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2004 Regular Session 4lr0993 CF 4lr1000

By: Chairman, Finance Committee (By Request - Departmental - Health and Mental Hygiene)

Introduced and read first time: March 3, 2004

Assigned to: Rules

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#### A BILL ENTITLED

4	4 % T	4 000	•
1	AN	ACT	concerning
-	'		

/	2	Health Reform Act of 200	)4

- 3 FOR the purpose of authorizing the Maryland Health Care Commission to establish a
- 4 limited benefit plan to be offered to certain small employers; establishing the
- 5 maximum actuarial value of the limited benefit plan; specifying certain
- 6 conditions and limitations with respect to carriers that offer limited benefit
- 7 plans under this Act; defining certain terms; and generally relating to health
- 8 care insurance for small group employers.
- 9 BY repealing and reenacting, with amendments,
- 10 Article Health General
- 11 Section 19-103 and 19-108
- 12 Annotated Code of Maryland
- 13 (2000 Replacement Volume and 2003 Supplement)
- 14 BY repealing and reenacting, with amendments,
- 15 Article Insurance
- 16 Section 15-1201, 15-1207, 15-1209, and 15-1213
- 17 Annotated Code of Maryland
- 18 (2002 Replacement Volume and 2003 Supplement)
- 19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
- 20 MARYLAND, That the Laws of Maryland read as follows:

### 21 Article - Health - General

- 22 19-103.
- 23 (a) There is a Maryland Health Care Commission.
- 24 (b) The Commission is an independent commission that functions in the
- 25 Department.
- 26 (c) The purpose of the Commission is to:

	access to appropriate qual	velop health care cost containment strategies to help provide ity health care services for all Marylanders, after a Services Cost Review Commission;		
	* *	mote the development of a health regulatory system that lers, financial and geographic access to quality health care ost by:		
7 8	( )	Advocating policies and systems to promote the efficient access to health care services; and		
9 10	(ii) O delivery and regulatory s	Enhancing the strengths of the current health care service ystem;		
11 12	1 (3) Fac 2 development of public po	ilitate the public disclosure of medical claims data for the dicy;		
13 14	3 (4) Est 4 services rendered by heal	ablish and develop a medical care data base on health care th care practitioners;		
17	(5) Encourage the development of clinical resource management systems to permit the comparison of costs between various treatment settings and the availability of information to consumers, providers, and purchasers of health care services;			
19 20	(6) In a develop:	accordance with Title 15, Subtitle 12 of the Insurance Article,		
21 22	1 (i) 2 Comprehensive Standard	A uniform set of effective benefits to be included in the Health Benefit Plan; [and]		
23 24	3 4 AND	A modified health benefit plan for medical savings accounts;		
25	5 (III	A LIMITED BENEFIT PLAN;		
26 27		alyze the medical care data base and provide, in aggregate form, ariations in costs associated with health care practitioners;		
30	to compile data and infor	sure utilization of the medical care data base as a primary means mation and annually report on trends and variances, cost of care, regional and national comparisons, and e situations;		
32 33	2 (9) Est 3 electronic claims clearing	ablish standards for the operation and licensing of medical care shouses in Maryland;		
34 35	4 (10) Rec 5 claims for health care pra	duce the costs of claims submission and the administration of ctitioners and payors;		

1 2	(11) Determine the cost of mandated health insurance services in the State in accordance with Title 15, Subtitle 15 of the Insurance Article;
3	(12) Promote the availability of information to consumers on charges by practitioners and reimbursements from payors; and
5 6	(13) Oversee and administer the Maryland Trauma Physician Services Fund in conjunction with the Health Services Cost Review Commission.
	(d) The Commission shall coordinate the exercise of its functions with the Department and the Health Services Cost Review Commission to ensure an integrated, effective health care policy for the State.
10	19-108.
11 12	(a) In addition to the duties set forth elsewhere in this subtitle, the Commission shall adopt regulations:
13 14	(1) [specifying] SPECIFYING the comprehensive standard health benefit plan to apply under Title 15, Subtitle 12 of the Insurance Article; AND
15 16	(2) ON OR BEFORE JULY 1, 2005, SPECIFYING THE LIMITED BENEFIT PLAN TO APPLY UNDER TITLE 15, SUBTITLE 12 OF THE INSURANCE ARTICLE.
17 18	(b) In carrying out its duties under this section, the Commission shall comply with the provisions of § 15-1207 of the Insurance Article.
19	Article - Insurance
20	15-1201.
21	(a) In this subtitle the following words have the meanings indicated.
22 23	(b) "Board" means the Board of Directors of the Pool established under § 15-1216 of this subtitle.
24	(c) "Carrier" means a person that:
25 26	(1) offers health benefit plans in the State covering eligible employees of small employers; and
27	(2) is:
28 29	(i) an authorized insurer that provides health insurance in the State;
30 31	(ii) a nonprofit health service plan that is licensed to operate in the State;
32 33	(iii) a health maintenance organization that is licensed to operate in the State; or

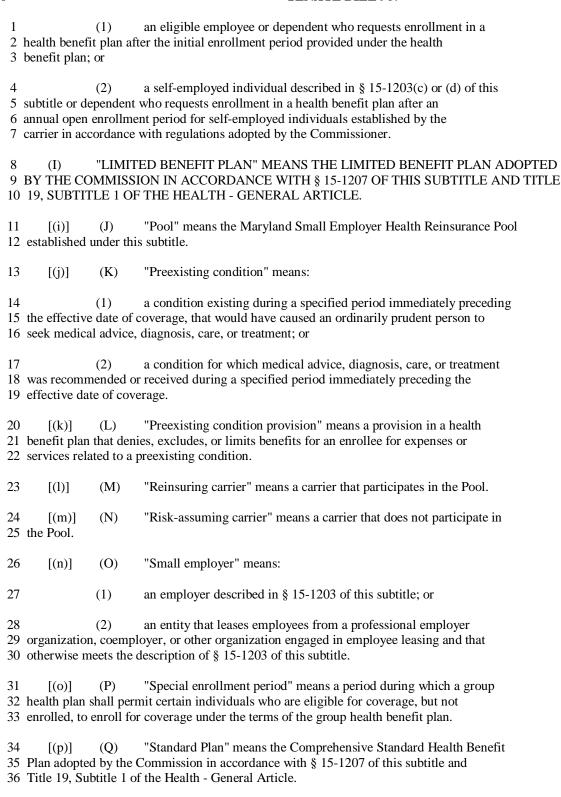
1 2	plans subjec	t to State	(iv) insuranc	any other person or organization that provides health benefit e regulation.
3	(d) under Title			neans the Maryland Health Care Commission established e Health - General Article.
5	(e)	(1)	"Eligibl	e employee" means:
6			(i)	an individual who:
	partner of a under a heal			1. is an employee, sole proprietor, self-employed individual, lependent contractor who is included as an employee d
10 11	at least 30 h	nours; or		2. works on a full-time basis and has a normal workweek of
				a sole employee of a nonprofit organization that has been venue Service to be exempt from taxation under § ternal Revenue Code who:
15				1. has a normal workweek of at least 20 hours; and
16 17	insurance o	r other he	ealth bene	2. is not covered under a public or private plan for health efit arrangement.
18		(2)	"Eligibl	e employee" does not include an individual who works:
19			(i)	on a temporary or substitute basis; or
20 21	subsection,	for less t	(ii) han 30 ho	except for an individual described in paragraph (1)(ii) of this ours in a normal workweek.
22	(f)	(1)	"Health	benefit plan" means:
23			(i)	a policy or certificate for hospital or medical benefits;
24			(ii)	a nonprofit health service plan; or
25 26	contract.		(iii)	a health maintenance organization subscriber or group master
	medical ber that is issue		t covers r	benefit plan" includes a policy or certificate for hospital or esidents of this State who are eligible employees and
30 31	another stat	e; or	(i)	a multiple employer trust or association located in this State or
32 33	organizatio	n located	(ii) in this St	a professional employer organization, coemployer, or other ate or another state that engages in employee leasing.

(h)

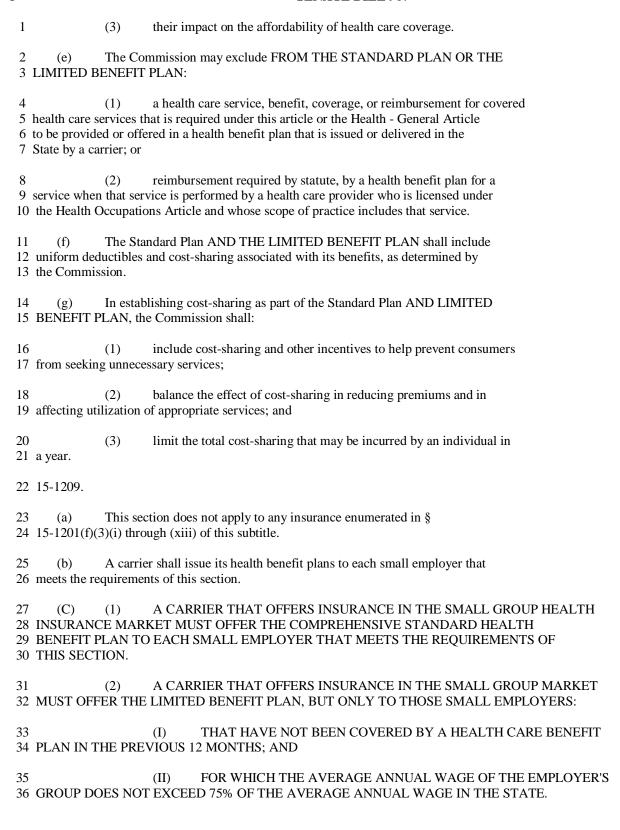
"Late enrollee" means:

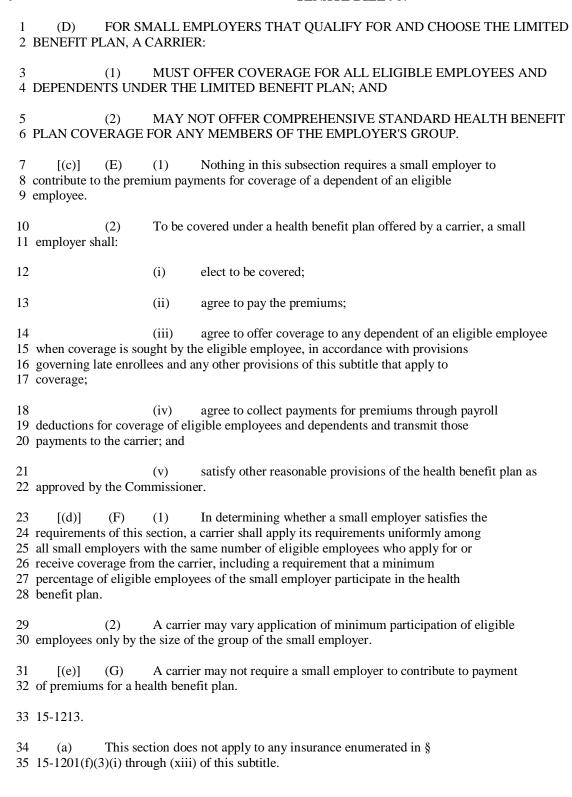
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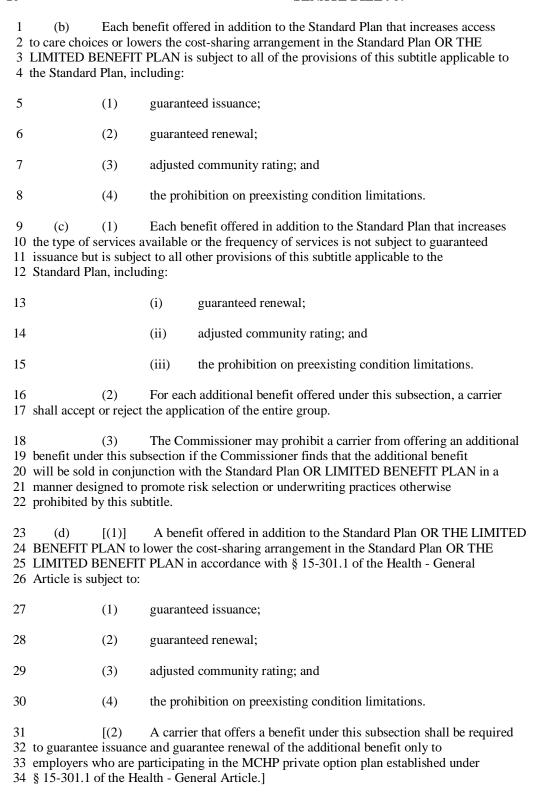
1		(3)	"Health benefit plan" does not include:	
2			(i)	accident-only insurance;
3			(ii)	fixed indemnity insurance;
4			(iii)	credit health insurance;
5			(iv)	Medicare supplement policies;
6 (v) Civilian Health and Medical Program of the Uniformed Services 7 (CHAMPUS) supplement policies;				
8			(vi)	long-term care insurance;
9			(vii)	disability income insurance;
10			(viii)	coverage issued as a supplement to liability insurance;
11			(ix)	workers' compensation or similar insurance;
12			(x)	disease-specific insurance;
13			(xi)	automobile medical payment insurance;
14			(xii)	dental insurance; or
15			(xiii)	vision insurance.
16	(g)	"Health	status-related factor" means a factor related to:	
17		(1)	health st	atus;
18		(2)	medical	condition;
19		(3)	claims e	xperience;
20		(4)	receipt o	of health care;
21		(5)	medical	history;
22		(6)	genetic i	nformation;
23 24	domestic vic	(7) olence; or		e of insurability including conditions arising out of acts of
25		(8)	disability	y.



1	15-1207.		
2 3	(a) In accor Commission shall add		th Title 19, Subtitle 1 of the Health - General Article, the ations that specify:
4 5	(1) subtitle; [and]	the Con	nprehensive Standard Health Benefit Plan to apply under this
	(2) qualify under the fede including:		ied health benefit plan for medical savings accounts that h Insurance Portability and Accountability Act of 1996,
9		(i)	a waiver of deductibles as permitted under federal law;
10		(ii)	minimum funding standards for medical savings accounts; and
	persons who offer the accordance with item		authorization for offering the modified plan only by those chensive Standard Health Benefit Plan adopted in is subsection; AND
	` '	OF THE	TED BENEFIT PLAN, THE ACTUARIAL VALUE OF WHICH MAY ACTUARIAL VALUE OF THE COMPREHENSIVE STANDARD
17 18	(b) The Cor offered in the Standar		shall require that the minimum benefits allowed to be
	` ,	of the mir	alth maintenance organization, shall include at least the nimum benefits required to be offered by a federally organization; and
	expense-incurred bas	is, shall l	surer or nonprofit health service plan on an be actuarially equivalent to at least the minimum under item (1) of this subsection.
27	exclude or limit bene	fits or ad	to paragraph (2) of this subsection, the Commission shall just cost-sharing arrangements in the Standard Plan if ard Plan exceeds 10% of the average annual wage in the
	` '		nmission annually shall determine the average rate for the erage rate submitted by each carrier that offers the
32 33		_	enefits, the Commission shall judge preventive services, es, and related health services based on:
34	(1)	their eff	ectiveness in improving the health status of individuals;
35 36	` '		pact on maintaining and improving health and on reducing of health care services; and







- 1 (E) A CARRIER MAY NOT OFFER ADDITIONAL BENEFITS TO THE LIMITED
- 2 BENEFIT PLAN, EXCEPT FOR ADDITIONAL BENEFITS TO LOWER THE COST-SHARING
- 3 ARRANGEMENTS IN THE LIMITED BENEFIT PLAN.
- 4 SECTION 2. AND BE IT FURTHER ENACTED, That health insurance
- 5 carriers shall report to the Maryland Health Care Commission, at times and in a
- 6 format specified by the Commission, the number of limited benefit plan policies they 7 have sold and the number of lives covered by those policies.
- SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take 8
- 9 effect October 1, 2004.