

**Department of Legislative Services**  
Maryland General Assembly  
2019 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 47

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

Finance

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**Health Insurance - Technical Correction and Required Conformity With Federal  
Law**

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This departmental bill makes technical corrections and updates provisions of health insurance law to conform with regulations relating to the federal Patient Protection and Affordable Care Act (ACA).

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** None.

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

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**Analysis**

**Bill Summary/Current Law:** Under current law, a carrier that provides a health benefit plan in the small group market is subject to § 15-1403 of the Insurance Article. However, Chapter 363 of 2015 repealed § 15-1403, which contained provisions regarding certificates of creditable coverage used to reduce preexisting condition limitations that are not applicable under the ACA. The bill repeals this obsolete cross reference.

Under current law, a carrier must provide a special enrollment period during which an individual who experiences a triggering event can enroll in or change health benefit plans.

Triggering events include, among other provisions, when an eligible employee or dependent loses pregnancy-related coverage or gains access to a new qualified health plan (QHP) as a result of a permanent move.

The bill adds a new triggering event when an eligible employee or dependent loses access to health care services through coverage provided to a pregnant woman's unborn child, which is considered to occur on the last day the eligible employee or dependent would have access to health care services through the unborn child coverage.

The bill also adds a new condition under which a triggering event occurs if an individual gains access to a new QHP as a result of a permanent move; specifically, if an individual lived in a service area where no QHP was available for 1 or more days during the 60-day period before the date of the permanent move or during the eligible employee's or dependent's most recent preceding open enrollment or special enrollment period.

These changes conform to the U.S. Department of Health and Human Services' Notice of Benefit and Payment Parameters for 2019 released on April 9, 2018, and generally effective for plan years beginning on or after January 1, 2019.

**Background:** States are authorized to use Children's Health Insurance Program (CHIP) funding to cover pregnant women through an "unborn child" option. According to the Kaiser Family Foundation, as of January 2018, 16 states used CHIP funding to provide coverage through the unborn child option. Maryland and its neighboring jurisdictions do not provide coverage under this option.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Centers for Medicare and Medicaid Services; Kaiser Family Foundation; Maryland Insurance Administration; Department of Budget and Management; Department of Legislative Services

**Fiscal Note History:** First Reader - January 8, 2019  
an/ljm

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**ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES**

**TITLE OF BILL: Insurance – Technical Corrections and Required Conformity with Federal Law**

**BILL NUMBER: SB 47**

**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**

It is not expected that there will be any fiscal impact on small business.