

Chapter 166

(House Bill 1050)

AN ACT concerning

Maryland Health Insurance Plan – Plan Options – Governmental Third Party Payers

FOR the purpose of authorizing the Board of Directors for the Maryland Health Insurance Plan to establish a certain Plan option for certain Plan members whose premiums are paid by certain governmental units; authorizing the Board to include certain amounts in setting premium rates and cost-sharing arrangements for the Plan option, subject to a certain limitation; authorizing the Board to limit the eligibility of certain members of the Plan to the Plan option; authorizing the Board to limit or eliminate the availability to certain members of the Plan of a certain premium subsidy; defining a certain term; and generally relating to the Maryland Health Insurance Plan.

BY adding to

Article – Insurance

Section 14–505(l)

Annotated Code of Maryland

(2006 Replacement Volume and 2009 Supplement)

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

Article – Insurance

14–505.

(L) (1) (I) IN THIS SUBSECTION, “GOVERNMENTAL UNIT” MEANS A COUNTY, MUNICIPAL CORPORATION, UNIT OF STATE OR LOCAL GOVERNMENT, OR OTHER PUBLIC BODY CREATED UNDER STATE OR LOCAL LAW.

(II) “GOVERNMENTAL UNIT” DOES NOT INCLUDE THE PLAN.

(2) THIS SUBSECTION DOES NOT APPLY TO A MEMBER OF THE PLAN WHO RECEIVES A TAX CREDIT FOR HEALTH INSURANCE COSTS UNDER § 35 OF THE INTERNAL REVENUE CODE.

(3) THE BOARD MAY ESTABLISH A PLAN OPTION FOR A MEMBER OF THE PLAN WHOSE PREMIUMS ARE PAID BY A GOVERNMENTAL UNIT.

(4) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, IN SETTING PREMIUM RATES AND COST-SHARING ARRANGEMENTS FOR THE PLAN OPTION ESTABLISHED UNDER PARAGRAPH (3) OF THIS SUBSECTION, THE BOARD MAY INCLUDE AMOUNTS TO LIMIT THE SHIFTING OF COSTS FROM A GOVERNMENTAL UNIT TO THE PLAN.

(II) THE BOARD MAY NOT SET PREMIUM RATES AND COST-SHARING ARRANGEMENTS AT A LEVEL THAT WOULD MAKE A GOVERNMENTAL UNIT UNABLE TO PAY THE PREMIUMS AND COST-SHARING FOR THE ENTIRE MEMBERSHIP OF A PROGRAM OF THE GOVERNMENTAL UNIT DUE TO RESTRICTIONS IN FEDERAL LAW OR POLICY ON THE USE OF FEDERAL FUNDS BY THE GOVERNMENTAL UNIT.

(5) IF THE PREMIUMS OF A MEMBER OF THE PLAN ARE PAID BY A GOVERNMENTAL UNIT, THE BOARD MAY:

(I) LIMIT THE ELIGIBILITY OF THE MEMBER TO THE PLAN OPTION ESTABLISHED UNDER PARAGRAPH (3) OF THIS SUBSECTION; AND

(II) LIMIT OR ELIMINATE THE AVAILABILITY TO THE MEMBER OF ANY PREMIUM SUBSIDY BASED ON INCOME.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2010.

Approved by the Governor, April 13, 2010.