

(5) To provide for up to 100 percent of project costs for the implementation of a stormwater alternative compliance plan, authorized by a local government pursuant to Environment Article, §4-202.1(K)(3), Annotated Code of Maryland, and undertaken by an organization exempt from taxation under IRS §501(C)(3) or §501(C)(4) or §501(C)(19) or §501(D);

[(4)] (6) Starting in FY 2018, [for an annual fund transfer to the Onsite Sewage Disposal System Fund] for additional funding to be used in accordance with Regulation .04 of this chapter for the upgrade of onsite sewage disposal systems and other eligible uses [under] pursuant to Environment Article, §9-1605.2(h)(2)(i)1, Annotated Code of Maryland;

[(5)] (7) Starting in FY 2018, to provide for up to 50 percent of the eligible cost of cost-effective and efficient stormwater projects undertaken by local governments who have implemented a system of charges [under Environment Article, §4-204, Annotated Code of Maryland]. To be eligible for funding, the local governments shall [have] show evidence of funds set aside and available to cover the balance of project costs;

[(6)](8)— [(8)] (10) (text unchanged)

B. Project Prioritization.

(1) Before FY 2018, priority for funding [ENR upgrades] shall be:

(a)—(c) (text unchanged)

(d) Fourth for future upgrades of wastewater treatment plants to achieve additional nutrient removal or water quality improvements at ENR treatment levels or better[.];

(e) Fifth for combined sewer overflow abatement projects, rehabilitation of existing sewers, and upgrading conveyance systems, including pumping stations.

(2) Starting in FY 2018, priority for funding shall be:

(a)—(d) (text unchanged)

[(e)] Fifth for nitrogen reduction of onsite sewage disposal systems in accordance with Regulation .04 of this chapter by transferring funds annually from the Wastewater Fund to the Onsite Sewage Disposal System Fund;

(f) Sixth for eligible stormwater projects by local governments who have implemented a system of charges under Environment Article, §4-204, Annotated Code of Maryland.]

(e) Fifth for any of the following types of projects based on their project ranking in accordance with §C of this regulation:

(i) Combined sewer overflow abatement, rehabilitation of existing sewers, and upgrading conveyance systems, including pumping stations;

(ii) Nitrogen reduction of onsite sewage disposal systems in accordance with Regulation .04 of this chapter;

(iii) Stormwater projects by local governments who have implemented a system of charges; and

(iv) Stormwater alternative compliance plans.

C. Ranking System. The Department shall request [for] and accept applications for financial assistance annually and prepare a project priority list that ranks individual projects according to the methodology developed by the Department based on the following factors:

(1) (text unchanged)

(2) Cost-effectiveness in providing water quality or public health benefits;

(3)—(4) (text unchanged)

(5) Sustainability benefits such as water reuse, asset management, full cost pricing, energy conservation and smart growth;

[(5)] (6) Readiness to proceed to construction.

D. Funding Allocation. Each fiscal year, the total available grant funds, net of revenue needed for payment of debt service on outstanding bonds, operation and maintenance grants, and allowed

operating expenses shall be allocated in priority order to construction ready projects in accordance with §§B and C of this regulation[, and as follows:

(1) Major wastewater treatment plants for ENR upgrade that discharge to the Chesapeake Bay;

(2) Minor wastewater treatment plants for ENR upgrade that discharge to the Chesapeake Bay;

(3) Other wastewater treatment plants for ENR upgrade that discharge to the Atlantic Coastal Bay or other waters of the State;

(4) Other wastewater treatment plants for future upgrades to achieve additional nutrient removal or water quality improvements at ENR treatment levels or better;

(5) Onsite Sewage Disposal System Fund for nitrogen reduction, starting in fiscal year 2018;

(6) Stormwater management, starting in fiscal year 2018].

E. (text unchanged)

BENJAMIN H. GRUMBLES
Secretary of the Environment

Title 31

MARYLAND INSURANCE ADMINISTRATION

Subtitle 10 HEALTH INSURANCE — GENERAL

Notice of Proposed Action

[15-409-P]

The Insurance Commissioner proposes to:

(1) Amend the enabling authority for **COMAR 31.10.01 Health Insurance**;

(2) Amend the enabling authority and Regulations .01 and .02 under **COMAR 31.10.04 Health Insurance—Plan of Withdrawal**;

(3) Amend Regulation .03 under **COMAR 31.10.16 Carrier Provider Panels—Application Process**;

(4) Amend the enabling authority for **COMAR 31.10.19 Independent Review Organizations and Medical Experts**;

(5) Amend the enabling authority, repeal existing Regulation .02, and recodify existing Regulations .03—.07 to be Regulations .02—.06 under **COMAR 31.10.20 Certification of HMO Medical Directors**;

(6) Amend the enabling authority for **COMAR 31.10.24 Discount Medical Plan Organizations and Discount Drug Plan Organizations**;

(7) Amend Regulations .02 and .04 under **COMAR 31.10.25 Required Standard Provisions for Individual Nonprofit Health Service Plan Contracts**;

(8) Amend the enabling authority for **COMAR 31.10.28 Individual Health Insurance Contracts—Standard Provisions and Exclusions**; and

(9) Amend the enabling authority for **COMAR 31.10.37 Delivery of Policy or Certificate**.

Statement of Purpose

The purpose of this action is to make changes to 31.10-Health Insurance-General consistent with the changes recommended in the Maryland Insurance Administration's Regulatory Review and Evaluation Act Report for COMAR 31.10. These proposed regulations:

- Amend the enabling authority for 31.10.01 Health Insurance, 31.10.04 Health Insurance—Plan of Withdrawal, 31.10.19

Independent Review Organizations and Medical Experts, 31.10.20 Certification of HMO Medical Directors, 31.10.24 Discount Medical Plan Organizations and Discount Drug Plan Organizations, 31.10.28 Individual Health Insurance Contracts — Standard Provisions and Exclusions, and 31.10.37 Delivery of Policy or Certificate;

- Amend Regulations .02 and .03 under 31.10.01 Health Insurance to add new definitions for “grandfathered health plan coverage” and “nongrandfathered health plan coverage” and to comply with federal regulations requiring at least 60 days’ notice of renewal for individual grandfathered health benefit plans (45 C.F.R. 148.122(i)) and requiring notice of renewal before the first day of the open enrollment period for individual non-grandfathered health benefit plans (45 C.F.R. 147.106(f)(1));

- Amend Regulations .01 and .02 under COMAR 31.10.04 Health Insurance—Plan of Withdrawal to clarify that this chapter does not apply to health benefit plans that are issued under Title 15, Subtitles 12, 13, or 14 of the Insurance Article, and to add a definition of “health benefit plan”;

- Amend Regulation .03 under COMAR 31.10.16 Carrier Provider Panels—Application Process to clarify that certain information in the application process for carrier provider panels is required only “if applicable”;

- Repeal regulation .02 under COMAR 31.10.20 Certification of HMO Medical Directors as this Regulation provided a transition for those physicians who were acting as medical directors for HMOs before the effective date of this chapter. Since Regulation .02 applied only to physicians who were acting as medical directors before December 31, 1998, this regulation is no longer needed and should be repealed; and

- Amend Regulations .02 and .04 under COMAR 31.10.25 Required Standard Provisions for Individual Nonprofit Health Service Plan Contracts. Amendments to Regulation .02 add a new definition of “health benefit plan.” Amendments to Regulation .04C clarify that the current required text shall apply only to individuals who are not receiving advance payment of premium tax credits, and that contracts subject to the Affordable Care Act shall also contain the Grace Period referenced in §15-1315 of the Insurance Article for those individuals who are receiving advance payment of premium tax credits. Amendments to Regulation .04D prohibit an exclusion for an accident that occurs prior to reinstatement or a sickness that begins prior to 10 days after reinstatement, consistent with the Affordable Care Act’s ban on pre-existing condition limitations.

Comparison to Federal Standards

There is a corresponding federal standard to this proposed action, but the proposed action is not more restrictive or stringent.

Estimate of Economic Impact

The proposed action has no economic impact.

Economic Impact on Small Businesses

The proposed action has minimal or no economic impact on small businesses.

Impact on Individuals with Disabilities

The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment

Comments may be sent to Catherine Grason, Director of Regulatory Affairs, Maryland Insurance Administration, 200 St. Paul Place, Ste. 2700, Baltimore, Maryland 21202, or call 410-468-2201, or email to insuranceregreview.mia@maryland.gov, or fax to 410-468-2020. Comments will be accepted through January 27, 2016. A public hearing has not been scheduled.

31.10.01 Health Insurance

Authority: Insurance Article, §§2-109, 12-203, 12-205, 13-110(a), 13-111(b), 14-109(3)(iv), 14-126(a)(1), 14-405(b)(9), 14-410(c), 15-903, 15-904, 15-906—15-908, and 15-911[; Health-General Article, §19-713;], Annotated Code of Maryland

.02 [Definition.] Definitions.

A. (text unchanged)

B. Terms Defined.

(1) (text unchanged)

(2) “Grandfathered health plan coverage” has the meaning stated in Insurance Article, §15-1301, Annotated Code of Maryland.

[(2)](3)—[(4)](5) (text unchanged)

(6) “Nongrandfathered health plan coverage” is a health benefit plan that is not grandfathered health plan coverage.

[(5)](7) (text unchanged)

.03 Filing of Health Insurance Forms for Approval.

A.—R. (text unchanged)

S. In any individual health benefit plan in which the carrier has the right to change premium rates, the health benefit plan shall provide that notice of any increase in premium rates shall be given to the policyholder by mail:

(1) For grandfathered health plan coverage, at least [45] 60 days before the change in premium rates is proposed to become effective; and

(2) For nongrandfathered health plan coverage, before the first day of the annual open enrollment period.

T. (text unchanged)

31.10.04 Health Insurance—Plan of Withdrawal

Authority: Insurance Article, §§2-109, [27-601, 27-603, and 27-604] 27-606, Annotated Code of Maryland

.01 Scope.

A. (text unchanged)

B. This chapter does not apply to [health insurance products governed by Insurance Article, §15-1212] health benefit plans issued under Insurance Article, Title 15, Subtitles 12, 13, or 14, Annotated Code of Maryland.

.02 Definitions.

A. (text unchanged)

B. Terms Defined.

(1) “Health benefit plan” has the meaning stated in Insurance Article, §31-101, Annotated Code of Maryland.

[(1)](2)—[(2)](3) (text unchanged)

31.10.16 Carrier Provider Panels—Application Process

Authority: Insurance Article, §§2-109 and 15-112, Annotated Code of Maryland

.03 Requirements for Application Process.

A.—C. (text unchanged)

D. A carrier shall maintain an application log which, at a minimum, provides the following information:

(1) Name of the provider requesting or submitting the application;

(2) Date the provider requested an application, if applicable;

(3) Date the application is sent or delivered to the provider, if applicable;

(4)—(8) (text unchanged)

E.—F. (text unchanged)

31.10.19 Independent Review Organizations and Medical Experts

Authority: Insurance Article, §§2-109, 15-10A-05, and 15-10A-09, Annotated Code of Maryland; Chapter 112, Acts of 1998]

31.10.20 Certification of HMO Medical Directors

Authority: Insurance Article, §§2-109 and 15-10C-02, Annotated Code of Maryland; Chapter 112, Acts of 1998]

31.10.24 Discount Medical Plan Organizations and Discount Drug Plan Organizations

Authority: [Health-General Article, §19-706(jjj);] Insurance Article, §2-109 and Title 14, Subtitle 6; Annotated Code of Maryland

31.10.25 Required Standard Provisions for Individual Nonprofit Health Service Plan Contracts

Authority: Insurance Article, §12-203(g), Annotated Code of Maryland

.02 Definitions.

A. (text unchanged)

B. Terms Defined.

(1)—(2-1) (text unchanged)

(2-2) *“Health benefit plan” has the meaning stated in Insurance Article, §15-1301, Annotated Code of Maryland.*

(3)—(7) (text unchanged)

.04 Standard Provisions.

A.—B. (text unchanged)

C. Grace Period.

(1)—(2) (text unchanged)

(2-1) *The grace period provisions described in §§C(1) and (2) of this regulation shall not apply to an individual contract that is a health benefit plan under which the subscriber is receiving advance payment of federal premium tax credits.*

(2-2) *If the individual contract is a health benefit plan under which the subscriber is receiving advance payment of federal premium tax credits, the individual contract shall contain the grace period provision required by Insurance Article, §15-1315, Annotated Code of Maryland.*

(3)—(5) (text unchanged)

D. Reinstatement.

(1) Each individual contract shall contain in substance the following provision: “Reinstatement: If any renewal premium is not paid in full within the time granted the subscriber for payment, a later acceptance of premium in full by the carrier or by any agent authorized by the carrier to accept the premium, without requiring a reinstatement application in connection with the acceptance of the premium in full, shall reinstate the contract. However, if the carrier or the agent requires an application for reinstatement and issues a conditional receipt for the premium tendered, the contract will be reinstated upon approval of the application by the carrier or, lacking approval, upon the forty-fifth day following the date of the conditional receipt unless the carrier has previously notified the subscriber in writing of its disapproval of the reinstatement application. [The reinstated contract shall cover only loss resulting from accidental injury sustained after the date of reinstatement and loss due to sickness that begins more than ten days after the date of reinstatement. In all other respects the] *The subscriber and carrier shall have the same rights under the reinstated contract as they had under the contract immediately before the due date of the defaulted*

premium, subject to any provisions endorsed on the contract or attached to the contract in connection with the reinstatement. Any premium accepted in connection with a reinstatement shall be applied to a period for which premium has not been previously paid, but not to any period more than 60 days prior to the date of reinstatement.”

(2) (text unchanged)

(3) *The reinstatement provision of an individual contract that is not a health benefit plan may also include the following sentence: “The reinstated contract shall cover only loss resulting from accidental injury sustained after the date of reinstatement and loss due to sickness that first manifests itself more than ten days after the date of reinstatement.”*

E.—M. (text unchanged)

31.10.28 Individual Health Insurance Contracts — Standard Provisions and Exclusions

Authority: Insurance Article, §§2-109, 12-203(g), and [12-209(4)] 12-205(b)(4), Annotated Code of Maryland

31.10.37 Delivery of Policy or Certificate

Authority: Health-General Article, §§19-705(a)(2), [19-713,] and 19-729; Insurance Article, §§2-109(a)(1), 4-113, [12-107,] and 12-203, [12-209, 15-201, 15-412, 15-413, and 27-303]; Annotated Code of Maryland

ALFRED W. REDMER, JR.
Insurance Commissioner

Subtitle 13 CREDIT LIFE AND CREDIT HEALTH INSURANCE

31.13.01 Standards for Credit Life and Credit Health Insurance Contracts

Authority: Insurance Article, §§2-109, 13-110, 13-111, and 13-112; Commercial Law Article, [Title 12, Subtitle 3] §12-312; Annotated Code of Maryland

Notice of Proposed Action

[15-408-P]

The Insurance Commissioner proposes to amend the enabling authority and Regulation .15 under **COMAR 31.13.01 Standards for Credit Life and Credit Health Insurance Contracts.**

Statement of Purpose

The purpose of this action is to update the enabling authority to provide a specific statutory reference, correct a typographical error in Regulation .15, and to implement a proposed prima facie rate reduction for monthly premium credit health insurance as a result of a 2014 study performed by the Commissioner of the credit insurance loss ratios. The prima facie rates established within this regulation are developed by the Commissioner to ensure that the premiums charged are reasonable in relation to the benefits under the policies. As required by §13-111(e) of the Insurance Article, Annotated Code of Maryland, every 2 years the prima facie premium rates for credit insurance are revised if necessary based on experience for each class of business reported by the carriers. Prima facie rates for credit health insurance have not been revised since 2001. The 2014 study by the Commissioner recommended a reduction in the prima facie rates for credit health insurance on a monthly outstanding balance basis.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.