

HOUSE BILL 272

C3

9lr0648

By: **Delegates Mizeur, Bobo, Bronrott, Donoghue, Frick, Frush, Hubbard, Ivey, Kullen, Lee, Montgomery, Pena-Melnyk, Reznik, and F. Turner**
Introduced and read first time: January 29, 2009
Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Coverage Affordability and Revenue Efficiency Standards Act**

3 FOR the purpose of altering certain loss ratio requirements for certain health benefit
4 plans and Medicare supplement policies; establishing a certain loss ratio
5 requirement for certain group health benefit plans; providing for the application
6 of this Act; and generally relating to minimum loss ratios for health benefit
7 plans and Medicare supplement policies.

8 BY repealing and reenacting, with amendments,
9 Article – Insurance
10 Section 15–605(c)(1) and (2)(i) and 15–911(d)
11 Annotated Code of Maryland
12 (2006 Replacement Volume and 2008 Supplement)

13 BY adding to
14 Article – Insurance
15 Section 15–605(c)(2)(iv)
16 Annotated Code of Maryland
17 (2006 Replacement Volume and 2008 Supplement)

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

20 **Article – Insurance**

21 15–605.

22 (c) (1) For [a] **ALL** health benefit [plan] **PLANS** that [is] **ARE** issued
23 under Subtitle 12 of this title, the Commissioner may require the insurer, nonprofit

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 health service plan, or health maintenance organization to file new rates if the loss
2 ratio is less than [75%] **85%**.

3 (2) (i) Subject to subparagraph (ii) of this paragraph, for [a] **ALL**
4 health benefit [plan] **PLANS** that [is] **ARE** issued to individuals the Commissioner
5 may require the insurer, nonprofit health service plan, or health maintenance
6 organization to file new rates:

7 1. if the loss ratio is less than [60%] **80% FOR**
8 **CALENDAR YEAR 2010;**

9 2. **IF THE LOSS RATIO IS LESS THAN 81% FOR**
10 **CALENDAR YEAR 2011; AND**

11 3. **IF THE LOSS RATIO IS LESS THAN 82% FOR**
12 **CALENDAR YEAR 2012 AND EACH SUBSEQUENT CALENDAR YEAR.**

13 (iv) **FOR ALL HEALTH BENEFIT PLANS THAT ARE ISSUED TO**
14 **GROUPS UNDER SUBTITLE 14 OF THIS TITLE, THE COMMISSIONER MAY**
15 **REQUIRE THE CARRIER TO FILE NEW RATES IF THE LOSS RATIO IS LESS THAN**
16 **85%.**

17 15-911.

18 (d) The minimum acceptable loss ratios for Medicare supplement policies
19 are:

20 (1) for group Medicare supplement policies, at least [75%] **85%** of the
21 aggregate amount of premiums earned; and

22 (2) for individual Medicare supplement policies or subscriber contracts
23 that are issued or renewed on a policy anniversary after July 1, 1991, at least [65%]
24 **80%** of the aggregate amount of premiums earned.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all
26 policies, contracts, certificates, and health benefit plans issued, delivered, or renewed
27 in the State on or after January 1, 2010.

28 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
29 July 1, 2009.