

SENATE BILL 458

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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

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A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance - Substantial, Available, and Affordable Coverage**

3 FOR the purpose of requiring certain carriers to provide an individual with specific  
4 information regarding the availability of substantial, available, and affordable  
5 coverage in a certain form and manner under certain circumstances; requiring  
6 the Insurance Commissioner to adopt certain regulations; requiring the  
7 Insurance Commissioner to develop a mechanism to provide certain information  
8 through certain media to individuals, on request, about the availability of  
9 substantial, available, and affordable coverage; requiring the Department of  
10 Budget and Management to issue a certain request for proposal for an  
11 independent consultant to conduct a certain study; providing for the funding of  
12 the study; specifying the scope of the study; requiring the independent  
13 consultant contracted by the Department to conclude its report by a certain  
14 date, to report to the Governor and the General Assembly by a certain date in a  
15 certain manner, and to provide a copy of the report to certain entities; providing  
16 for the application of certain portions of this Act; providing for the termination of  
17 certain portions of this Act; defining certain terms; and generally relating to the  
18 substantial, available, and affordable coverage health insurance program.

19 BY adding to  
20 Article - Insurance  
21 Section 15-606.1  
22 Annotated Code of Maryland  
23 (1997 Volume and 2000 Supplement)

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

26 **Article - Insurance**

27 15-606.1.

28 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
29 INDICATED.

(2) "CARRIER" MEANS:

(I) AN INSURER;

(II) A NONPROFIT HEALTH SERVICE PLAN;

(III) A HEALTH MAINTENANCE ORGANIZATION;

(IV) A DENTAL PLAN ORGANIZATION; OR

(V) ANY OTHER PERSON THAT PROVIDES HEALTH BENEFIT PLANS  
SUBJECT TO REGULATION BY THE STATE.

(3) "SUBSTANTIAL, AVAILABLE, AND AFFORDABLE COVERAGE" REFERS  
TO THE COVERAGE THAT IS OFFERED IN THE NONGROUP HEALTH INSURANCE  
MARKET UNDER THE REGULATIONS ADOPTED UNDER § 15-606 OF THIS ARTICLE.

(B) THIS SECTION APPLIES TO CARRIERS THAT OFFER MEDICALLY  
UNDERWRITTEN HEALTH INSURANCE IN THE NONGROUP MARKET IN THE STATE.

(C) (1) IF A CARRIER DENIES MEDICALLY UNDERWRITTEN HEALTH  
INSURANCE FOR AN INDIVIDUAL IN THE NONGROUP MARKET, THE CARRIER SHALL  
PROVIDE THE INDIVIDUAL WITH SPECIFIC INFORMATION REGARDING THE  
AVAILABILITY OF SUBSTANTIAL, AVAILABLE, AND AFFORDABLE COVERAGE IN THE  
FORM AND MANNER REQUIRED BY THE INSURANCE COMMISSIONER THROUGH  
REGULATION.

(2) THE INSURANCE COMMISSIONER SHALL:

(I) ADOPT REGULATIONS TO FACILITATE THE IMPLEMENTATION  
OF PARAGRAPH (1) OF THIS SUBSECTION; AND

(II) DEVELOP A MECHANISM TO PROVIDE VERBALLY, IN WRITING,  
OR BY ELECTRONIC MEANS, INFORMATION TO INDIVIDUALS, ON REQUEST, ABOUT  
THE AVAILABILITY OF SUBSTANTIAL, AVAILABLE, AND AFFORDABLE COVERAGE.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) the Department of Budget and Management shall issue a request for  
proposal that outlines the requirements and details of a contract for an independent  
consultant to study Maryland's substantial, available, and affordable coverage  
program;

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

(c) the study shall include:

(1) an analysis of:

1 (i) the benefits offered in the substantial, available, and affordable  
2 coverage program by type of policy;

3 (ii) the pricing of products in the substantial, available, and  
4 affordable coverage program and the relationship of pricing to the benefits offered;

5 (iii) the relationship between averted uncompensated care costs,  
6 medical losses sustained under the substantial, available, and affordable coverage  
7 program, and the purchaser differential granted to participating carriers; and

8 (iv) the mechanisms for coverage offered to high-risk individuals in  
9 other states, including high-risk pools and reinsurance programs; and

10 (2) recommendations for changes to Maryland's substantial, available,  
11 and affordable coverage program to make coverage more affordable and accessible to  
12 high-risk individuals in Maryland; and

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

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

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

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

19 SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall  
20 take effect October 1, 2001.

21 SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in  
22 Section 3 of this Act, this Act shall take effect June 1, 2001. At the end of December 1,  
23 2001, with no further action required by the General Assembly, Section 2 of this Act  
24 shall be abrogated and of no further force and effect.