

HOUSE BILL 4

C3

9lr0386

(PRE-FILED)

By: ~~Delegate Manno~~ Delegates Manno, Minnick, Hammen, Pendergrass, Benson, Bromwell, Costa, Donoghue, Elliott, Hubbard, Kach, Kipke, Krebs, Kullen, Montgomery, Morhaim, Nathan-Pulliam, Pena-Melnyk, Reznik, Riley, Tarrant, V. Turner, and Weldon

Requested: July 1, 2008

Introduced and read first time: January 14, 2009

Assigned to: Health and Government Operations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 18, 2009

CHAPTER _____

1 AN ACT concerning

2 **Small Business Health Insurance ~~Stimulus~~ Expansion Act**

3 FOR the purpose of altering ~~the subsidy requirements for small employers and the~~
4 ~~employees of small employers under the Small Employer Health Benefit Plan~~
5 ~~Premium Subsidy Program; altering the eligibility requirements a certain~~
6 ~~eligibility requirement for small employers under the Small Employer Health~~
7 ~~Benefit Plan Premium Subsidy Program; altering certain participation~~
8 ~~requirements that a carrier may impose on a small employer; and generally~~
9 relating to requirements under the Small Employer Health Benefit Plan
10 Premium Subsidy Program and the small group health insurance market.

11 BY repealing and reenacting, without amendments,
12 Article – Insurance
13 Section ~~15-12A-01(a) and (f) and 15-12A-02~~
14 Annotated Code of Maryland
15 (2006 Replacement Volume and 2008 Supplement)

16 BY repealing and reenacting, with amendments,
17 Article – Insurance
18 Section ~~15-12A-02~~ 15-1206(c) and 15-12A-03
19 Annotated Code of Maryland
20 (2006 Replacement Volume and 2008 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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

3 **Article – Insurance**

4 15–1206.

5 (c) (1) Subject to the approval of the Commissioner and as provided under
6 this subsection and § 15–1209(d) of this subtitle, a carrier may impose reasonable
7 minimum participation requirements.

8 (2) A carrier may not impose a requirement for minimum participation
9 by the eligible employees of a small employer that is greater than 75%.

10 (3) In applying a minimum participation requirement to determine
11 whether the applicable percentage of participation is met, a carrier may not consider
12 as eligible employees those who have [group spousal] coverage under [a public or
13 private plan of health insurance or]:

14 (I) another employer’s health benefit [arrangement, including]
15 **PLAN;**

16 (II) **ANOTHER EMPLOYER’S EMPLOYEE WELFARE BENEFIT**
17 **PLAN THAT PROVIDES MEDICAL CARE TO EMPLOYEES OR THEIR DEPENDENTS**
18 **AND IS NOT SUBJECT TO STATE REGULATION, IN ACCORDANCE WITH THE**
19 **FEDERAL EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974;**

20 (III) **A GOVERNMENTAL PLAN AS DEFINED IN § 3(32) OF THE**
21 **FEDERAL EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974; OR**

22 (IV) Medicare, Medicaid, [and] OR [CHAMPUS, that provides
23 benefits similar to or exceeding the benefits provided under the Standard Plan]
24 **TRICARE.**

25 [(4) A carrier may not impose a minimum participation requirement for
26 a small employer group if any member of the group participates in a medical savings
27 account.]

28 15–12A–01.

29 (a) In this subtitle the following words have the meanings indicated.

30 (f) “Program” means the Small Employer Health Benefit Plan Premium
31 Subsidy Program.

1 15-12A-02.

2 (a) There is a Small Employer Health Benefit Plan Premium Subsidy
3 Program.

4 (b) The purposes of the Program are to:

5 (1) provide an incentive for small employers to offer and maintain a
6 small employer health benefit plan for their employees;

7 (2) help low and moderate income employees of small employers afford
8 small employer health benefit plan premiums;

9 (3) promote access to health care services, particularly preventive
10 health care services that might reduce the need for emergency room care and other
11 acute care services; and

12 (4) reduce uncompensated care in hospitals and other health care
13 settings.

14 (c) The Commission, in consultation with the Department, shall administer
15 the Program.

16 (d) The Program shall consist of subsidies, as provided under § 15-12A-03 of
17 this subtitle, for:

18 (1) small employers ~~that~~ have not previously offered a small employer
19 health benefit plan to their employees~~;~~; and

20 (2) employees of small employers ~~that~~ have not previously offered a
21 small employer health benefit plan to their employees~~;~~.

22 (e) Funding for the Program may be provided from:

23 (1) general funds; or

24 (2) the Health Care Coverage Fund established under Title 15,
25 Subtitle 7 of the Health – General Article.

26 (f) The Commission shall adopt regulations to establish:

27 (1) the eligibility requirements for small employers under the
28 Program; and

29 (2) the level of subsidies to be provided under the Program.

30 15-12A-03.

1 (a) A small employer and the employees of the small employer shall be
2 eligible for a subsidy of small employer health benefit plan premiums if the small
3 employer:

4 (1) at the time of initial application for the subsidy:

5 (i) ~~has~~ has not offered a small employer health benefit plan to its
6 employees for at least 12 consecutive months;

7 (ii) ~~has~~ has at least two but not more than ~~nine~~ **19** eligible
8 employees; and

9 ~~[(iii)]~~ ~~(iii)~~ meets salary and wage requirements established by
10 the Commission;

11 (2) offers a small employer health benefit plan to its employees;

12 (3) establishes a payroll deduction plan under § 125 of the Internal
13 Revenue Code;

14 (4) agrees to offer a wellness benefit, as required by the Commission;
15 and

16 (5) meets any other requirements established by the Commission.

17 (b) A subsidy provided to a small employer under the Program:

18 (1) shall offset a portion of the small employer health benefit plan
19 premium contributions made by a small employer;

20 (2) may not exceed the lower of:

21 (i) 50% of the small employer contribution; or

22 (ii) an amount established by the Commission; and

23 (3) may be calculated on a sliding scale.

24 (c) A subsidy provided to an employee of a small employer under the
25 Program:

26 (1) shall offset a portion of the small employer health benefit plan
27 premium contributions made by an employee;

28 (2) may not exceed the lower of:

- 1 (i) 50% of the employee contribution; or
- 2 (ii) an amount established by the Commission; and
- 3 (3) may be calculated on a sliding scale.
- 4 (d) The Commission may alter the subsidy amounts provided under
- 5 subsections (b) and (c) of this section according to the number of employees of the
- 6 small employer.
- 7 (e) The total amount of all subsidies provided under this section shall be
- 8 subject to the limitations of the State budget.

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 ~~October~~ June 1, 2009.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.