C3 8lr1356

By: Delegate Wivell

Introduced and read first time: January 22, 2018 Assigned to: Health and Government Operations

A BILL ENTITLED

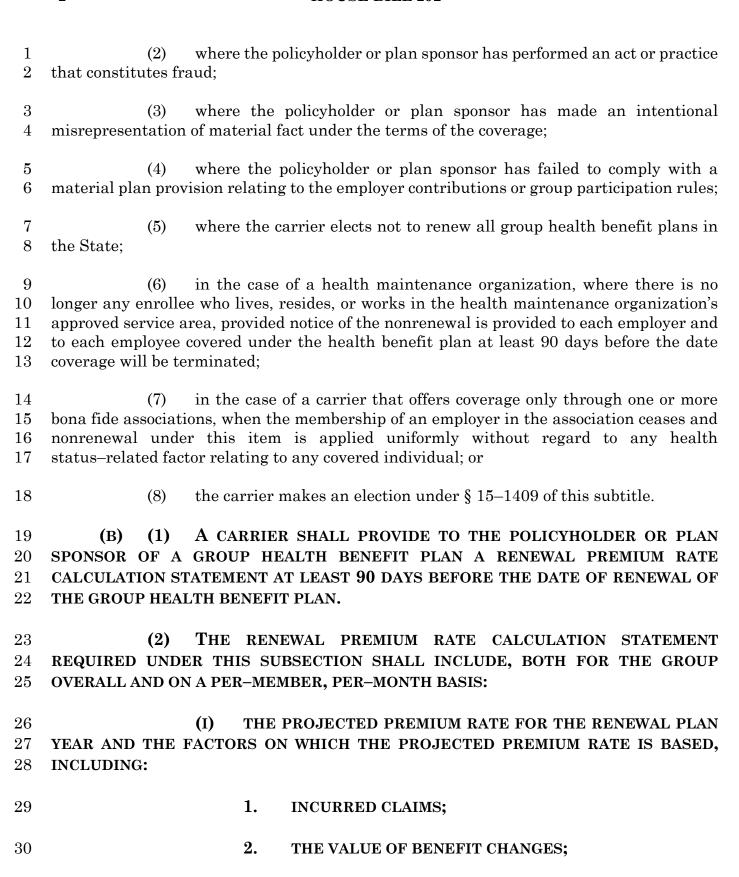
1 AN ACT concerning

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Health Insurance - Group Health Benefit Plans - Disclosure of Information

- 3 FOR the purpose of requiring certain health insurance carriers to provide to the 4 policyholder or plan sponsor of a group health benefit plan a renewal premium rate 5 calculation statement at least a certain number of days before the date of renewal of 6 the group health benefit plan; requiring that the statement include certain 7 information; altering the definition of "large employer" for purposes of provisions of 8 insurance law relating to the disclosure of certain aggregate incurred claims to a 9 large employer under certain circumstances to mean an employer that, during the immediately preceding calendar year, employed an average of more than a certain 10 11 number of employees; providing for the application of this Act; providing for a 12 delayed effective date; and generally relating to group health benefit plans.
- 13 BY repealing and reenacting, with amendments,
- 14 Article Insurance
- 15 Section 15–1408 and 15–1411
- 16 Annotated Code of Maryland
- 17 (2017 Replacement Volume)
- 18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
- 19 That the Laws of Maryland read as follows:
- 20 Article Insurance
- 21 15–1408.
- 22 **(A)** A carrier shall renew group health benefit plans at the option of the 23 policyholder or plan sponsor, except in any of the following cases:
- 24 (1) for nonpayment of the required premium;

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THE TREND FACTOR;

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- 4. PROJECTED CLAIMS BASED ON THE CLAIMS AND DEMOGRAPHIC EXPERIENCE OF THE GROUP; AND
- 5. ANY FEES, CHARGES, TAXES, COMMISSIONS, 4 ASSESSMENTS, AND OTHER COSTS; AND
- 5 (II) THE PREMIUM RATE CALCULATION FOR THE RENEWAL 6 PLAN YEAR BASED ON THE GROUP'S BASE PERIOD ENROLLMENT AT CURRENT PLAN 7 YEAR PREMIUM RATES.
- 8 15–1411.
- 9 (a) (1) In this section the following words have the meanings indicated.
- 10 (2) "Aggregate incurred claims" means the total claims incurred in the 11 experience period that the carrier uses to experience rate a large employer's health benefit 12 plan.
- 13 (3) "Experience rating" means that a carrier develops the premium rates 14 for an employer's health benefit plan based in whole or in part on the claims experience of 15 the group that consists of the employer's employees or employees' dependents.
- 16 (4) "Large employer" means an employer that [is not a small employer as defined in § 31–101 of this article], DURING THE IMMEDIATELY PRECEDING CALENDAR YEAR, EMPLOYED AN AVERAGE OF MORE THAN 50 EMPLOYEES.
- 19 (b) If a carrier is experience rating a large employer's health benefit plan, the 20 carrier shall disclose the aggregate incurred claims of the group to the large employer 21 within 30 days after receipt of a request from the large employer.
- 22 (c) The aggregate incurred claims required to be disclosed under subsection (b) of 23 this section shall be provided in a format that complies with the privacy requirements of 24 the federal Health Insurance Portability and Accessibility Act.
- SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all policies, contracts, and health benefit plans issued, delivered, or renewed in the State on or after January 1, 2019.
- SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect January 1, 2019.