Unofficial Copy 2002 Regular Session
C3 2lr2368

By: **Delegate Mitchell**
Introduced and read first time: February 6, 2002
Assigned to: Economic Matters

A BILL ENTITLED

AN ACT concerning

Health Insurance - Small Group Market - Prescription Drug Coverage

FOR the purpose of limiting the amount of coverage for prescription drugs that may be offered in the Comprehensive Standard Health Benefit Plan; and generally relating to health insurance coverage for the small group market.

BY repealing and reenacting, with amendments,
Article - Insurance
Section 15-1207
Annotated Code of Maryland
(1997 Volume and 2001 Supplement)

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

Article - Insurance

15-1207.

(a) In accordance with Title 19, Subtitle 1 of the Health - General Article, the Commission shall adopt regulations that specify:

(1) the Comprehensive Standard Health Benefit Plan to apply under this subtitle; and

(2) a modified health benefit plan for medical savings accounts that qualify under the federal Health Insurance Portability and Accountability Act of 1996, including:

(i) a waiver of deductibles as permitted under federal law;

(ii) minimum funding standards for medical savings accounts; and

(iii) authorization for offering the modified plan only by those persons who offer the Comprehensive Standard Health Benefit Plan adopted in accordance with item (1) of this subsection.

(b) The Commission shall require that the minimum benefits allowed to be offered in the Standard Plan:

(1) by a health maintenance organization, shall include at least the actuarial equivalent of the minimum benefits required to be offered by a federally qualified health maintenance organization; and

(2) by an insurer or nonprofit health service plan on an expense-incurred basis, shall be actuarially equivalent to at least the minimum benefits required to be offered under item (1) of this subsection.

(c) (1) Subject to paragraph (2) of this subsection, the Commission shall exclude or limit benefits or adjust cost-sharing arrangements in the Standard Plan if the average rate for the Standard Plan exceeds 12% of the average annual wage in the State.

(2) The Commission annually shall determine the average rate for the Standard Plan by using the average rate submitted by each carrier that offers the Standard Plan.

(d) In establishing benefits, the Commission shall judge preventive services, medical treatments, procedures, and related health services based on:

(1) their effectiveness in improving the health status of individuals;

(2) their impact on maintaining and improving health and on reducing the unnecessary consumption of health care services; and

(3) their impact on the affordability of health care coverage.

(e) The Commission may exclude:

(1) a health care service, benefit, coverage, or reimbursement for covered health care services that is required under this article or the Health - General Article to be provided or offered in a health benefit plan that is issued or delivered in the State by a carrier; or

(2) reimbursement required by statute, by a health benefit plan for a service when that service is performed by a health care provider who is licensed under the Health Occupations Article and whose scope of practice includes that service.

(f) The Standard Plan shall include uniform deductibles and cost-sharing associated with its benefits, as determined by the Commission.

(g) In establishing cost-sharing as part of the Standard Plan, the Commission shall:

(1) include cost-sharing and other incentives to help prevent consumers from seeking unnecessary services;

(2) balance the effect of cost-sharing in reducing premiums and in affecting utilization of appropriate services; and

(3) limit the total cost-sharing that may be incurred by an individual in a year.

(H) IN ESTABLISHING BENEFITS UNDER THE STANDARD PLAN, ANY COVERAGE FOR PRESCRIPTION DRUGS OFFERED IN THE STANDARD PLAN MAY NOT EXCEED $4,000 PER INDIVIDUAL PER YEAR.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2002.