

SENATE BILL 547

J5, P2, P4

5lr2477

By: **Senator James**

Introduced and read first time: January 23, 2025

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Commission to Study Health Insurance Pooling – Establishment**

3 FOR the purpose of establishing the Commission to Study Health Insurance Pooling to
4 study the pooling of public employee health insurance purchasing between the State,
5 counties, municipal corporations, and county boards of education in the State to
6 maximize value and efficiency while maintaining a broad package of benefits and
7 reasonable premiums for public employees; and generally relating to the Commission
8 to Study Health Insurance Pooling.

9 Preamble

10 WHEREAS, The State perpetually faces fiscal constraints; and

11 WHEREAS, The State traditionally addresses fiscal constraints by cutting
12 expenditures or raising taxes, fees, and surcharges; and

13 WHEREAS, Identifying efficiencies in health insurance purchasing can both save
14 money and improve coverage for the State and State employees; and

15 WHEREAS, Currently the State, counties, municipal corporations, and county
16 boards of education tend to purchase health insurance without pooling purchasing; and

17 WHEREAS, Given the immense expense of health insurance benefits, even a small
18 percentage of savings would translate to significant dollar amounts; and

19 WHEREAS, Being part of a larger health insurance risk pool generally provides
20 more cost-effective coverage to members; and

21 WHEREAS, Several states have demonstrated that health insurance pooling for
22 public employees is effective at lowering health insurance costs; and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 WHEREAS, The General Assembly passed House Bill 1400 of 2018 unanimously and
2 the Governor signed it into law, but its provisions have been underutilized; now, therefore,

3 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
4 That:

5 (a) There is a Commission to Study Health Insurance Pooling.

6 (b) The Commission consists of the following members:

7 (1) one member of the Senate of Maryland who serves on the Senate
8 Budget and Taxation Committee, appointed by the President of the Senate;

9 (2) one member of the House of Delegates who serves on the House
10 Appropriations Committee, appointed by the Speaker of the House;

11 (3) one member of the House of Delegates who serves on the House Ways
12 and Means Committee, appointed by the Speaker of the House;

13 (4) the Secretary of Budget and Management, or the Secretary's designee;

14 (5) the Comptroller, or the Comptroller's designee;

15 (6) the Maryland Insurance Commissioner, or the Commissioner's
16 designee;

17 (7) the State Treasurer, or the State Treasurer's designee;

18 (8) the Procurement Advisor to the Board of Public Works, or the
19 Procurement Advisor's designee;

20 (9) one representative of the Maryland Public Purchasing Association,
21 designated by the President of the Maryland Public Purchasing Association;

22 (10) one representative of the Maryland Association of Counties, designated
23 by the Executive Director of the Maryland Association of Counties;

24 (11) one representative of the Maryland Municipal League, designated by
25 the Chief Executive Officer of the Maryland Municipal League;

26 (12) one representative of the Maryland Association of Boards of Education,
27 designated by the President of the Maryland Association of Boards of Education;

28 (13) one representative of the Maryland State Education Association,
29 designated by the President of the Maryland State Education Association;

1 (14) one representative of the American Federation of State, County, and
2 Municipal Employees, designated by the President of the American Federation of State,
3 County, and Municipal Employees Maryland Council 3;

4 (15) one representative of the Service Employees International Union,
5 designated by the President of the Service Employees International Union Maryland/D.C.
6 Division;

7 (16) one representative of the American Federation of Labor and Congress
8 of Industrial Organizations, designated by the President of the Maryland State and D.C.
9 American Federation of Labor and Congress of Industrial Organizations;

10 (17) one representative of the American Federation of Teachers, designated
11 by the President of the American Federation of Teachers–Maryland; and

12 (18) the following members, appointed by the Governor:

13 (i) four additional representatives of labor unions in the State,
14 including unions representing law enforcement and firefighters;

15 (ii) one individual who is an insurance agent in the State; and

16 (iii) four individuals with interest or experience in health care
17 advocacy or fiscal responsibility and efficiency in the State, who may be representatives of
18 advocacy organizations or research institutes.

19 (c) The Secretary of Budget and Management shall serve as the chair of the
20 Commission.

21 (d) The Department of Budget and Management shall provide staff for the
22 Commission.

23 (e) A member of the Commission:

24 (1) may not receive compensation as a member of the Commission; but

25 (2) is entitled to reimbursement for expenses under the Standard State
26 Travel Regulations, as provided in the State budget.

27 (f) The Commission may contract with external organizations to provide data
28 analysis necessary to fulfill the Commission's duties under subsection (g).

29 (g) The Commission shall:

30 (1) study pooling public employee health insurance purchasing between
31 the State, counties, municipal corporations, and county boards of education using data
32 collected by the Department of Budget and Management, including information provided

1 by the Maryland Association of Counties, the Maryland Municipal League, and the
2 Maryland Association of Boards of Education regarding health insurance benefits offered
3 to public employees by the constituent entities;

4 (2) based on the data collected under item (1) of this subsection, analyze
5 the impacts of pooling public employee health insurance purchasing between the State,
6 counties, municipal corporations, and county boards of education on the State, including
7 the fiscal impacts, and identify any barriers to achieving the successful implementation of
8 pooling public employee health insurance purchasing in the State; and

9 (3) make legislative or regulatory recommendations regarding pooling
10 public employee health insurance purchasing between the State, counties, municipal
11 corporations, and county boards of education in the State to maximize value and efficiency
12 while maintaining a broad package of benefits and reasonable premiums for public
13 employees.

14 (h) On or before December 1, 2026, the Commission shall report its findings and
15 recommendations to the Governor and, in accordance with § 2-1257 of the State
16 Government Article, the General Assembly.

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
18 1, 2025. It shall remain effective for a period of 2 years and, at the end of June 30, 2027,
19 this Act, with no further action required by the General Assembly, shall be abrogated and
20 of no further force and effect.