

HOUSE BILL 413

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By: **The Speaker (By Request – Administration) and Delegates Hornberger, Kittleman, Long, and Metzgar**

Introduced and read first time: January 19, 2022

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance – Individual Market Stabilization – Extension of Provider Fee**

3 FOR the purpose of continuing the stabilization of the individual health insurance market
4 by extending to a certain calendar year the assessment of a health insurance
5 provider fee; and generally relating to the individual health insurance market.

6 BY repealing and reenacting, with amendments,

7 Article – Insurance

8 Section 6–102.1

9 Annotated Code of Maryland

10 (2017 Replacement Volume and 2021 Supplement)

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

13 **Article – Insurance**

14 6–102.1.

15 (a) This section applies to:

16 (1) an insurer, a nonprofit health service plan, a health maintenance
17 organization, a dental plan organization, a fraternal benefit organization, and any other
18 person subject to regulation by the State that provides a product that:

19 (i) was subject to § 9010 of the Affordable Care Act, as in effect on
20 December 1, 2019; and

21 (ii) may be subject to an assessment by the State; and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2) a managed care organization authorized under Title 15, Subtitle 1 of
2 the Health – General Article.

3 (b) The purpose of this section is to assist in the stabilization of the individual
4 health insurance market by assessing a health insurance provider fee that is attributable
5 to State health risk for calendar years 2019 through [2023] **2028**, both inclusive, as
6 provided for under subsection (c) of this section.

7 (c) (1) In calendar year 2019, in addition to the amounts otherwise due under
8 this subtitle, an entity subject to this section shall be subject to an assessment of 2.75% on
9 all amounts used to calculate the entity's premium tax liability under § 6–102 of this
10 subtitle or the amount of the entity's premium tax exemption value for calendar year 2018.

11 (2) In calendar years 2020 through [2023] **2028**, both inclusive, in
12 addition to the amounts otherwise due under this subtitle, an entity subject to this section
13 shall be subject to an assessment of 1% on all amounts used to calculate the entity's
14 premium tax liability under § 6–102 of this subtitle or the amount of the entity's premium
15 tax exemption value for the immediately preceding calendar year.

16 (3) The assessments required in paragraphs (1) and (2) of this subsection
17 are for products that:

18 (i) were subject to § 9010 of the Affordable Care Act, as in effect on
19 December 1, 2019; and

20 (ii) may be subject to an assessment by the State.

21 (4) The calculation of the assessments required under paragraphs (1) and
22 (2) of this subsection shall be made without regard to:

23 (i) the threshold limits established in § 9010(b)(2)(A) of the
24 Affordable Care Act; or

25 (ii) the partial exclusion of net premiums provided for in §
26 9010(b)(2)(B) of the Affordable Care Act.

27 (d) (1) (i) In each of fiscal years 2021 and 2022, \$100,000,000 of the funds
28 collected from the assessment required under this section shall be transferred in accordance
29 with subparagraphs (ii) and (iii) of this paragraph to Medical Care Provider
30 Reimbursements (M00Q01.03) within the Medical Care Programs Administration of the
31 Maryland Department of Health.

32 (ii) If all or a portion of the funds required to be transferred under
33 subparagraph (i) of this paragraph have been received and are held in the Maryland Health
34 Benefit Exchange Fund established under § 31–107 of this article, the Governor shall
35 transfer the available amount in the Fund.

1 (iii) If the amount of funds transferred under subparagraph (ii) of this
2 paragraph is less than the amount required to be transferred under subparagraph (i) of
3 this paragraph, the Insurance Commissioner shall transfer the remaining amount from the
4 funds collected from the assessment required under this section.

5 (2) At the beginning of each of fiscal years 2023 and 2024, the Governor
6 shall transfer the first \$8,000,000 of the funds collected from the assessment required
7 under this section to the Community Health Resources Commission.

8 (3) Notwithstanding § 2-114 of this article, the remainder of the
9 assessment required under this section after any transfers made under paragraphs (1) and
10 (2) of this subsection shall be distributed by the Commissioner to the Maryland Health
11 Benefit Exchange Fund established under § 31-107 of this article.

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 October 1, 2022.