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By: **Senator Astle**

Introduced and read first time: January 23, 2004

Assigned to: Finance

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A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance - Small Group Market - Cost-Sharing Arrangements**

3 FOR the purpose of requiring the Maryland Health Care Commission, in establishing  
4 cost-sharing as part of the Comprehensive Standard Health Benefit Plan  
5 offered in the small group market, to allow a cost-sharing arrangement that has  
6 been filed with and approved by the Maryland Insurance Commissioner in  
7 connection with a certain health benefit plan; providing that each benefit  
8 offered in addition to the Standard Plan that alters the cost-sharing  
9 arrangement in the Standard Plan is subject to certain provisions of law  
10 applicable to the Standard Plan; making certain conforming changes; and  
11 generally relating to cost-sharing arrangements in the Comprehensive  
12 Standard Health Benefit Plan offered in the small group market.

13 BY repealing and reenacting, with amendments,  
14 Article - Insurance  
15 Section 15-1204(b), 15-1207(f) and (g), and 15-1213(b)  
16 Annotated Code of Maryland  
17 (2002 Replacement Volume and 2003 Supplement)

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

20 **Article - Insurance**

21 15-1204.

22 (b) [A] SUBJECT TO § 15-1207(G)(4) OF THIS SUBTITLE, A person may not offer  
23 a health benefit plan in the State unless the person offers at least the Standard Plan.

24 15-1207.

25 (f) [The] SUBJECT TO SUBSECTION (G)(4) OF THIS SECTION, THE Standard  
26 Plan shall include uniform deductibles and cost-sharing associated with its benefits,  
27 as determined by the Commission.

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

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

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

7 (3) limit the total cost-sharing that may be incurred by an individual in  
8 a year; AND

9 (4) ALLOW A COST-SHARING ARRANGEMENT THAT HAS BEEN FILED  
10 WITH AND APPROVED BY THE COMMISSIONER IN CONNECTION WITH A HEALTH  
11 BENEFIT PLAN COVERING RESIDENTS OF THE STATE.

12 15-1213.

13 (b) Each benefit offered in addition to the Standard Plan that increases access  
14 to care choices or [lowers] ALTERS the cost-sharing arrangement in the Standard  
15 Plan is subject to all of the provisions of this subtitle applicable to the Standard Plan,  
16 including:

17 (1) guaranteed issuance;

18 (2) guaranteed renewal;

19 (3) adjusted community rating; and

20 (4) the prohibition on preexisting condition limitations.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
22 October 1, 2004.