

# HOUSE BILL 951

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By: **Delegates Carter, Gutierrez, Montgomery, Nathan–Pulliam, Oaks, Reznik, and Robinson**

Introduced and read first time: February 12, 2010

Assigned to: Health and Government Operations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance Carriers – Declinations of Applications for Coverage**  
3 **– Required Reporting**

4 FOR the purpose of altering the information that health insurance carriers are  
5 required to submit to the Maryland Insurance Commissioner in a certain report  
6 to include the reason that an application for individual health insurance  
7 coverage was declined; requiring the Commissioner to post certain information  
8 on the Maryland Insurance Administration’s website; requiring the  
9 Commissioner to compile a certain summary report of certain information and  
10 to make the report available to the public; requiring the Commissioner to adopt  
11 certain regulations; and generally relating to reporting information about  
12 applications for health insurance coverage.

13 BY repealing and reenacting, without amendments,  
14 Article – Insurance  
15 Section 15–1301(a) and (d)  
16 Annotated Code of Maryland  
17 (2006 Replacement Volume and 2009 Supplement)

18 BY repealing and reenacting, with amendments,  
19 Article – Insurance  
20 Section 15–1303  
21 Annotated Code of Maryland  
22 (2006 Replacement Volume and 2009 Supplement)

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

25 **Article – Insurance**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 15-1301.

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

3 (d) "Carrier" means a person that is:

4 (1) an insurer that holds a certificate of authority in the State and  
5 provides health insurance in the State;

6 (2) a health maintenance organization that is licensed to operate in  
7 the State;

8 (3) a nonprofit health service plan that is licensed to operate in the  
9 State; or

10 (4) any other person or organization that provides health benefit plans  
11 subject to State insurance regulation.

12 15-1303.

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

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

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

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

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

23 (i) the number of applications submitted to the carrier for  
24 individual coverage; [and]

25 (ii) the number of declinations issued by the carrier for  
26 individual coverage; AND

27 **(III) FOR EACH APPLICATION THAT WAS DECLINED, THE**  
28 **REASON IT WAS DECLINED.**

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

1           **(C) THE COMMISSIONER SHALL:**

2                   **(1) POST ON THE ADMINISTRATION'S WEBSITE THE INFORMATION**  
3 **PROVIDED BY CARRIERS UNDER SUBSECTION (B)(1) OF THIS SECTION;**

4                   **(2) COMPILE AN ANNUAL SUMMARY REPORT OF THE**  
5 **INFORMATION PROVIDED BY CARRIERS UNDER SUBSECTION (B)(1) OF THIS**  
6 **SECTION;**

7                   **(3) MAKE THE ANNUAL SUMMARY REPORT AVAILABLE TO THE**  
8 **PUBLIC; AND**

9                   **(4) ADOPT REGULATIONS FOR THE FORM AND CONTENT OF THE**  
10 **INFORMATION PROVIDED BY CARRIERS UNDER SUBSECTION (B) OF THIS**  
11 **SECTION.**

12           **[(c)] (D)** (1) If a carrier denies coverage under a medically underwritten  
13 health benefit plan to an individual in the nongroup market, the carrier shall provide:

14                   (i) the individual with specific information regarding the  
15 availability of coverage under the Maryland Health Insurance Plan established under  
16 Title 14, Subtitle 5 of this article; and

17                   (ii) the Maryland Health Insurance Plan with:

18                               1. the name and address of the individual who was  
19 denied coverage; and

20                               2. if the individual applied for coverage through an  
21 insurance producer, the name and, if available, the address of the insurance producer.

22                   (2) The information provided by a carrier under this subsection shall  
23 be provided in a manner and form required by the Commissioner.

24           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
25 October 1, 2010.