C3 5lr0061

By: **Chairman, Health and Government Operations Committee (By Request - Departmental - Insurance Administration, Maryland)**
Introduced and read first time: February 11, 2005
Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance - Authority of Maryland Health Insurance Plan**

3 FOR the purpose of authorizing the Board of Directors of the Maryland Health
4 Insurance Plan to offer benefit packages in addition to the standard benefit
5 package; authorizing the Board to offer optional endorsements to a benefit
6 package; authorizing the Board to alter premium rates based on geography,
7 benefit package, and benefit package delivery system; authorizing the addition
8 of a surcharge to a premium under certain conditions; requiring certain
9 insurance carriers to provide certain information about individuals who are
10 denied certain health insurance coverage to the Maryland Health Insurance
11 Plan; and generally relating to the Maryland Health Insurance Plan.

12 BY repealing and reenacting, with amendments,
13 Article - Insurance
14 Section 14-505 and 15-1303
15 Annotated Code of Maryland
16 (2002 Replacement Volume and 2004 Supplement)

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

19 **Article - Insurance**

20 14-505.

21 (a) (1) The Board shall establish a standard benefit package to be offered by
22 the Plan.

23 (2) THE BOARD MAY OFFER BENEFIT PACKAGES IN ADDITION TO THE
24 STANDARD BENEFIT PACKAGE.

25 (3) THE BOARD MAY OFFER ENDORSEMENTS TO A BENEFIT PACKAGE
26 THAT MAY BE PURCHASED AT THE OPTION OF AN ENROLLEE.

27 [(2)] (4) The Board may exclude from [the] A benefit package:

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

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

9 (b) (1) The Board shall establish a premium rate for Plan coverage subject to
10 review and approval by the Commissioner.

11 (2) The premium rate may vary on the basis of family composition.

12 (3) If the Board determines that a standard risk rate would create
13 market dislocation, the Board may adjust the premium rate based on member age.

14 (4) THE PREMIUM RATE MAY BE ADJUSTED FOR GEOGRAPHY BASED ON
15 THE FOLLOWING CONTIGUOUS AREAS OF THE STATE:

16 (I) THE BALTIMORE METROPOLITAN AREA;

17 (II) THE DISTRICT OF COLUMBIA METROPOLITAN AREA;

18 (III) WESTERN MARYLAND; AND

19 (IV) EASTERN AND SOUTHERN MARYLAND.

20 (5) THE BOARD MAY CHARGE DIFFERENT PREMIUMS BASED ON THE
21 BENEFIT PACKAGE AND THE BENEFIT PACKAGE DELIVERY SYSTEM WHEN MORE
22 THAN ONE BENEFIT PACKAGE OR BENEFIT DELIVERY SYSTEM IS OFFERED.

23 (6) A SURCHARGE MAY BE ADDED TO A PREMIUM FOR OPTIONAL
24 ENDORSEMENTS PURCHASED BY AN ENROLLEE.

25 (c) (1) The Board shall determine a standard risk rate by considering the
26 premium rates charged by carriers in the State for coverage comparable to that of the
27 Plan.

28 (2) The premium rate for Plan coverage:

29 (i) may not be less than 110% of the standard risk rate established
30 under paragraph (1) of this subsection; and

31 (ii) may not exceed 200% of the standard risk rate.

32 (3) Premium rates shall be reasonably calculated to encourage
33 enrollment in the Plan.

1 (4) The Board may subsidize premiums, deductibles, and other policy
2 expenses, based on a member's income.

3 (d) Losses incurred by the Plan shall be subsidized by the Fund.

4 15-1303.

5 (a) In addition to any other requirements under this article, a carrier that
6 offers individual health benefit plans in this State shall:

7 (1) have demonstrated the capacity to administer the individual health
8 benefit plans, including adequate numbers and types of administrative staff;

9 (2) have a satisfactory grievance procedure and ability to respond to
10 calls, questions, and complaints from enrollees or insureds; and

11 (3) design policies to help ensure that enrollees or insureds have
12 adequate access to providers of health care.

13 (b) (1) For each calendar quarter, a carrier that offers individual health
14 benefit plans in the State shall submit to the Commissioner a report that includes:

15 (i) the number of applications submitted to the carrier for
16 individual coverage; and

17 (ii) the number of declinations issued by the carrier for individual
18 coverage.

19 (2) The report required under paragraph (1) of this subsection shall be
20 filed with the Commissioner no later than 30 days after the last day of the quarter for
21 which the information is provided.

22 (c) (1) (I) If a carrier denies coverage under a medically underwritten
23 health benefit plan to an individual in the nongroup market, the carrier shall provide
24 the individual with specific information regarding the availability of coverage under
25 the Maryland Health Insurance Plan established under Title 14, Subtitle 5 of this
26 article.

27 [(2)] (II) A notice issued by a carrier under this subsection shall be
28 provided in a manner and form required by the Commissioner.

29 (2) A CARRIER SHALL PROVIDE THE NAME AND ADDRESS OF AN
30 INDIVIDUAL DENIED COVERAGE UNDER A MEDICALLY UNDERWRITTEN HEALTH
31 BENEFIT PLAN IN THE NONGROUP MARKET TO THE MARYLAND HEALTH INSURANCE
32 PLAN.

33 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
34 October 1, 2005.