## **HOUSE BILL 1564**

EMERGENCY BILL

0lr0181 CF SB 1125

By: Chair, Health and Government Operations Committee (By Request – Departmental – Health Insurance Plan) and Delegates Benson, Donoghue, Hammen, Hubbard, Kullen, Montgomery, Morhaim, Nathan-Pulliam, Oaks, Pena-Melnyk, Pendergrass, Reznik, Riley, Tarrant, and V. Turner

Rules suspended

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Introduced and read first time: March 22, 2010

Rules suspended

Assigned to: Health and Government Operations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 24, 2010

CHAPTER \_\_\_\_\_

1 AN ACT concerning

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## Maryland Health Insurance Plan – Administration of National High Risk Pool Program

FOR the purpose of authorizing the Board of Directors for the Maryland Health Insurance Plan to elect for the Plan to administer a certain national high risk pool program for the State; authorizing the Board to enter into any agreements necessary for the Plan to administer a national temporary high risk pool program for the State; authorizing the Board to limit enrollment in the national temporary high risk pool program based on the availability of certain funding; altering the eligibility requirements for the Plan; authorizing the Board to establish a benefit package and premium rate for individuals enrolled in a national temporary high risk pool program in accordance with certain standards; requiring the State to meet a certain maintenance of effort requirement; requiring the Plan to monitor certain legislation and notify the Department of Legislative Services if certain legislation is enacted; providing for the termination of this Act; making this Act an emergency measure; and generally relating to the administration of a national high risk pool program by the Maryland Health Insurance Plan.

## EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

<u>Underlining</u> indicates amendments to bill.

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

1 2 3 4 5	BY repealing and reenacting, with amendments, Article – Insurance Section 14–501(h)(1) Annotated Code of Maryland (2006 Replacement Volume and 2009 Supplement)
6 7 8 9 10	BY repealing and reenacting, without amendments, Article – Insurance Section 14–505(d), (e), (h), and (i) Annotated Code of Maryland (2006 Replacement Volume and 2009 Supplement)
11 12 13 14 15	BY adding to Article – Insurance Section 14–505(l) and 14–508(d) Annotated Code of Maryland (2006 Replacement Volume and 2009 Supplement)
16 17	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:
18	Article - Insurance
19	14–501.
20 21	(h) (1) "Medically uninsurable individual" means an individual who is a resident of the State and who:
22 23	(i) provides evidence that, for health reasons, a carrier has refused to issue substantially similar coverage to the individual;
24 25 26	(ii) provides evidence that, for health reasons, a carrier has refused to issue substantially similar coverage to the individual, except at a rate that exceeds the Plan rate;
27 28	(iii) satisfies the definition of "eligible individual" under § 15–1301 of this article;
29 30	(iv) has a history of or suffers from a medical or health condition that is included on a list promulgated in regulation by the Board;
31 32	(v) is eligible for the tax credit for health insurance costs under § 35 of the Internal Revenue Code; [or]
33 34	(vi) is a dependent of an individual who is eligible for coverage under this subsection; <b>OR</b>

1 2 3	ESTABLISH RISK POOL		FEDE		LAW TO	THE D ENRO			ILITY 'IONAI		-	EMENTS RY HIGH
4 5	AND HUMA	N SER	VICES	1. s; AND	ESTA	BLISHE	D BY	THE	SECRI	ETARY	OF	HEALTH
6				2.	ADMI	NISTER	ED BY	THE ]	PLAN I	OR TH	E ST	ATE.
7	14–505.											
8	(d)	The E	Board r	nay m	ake a cl	hange to	the sta	andar	d benef	it pack	age o	nly if:
9 10	15 days befo	(1) ore the	_	-		_			_			d at least en;
11 12	the agenda	(2) for the			on of th	e propo	sed char	nge is	s listed	as an a	action	n item on
13		(3)	the pr	ropose	d chang	ge is set	forth in	ı a wr	itten n	otion tl	hat:	
14			(i)	ident	ifies the	e specifi	c chang	es to	be mad	le; and		
15 16	which the m	notion i	(ii) s made		cluded	in the	minutes	of th	ne mee	ting of	the	Board at
17 18	public session	(4) on of a						prop	osed cl	nange o	ccur	during a
19 20	of the meeti	(5) ing of t				-	-	_	e is ref	lected i	n the	minutes
21 22	(e) of:	A cha	ange to	the s	tandaro	d benefi	t packa	ge is	not eff	ective ı	until	the later
23		(1)	30 da	ys afte	er the d	ate the	Board a	dopts	the ch	ange;		
24 25	filed with th	(2) ne Com			_	ed maste	er plan o	docun	nent re	flecting	the	change is
26 27	is:	(3)	15 da	ys afte	er notic	e of the	change	e and	the eff	ective d	date o	of change
28			(i)	sent	to:							
29				1.	each r	nember	of the F	Plan; o	or			

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2. 1 if dependents are included in the coverage, to the 2 family unit; and 3 (ii) posted on the Plan website. 4 (h) The Board shall establish a premium rate for Plan coverage subject 5 to review and approval by the Commissioner. 6 (2) The premium rate may vary on the basis of family composition. 7 (3)If the Board determines that a standard risk rate would create 8 market dislocation, the Board may adjust the premium rate based on member age. 9 The Board may charge different premiums based on the benefit package delivery system or cost-sharing arrangement when more than one benefit 10 package delivery system or cost-sharing arrangement is offered. 11 12 (i) (1) The Board shall determine a standard risk rate by considering the 13 premium rates charged by carriers in the State for coverage comparable to that of the 14 Plan. 15 **(2)** The premium rate for Plan coverage: 16 (i) may not be less than 110% of the standard risk rate established under paragraph (1) of this subsection; and 17 18 may not exceed 200% of the standard risk rate. (ii) 19 (3)Premium rates shall be reasonably calculated to encourage enrollment in the Plan. 20 21The Board may subsidize premiums, deductibles, and other policy 22expenses, based on a member's income. 23 (L) IF THE BOARD ENTERS INTO AN AGREEMENT FOR THE PLAN 24 TO ADMINISTER A NATIONAL TEMPORARY HIGH RISK POOL PROGRAM FOR THE 25 STATE, THE BOARD MAY ESTABLISH A SEPARATE BENEFIT PACKAGE DELIVERY 26 SYSTEM AND PREMIUM RATE FOR INDIVIDUALS ENROLLED IN THE NATIONAL 27 HIGH RISK POOL PROGRAM IN ACCORDANCE WITH STANDARDS FOR BENEFIT 28 PACKAGES AND PREMIUM RATES ESTABLISHED UNDER FEDERAL LAW FOR THE 29 NATIONAL HIGH RISK POOL PROGRAM. 30 **(2)** THE REQUIREMENTS OF SUBSECTIONS (D) AND (E) OF THIS SECTION DO NOT APPLY TO THE SEPARATE BENEFIT PACKAGE ESTABLISHED 31

FOR INDIVIDUALS ENROLLED IN THE TEMPORARY HIGH RISK POOL PROGRAM

UNDER PARAGRAPH (1) OF THIS SUBSECTION.

- 1 (3) THE REQUIREMENTS OF SUBSECTIONS (H) AND (I) OF THIS SECTION DO NOT APPLY TO THE SEPARATE PREMIUM RATE ESTABLISHED FOR INDIVIDUALS ENROLLED IN THE NATIONAL HIGH RISK POOL PROGRAM UNDER PARAGRAPH (1) OF THIS SUBSECTION.
- 5 14–508.

- 6 (D) (1) IF THE SECRETARY OF HEALTH AND HUMAN SERVICES
  7 ESTABLISHES A NATIONAL HIGH RISK POOL PROGRAM THAT ALLOWS
  8 ADMINISTRATION BY STATES THROUGH A STATE HIGH RISK POOL, THE BOARD
  9 MAY:
- 10 (I) ELECT FOR THE PLAN TO ADMINISTER THE NATIONAL 11 HIGH RISK POOL PROGRAM FOR THE STATE; AND
- 12 (II) ENTER INTO ANY AGREEMENTS NECESSARY FOR THE 13 PLAN TO ADMINISTER THE NATIONAL HIGH RISK POOL PROGRAM FOR THE 14 STATE.
- 15 (2) THE BOARD MAY LIMIT ENROLLMENT IN THE TEMPORARY
  16 HIGH RISK POOL PROGRAM BASED ON THE AMOUNT OF FEDERAL FUNDING
  17 THAT IS AVAILABLE FOR THE PROGRAM.
  - SECTION 2. AND BE IT FURTHER ENACTED, That the State shall meet any maintenance of effort requirement established by federal law in connection with a temporary high risk pool program administered by Maryland Health Insurance Plan. To that end, the Health Services Cost Review Commission shall take into account consider any maintenance of effort obligation associated with the temporary high risk pool in making its annual assessment in accordance with § 19–214(d)(3)(i) of the Health General Article.
  - SECTION 3. AND BE IT FURTHER ENACTED, That the Maryland Health Insurance Plan shall monitor federal and State legislation relating to the national high risk pool program, and shall notify within 10 days the Department of Legislative Services of the enactment of legislation that ends the national high risk pool program or ends the administration of the national high risk pool program for the State by the Maryland Health Insurance Plan. This Act shall be abrogated and of no further force and effect on the earlier of the date that the national high risk pool program ends or the Maryland Health Insurance Plan ends its administration of the national high risk pool program for the State.
  - SECTION 4. AND BE IT FURTHER ENACTED, That this Act 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.

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