

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE

Senate Bill 388

(Senator Bromwell)

Finance

Economic Matters

Maryland Group Health Insurance Plan - Repeal

This bill repeals the Maryland Group Health Insurance Plan. The purpose of the plan is to provide hospital, medical, and surgical benefits on an expense-incurred basis to specified individuals. An individual is eligible for membership in the plan if the individual is unemployed and not eligible for Medicare or another group health benefit plan or a qualified beneficiary of the unemployed person, who would otherwise be entitled to coverage under a group contract.

The bill takes effect June 1, 2002.

Fiscal Summary

State Effect: None. The bill reflects existing practice.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The Maryland Group Health Insurance Plan was established by Chapter 747 of 1986. It has not been implemented by the Insurance Commissioner.

Background: After the plan was established, the Maryland Insurance Administration issued several requests for proposals (RFPs), but no health insurance carriers responded with offers to administer the plan. In addition, the health insurance market has

materially changed since 1986, and there are several health insurance options available to the individuals the plan is supposed to insure. The federal Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) and the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) contain provisions that facilitate continuing coverage for an individual who becomes unemployed. In addition, medically uninsurable individuals are eligible to purchase coverage under the State's Substantial Available and Affordable Coverage (SAAC) product. Currently, there are three carriers that have enrollees in the SAAC program: CareFirst BlueCross and BlueShield, MAMSI, and Aetna.

Additional Information

Prior Introductions: None.

Cross File: HB 571 (Delegate Busch) – Economic Matters.

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

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ncs/jr

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