

HOUSE BILL 1050

C3

0lr0038

By: **Chair, Health and Government Operations Committee (By Request – Departmental – Health Insurance Plan)**

Introduced and read first time: February 17, 2010

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Health Insurance Plan – Plan Options – Governmental Third Party**
3 **Payers**

4 FOR the purpose of authorizing the Board of Directors for the Maryland Health
5 Insurance Plan to establish a certain Plan option for certain Plan members
6 whose premiums are paid by certain governmental units; authorizing the Board
7 to include certain amounts in setting premium rates and cost-sharing
8 arrangements for the Plan option, subject to a certain limitation; authorizing
9 the Board to limit the eligibility of certain members of the Plan to the Plan
10 option; authorizing the Board to limit or eliminate the availability to certain
11 members of the Plan of a certain premium subsidy; defining a certain term; and
12 generally relating to the Maryland Health Insurance Plan.

13 BY adding to

14 Article – Insurance

15 Section 14–505(l)

16 Annotated Code of Maryland

17 (2006 Replacement Volume and 2009 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 14–505.

22 **(L) (1) (I) IN THIS SUBSECTION, “GOVERNMENTAL UNIT” MEANS A**
23 **COUNTY, MUNICIPAL CORPORATION, UNIT OF STATE OR LOCAL GOVERNMENT,**
24 **OR OTHER PUBLIC BODY CREATED UNDER STATE OR LOCAL LAW.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(II) “GOVERNMENTAL UNIT” DOES NOT INCLUDE THE PLAN.**

2 **(2) THIS SUBSECTION DOES NOT APPLY TO A MEMBER OF THE**
3 **PLAN WHO RECEIVES A TAX CREDIT FOR HEALTH INSURANCE COSTS UNDER §**
4 **35 OF THE INTERNAL REVENUE CODE.**

5 **(3) THE BOARD MAY ESTABLISH A PLAN OPTION FOR A MEMBER**
6 **OF THE PLAN WHOSE PREMIUMS ARE PAID BY A GOVERNMENTAL UNIT.**

7 **(4) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH,**
8 **IN SETTING PREMIUM RATES AND COST-SHARING ARRANGEMENTS FOR THE**
9 **PLAN OPTION ESTABLISHED UNDER PARAGRAPH (3) OF THIS SUBSECTION, THE**
10 **BOARD MAY INCLUDE AMOUNTS TO LIMIT THE SHIFTING OF COSTS FROM A**
11 **GOVERNMENTAL UNIT TO THE PLAN.**

12 **(II) THE BOARD MAY NOT SET PREMIUM RATES AND**
13 **COST-SHARING ARRANGEMENTS AT A LEVEL THAT WOULD MAKE A**
14 **GOVERNMENTAL UNIT UNABLE TO PAY THE PREMIUMS AND COST-SHARING FOR**
15 **THE ENTIRE MEMBERSHIP OF A PROGRAM OF THE GOVERNMENTAL UNIT DUE**
16 **TO RESTRICTIONS IN FEDERAL LAW OR POLICY ON THE USE OF FEDERAL FUNDS**
17 **BY THE GOVERNMENTAL UNIT.**

18 **(5) IF THE PREMIUMS OF A MEMBER OF THE PLAN ARE PAID BY A**
19 **GOVERNMENTAL UNIT, THE BOARD MAY:**

20 **(I) LIMIT THE ELIGIBILITY OF THE MEMBER TO THE PLAN**
21 **OPTION ESTABLISHED UNDER PARAGRAPH (3) OF THIS SUBSECTION; AND**

22 **(II) LIMIT OR ELIMINATE THE AVAILABILITY TO THE**
23 **MEMBER OF ANY PREMIUM SUBSIDY BASED ON INCOME.**

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