

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 50

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

Finance

Health and Government Operations

Health Insurance - Form Filings - Review and Waiting Period Extensions

This departmental bill authorizes the Insurance Commissioner to extend for up to an additional 30 days (1) the initial review period for form filings for a health maintenance organization (HMO) and (2) the initial waiting period for an amendment to forms submitted by a nonprofit health service plan. An extension may only be provided if the Commissioner notifies the HMO or nonprofit health service plan before the initial review or waiting period ends.

Fiscal Summary

State Effect: None. The change is procedural in nature and does not directly affect governmental finances.

Local Effect: None.

Small Business Effect: The Maryland Insurance Administration (MIA) has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

Analysis

Current Law: Under § 12-203 of the Insurance Article, most forms for a life insurance or health insurance policy or contract issued by an insurer must be filed with and approved by the Commissioner prior to being delivered or issued for delivery in the State. Forms must be filed with the Commissioner at least 60 days before delivery, but the Commissioner may extend the initial filing period for an additional 30 days if the Commissioner gives

notice of the extension before the initial filing period ends. These provisions do not apply to HMOs or nonprofit health service plans.

Under § 19-713 of the Health-General Article, unless the Commissioner disapproves a form filing from an HMO, the form becomes effective 60 days after the Commissioner receives the filing.

For a nonprofit health service plan, under § 14-126 of the Insurance Article, a filing is deemed approved unless disapproved by the Commissioner within the 60-day waiting period or any extension of the waiting period. An extension only applies if the Commissioner requires the nonprofit health service plan to provide additional information to determine whether the filing meets statutory requirements. Such an extension triggers the 60-day waiting period to restart on the date the needed information is provided.

Background: MIA advises that its forms unit currently must prioritize form filings relating to the federal Patient Protection and Affordable Care Act. Review of other form filings may be delayed, preventing the unit from reviewing the filings within the 60-day period after which the forms automatically take effect. The bill is intended to apply to HMOs and nonprofit health service plans the same 30-day extension for form filings currently provided to other insurers.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Insurance Administration; Department of Legislative Services

Fiscal Note History: First Reader - January 28, 2019
sb/ljm Third Reader - February 8, 2019

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Insurers – Form Filing - Extension

BILL NUMBER: SB 50

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

This legislation amends § 14-126 of the Insurance Article and § 19-713 of the Health General Article so that the Life and Health Forms Unit at the Maryland Insurance Administration (MIA) may extend up to 30 days the period in which a form can be reviewed before being automatically deemed approved. Because this change will not affect current practices, there is no impact on small business.