

SENATE BILL 457

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2001 Regular Session
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By: **Senators Bromwell and Van Hollen**

Introduced and read first time: February 2, 2001

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance - Study of Maryland's Small Group Market**

3 FOR the purpose of requiring the Department of Budget and Management to issue a
4 certain request for proposal for an independent consultant to conduct a certain
5 study; providing for the funding of the study; specifying the scope of the study;
6 requiring the independent consultant contracted by the Department to conclude
7 its report by a certain date, to report to the Governor and the General Assembly
8 by a certain date in a certain manner, and to provide a copy of the report to
9 certain entities; providing for the termination of this Act; and generally relating
10 to a study of Maryland's small group health insurance market.

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
12 MARYLAND, That:

13 (a) the Department of Budget and Management shall issue a request for
14 proposal that outlines the requirements and details of a contract for an independent
15 consultant to study Maryland's small group health insurance market;

16 (b) funding for the study, not to exceed \$75,000, shall be included in the State
17 budget for fiscal 2002;

18 (c) the study shall include:

19 (1) an analysis of:

20 (i) the benefits offered under Maryland's comprehensive standard
21 health benefit plan, including a comparative analysis of the benefits of similar
22 coverage offered in other states;

23 (ii) the affordability of Maryland's comprehensive standard health
24 benefit plan, including a comparative analysis of the costs of similar coverage offered
25 in other states; and

26 (iii) the rating factors used in Maryland's small group market,
27 compared with the rating factors used in other states for similar markets; and

1 (2) recommendations for changes to Maryland's comprehensive standard
2 health benefit plan or to the rating factors used in Maryland's small group market to
3 make coverage under the plan more affordable and accessible to small businesses and
4 individuals in Maryland, including an analysis of the impact that any
5 recommendation may have on the scope and the quality of the coverage of the plan;
6 and

7 (d) the independent consultant contracted by the Department shall:

8 (1) conclude its report on or before November 1, 2001;

9 (2) report, in accordance with § 2-1246 of the State Government Article,
10 to the Governor and the General Assembly on or before December 1, 2001; and

11 (3) provide a copy of the report to the Maryland Insurance
12 Administration and Maryland Health Care Commission.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
14 June 1, 2001. At the end of December 1, 2001, with no further action required by the
15 General Assembly, this Act shall be abrogated and of no further force and effect.