
By: **Senators Bromwell and Van Hollen**
Introduced and read first time: February 2, 2001
Assigned to: Finance

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: February 28, 2001

CHAPTER _____

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:

1 **Article - Insurance**

2 15-606.1.

3 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
4 INDICATED.

5 (2) "CARRIER" MEANS:

6 (I) AN INSURER;

7 (II) A NONPROFIT HEALTH SERVICE PLAN;

8 (III) A HEALTH MAINTENANCE ORGANIZATION;

9 (IV) A DENTAL PLAN ORGANIZATION; OR

10 (V) ANY OTHER PERSON THAT PROVIDES HEALTH BENEFIT PLANS
11 SUBJECT TO REGULATION BY THE STATE.12 (3) "SUBSTANTIAL, AVAILABLE, AND AFFORDABLE COVERAGE" REFERS
13 TO THE COVERAGE THAT IS OFFERED IN THE NONGROUP HEALTH INSURANCE
14 MARKET UNDER THE REGULATIONS ADOPTED UNDER § 15-606 OF THIS ARTICLE.15 (B) THIS SECTION APPLIES TO CARRIERS THAT OFFER MEDICALLY
16 UNDERWRITTEN HEALTH INSURANCE IN THE NONGROUP MARKET IN THE STATE.17 (C) (1) IF A CARRIER DENIES MEDICALLY UNDERWRITTEN HEALTH
18 INSURANCE FOR AN INDIVIDUAL IN THE NONGROUP MARKET, THE CARRIER SHALL
19 PROVIDE THE INDIVIDUAL WITH SPECIFIC INFORMATION REGARDING THE
20 AVAILABILITY OF SUBSTANTIAL, AVAILABLE, AND AFFORDABLE COVERAGE IN THE
21 FORM AND MANNER REQUIRED BY THE INSURANCE COMMISSIONER THROUGH
22 REGULATION.

23 (2) THE INSURANCE COMMISSIONER SHALL:

24 (I) ADOPT REGULATIONS TO FACILITATE THE IMPLEMENTATION
25 OF PARAGRAPH (1) OF THIS SUBSECTION; AND26 (II) DEVELOP A MECHANISM TO PROVIDE VERBALLY, IN WRITING,
27 OR BY ELECTRONIC MEANS, INFORMATION TO INDIVIDUALS, ON REQUEST, ABOUT
28 THE AVAILABILITY OF SUBSTANTIAL, AVAILABLE, AND AFFORDABLE COVERAGE.29 ~~SECTION 2. AND BE IT FURTHER ENACTED, That:~~30 ~~(a) the Department of Budget and Management shall issue a request for~~
31 ~~proposal that outlines the requirements and details of a contract for an independent~~
32 ~~consultant to study Maryland's substantial, available, and affordable coverage~~
33 ~~program;~~

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

3 (c) the study shall include:

4 (1) an analysis of:

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

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

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

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

14 (2) recommendations for changes to Maryland's substantial, available,
15 and affordable coverage program to make coverage more affordable and accessible to
16 high risk individuals in Maryland; and

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

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

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

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

23 SECTION 3. 2. AND BE IT FURTHER ENACTED, That ~~Section 1~~ of this Act
24 shall take effect October 1, 2001.

25 SECTION 4. ~~AND BE IT FURTHER ENACTED, That, except as provided in~~
26 ~~Section 3 of this Act, this Act shall take effect June 1, 2001. At the end of December 1,~~
27 ~~2001, with no further action required by the General Assembly, Section 2 of this Act~~
28 ~~shall be abrogated and of no further force and effect.~~

