HOUSE BILL 1167


Introduced and read first time: February 8, 2018
Assigned to: Health and Government Operations

A BILL ENTITLED

AN ACT concerning

Protect Maryland Health Care Act of 2018

FOR the purpose of requiring the State Comptroller and the Maryland Health Benefit Exchange to develop a certain system for a certain purpose; requiring the Comptroller, the Exchange, and the Maryland Department of Health to develop and implement a certain system; establishing a certain requirement for a certain system; requiring the Exchange to use certain information for a certain purpose; authorizing the Comptroller, the Exchange, and the Department to take certain actions for a certain purpose; establishing certain requirements for certain forms and procedures developed by the Comptroller, the Exchange, and the Department; establishing the Maryland Insurance Stabilization Fund as a special, nonlapsing fund; establishing the purpose of the Maryland Insurance Stabilization Fund; requiring the Exchange to administer the Maryland Insurance Stabilization Fund; requiring the State Treasurer to hold the Maryland Insurance Stabilization Fund and the Comptroller to account for the Maryland Insurance Stabilization Fund; specifying the contents of the Maryland Insurance Stabilization Fund; requiring certain uses for the Maryland Insurance Stabilization Fund; providing for the investment of money in and expenditures from the Maryland Insurance Stabilization Fund; requiring the State Treasurer to prepare a certain annual report on the Maryland Insurance Stabilization Fund and to submit a copy of the report to the General Assembly; establishing the Health Insurance Down Payment Escrow Fund as a special,
nonlapsing fund; establishing the purpose of the Health Insurance Down Payment
Escrow Fund; requiring the Exchange to administer the Health Insurance Down
Payment Escrow Fund; requiring the State Treasurer to hold the Health Insurance
Down Payment Escrow Fund and the Comptroller to account for the Health
Insurance Down Payment Escrow Fund; requiring the Exchange to establish certain
accounts in the Health Insurance Down Payment Escrow Fund and issue to certain
account holders a certain statement; specifying the contents of the Health Insurance
Down Payment Escrow Fund; requiring the Health Insurance Down Payment
Escrow Fund to be used for a certain purpose; providing for the investment of money
in and expenditures from the Health Insurance Down Payment Escrow Fund;
requiring interest earnings of certain funds to be credited to the funds; exempting
the funds from a certain provision of law requiring interest earnings on State money
to accrue to the General Fund of the State; requiring the Exchange to take certain
steps to establish eligibility for the Maryland Medical Assistance Program for certain
individuals; establishing certain requirements for the Exchange in implementing
certain requirements; requiring the Exchange to limit a certain burden on certain
individuals under certain circumstances; requiring the Exchange and the
Department to facilitate the enrollment of certain individuals in a certain managed
care organization in a certain manner; authorizing the Department to assign certain
individuals to a certain plan in a certain amount of time after a certain event;
requiring the Exchange to use certain enrollment procedures for certain individuals;
requiring the Exchange to take certain steps to establish eligibility for certain tax
credits and certain reductions in cost–sharing for certain individuals under certain
circumstances; requiring the Exchange to make a certain determination and assign
certain individuals to plans under certain circumstances; requiring the Exchange to
take certain steps to facilitate the enrollment of certain individuals into certain
coverage under certain circumstances; requiring the Exchange to notify certain
individuals of certain information under certain circumstances; requiring the Exchange to ensure that certain coverage can be effectuated in a certain manner;
requiring the Exchange to obtain informed consent from certain individuals before
the effectuation of certain coverage; requiring the Exchange to adopt certain
procedures for informed consent; establishing requirements for the receipt of certain
coverage; requiring the Exchange to make a certain payment to a certain carrier for
the purchase of a certain plan and requiring a certain carrier to obtain the remainder
of certain premium payments owed to the carrier through certain tax credits;
requiring the Exchange to use certain methods to contact certain individuals to
provide certain information; requiring certain payments to be paid in a certain
manner under certain circumstances; requiring the transfer of certain payment
amounts to a certain fund under certain circumstances; requiring the Exchange and
the Comptroller to make certain determinations; requiring the Exchange to make
certain payments to certain carriers under certain circumstances; requiring the
Exchange to make a certain determination and implement certain procedures under
certain circumstances; requiring a certain payment to revert to a certain fund under
certain circumstances; requiring the Exchange to develop certain policies and
procedures; requiring a certain option to be available to certain individuals;
requiring the Exchange to provide certain information in a certain manner; requiring
the Exchange, in consultation with the Comptroller, to provide certain opportunities;
requiring certain functions to begin operation during a certain open enrollment period; authorizing certain individuals to make a certain payment for certain coverage and to have the payment credited against a certain payment amount owed on a certain income tax return for the individual under certain circumstances; prohibiting a certain excess payment from being credited against certain tax liability of a certain individual; requiring the Exchange and the Comptroller to make a certain determination on or before a certain date and to establish a certain system if a certain determination is made; requiring certain data to be subject to certain privacy and security safeguards; requiring the Comptroller and the Exchange to develop certain safeguards for a certain purpose; requiring the Comptroller to establish certain checkoffs on a certain form; requiring the Comptroller to include in a certain package a certain description of certain purposes for which certain information may be used; requiring the Comptroller to disclose certain information to the Exchange; requiring the Comptroller to provide an individual a certain estimate under certain circumstances; requiring, beginning on a certain date, an individual to maintain certain coverage for certain individuals; requiring that an individual pay a certain payment under certain circumstances; requiring that the payment be in addition to a certain State income tax and included with a certain income tax return; requiring that certain individuals be jointly liable for the payment under certain circumstances; establishing the amount of the payment; exempting an individual who qualifies for a certain exemption under federal law or who paid a certain payment from being assessed the payment; authorizing an individual to claim a certain credit against the payment; requiring an individual to indicate certain information on a certain income tax return; providing for a certain right to appeal the assessment of the payment or the denial of a certain exemption or certain credit; requiring the Comptroller to distribute certain revenue in a certain manner; providing for the construction of certain provisions of this Act; providing for the applicability of certain provisions of this Act; defining certain terms; and generally relating to health coverage.

BY adding to
Article – Insurance
Section 33–101 through 33–605 to be under the new title “Title 33. Health Insurance Payment and Stabilization Initiatives”
Annotated Code of Maryland
(2017 Replacement Volume)

BY repealing and reenacting, without amendments,
Article – State Finance and Procurement
Section 6–226(a)(2)(i)
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 6–226(a)(2)(ii)101. and 102.
Annotated Code of Maryland
WHEREAS, Despite the bipartisan opposition of elected leaders from across the country, including Governor Hogan and nearly all of the Maryland Congressional Delegation, President Trump recently signed into law a tax bill that ends federal enforcement of the Affordable Care Act’s individual mandate; and

WHEREAS, The nonpartisan Congressional Budget Office projects that this step will increase premiums in the individual market by 10% and cause 13,000,000 Americans to lose health care coverage; and

WHEREAS, Maryland State government has a moral duty to protect its residents from these irresponsible changes in policy; and

WHEREAS, Hardworking families who buy their own insurance today – real estate agents, farmers, carpenters, child care workers, salespersons, and others – will see their already high insurance costs become even less affordable as premiums skyrocket; and

WHEREAS, The Affordable Care Act has accomplished a tremendous amount in Maryland, lowering the percentage of uninsured residents from 11% to 6%; and

WHEREAS, The end of the federal individual mandate enforcement gives Maryland an opportunity to do an even better job covering thousands of our State’s remaining uninsured by transforming individual mandate enforcement payments into health insurance down payments that help hardworking families obtain health insurance; and

WHEREAS, Keeping young and healthy adults within current insurance markets and attracting young and healthy adults into coverage would prevent the substantial premium increases for currently insured Maryland residents that would otherwise result from the irresponsible federal policies described above; and

WHEREAS, To fill the gap left by federal legislation, Maryland should help
thousands of currently uninsured residents choose health coverage that meets their needs
and the needs of their families, thereby reducing, rather than increasing, insurance costs
for people who use their own money to purchase coverage; and

WHEREAS, At the same time, Maryland should restructure the Affordable Care
Act’s individual coverage requirements so that low–wage working Marylanders are not
asked to pay more than they can afford for health insurance; now, therefore,

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

Article – Insurance

TITLE 33. HEALTH INSURANCE PAYMENT AND STABILIZATION INITIATIVES.

SUBTITLE 1. DEFINITIONS.


(A) In this title the following words have the meanings indicated.

(B) “Board” has the meaning stated in § 31–101 of this article.

(C) “Carrier” means:

(1) an insurer authorized to sell health insurance;

(2) a nonprofit health service plan;

(3) a health maintenance organization;

(4) a dental plan organization; or

(5) any other entity providing a plan of health insurance, health benefits, or health services authorized under this article or the Affordable Care Act.

(D) “Department” means the Maryland Department of Health.

(E) “Exchange” has the meaning stated in § 31–101 of this article.

(F) “Exchange–qualified health plan” means a health benefit plan that is offered in the Individual Exchange and has been certified
BY THE EXCHANGE TO MEET THE CRITERIA FOR CERTIFICATION DESCRIBED IN § 1311(c) OF THE AFFORDABLE CARE ACT AND § 31–115 OF THIS ARTICLE.

(G) “INDIVIDUAL EXCHANGE” HAS THE MEANING STATED IN § 31–101 OF THIS ARTICLE.

(H) “MINIMUM ESSENTIAL COVERAGE” HAS THE MEANING STATED IN § 15–1301 OF THIS ARTICLE.

(I) “MODIFIED ADJUSTED GROSS INCOME” MEANS MODIFIED ADJUSTED GROSS INCOME, AS USED TO DETERMINE ELIGIBILITY FOR MEDICAID OR PREMIUM TAX CREDITS UNDER THE AFFORDABLE CARE ACT.

(J) “PAYMENT AMOUNT” MEANS A PAYMENT AMOUNT UNDER § 10–102.2(c) OF THE TAX–GENERAL ARTICLE.

(K) “PREMIUM TAX CREDITS” MEANS THE TAX CREDITS DESCRIBED IN § 36B OF THE INTERNAL REVENUE CODE.

(L) “PROACTIVELY CONTACT” MEANS AN ATTEMPT BY THE EXCHANGE, THE DEPARTMENT, CONTRACTORS OF THE EXCHANGE OR THE DEPARTMENT, AN EXCHANGE–APPROVED INDIVIDUAL ASSISTER, OR A MEDICAID MANAGED CARE ORGANIZATION SELECTED BY OR ASSIGNED TO A TAXPAYER OR HOUSEHOLD MEMBER TO REACH THE TAXPAYER OR HOUSEHOLD MEMBER BY:

(1) MAKING MULTIPLE ATTEMPTS TO EMPLOY THE METHODS REQUESTED BY THE TAXPAYER FOR CONTACTING THE TAXPAYER OR HOUSEHOLD MEMBER BEFORE TAKING THE STEPS DESCRIBED IN ITEM (3) OF THIS SUBSECTION;

(2) IF NO SPECIFIC METHODS FOR CONTACTING THE TAXPAYER ARE REQUESTED BY THE TAXPAYER, MAKING MULTIPLE ATTEMPTS TO CONTACT THE TAXPAYER OR HOUSEHOLD MEMBER THROUGH TELEPHONIC AND ELECTRONIC MEANS BEFORE TAKING THE STEPS DESCRIBED IN ITEM (3) OF THIS SUBSECTION; AND

(3) IF THE METHODS DESCRIBED IN ITEMS (1) AND (2) OF THIS SUBSECTION DO NOT SUCCESSFULLY REACH THE TAXPAYER OR HOUSEHOLD MEMBER TO OBTAIN THE REQUESTED INFORMATION, SENDING PAPER FORMS OR NOTICES TO THE TAXPAYER OR HOUSEHOLD MEMBER BY MAIL.

(M) “QUALIFIED HEALTH PLAN” HAS THE MEANING STATED IN § 31–101 OF THIS ARTICLE.
(N) “Zero–additional–cost plan” means an Exchange–qualified health plan that is offered to an individual and that charges the individual a premium that, through the end of the applicable plan year, does not exceed the sum of the individual’s payment amount and the premium tax credit for which the individual appears to qualify, based on the applicable return.


33–201.

(A) (1) The Comptroller and the Exchange shall develop a system to encourage an individual to use the individual’s payment amounts under § 10–102.2(c) of the Tax – General Article to purchase health insurance and to facilitate and streamline the use of the payment amounts.

(2) The system shall be:

(I) fully operational by January 1, 2020; and

(II) available for use by residents of the State when filing a State income tax return for 2019 and each year thereafter.

(B) (1) Subject to paragraph (2) of this subsection, the Comptroller, the Exchange, and the Department shall develop a system through which a determination of eligibility and enrollment into coverage for the Maryland Medical Assistance Program and the Maryland Children’s Health Insurance Program is done as soon as possible after an uninsured individual files a State income tax return indicating likely eligibility for the Maryland Medical Assistance Program and the Maryland Children’s Health Insurance Program.

(2) The system described under paragraph (1) of this subsection may initiate coverage under the Maryland Medical Assistance Program for an uninsured individual only if the individual is eligible for coverage under the Maryland Medical Assistance Program in accordance with 42 U.S.C. § 1395 and Title 15 of the Health – General Article.

(3) To the extent practicable, the Exchange shall use information on the individual’s State income tax return to verify
Eligibility for the Maryland Medical Assistance Program and the Maryland Children’s Health Insurance Program without requesting information from the uninsured individual.

(C) The Comptroller, the Exchange, and the Department may:

(1) enter into agreements;

(2) adopt regulations;

(3) adopt guidelines;

(4) establish accounts;

(5) conduct trainings;

(6) provide public information;

(7) educate tax preparers; and

(8) take any other steps as may be necessary to facilitate the most effective implementation of this title.

(D) In developing forms and procedures for the general public to implement this title, the Comptroller, the Exchange, and the Department shall use language and procedures that, to the maximum extent possible:

(1) are simple, clear, and easy to understand;

(2) are effective in encouraging uninsured residents of the State to obtain health coverage; and

(3) make it easy for uninsured residents of the State to obtain health coverage.


33–301.

(A) There is a Maryland Insurance Stabilization Fund.

(B) The purpose of the Fund is to provide funding for:
(1) THE EXCHANGE’S REASONABLE ADMINISTRATIVE COSTS OF IMPLEMENTING THIS TITLE; AND

(2) ANY MEASURES THAT STABILIZE THE INDIVIDUAL INSURANCE MARKET OR LOWER PREMIUMS FOR INDIVIDUAL INSURANCE.

(C) THE EXCHANGE SHALL ADMINISTER THE FUND.

(D) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7–302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(E) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

(F) THE FUND SHALL CONSIST OF:

(1) AMOUNTS TRANSFERRED OR REVERTED TO OR DEPOSITED INTO THE FUND UNDER § 33–602(C)(3) AND (E)(3) OF THIS TITLE AND § 2–115(C)(2) AND (4) OF THE TAX–GENERAL ARTICLE;

(2) INCOME FROM INVESTMENTS MADE ON BEHALF OF THE FUND;

(3) INTEREST ON DEPOSITS OR INVESTMENTS OF MONEY IN THE FUND; AND

(4) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE BENEFIT OF THE FUND.

(G) THE FUND SHALL BE USED FOR:

(1) THE PAYMENT OF REASONABLE ADMINISTRATIVE COSTS INCURRED BY THE EXCHANGE TO IMPLEMENT THIS TITLE;

(2) THE PROVISION OF REINSURANCE THAT LOWERS THE EXPOSURE OF INDIVIDUAL MARKET CARRIERS TO UNEXPECTEDLY HIGH COSTS INCURRED BY PARTICULAR MEMBERS;

(3) THE PROVISION OF ADDITIONAL EXCHANGE–APPROVED INDIVIDUAL ASSISTANCE;

(4) PROVIDING SUBSIDIES THAT SUPPLEMENT PREMIUM TAX CREDITS OR COST–SHARING REDUCTIONS DESCRIBED IN § 1402(C) OF THE
AFFORDABLE CARE ACT;

(5) incentives for carriers to offer Exchange-qualified health plan coverage in underserved counties to increase individual choice in selecting coverage and lowering premiums by increasing competition; and

(6) other measures deemed effective by the Exchange in stabilizing the individual market and lowering premiums.

(H) Expenditures from the Fund for the purposes authorized under subsection (g) of this section may be made only:

(1) with an appropriation from the Fund approved by the General Assembly in the State budget; or

(2) by budget amendment as provided for in Title 7, Subtitle 2 of the State Finance and Procurement Article.

(I) (1) The Comptroller shall invest the money of the Fund in the same manner as other State money may be invested.

(2) Any investment earnings of the Fund shall be credited to the Fund.

(3) No part of the Fund may revert or be credited to the General Fund or any special fund of the State.

(4) A debt or an obligation of the Fund is not a debt of the State or a pledge of credit of the State.

(J) (1) At the end of the fiscal year, the State Treasurer shall prepare an annual report on the Fund that includes an accounting of all financial receipts and expenditures to and from the Fund.

(2) The State Treasurer shall submit a copy of the report to the General Assembly in accordance with § 2–1246 of the State Government Article.

SUBTITLE 4. HEALTH INSURANCE DOWN PAYMENT ESCROW FUND.

33–401.
(A) There is a Health Insurance Down Payment Escrow Fund.

(B) The purpose of the Fund is to hold payment amounts from an individual taxpayer to help the individual taxpayer purchase health insurance.

(C) The Exchange shall administer the Fund.

(D) The Fund is a special, nonlapsing fund that is not subject to § 7–302 of the State Finance and Procurement Article.

(E) The State Treasurer shall hold the Fund separately, and the Comptroller shall account for the Fund.

(F) (1) The Exchange shall establish an account in the Fund for each individual taxpayer who makes a payment under § 10–102.2(c) of the Tax–General Article.

(2) The Exchange shall issue to each account holder under paragraph (1) of this subsection a statement that provides the following information relating to each account:

   (i) the beginning account balance;

   (ii) withdrawals from the account during the immediately preceding year; and

   (iii) the ending account balance.

(G) The Fund consists of:

   (1) payment amounts paid by individual taxpayers under § 10–102.2(c) of the Tax–General Article;

   (2) income from investments made on behalf of the Fund;

   (3) interest on deposits or investments of money in the Fund; and

   (4) any other money from any other source accepted for the benefit of the Fund.

(H) The Fund shall be used for the purchase of a qualified
HEALTH PLAN FOR A TAXPAYER OR MEMBER OF THE TAXPAYER’S HOUSEHOLD WHO MADE A PAYMENT AMOUNT FOR USE AS A DOWN PAYMENT TO PURCHASE HEALTH INSURANCE.

(1) The State Treasurer shall invest the money of the Fund in the same manner as other State money may be invested.

(2) Any investment earnings of the Fund shall be credited to the Fund.

(3) A debt or an obligation of the Fund is not a debt of the State or a pledge of credit of the State.

SUBTITLE 5. MARYLAND MEDICAL ASSISTANCE PROGRAM ELIGIBILITY AND ENROLLMENT PROCEDURES.

33–501.

(A) If the Exchange receives the information the Comptroller has been authorized to provide under § 2–115(b) of the Tax–General Article, the Exchange shall take all feasible steps to determine whether the taxpayer or household member is eligible for the Maryland Medical Assistance Program as soon as possible, without imposing avoidable procedural burdens on the taxpayer or household member.

(B) In implementing subsection (A) of this section, the Exchange shall:

(1) Avoid making a request to the taxpayer or household member to provide attestations or documentation that are duplicative of information the Comptroller has been authorized to provide under § 2–115(b) of the Tax–General Article; and

(2) Treat data from the taxpayer’s federal income tax return as reasonably compatible with an attestation of modified adjusted gross income at Medicaid–qualifying levels if the data shows income at those levels during the taxable year.

(C) If additional attestations or documentation from the taxpayer or household member are required to establish eligibility, the Exchange shall take steps to limit the burden on the taxpayer or household member, including:
(1) Having Exchange staff or contractors of the Exchange proactively contact the taxpayer or household member;

(2) Recording attestations and other information from the taxpayer or household member telephonically or electronically whenever possible, rather than requiring submission of written documents when attestations or other information must be gathered from the taxpayer or household member; and

(3) Facilitating a selection of an authorized representative by the taxpayer or household member if the steps described in items (1) and (2) of this subsection do not suffice in obtaining attestations or documentation required to determine eligibility.

(D) (1) The Exchange and the Department shall facilitate a Medicaid-eligible taxpayer’s or household member’s enrollment in a managed care organization in an expeditious manner by initiating the process for selecting a managed care organization plan as soon as possible, and in no case more than 10 business days following the Exchange’s receipt of the information the Comptroller has been authorized to provide under § 2-115(b) of the Tax–General Article.

(2) If a taxpayer or household member fails to select a managed care organization within a period of time established by the Exchange or the Department, the Department shall assign the taxpayer or household member to a managed care organization plan not less than 30 days after the initiation of plan selection by the Exchange and Department under paragraph (1) of this subsection.


33-601.

(A) The Exchange shall use the default enrollment procedures described in this section for a taxpayer who:

(1) Authorizes disclosure under § 2-115(b) of the Tax–General Article;

(2) Indicates that one or more household members are uninsured at the time of filing the tax return; and
(3) Has a payment amount deposited in the Health Insurance Down Payment Escrow Fund under § 2–115(c)(2)(II) of the Tax–General Article.

(B) (1) If the Exchange receives the information the Comptroller has been authorized to provide under § 2–115(b)(1) of the Tax–General Article or the Exchange implements default enrollment procedures under § 33–602(e)(2) of this subtitle, the Exchange shall take all feasible steps to establish eligibility for premium tax credits and reductions in cost–sharing for the taxpayer or household member as soon as possible, without imposing avoidable procedural burdens on the taxpayer or household member.

(2) In implementing paragraph (1) of this subsection, the Exchange shall take steps to limit the burden on the taxpayer or household member, including:

(I) avoiding making a request to the taxpayer or household member to provide attestations or documentation of information the Comptroller has been authorized to provide under § 2–115(b) of the Tax–General Article;

(II) having Exchange staff or contractors of the Exchange proactively contact the taxpayer or household member when attestations or documentation from the taxpayer or household member are required to establish eligibility due to the unavailability of necessary data from a third–party source;

(III) recording attestations and other information from the taxpayer or household member telephonically or electronically whenever possible, rather than requiring submission of written documents when attestations or other information must be gathered from the taxpayer or household member; and

(IV) facilitating the selection of an authorized representative by the taxpayer or household member if the steps described in items (I) through (III) of this paragraph do not suffice in obtaining attestations or documentations needed to determine eligibility.

(C) (1) The Exchange shall determine whether the taxpayer or household member is offered one or more zero–additional–cost plans.
(2) **Subject to Paragraph (3) of this subsection, if more than one zero–additional–cost plan is offered to the taxpayer or household member, the Exchange shall assign the taxpayer or household member to the plan with the highest actuarial value.**

(3) **If more than one zero–additional–cost plan:**

(I) **Has the highest actuarial value, the Exchange shall assign the taxpayer or household member to the plan with the most generous coverage of pre–deductible services, as determined under standards adopted by the Exchange;**

(II) **Has the highest actuarial value and has the same generous coverage of pre–deductible services, the Exchange shall assign the taxpayer or household member to the plan with the lowest premium; or**

(III) **Has the highest actuarial value, has the same generous coverage of pre–deductible services, and has the same premium, the Exchange shall assign the taxpayer or household member to a plan chosen at random.**

(D) **Once the Exchange has identified the zero–additional–cost plan in which the taxpayer or household member will be enrolled, the Exchange shall take all feasible steps to facilitate the individual’s enrollment into coverage, including providing the carrier sponsoring the plan with information that the carrier may need to complete the enrollment process, while ensuring compliance with the data privacy and data security safeguards established under § 33–605 of this subtitle.**

(E) **If an individual enrolled in a zero–additional–cost plan under this section will have an advance premium tax credit used to help pay the applicable premium, the Exchange shall notify the individual and obtain confirmation of the individual’s understanding that:**

(1) **An advance premium tax credit is being used to help pay the individual’s premium;**

(2) **The individual is legally obligated to file a federal income tax return that reconciles the advance premium tax credit with the household circumstances shown on the return; and**
(3) The individual is legally obligated to inform the Exchange of changes in household circumstances, after the period shown on the individual’s most recent federal income tax return, that may change the individual’s premium tax credit eligibility.

(F) (1) The Exchange shall ensure that coverage under this section can be effectuated promptly even if the open enrollment period for qualified health plans is no longer in effect.

(2) The Exchange may achieve the requirement under paragraph (1) of this subsection through measures that include:

   (I) establishing a special enrollment period for a default enrollment under this section; or

   (II) establishing a procedure through which a carrier sponsoring Exchange–qualified health plans may voluntarily elect to accept individuals who enroll under this section, provided that the election:

     1. shall constitute an enforceable agreement to offer coverage to all individuals who are referred to the carrier under this section;

     2. shall be communicated to the Exchange using methods and within time frames determined by the Exchange; and

     3. may not be deemed an agreement to enroll other individuals outside established open or special enrollment periods.

(G) (1) Before coverage is effectuated under this section, the carrier shall obtain informed consent from the prospective member referred to the carrier.

(2) The Exchange shall adopt procedures for informed consent that adhere, as closely as possible, to procedures used in other enrollment processes used by Exchange–qualified health plans.

(H) (1) After the steps described in subsections (B) through (G) of this section are complete, the taxpayer or household member shall receive coverage at the earliest feasible date, as determined under
GUIDELINES ADOPTED BY THE EXCHANGE.

(2) The Exchange shall pay to the carrier the full amount of the down payment applicable to the taxpayer or household member for the purchase of the plan offered by the carrier and the carrier shall obtain the remainder of premium payments owed for the plan through advance premium tax credits for which the taxpayer or household member qualifies.

33–602.

(A) (1) In this section the following words have the meanings indicated.

(2) “Down payment” means a payment received by the Exchange under § 10–102.2 of the Tax – General Article to help an uninsured taxpayer or household member purchase qualified health plan coverage.

(3) “Next open enrollment period” means the first open enrollment period that follows the receipt of an individual’s payment amount.

(B) Before the next open enrollment period begins, the Exchange shall use appropriate methods to contact each individual for whom the Exchange has received a down payment to provide the individual with the following information:

(1) The amount of the down payment to help the individual purchase qualified health plan coverage;

(2) That if a down payment is not used during the next open enrollment period to purchase coverage, it will revert to the Maryland Health Insurance Stabilization Fund and will not be available for the individual’s future use to purchase health coverage;

(3) The availability of prepayment amounts described in § 33–603 of this subtitle; and

(4) Key features of qualified health plans that are available to the individual, including the impact of the information described in this subsection on the cost to the individual in purchasing qualified health plan coverage.
(C) (1) If an individual for whom a down payment has been held by the Exchange chooses to enroll in an Exchange–qualified health plan, the down payment shall be paid to the carrier offering the Exchange–qualified health plan, divided into 12 equal amounts paid each month.

(2) If an individual elects the prepayment option described in § 33–603 of this subtitle, the prepayment amount shall be paid to the carrier offering the Exchange–qualified health plan, divided into 12 equal amounts paid each month.

(3) If an individual terminates qualified health plan enrollment before all of the amounts described in paragraph (1) or (2) of this subsection have been paid to the carrier, the remaining unspent amounts shall be transferred to the Maryland Insurance Stabilization Fund.

(D) (1) The Exchange and the Comptroller shall determine whether it is administratively feasible to make the payments described in subsection (C) of this section to a carrier for purchase of a qualified health plan that is not an Exchange–qualified health plan.

(2) If the Exchange and the Comptroller make an affirmative determination under paragraph (1) of this subsection and an individual for whom a down payment is being held by the Exchange chooses to enroll in a qualified health plan that is not an Exchange–qualified health plan, the Exchange shall make the payments described in subsection (C) of this section to the carrier of the qualified health plan chosen by the individual.

(E) (1) If an individual for whom a down payment is being held by the Exchange does not affirmatively select a qualified health plan during the open enrollment period, the Exchange shall assess whether a zero–additional–cost plan is available for the individual.

(2) If a zero–additional–cost plan is available for the individual, the Exchange shall implement the default enrollment procedures under § 33–601 of this article.

(3) If a zero–additional–cost plan is not available for the individual, the down payment shall revert to the Maryland Insurance Stabilization Fund.
(F) (1) The Exchange shall develop policies and procedures through which an individual, during an open enrollment period, may make a prepayment to help purchase an Exchange–qualified health plan under subsection (c)(2) of this section and § 33–603 of this subtitle.

(2) The option to make a prepayment to help purchase an Exchange–qualified health plan under subsection (c)(2) of this section and § 33–603 of this subtitle shall be available to an individual, regardless of whether or not the individual has a down payment being held for the individual by the Exchange.

(3) (I) The Exchange shall provide public information about the prepayment option under subsection (c)(2) of this section and § 33–603 of this subtitle using normal channels for communicating information about open enrollment to potentially affected individuals.

(II) In consultation with the Comptroller, the Exchange shall provide opportunities through which an individual can estimate the individual’s forthcoming payment amount under § 10–102.2 of the Tax–General Article.

(4) (I) The Exchange and the Comptroller shall determine whether it is administratively feasible to make a prepayment under subsection (c)(2) of this section and § 33–603 of this subtitle to help purchase a qualified health plan that is not an Exchange–qualified health plan.

(II) If the Exchange and the Comptroller make an affirmative determination under subparagraph (i) of this paragraph and an individual using the prepayment option chooses to enroll in a qualified health plan that is not an Exchange–qualified health plan, the Exchange shall make the payments described in subsection (c)(2) of this section to the carrier of the qualified health plan chosen by the individual.

(G) If determined administratively feasible by the Board and the Comptroller, the functions described in subsection (f) of this section shall begin operation during the open enrollment period immediately preceding the 2020 plan year.
(A) An individual who may owe a payment amount may make a lump-sum payment for qualified health plan coverage and have that payment credited against any payment amount that the individual would otherwise owe on the individual’s next income tax return if the individual:

(1) in making the lump-sum payment, identifies it as a prepayment under this section;

(2) completes any applicable forms required by the exchange; and

(3) enrolls in a qualified health plan for the plan year following the start of the applicable open enrollment period.

(B) If the amount claimed by an individual as a prepayment under this section exceeds the payment amount the individual owes when filing the individual’s next income tax return, the excess may not be credited against the individual’s State income tax liability or returned to the individual.

(C) The exchange shall develop and implement policies and procedures through which the exchange shall:

(1) receive the lump-sum payments described in subsection (A) of this section;

(2) make payments to carriers under § 33–602(c)(2) of this subtitle; and

(3) implement procedures, including reconciliation procedures, to prevent, detect, and correct inaccurate or otherwise improper plan payments, including payments made on behalf of an individual who has terminated enrollment in a qualified health plan.

33–604.

(A) On or before September 1, 2018, the exchange and the comptroller shall determine whether information available through federal reporting systems will be sufficient, beginning in 2020, to verify the statements about health insurance status that are included in the checkoff described in § 2–115 of the Tax–General Article.
(B) IF THE EXCHANGE AND THE COMPTROLLER DETERMINE THAT THE
INFORMATION DESCRIBED IN SUBSECTION (A) OF THIS SECTION WILL NOT BE
SUFFICIENT FOR VERIFICATION, THE EXCHANGE AND THE COMPTROLLER SHALL
ESTABLISH A COMPARABLE SYSTEM FOR VERIFICATION OF THE HEALTH INSURANCE
STATUS OF INDIVIDUALS.

33–605.

(A) DATA CONVEYED UNDER THIS TITLE SHALL BE SUBJECT TO
APPLICABLE DATA PRIVACY AND DATA SECURITY SAFEGUARDS ESTABLISHED
UNDER SUBSECTION (B) OF THIS SECTION.

(B) (1) THE EXCHANGE AND THE COMPTROLLER SHALL DEVELOP A
detailed set of data privacy and data security safeguards to govern the
conveyance of data under this title.

(2) The safeguards developed under paragraph (1) of this
subsection shall ensure that the conveyance of data under this title
complies with requirements under federal and State law.

Article – State Finance and Procurement

6–226.

(a) (2) (i) Notwithstanding any other provision of law, and unless
inconsistent with a federal law, grant agreement, or other federal requirement or with the
terms of a gift or settlement agreement, net interest on all State money allocated by the
State Treasurer under this section to special funds or accounts, and otherwise entitled to
receive interest earnings, as accounted for by the Comptroller, shall accrue to the General
Fund of the State.

(ii) The provisions of subparagraph (i) of this paragraph do not apply
to the following funds:

101. the Advance Directive Program Fund; [and]

102. the Make Office Vacancies Extinct Matching Fund;

103. the Maryland Insurance Stabilization Fund;

AND

104. the Health Insurance Down Payment Escrow

Fund.
(A) (1) In this section the following words have the meanings indicated.

(2) “Affordable Care Act” has the meaning stated in § 1–101 of the Insurance Article.

(3) “Exchange” means the Maryland Health Benefit Exchange.

(4) “Health Insurance Down Payment Escrow Fund” means the fund established under § 33–302 of the Insurance Article.

(5) “Insurance–relevant information” means information about a taxpayer or a member of the taxpayer’s household that is needed for the exchange to:

(i) identify the member or taxpayer;

(ii) facilitate the determination of eligibility for the Maryland Medical Assistance Program, the Maryland Children’s Health Program, premium tax credits described in § 36B of the Internal Revenue Code, or cost–sharing reductions described in § 1402(c) of the Affordable Care Act; or

(iii) facilitate enrollment in health insurance coverage.

(6) “Maryland Insurance Stabilization Fund” means the fund established under § 33–301 of the Insurance Article.

(7) “Minimum essential coverage” has the meaning stated in § 15–1301 of the Insurance Article.

(B) (1) The Comptroller shall include on the individual income tax return form a prominently displayed checkoff designated as “Authorization to Disclose Taxpayer Health Insurance Information to the Maryland Health Benefit Exchange”.

(2) The checkoff shall state that if the individual did not
HAVE HEALTH COVERAGE DURING THE TAXABLE YEAR, AS REQUIRED UNDER § 10–102.2(B) OF THIS ARTICLE:

(I) THE INDIVIDUAL MAY BE ELIGIBLE TO PARTICIPATE IN AN INSURANCE AFFORDABILITY PROGRAM THAT PROVIDES HEALTH INSURANCE COVERAGE AT ZERO ADDITIONAL COST TO THE TAXPAYER;

(II) THE INDIVIDUAL, OR EACH SPOUSE IN THE CASE OF A JOINT RETURN, MAY AUTHORIZE THE COMPTROLLER TO PROVIDE TO THE EXCHANGE, THE INSURANCE–RELEVANT INFORMATION FROM THE INDIVIDUAL INCOME TAX RETURN FORM FOR THE PURPOSE OF FACILITATING ENROLLMENT IN HEALTH INSURANCE COVERAGE, INCLUDING COVERAGE THAT MAY BE AVAILABLE AT ZERO ADDITIONAL COST TO THE TAXPAYER;

(III) THE INDIVIDUAL MAY AUTHORIZE THE EXCHANGE TO OBTAIN INFORMATION NEEDED TO VERIFY THE HOUSEHOLD MEMBER’S ELIGIBILITY FOR INSURANCE AFFORDABILITY PROGRAMS AND FOR ENROLLMENT IN HEALTH INSURANCE COVERAGE;

(IV) THE INDIVIDUAL’S PAYMENT AMOUNT UNDER § 10–102.2(C) OF THIS ARTICLE MAY BE USED TO PURCHASE HEALTH INSURANCE COVERAGE AND LIMIT FUTURE YEAR TAX OBLIGATIONS; AND

(V) THE INDIVIDUAL MAY WAIVE CONFIDENTIALITY FOR THE EXCHANGE OR THE MARYLAND DEPARTMENT OF HEALTH TO ACCESS THIRD–PARTY SOURCES OF INFORMATION THAT MAY BE NECESSARY IN FACILITATING A DETERMINATION OF ELIGIBILITY FOR HEALTH INSURANCE COVERAGE.

(3) THE CHECKOFF SHALL GIVE THE TAXPAYER THE OPPORTUNITY TO INDICATE THE BEST WAY FOR THE EXCHANGE TO REACH THE TAXPAYER TO FACILITATE ENROLLMENT IN HEALTH INSURANCE COVERAGE.

(C) (1) THE COMPTROLLER SHALL INCLUDE ON THE INDIVIDUAL INCOME TAX RETURN FORM A PROMINENTLY DISPLAYED CHECKOFF DESIGNATED AS “AUTHORIZATION TO DEPOSIT PAYMENT AMOUNT TO THE MARYLAND INSURANCE STABILIZATION FUND WITHOUT RECEIVING ANY HEALTH INSURANCE COVERAGE IN RETURN”.

(2) THE CHECKOFF SHALL STATE THAT:

(i) IF THE INDIVIDUAL IS REQUIRED TO PAY A PAYMENT AMOUNT UNDER § 10–102.2(C) OF THIS ARTICLE, THE INDIVIDUAL, OR EACH SPOUSE
IN THE CASE OF A JOINT RETURN, MAY AUTHORIZE THE COMPTROLLER TO DEPOSIT THE PAYMENT AMOUNT IN THE MARYLAND INSURANCE STABILIZATION FUND; AND

(II) EXCEPT AS PROVIDED IN PARAGRAPH (4) OF THIS SUBSECTION, IF THE INDIVIDUAL, OR EACH SPOUSE IN THE CASE OF A JOINT RETURN, DOES NOT PROVIDE THE COMPTROLLER THE AUTHORIZATION UNDER ITEM (I) OF THIS PARAGRAPH, THE PAYMENT AMOUNT WILL BE DEPOSITED IN THE HEALTH INSURANCE DOWN PAYMENT ESCROW FUND AND WILL BE RESERVED TO HELP PAY FOR HEALTH INSURANCE COVERAGE THAT COVERS THE INDIVIDUAL, OR EACH SPOUSE IN THE CASE OF A JOINT RETURN, AND DEPENDENTS OF THE TAXPAYER.

(3) IF THE INDIVIDUAL, OR EACH SPOUSE IN THE CASE OF A JOINT RETURN, DOES NOT PROVIDE THE COMPTROLLER THE AUTHORIZATION UNDER PARAGRAPH (2)(I) OF THIS SUBSECTION, EXCEPT AS PROVIDED UNDER PARAGRAPH (4) OF THIS SUBSECTION, THE COMPTROLLER SHALL DEPOSIT THE PAYMENT AMOUNT MADE UNDER § 10–102.2(c) OF THIS ARTICLE INTO THE HEALTH INSURANCE DOWN PAYMENT ESCROW FUND.

(4) IF THE TAXPAYER’S RETURN IS FILED AFTER THE DATE SPECIFIED IN § 6072(A) OF THE INTERNAL REVENUE CODE, THE PAYMENT AMOUNT MADE UNDER § 10–102.2(c) OF THIS ARTICLE SHALL BE DEPOSITED IN THE MARYLAND INSURANCE STABILIZATION FUND.

(D) THE COMPTROLLER SHALL INCLUDE WITH THE INDIVIDUAL INCOME TAX RETURN PACKAGE A DESCRIPTION OF THE PURPOSES FOR WHICH THE INFORMATION AUTHORIZED TO BE DISCLOSED UNDER THE CHECKOFF ESTABLISHED UNDER SUBSECTION (B) OF THIS SECTION MAY BE USED.

(E) IF THE INDIVIDUAL, OR EACH SPOUSE IN THE CASE OF A JOINT RETURN, AUTHORIZES THE COMPTROLLER TO DISCLOSE THE INFORMATION DESCRIBED UNDER SUBSECTION (B) OF THIS SECTION, THE COMPTROLLER SHALL DISCLOSE THE INFORMATION TO THE EXCHANGE, NOTWITHSTANDING THE PROHIBITION UNDER § 13–202 OF THIS ARTICLE.

(F) (1) BEFORE THE BEGINNING OF AN ANNUAL OPEN ENROLLMENT PERIOD IN THE EXCHANGE, THE COMPTROLLER SHALL PROVIDE AN INDIVIDUAL AN ESTIMATE OF THE PAYMENT AMOUNT THE INDIVIDUAL WILL OWE ON THE INDIVIDUAL’S NEXT INCOME TAX RETURN IF THE INDIVIDUAL DOES NOT MAINTAIN MINIMUM ESSENTIAL COVERAGE DURING THE CURRENT CALENDAR YEAR.

(2) NOTHING UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY BE CONSTRUED TO:
(I) establish any liability of the Comptroller or the Exchange for any error committed in developing or providing the estimates described under paragraph (1) of this subsection; or

(II) relieve any individual taxpayer of the obligation to determine the taxpayer’s likely payment amount.

10–102.2.

(A) (1) This section does not apply to a nonresident, including a nonresident spouse and a nonresident dependent.

(2) All references to federal law contained in this section shall be construed as references to federal law as in effect on December 15, 2017, including applicable regulations and administrative guidance that were in effect on that date.

(B) Beginning January 1, 2019, an individual shall maintain for the individual, and for each dependent of the individual, minimum essential coverage.

(C) (1) Subject to paragraph (2) of this subsection and except as provided under subsection (E) of this section, an individual shall pay an amount determined under subsection (D) of this section if the individual fails to maintain the coverage required under subsection (B) of this section for 3 or more months of the taxable year.

(2) Any payment due under paragraph (1) of this subsection for any month in which an individual fails to maintain the coverage required under subsection (B) of this section shall be:

(I) in addition to the State income tax under § 10–105(A) of this subtitle; and

(II) included with the State income tax return filed by the individual under Subtitle 8 of this title for the taxable year that includes the months in which coverage was not maintained as required under subsection (B) of this section.

(3) If an individual who is subject to a payment under this section files a joint State income tax return under § 10–807 of this title, the individual and the individual’s spouse jointly shall be liable for
THE PAYMENT.

(D) The amount of the payment imposed under subsection (C) of this section shall be equal to the greater of:

(1) 2.5% of the sum of the individual’s federal modified adjusted gross income, as defined in 42 U.S.C. § 1395r, and the federal modified adjusted gross income of all individuals claimed on the individual’s income tax return; or

(2) The following amounts per individual, which shall be adjusted annually for inflation:

   (I) $695 for each adult; and

   (II) $347.50 for each child under 18 years old.

(E) An individual may not be assessed a payment under subsection (C) of this section if:

(1) The individual qualifies for an exemption under 26 U.S.C. § 5000A; or

(2) The individual paid the federally imposed payment under 26 U.S.C. § 5000A.

(F) An individual may claim a credit against the payment assessed under subsection (C) of this section in an amount equal to the lump-sum payment paid by the individual during the taxable year for qualified health plan coverage under § 33–603 of the Insurance Article.

(G) An individual shall indicate on the income tax return for the individual, in the form required by the Comptroller, whether minimum essential coverage was maintained as required under subsection (B) of this section or whether an exemption is claimed for:

(1) The individual;

(2) The individual’s spouse in the case of a married couple; and

(3) Each dependent child of the individual, if any.

(H) Any individual shall have the right to appeal, in accordance
WITH THE PROCEDURES OF TITLE 13, SUBTITLE 5 OF THIS ARTICLE, A PAYMENT ASSESSED UNDER SUBSECTION (B) OF THIS SECTION, THE DENIAL OF AN EXEMPTION UNDER SUBSECTION (E) OF THIS SECTION, OR THE DENIAL OF A CREDIT UNDER SUBSECTION (F) OF THIS SECTION.

(i) THE COMPTROLLER SHALL DISTRIBUTE THE REVENUE FROM THE PAYMENT ASSESSED UNDER SUBSECTION (B) OF THIS SECTION IN THE MANNER DESCRIBED UNDER § 2–115 OF THIS ARTICLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018.