

HOUSE BILL 195

P4, C3

0lr0531

By: **Delegate Pena–Melnyk**

Introduced and read first time: January 16, 2020

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **State Employee and Retiree Health and Welfare Benefits Program – Health**
3 **Benefits – Required Participation in the Individual Exchange by Carriers**

4 FOR the purpose of prohibiting carriers from offering health benefits under the Maryland
5 State Employee and Retiree Health and Welfare Benefits Program unless the carrier
6 also offers certain qualified health benefit plans through the Individual Exchange of
7 the Maryland Health Benefit Exchange; exempting a carrier from the requirement
8 to offer certain qualified health benefit plans through the Individual Exchange under
9 certain circumstances; requiring the Secretary of Budget and Management to adopt
10 regulations establishing procedures for a carrier to submit evidence each year that
11 the carrier qualifies for a certain exemption; requiring a carrier to provide notice and
12 its plan to comply with a certain requirement to the Secretary under certain
13 circumstances; authorizing the Secretary, in consultation with the Maryland Health
14 Benefit Exchange, to assess the impact of a certain exemption and alter a certain
15 limit based on the assessment; requiring the Secretary to adopt a certain limit by
16 regulation; defining a certain term; providing for the application of this Act;
17 providing for a delayed effective date; and generally relating to health benefits
18 offered under the State Employee and Retiree Health and Welfare Benefits Program.

19 BY repealing and reenacting, with amendments,
20 Article – Insurance
21 Section 31–110(f)
22 Annotated Code of Maryland
23 (2017 Replacement Volume and 2019 Supplement)

24 BY repealing and reenacting, without amendments,
25 Article – State Personnel and Pensions
26 Section 2–501(a) and (c)
27 Annotated Code of Maryland
28 (2015 Replacement Volume and 2019 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY adding to
2 Article – State Personnel and Pensions
3 Section 2–518
4 Annotated Code of Maryland
5 (2015 Replacement Volume and 2019 Supplement)

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

8 **Article – Insurance**

9 31–110.

10 (f) During any year in which the Exchange employs alternative contracting
11 options and active purchasing strategies, the participation requirements set forth in §§
12 15–1204.1(b) and 15–1303(b) of this article for carriers in the individual and small group
13 markets outside the Exchange **AND § 2–518 OF THE STATE PERSONNEL AND PENSIONS**
14 **ARTICLE FOR CARRIERS OFFERING HEALTH BENEFITS UNDER THE STATE**
15 **EMPLOYEE AND RETIREE HEALTH AND WELFARE BENEFITS PROGRAM** shall be
16 suspended.

17 **Article – State Personnel and Pensions**

18 2–501.

19 (a) In this subtitle the following terms have the meanings indicated.

20 (c) “Program” means the State Employee and Retiree Health and Welfare
21 Benefits Program.

22 **2–518.**

23 **(A) IN THIS SECTION, “CARRIER” MEANS:**

24 **(1) A HEALTH INSURER;**

25 **(2) A NONPROFIT HEALTH SERVICE PLAN;**

26 **(3) A HEALTH MAINTENANCE ORGANIZATION; OR**

27 **(4) A DENTAL PLAN ORGANIZATION.**

28 **(B) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION AND §**
29 **31–110(F) OF THE INSURANCE ARTICLE, A CARRIER MAY NOT OFFER HEALTH**
30 **BENEFITS UNDER THE PROGRAM UNLESS THE CARRIER ALSO OFFERS QUALIFIED**

1 HEALTH PLANS, AS DEFINED IN § 31-101 OF THE INSURANCE ARTICLE, THROUGH
2 THE INDIVIDUAL EXCHANGE OF THE MARYLAND HEALTH BENEFIT EXCHANGE IN
3 COMPLIANCE WITH THE REQUIREMENTS OF TITLE 31 OF THE INSURANCE ARTICLE.

4 (C) A CARRIER IS EXEMPT FROM THE REQUIREMENT UNDER SUBSECTION
5 (B) OF THIS SECTION IF:

6 (1) (I) THE REPORTED TOTAL AGGREGATE ANNUAL EARNED
7 PREMIUM FROM ALL INDIVIDUALS WHO RECEIVE HEALTH BENEFITS UNDER THE
8 PROGRAM FOR THE CARRIER AND ANY OTHER CARRIERS IN THE SAME INSURANCE
9 HOLDING COMPANY SYSTEM, AS DEFINED IN § 7-101 OF THE INSURANCE ARTICLE,
10 IS LESS THAN:

11 1. \$10,000,000; OR

12 2. IF THE SECRETARY ALTERS THE LIMIT IN
13 ACCORDANCE WITH SUBSECTION (F) OF THIS SECTION, THE AMOUNT SPECIFIED IN
14 REGULATION; OR

15 (II) THE ONLY HEALTH BENEFITS THAT THE CARRIER OFFERS
16 IN THE STATE ARE THROUGH STUDENT HEALTH PLANS AS DEFINED IN 45 C.F.R. §
17 147.145; AND

18 (2) THE COMMISSIONER DETERMINES THAT THE CARRIER COMPLIES
19 WITH THE PROCEDURES ESTABLISHED UNDER SUBSECTION (D) OF THIS SECTION.

20 (D) THE SECRETARY SHALL ADOPT REGULATIONS ESTABLISHING
21 PROCEDURES FOR A CARRIER TO SUBMIT EVIDENCE EACH YEAR THAT THE CARRIER
22 QUALIFIES FOR THE EXEMPTION UNDER SUBSECTION (C) OF THIS SECTION.

23 (E) IF A CARRIER CEASES TO MEET THE REQUIREMENTS FOR THE
24 EXEMPTION UNDER SUBSECTION (C) OF THIS SECTION, THE CARRIER SHALL
25 IMMEDIATELY PROVIDE TO THE SECRETARY NOTICE AND ITS PLAN FOR COMPLYING
26 WITH THE REQUIREMENT UNDER SUBSECTION (B) OF THIS SECTION.

27 (F) (1) THE SECRETARY, IN CONSULTATION WITH THE MARYLAND
28 HEALTH BENEFIT EXCHANGE:

29 (I) MAY ASSESS THE IMPACT OF THE EXEMPTION PROVIDED
30 UNDER SUBSECTION (C) OF THIS SECTION; AND

31 (II) BASED ON THE ASSESSMENT, ALTER THE LIMIT ON THE
32 TOTAL AGGREGATE ANNUAL EARNED PREMIUM ESTABLISHED UNDER SUBSECTION

1 (C)(1)(i)1 OF THIS SECTION.

2 (2) IF THE SECRETARY ALTERS THE LIMIT ON THE TOTAL
3 AGGREGATE ANNUAL EARNED PREMIUM, THE SECRETARY SHALL ADOPT THE NEW
4 LIMIT BY REGULATION.

5 SECTION 2. AND BE IT FURTHER ENACTED, That § 2-518 of the State Personnel
6 and Pensions Article, as enacted by Section 1 of this Act, shall apply to health benefits
7 offered under the State Employee and Retiree Health and Welfare Benefits Program on or
8 after January 1, 2021.

9 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 January 1, 2021.