

Chapter 173

(House Bill 1564)

AN ACT concerning

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.

BY repealing and reenacting, with amendments,

Article – Insurance

Section 14–501(h)(1)

Annotated Code of Maryland

(2006 Replacement Volume and 2009 Supplement)

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)

BY adding to

Article – Insurance

Section 14–505(l) and 14–508(d)

Annotated Code of Maryland

(2006 Replacement Volume and 2009 Supplement)

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

Article – Insurance

14–501.

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

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

(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;

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

(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;

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

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

(VII) SATISFIES THE ELIGIBILITY REQUIREMENTS ESTABLISHED BY FEDERAL LAW TO ENROLL IN A NATIONAL TEMPORARY HIGH RISK POOL PROGRAM THAT IS:

1. ESTABLISHED BY THE SECRETARY OF HEALTH AND HUMAN SERVICES; AND

2. ADMINISTERED BY THE PLAN FOR THE STATE.

14–505.

(d) The Board may make a change to the standard benefit package only if:

(1) the proposed change is submitted in writing to the Board at least 15 days before the meeting at which a vote on the proposed change will be taken;

(2) consideration of the proposed change is listed as an action item on the agenda for the meeting;

- (3) the proposed change is set forth in a written motion that:
 - (i) identifies the specific changes to be made; and
 - (ii) is included in the minutes of the meeting of the Board at which the motion is made;
 - (4) the deliberations and vote on the proposed change occur during a public session of a meeting with the Board; and
 - (5) the vote approving the proposed change is reflected in the minutes of the meeting of the Board at which the vote is taken.
- (e) A change to the standard benefit package is not effective until the later of:
- (1) 30 days after the date the Board adopts the change;
 - (2) the date an updated master plan document reflecting the change is filed with the Commissioner; or
 - (3) 15 days after notice of the change and the effective date of change is:
 - (i) sent to:
 - 1. each member of the Plan; or
 - 2. if dependents are included in the coverage, to the family unit; and
 - (ii) posted on the Plan website.
- (h) (1) The Board shall establish a premium rate for Plan coverage subject to review and approval by the Commissioner.
- (2) The premium rate may vary on the basis of family composition.
 - (3) If the Board determines that a standard risk rate would create market dislocation, the Board may adjust the premium rate based on member age.
 - (4) The Board may charge different premiums based on the benefit package delivery system or cost-sharing arrangement when more than one benefit package delivery system or cost-sharing arrangement is offered.

(i) (1) The Board shall determine a standard risk rate by considering the premium rates charged by carriers in the State for coverage comparable to that of the Plan.

(2) The premium rate for Plan coverage:

(i) may not be less than 110% of the standard risk rate established under paragraph (1) of this subsection; and

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

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

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

(L) (1) IF THE BOARD ENTERS INTO AN AGREEMENT FOR THE PLAN TO ADMINISTER A NATIONAL TEMPORARY HIGH RISK POOL PROGRAM FOR THE STATE, THE BOARD MAY ESTABLISH A SEPARATE BENEFIT PACKAGE DELIVERY SYSTEM AND PREMIUM RATE FOR INDIVIDUALS ENROLLED IN THE NATIONAL HIGH RISK POOL PROGRAM IN ACCORDANCE WITH STANDARDS FOR BENEFIT PACKAGES AND PREMIUM RATES ESTABLISHED UNDER FEDERAL LAW FOR THE NATIONAL HIGH RISK POOL PROGRAM.

(2) THE REQUIREMENTS OF SUBSECTIONS (D) AND (E) OF THIS SECTION DO NOT APPLY TO THE SEPARATE BENEFIT PACKAGE ESTABLISHED FOR INDIVIDUALS ENROLLED IN THE TEMPORARY HIGH RISK POOL PROGRAM UNDER PARAGRAPH (1) OF THIS SUBSECTION.

(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.

14-508.

(D) (1) IF THE SECRETARY OF HEALTH AND HUMAN SERVICES ESTABLISHES A NATIONAL HIGH RISK POOL PROGRAM THAT ALLOWS ADMINISTRATION BY STATES THROUGH A STATE HIGH RISK POOL, THE BOARD MAY:

(I) ELECT FOR THE PLAN TO ADMINISTER THE NATIONAL HIGH RISK POOL PROGRAM FOR THE STATE; AND

(II) ENTER INTO ANY AGREEMENTS NECESSARY FOR THE PLAN TO ADMINISTER THE NATIONAL HIGH RISK POOL PROGRAM FOR THE STATE.

(2) THE BOARD MAY LIMIT ENROLLMENT IN THE TEMPORARY HIGH RISK POOL PROGRAM BASED ON THE AMOUNT OF FEDERAL FUNDING 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.

Approved by the Governor, April 13, 2010.