

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE

House Bill 1015 (Delegate Rudolph, *et al.*)
Health and Government Operations

Finance

Health Insurance - Purchasing Out of State - Feasibility Study

This bill requires the Maryland Insurance Administration (MIA) to study the feasibility and desirability of allowing State residents to purchase health insurance out of State and of establishing an Interstate Health Insurance Compact that would allow residents of member states to purchase health insurance across state lines. MIA must report the findings of its study, together with any recommendations, to the Governor and specified legislative committees by January 1, 2011.

The bill takes effect July 1, 2010.

Fiscal Summary

State Effect: MIA can conduct the study and draft the report with existing resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: A person that engages in or transacts insurance business in the State is required to have a certificate of authority issued by the Insurance Commissioner and comply with all of the requirements of State law. Typically, an individual who does not have health insurance available through an employer would purchase it from an insurer licensed and authorized to do business in the State. Individuals may also purchase insurance through an out-of-state association contract, which is a health benefit plan issued or delivered to an association outside the State. Chapters 509 and 654 of 2009

require an insurer or nonprofit health service plan to disclose certain information to a Maryland resident applying for coverage under an out-of-state association contract.

Background: In 2009, the Council of State Governments approved the resolution on Interstate Health Insurance Compact calling upon all levels of government to work cooperatively to develop and support an Interstate Health Insurance Compact. The resolution expressed the intent that the council establish an Interstate Health Insurance Compact Working Group to explore the creation of such an agreement, including specific recommendations for inclusion in an interstate compact that may be considered by states. Minnesota and Washington are considering legislation that would help to establish such a compact.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Health and Mental Hygiene, Maryland Insurance Administration, Department of Legislative Services

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ncs/mwc

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