

SENATE BILL 714

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2004 Regular Session
4r2826
CF 4r2218

By: **Senator Middleton**
Introduced and read first time: February 6, 2004
Assigned to: Finance

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 23, 2004

CHAPTER _____

1 AN ACT concerning

2 **Health Insurance - Small Group Market - ~~Modifications and Clarifications~~**
3 **Modified Health Benefit Plan for Medical Savings Accounts**

4 FOR the purpose of repealing a requirement that the Maryland Health Care
5 Commission develop a modified health benefit plan for medical savings
6 accounts; repealing a requirement that the Commission adopt certain
7 regulations that specify a modified health benefit plan for medical savings
8 accounts that meet certain federal qualifications; ~~providing that the rate cap on~~
9 ~~the Comprehensive Standard Health Benefit Plan in the small group market~~
10 ~~does not apply for a certain period of time; providing for the termination of~~
11 ~~certain provisions of this Act; and generally relating to medical savings accounts~~
12 ~~and the rate cap in the small group health insurance market.~~

13 BY repealing and reenacting, with amendments,
14 Article - Health - General
15 Section 19-103(c)
16 Annotated Code of Maryland
17 (2000 Replacement Volume and 2003 Supplement)

18 BY repealing and reenacting, with amendments,
19 Article - Insurance
20 Section 15-1207(a) ~~and (e)~~
21 Annotated Code of Maryland
22 (2002 Replacement Volume and 2003 Supplement)

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

1 **Article - Health - General**

2 19-103.

3 (c) The purpose of the Commission is to:

4 (1) Develop health care cost containment strategies to help provide
5 access to appropriate quality health care services for all Marylanders, after
6 consulting with the Health Services Cost Review Commission;7 (2) Promote the development of a health regulatory system that
8 provides, for all Marylanders, financial and geographic access to quality health care
9 services at a reasonable cost by:10 (i) Advocating policies and systems to promote the efficient
11 delivery of and improved access to health care services; and12 (ii) Enhancing the strengths of the current health care service
13 delivery and regulatory system;14 (3) Facilitate the public disclosure of medical claims data for the
15 development of public policy;16 (4) Establish and develop a medical care data base on health care
17 services rendered by health care practitioners;18 (5) Encourage the development of clinical resource management systems
19 to permit the comparison of costs between various treatment settings and the
20 availability of information to consumers, providers, and purchasers of health care
21 services;22 (6) In accordance with Title 15, Subtitle 12 of the Insurance Article,
23 develop[:24 (i) A] A uniform set of effective benefits to be included in the
25 Comprehensive Standard Health Benefit Plan[; and

26 (ii) A modified health benefit plan for medical savings accounts];

27 (7) Analyze the medical care data base and provide, in aggregate form,
28 an annual report on the variations in costs associated with health care practitioners;29 (8) Ensure utilization of the medical care data base as a primary means
30 to compile data and information and annually report on trends and variances
31 regarding fees for service, cost of care, regional and national comparisons, and
32 indications of malpractice situations;33 (9) Establish standards for the operation and licensing of medical care
34 electronic claims clearinghouses in Maryland;

1 (10) Reduce the costs of claims submission and the administration of
2 claims for health care practitioners and payors;

3 (11) Determine the cost of mandated health insurance services in the
4 State in accordance with Title 15, Subtitle 15 of the Insurance Article;

5 (12) Promote the availability of information to consumers on charges by
6 practitioners and reimbursements from payors; and

7 (13) Oversee and administer the Maryland Trauma Physician Services
8 Fund in conjunction with the Health Services Cost Review Commission.

9 **Article - Insurance**

10 15-1207.

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

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

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

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

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

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

23 ~~SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland~~
24 ~~read as follows:~~

25 ~~**Article - Insurance**~~

26 ~~15-1207.~~

27 ~~(e) (1) Subject to [paragraph (2)]PARAGRAPHS (2) AND (3) of this subsection,~~
28 ~~the Commission shall exclude or limit benefits or adjust cost-sharing arrangements~~
29 ~~in the Standard Plan if the average rate for the Standard Plan exceeds 10% of the~~
30 ~~average annual wage in the State.~~

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

1 (3) ~~THE REQUIREMENTS OF PARAGRAPH (1) OF THIS SUBSECTION ARE~~
2 ~~NOT APPLICABLE TO THE STANDARD PLAN THAT IS EFFECTIVE FOR THE PERIOD~~
3 ~~FROM JULY 1, 2004 THROUGH JUNE 30, 2006.~~

4 SECTION ~~3~~, 2. AND BE IT FURTHER ENACTED, That this Act shall take
5 effect July 1, 2004. ~~Section 2 of this Act shall remain effective for a period of 2 years~~
6 ~~and, at the end of June 30, 2006, with no further action required by the General~~
7 ~~Assembly, Section 2 of this Act shall be abrogated and of no further force and effect.~~