

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 49

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

Finance

Health and Government Operations

**Task Force to Study Cooperative Purchasing for Health Insurance - Membership
and Staffing**

This departmental bill removes the Maryland Insurance Administration (MIA) from the membership and staffing of the Task Force to Study Cooperative Purchasing for Health Insurance. **The bill takes effect July 1, 2019.**

Fiscal Summary

State Effect: None. The bill does not materially affect State finances.

Local Effect: None.

Small Business Effect: 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: Chapter 307 of 2018, among other actions, established a Task Force to Study Cooperative Purchasing for Health Insurance. The membership of the task force includes the Insurance Commissioner (or designee). MIA and the Department of Budget and Management are required to provide staff to the task force.

The task force must (1) study models of cooperative purchasing of health insurance and (2) make recommendations generally related to expanding coverage under the State health

plan to other satellite organizations, while minimizing costs and without adversely affecting benefits provided to participating employees.

Background: The State health plan is a self-insured plan covering all units in the Executive, Judicial, and Legislative branches of State government. It must include the health insurance benefit options established by the Secretary of Budget and Management; it does not include any pension benefits.

MIA advises that it does not have jurisdiction over the self-funded State health plan, but it does regulate some of the businesses that administer health insurance benefit plans that the task force is charged with evaluating. As the task force must study and recommend health insurance benefit options that should be offered to employees of the State, counties, municipal corporations, and local boards of education, MIA indicates that it should not be involved due to its regulatory role.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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

Analysis by: Jennifer B. Chasse

Direct Inquiries to:
(410) 946-5510
(301) 970-5510

ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Insurance – Task Force to Study Cooperative Purchasing for Health Insurance – Membership and Staffing

BILL NUMBER: SB 49

**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 removes the Maryland Insurance Administration (MIA) from participating in and making recommendations for the Task Force to Study Cooperative Purchasing for Health Insurance. Because the MIA will no longer be participating/staffing, resources that would have otherwise been devoted to the Task Force can be utilized elsewhere. Because this legislation impacts State government entities, there is no impact on small business.