

SENATE BILL 1125

C3

EMERGENCY BILL

0lr0194
CF HB 1564

By: **Chair, Finance Committee (By Request – Departmental – Health Insurance Plan)**

Constitutional Requirements Complied with for Introduction in the last 35 Days of Session

Introduced and read first time: March 19, 2010

Rules suspended

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 26, 2010

CHAPTER _____

1 AN ACT concerning

2 **Maryland Health Insurance Plan – Administration of National High Risk**
3 **Pool Program**

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

19 BY repealing and reenacting, with amendments,
20 Article – Insurance

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 14–501(h)(1)
2 Annotated Code of Maryland
3 (2006 Replacement Volume and 2009 Supplement)

4 BY repealing and reenacting, without amendments,
5 Article – Insurance
6 Section 14–505(d), (e), (h), and (i)
7 Annotated Code of Maryland
8 (2006 Replacement Volume and 2009 Supplement)

9 BY adding to
10 Article – Insurance
11 Section 14–505(l) and 14–508(d)
12 Annotated Code of Maryland
13 (2006 Replacement Volume and 2009 Supplement)

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

16 **Article – Insurance**

17 14–501.

18 (h) (1) “Medically uninsurable individual” means an individual who is a
19 resident of the State and who:

20 (i) provides evidence that, for health reasons, a carrier has
21 refused to issue substantially similar coverage to the individual;

22 (ii) provides evidence that, for health reasons, a carrier has
23 refused to issue substantially similar coverage to the individual, except at a rate that
24 exceeds the Plan rate;

25 (iii) satisfies the definition of “eligible individual” under §
26 15–1301 of this article;

27 (iv) has a history of or suffers from a medical or health condition
28 that is included on a list promulgated in regulation by the Board;

29 (v) is eligible for the tax credit for health insurance costs under
30 § 35 of the Internal Revenue Code; [or]

31 (vi) is a dependent of an individual who is eligible for coverage
32 under this subsection; **OR**

1 2. if dependents are included in the coverage, to the
2 family unit; and

3 (ii) posted on the Plan website.

4 (h) (1) 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 (4) The Board may charge different premiums based on the benefit
10 package delivery system or cost-sharing arrangement when more than one benefit
11 package delivery system or cost-sharing arrangement is offered.

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
17 established under paragraph (1) of this subsection; and

18 (ii) may not exceed 200% of the standard risk rate.

19 (3) Premium rates shall be reasonably calculated to encourage
20 enrollment in the Plan.

21 (4) The Board may subsidize premiums, deductibles, and other policy
22 expenses, based on a member's income.

23 **(L) (1) 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**
31 **SECTION DO NOT APPLY TO THE SEPARATE BENEFIT PACKAGE ESTABLISHED**
32 **FOR INDIVIDUALS ENROLLED IN THE TEMPORARY HIGH RISK POOL PROGRAM**
33 **UNDER PARAGRAPH (1) OF THIS SUBSECTION.**

1 **(3) THE REQUIREMENTS OF SUBSECTIONS (H) AND (I) OF THIS**
2 **SECTION DO NOT APPLY TO THE SEPARATE PREMIUM RATE ESTABLISHED FOR**
3 **INDIVIDUALS ENROLLED IN THE NATIONAL HIGH RISK POOL PROGRAM UNDER**
4 **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.**

18 SECTION 2. AND BE IT FURTHER ENACTED, That the State shall meet any
19 maintenance of effort requirement established by federal law in connection with a
20 temporary high risk pool program administered by Maryland Health Insurance Plan.
21 To that end, the Health Services Cost Review Commission shall ~~take into account~~
22 consider any maintenance of effort obligation associated with the temporary high risk
23 pool in making its annual assessment in accordance with § 19-214(d)(3)(i) of the
24 Health – General Article.

25 SECTION 3. AND BE IT FURTHER ENACTED, That the Maryland Health
26 Insurance Plan shall monitor federal and State legislation relating to the national
27 high risk pool program, and shall notify within 10 days the Department of Legislative
28 Services of the enactment of legislation that ends the national high risk pool program
29 or ends the administration of the national high risk pool program for the State by the
30 Maryland Health Insurance Plan. This Act shall be abrogated and of no further force
31 and effect on the earlier of the date that the national high risk pool program ends or
32 the Maryland Health Insurance Plan ends its administration of the national high risk
33 pool program for the State.

34 SECTION 4. AND BE IT FURTHER ENACTED, That this Act is an emergency
35 measure, is necessary for the immediate preservation of the public health or safety,
36 has been passed by a yea and nay vote supported by three-fifths of all the members

1 elected to each of the two Houses of the General Assembly, and shall take effect from
2 the date it is enacted.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.