

HOUSE BILL 815

C3

11r2088
CF SB 579

By: **Delegate A. Kelly**

Introduced and read first time: February 11, 2011

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance – Limit on Copayments**

3 FOR the purpose of prohibiting certain insurers, nonprofit health service plans, and
4 health maintenance organizations that provide covered benefits subject to a
5 copayment from imposing a copayment that exceeds a specified percentage of
6 the allowed amount established for the covered benefit; establishing a certain
7 exception; making certain provisions of this Act applicable to health
8 maintenance organizations; providing for the application of this Act; and
9 generally relating to health insurance and copayments for covered benefits.

10 BY adding to

11 Article – Insurance

12 Section 15–138

13 Annotated Code of Maryland

14 (2006 Replacement Volume and 2010 Supplement)

15 BY adding to

16 Article – Health – General

17 Section 19–706(kkkk)

18 Annotated Code of Maryland

19 (2009 Replacement Volume and 2010 Supplement)

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

22 **Article – Insurance**

23 **15–138.**

24 **(A) THIS SECTION APPLIES TO:**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(1) INSURERS AND NONPROFIT HEALTH SERVICE PLANS THAT**
2 **PROVIDE HOSPITAL, MEDICAL, OR SURGICAL BENEFITS TO INDIVIDUALS OR**
3 **GROUPS ON AN EXPENSE-INCURRED BASIS UNDER HEALTH INSURANCE**
4 **POLICIES OR CONTRACTS THAT ARE ISSUED OR DELIVERED IN THE STATE; AND**

5 **(2) HEALTH MAINTENANCE ORGANIZATIONS THAT PROVIDE**
6 **HOSPITAL, MEDICAL, OR SURGICAL BENEFITS TO INDIVIDUALS OR GROUPS**
7 **UNDER CONTRACTS THAT ARE ISSUED OR DELIVERED IN THE STATE.**

8 **(B) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, AN**
9 **ENTITY SUBJECT TO THIS SECTION THAT PROVIDES COVERED BENEFITS**
10 **SUBJECT TO A COPAYMENT MAY NOT IMPOSE A COPAYMENT THAT EXCEEDS 50%**
11 **OF THE ALLOWED AMOUNT ESTABLISHED BY THE ENTITY FOR THE COVERED**
12 **BENEFIT.**

13 **(C) THE LIMIT ON COPAYMENTS FOR COVERED BENEFITS UNDER**
14 **SUBSECTION (B) OF THIS SECTION DOES NOT APPLY TO PRESCRIPTION DRUGS.**

15 **Article - Health - General**

16 19-706.

17 **(KKKK) THE PROVISIONS OF § 15-138 OF THE INSURANCE ARTICLE**
18 **APPLY TO HEALTH MAINTENANCE ORGANIZATIONS.**

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all
20 policies, contracts, and health benefit plans issued, delivered, or renewed in the State
21 on or after October 1, 2011.

22 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 October 1, 2011.