

HOUSE BILL 1015

C3
HB 951/10 – HGO

11r1923

By: **Delegates Carter, Anderson, Carr, Cullison, Frush, Gaines, Gutierrez,
Haynes, Oaks, and S. Robinson**

Introduced and read first time: February 11, 2011

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance Carriers – Declinations of Applications for Coverage –**
3 **Required Reporting**

4 FOR the purpose of altering the information that health insurance carriers are
5 required to submit to the Maryland Insurance Commissioner in a certain report
6 to include the reason that an application for individual health insurance
7 coverage was declined; requiring the Commissioner to post certain information
8 on the Maryland Insurance Administration’s Web site; requiring the
9 Commissioner to compile a certain summary report of certain information and
10 to make the report available to the public; requiring the Commissioner to adopt
11 certain regulations; and generally relating to reporting information about
12 applications for health insurance coverage.

13 BY repealing and reenacting, without amendments,
14 Article – Insurance
15 Section 15–1301(a) and (d)
16 Annotated Code of Maryland
17 (2006 Replacement Volume and 2010 Supplement)

18 BY repealing and reenacting, with amendments,
19 Article – Insurance
20 Section 15–1303
21 Annotated Code of Maryland
22 (2006 Replacement Volume and 2010 Supplement)

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

25 **Article – Insurance**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 15-1301.

2 (a) In this subtitle the following words have the meanings indicated.

3 (d) "Carrier" means a person that is:

4 (1) an insurer that holds a certificate of authority in the State and
5 provides health insurance in the State;

6 (2) a health maintenance organization that is licensed to operate in
7 the State;

8 (3) a nonprofit health service plan that is licensed to operate in the
9 State; or

10 (4) any other person or organization that provides health benefit plans
11 subject to State insurance regulation.

12 15-1303.

13 (a) In addition to any other requirements under this article, a carrier that
14 offers individual health benefit plans in this State shall:

15 (1) have demonstrated the capacity to administer the individual
16 health benefit plans, including adequate numbers and types of administrative staff;

17 (2) have a satisfactory grievance procedure and ability to respond to
18 calls, questions, and complaints from enrollees or insureds; and

19 (3) design policies to help ensure that enrollees or insureds have
20 adequate access to providers of health care.

21 (b) (1) For each calendar quarter, a carrier that offers individual health
22 benefit plans in the State shall submit to the Commissioner a report that includes:

23 (i) the number of applications submitted to the carrier for
24 individual coverage; [and]

25 (ii) the number of declinations issued by the carrier for
26 individual coverage; AND

27 **(III) FOR EACH APPLICATION THAT WAS DECLINED, THE**
28 **REASON IT WAS DECLINED.**

29 (2) The report required under paragraph (1) of this subsection shall be
30 filed with the Commissioner no later than 30 days after the last day of the quarter for
31 which the information is provided.

1 **(C) THE COMMISSIONER SHALL:**

2 **(1) POST ON THE ADMINISTRATION'S WEB SITE THE**
3 **INFORMATION PROVIDED BY CARRIERS UNDER SUBSECTION (B)(1) OF THIS**
4 **SECTION;**

5 **(2) COMPILE AN ANNUAL SUMMARY REPORT OF THE**
6 **INFORMATION PROVIDED BY CARRIERS UNDER SUBSECTION (B)(1) OF THIS**
7 **SECTION;**

8 **(3) MAKE THE ANNUAL SUMMARY REPORT AVAILABLE TO THE**
9 **PUBLIC; AND**

10 **(4) ADOPT REGULATIONS FOR THE FORM AND CONTENT OF THE**
11 **INFORMATION PROVIDED BY CARRIERS UNDER SUBSECTION (B) OF THIS**
12 **SECTION.**

13 **[(c)] (D)** **(1)** If a carrier denies coverage under a medically underwritten
14 health benefit plan to an individual in the nongroup market, the carrier shall provide:

15 **(i)** the individual with specific information regarding the
16 availability of coverage under the Maryland Health Insurance Plan established under
17 Title 14, Subtitle 5 of this article; and

18 **(ii)** the Maryland Health Insurance Plan with:

19 1. the name and address of the individual who was
20 denied coverage; and

21 2. if the individual applied for coverage through an
22 insurance producer, the name and, if available, the address of the insurance producer.

23 **(2)** The information provided by a carrier under this subsection shall
24 be provided in a manner and form required by the Commissioner.

25 **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect**
26 **October 1, 2011.**