

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 47

(Chair, Finance Committee)(By Request - Departmental -
Maryland Insurance Administration)

Finance

Health and Government Operations

**Health Insurance - Technical Correction and Required Conformity With Federal
Law**

This departmental bill makes technical corrections and updates provisions of health insurance law to conform with regulations relating to the federal Patient Protection and Affordable Care Act (ACA).

Fiscal Summary

State Effect: None.

Local Effect: None.

Small Business Effect: The Maryland Insurance Administration has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Analysis

Bill Summary/Current Law: Under current law, a carrier that provides a health benefit plan in the small group market is subject to § 15-1403 of the Insurance Article. However, Chapter 363 of 2015 repealed § 15-1403, which contained provisions regarding certificates of creditable coverage used to reduce preexisting condition limitations that are not applicable under the ACA. The bill repeals this obsolete cross reference.

Under current law, a carrier must provide a special enrollment period during which an individual who experiences a triggering event can enroll in or change health benefit plans. Triggering events include, among other provisions, when an eligible employee or dependent loses pregnancy-related coverage or gains access to a new qualified health plan (QHP) as a result of a permanent move.

The bill adds a new triggering event when an eligible employee or dependent loses access to health care services through a program providing prenatal care or services, which is considered to occur on the last day the eligible employee or dependent would have access to health care services.

The bill also adds a new condition under which a triggering event occurs if an individual gains access to a new QHP as a result of a permanent move; specifically, if an individual lived in a service area where no QHP was available for 1 or more days during the 60-day period before the date of the permanent move or during the eligible employee's or dependent's most recent preceding open enrollment or special enrollment period.

Under current law, "full-time employee" means an employee who works, on average, at least 30 hours per week, excluding a seasonal employee unless the employee works for the employer on more than 120 days during the taxable year. The bill specifies that "full-time employee" means, *with respect to a calendar month*, an employee of a small employer who works, on average, at least 30 hours per week, excluding a seasonal employee *as defined in federal law*. These changes conform the definition to other language in the Insurance Article.

Background: The bill's changes regarding triggering events conform to the U.S. Department of Health and Human Services' Notice of Benefit and Payment Parameters for 2019 released on April 9, 2018, and generally effective for plan years beginning on or after January 1, 2019.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Centers for Medicare and Medicaid Services; Maryland Insurance Administration; Department of Budget and Management; Department of Legislative Services

Fiscal Note History:
sb/ljm

First Reader - January 8, 2019
Third Reader - March 20, 2019
Revised - Amendment(s) - March 20, 2019

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Insurance – Technical Corrections and Required Conformity with Federal Law

BILL NUMBER: SB 47

PREPARED BY:
(Dept./Agency) Maryland Insurance Administration

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

 X WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESS

OR

 WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

It is not expected that there will be any fiscal impact on small business.