect: The Maryland Insurance Administration (MIA) has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Fiscal Analysis

State Effect: The MIA currently requires insurance policies to include standard policy provisions. The regulations that MIA adopts are expected to codify current practice. Consequently, carriers will not amend their policies as a result of this bill. General fund revenues would not be affected in regard to rate and form filings with the MIA.

Information Source(s): Maryland Insurance Administration, Department of Health and Mental Hygiene

Fiscal Note History: First Reader - January 25, 1999
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