

CHAPTER 467

(House Bill 1283)

AN ACT concerning

Maryland Health Insurance Plan – Authority

FOR the purpose of authorizing the Board of Directors of the Maryland Health Insurance Plan to charge different premiums based on cost-sharing arrangement when more than one cost-sharing arrangement is offered; authorizing the Board to offer an optional endorsement to remove a preexisting condition limitation under certain circumstances; authorizing the Board to charge a certain additional amount for the optional endorsement; requiring that the additional amount be subject to review and approval by the Maryland Insurance Commissioner; making this Act an emergency measure; and generally relating to the Maryland Health Insurance Plan.

BY repealing and reenacting, with amendments,
Article – Insurance
Section 14–505
Annotated Code of Maryland
(2006 Replacement Volume and 2006 Supplement)

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

Article – Insurance

14–505.

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

(2) The Board may exclude from the benefit package:

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

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

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

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

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

(4) The Board may charge different premiums based on the benefit package delivery system **OR COST-SHARING ARRANGEMENT** when more than one benefit package delivery system **OR COST-SHARING ARRANGEMENT** is offered.

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

(2) The premium rate for Plan coverage:

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

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

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

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

(D) (1) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (B) OF THIS SECTION, IF THE BOARD HAS IMPLEMENTED A PREEXISTING CONDITION LIMITATION, THE BOARD MAY OFFER MEMBERS AN OPTIONAL ENDORSEMENT TO REMOVE THE PREEXISTING CONDITION LIMITATION.

(2) THE BOARD MAY CHARGE AN ACTUARIALLY JUSTIFIED ADDITIONAL PREMIUM AMOUNT IN ADDITION TO THE PREMIUM RATE FOR THE

STANDARD BENEFIT PACKAGE FOR THE OPTIONAL ENDORSEMENT UNDER PARAGRAPH (1) OF THIS SUBSECTION.

(3) AN AMOUNT CHARGED IN ADDITION TO THE PREMIUM RATE FOR THE STANDARD BENEFIT PACKAGE FOR THE OPTIONAL ENDORSEMENT UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE SUBJECT TO REVIEW AND APPROVAL BY THE COMMISSIONER.

[(d)] (E) Losses incurred by the Plan shall be subsidized by the Fund.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act ~~shall take effect October 1, 2007~~ is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a yea and nay vote supported by three-fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted.

Approved by the Governor, May 8, 2007.